FRANCHISE DISCLOSURE DOCUMENT

THE TOASTED YOLK FRANCHISE COMPANY, LLC
A Texas limited liability company
20008 Champion Forest Drive, Suite 301
Spring, Texas 77379
936-827-4692
thetoastedyolk@yahoo.com
www.thetoastedyolk.com

The franchisee will operate a casual dining restaurant from a single location that offers an all-day breakfast, brunch, and lunch menu that features proprietary menu items made fresh daily.

The total investment necessary to begin operation of a The Toasted Yolk Cafe® franchise ranges from $1,058,000 to $1,721,700. This includes $90,000 to $95,000 that must be paid to the franchisor.

The total investment necessary to begin the operation of The Toasted Yolk Cafe® multi-unit development business ranges from $1,093,000 to $1,756,700, for a required minimum of 3 The Toasted Yolk Cafe® outlets to be developed. This includes $125,000 to $130,000 that must be paid to the franchisor.

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 the disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no 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. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: May 5, 2025

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 G.
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 D 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 The Toasted Yolk 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 The Toasted Yolk franchisee?	Item 20 or Exhibit G 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 us by mediation and litigation only in Texas. Out-of-state mediation and litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to mediate and litigate with us in Texas than in your own state.

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

3. **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.

4. **Unopened Franchises**. The franchisor has signed a significant number of franchise agreements with franchisees who have not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you also may experience delays in opening your own outlet.

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.

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE MICHIGAN FRANCHISE INVESTMENT LAW

The State of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you:

(a) A prohibition on the right of a franchisee to join an association of franchisees.
(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in the Michigan Franchise Investment Act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.
(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

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

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

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

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

Any questions regarding this notice should be directed to: Michigan Attorney General's Office, Consumer Protection Division, Attention: Franchise Section, G. Mennen Williams Building, 1st Floor, 525 West Ottawa Street, Lansing, Michigan 4893, Telephone Number: 517-373-7117.

Table of Contents

ITEM 1: THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES 7
ITEM 2: BUSINESS EXPERIENCE 8
ITEM 3: LITIGATION 9
ITEM 4: BANKRUPTCY 9
ITEM 5: INITIAL FEES 9
ITEM 6: OTHER FEES 10
ITEM 7: ESTIMATED INITIAL INVESTMENT 15
ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES 20
ITEM 9: FRANCHISEE'S OBLIGATIONS 22
ITEM 10: FINANCING 23
ITEM 11: FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING 24
ITEM 12: TERRITORY 32
ITEM 13: TRADEMARKS 34
ITEM 14: PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION 35
ITEM 15: OBLIGATIONS OF THE FRANCHISEE TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS 35
ITEM 16: RESTRICTION ON WHAT FRANCHISEE MAY SELL 36
ITEM 17: RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION 36
ITEM 18: PUBLIC FIGURES 43
ITEM 19: FINANCIAL PERFORMANCE REPRESENTATIONS 43
ITEM 20: OUTLETS AND FRANCHISEE INFORMATION 44
ITEM 21: FINANCIAL STATEMENTS 47
ITEM 22: CONTRACTS 47
ITEM 23: RECEIPT 48

LIST OF EXHIBITS

Exhibit A: State Administrators/Agents For Service Of Process
Exhibit B: Franchise Agreement
Exhibit C: Multi-Unit Development Agreement
Exhibit D: Financial Statements
Exhibit E: Operations Manual Table of Contents
Exhibit F: General Release
Exhibit G: Franchised Outlets
Exhibit H: Franchisee Acknowledgement Statement
Exhibit I: State Addenda

State Effective Dates
Receipts

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

To simplify the language in this disclosure document, the terms "Franchisor", or "we" or "us" means The Toasted Yolk Franchise Company, LLC, the Franchisor. The terms "we", "us" and "Franchisor" do not include you, the "Franchisee". We refer to the purchaser(s) of a The Toasted Yolk Cafe franchise, as "you" or "Franchisee", whether an individual, a partnership, corporation, or limited liability company. If you are a corporation, partnership or other entity, our Franchise Agreement also will apply to your owners, officers and directors. If you are married and your spouse is not a partner in the franchise business, certain provisions of our Franchise Agreement will also apply to that spouse.

We were formed as a limited liability company in the State of Texas on October 9, 2015. Our principal business address is 20008 Champion Forest Drive, Suite 301, Spring, Texas 77379, and our telephone number is 844-900-9655. We do business under our company name, "The Toasted Yolk Cafe" and its associated design (the "Marks"). Our affiliate, The Toasted Yolk Cafe, LLC, has registered our primary service marks on Principal Register of the United States Patent and Trademark Office. We do not own or operate any businesses of the type you will be operating. We have not offered franchises in any other line of business. We only offer franchises which operate under the "The Toasted Yolk Cafe" Marks. We began offering franchises in January of 2016.

The principal business addresses of our agents for service of process are shown on Exhibit A.

Our Parents, Predecessors and Affiliates

We have no parent or predecessor company.

We have an affiliated company, The Toasted Yolk Cafe, LLC, a Texas limited liability company with a principal place of business at 2129 West Davis Street, Conroe, Texas 77304. The Toasted Yolk Cafe, LLC, was formed on May 4, 2010, and is the owner of the Marks and has exclusively licensed use of the Marks to us. The Toasted Yolk Cafe, LLC, operates our six (6) affiliate-owned The Toasted Yolk Cafe outlets in Texas. The Toasted Yolk Cafe, LLC, has not offered franchises in this or in any other lines of business previously.

We have operated, through affiliates, The Toasted Yolk Cafe outlets similar to the franchise offered by this Disclosure Document since 2010. We may operate other The Toasted Yolk Cafe® concepts, including additional The Toasted Yolk Cafe® outlets, in the future.

The Franchise Offered:

We offer franchises for the right to operate a casual dining restaurant business under the "The Toasted Yolk Cafe" Marks, using our distinctive operating procedures and standards in limited protected territory and from a single location (the "Franchised Business"). The Franchised Business will offer an all-day breakfast, lunch, and brunch menu in addition to alcoholic beverages in an inviting and enjoyable atmosphere. The Franchised Business will also offer takeout and catering services. The distinguishing characteristics of a The Toasted Yolk Cafe Franchised Business include, but are not limited to, the The Toasted Yolk Café's distinctive exterior and interior décor, fixtures and furnishings, proprietary recipes, operations methods, inventory, procedures for management, training, advertising, and promotional programs, all of which may be changed, improved or further developed by us at any time (the "System").

We also offer qualified individuals the right to open a minimum of three (3) The Toasted Yolk Cafe® outlets in a designated area under the terms of a multi-unit development agreement. You must sign the then-current form of franchise agreement for each Franchised Business to be developed under the multi-unit development agreement, which may differ from the current Franchise Agreement included with this Franchise Disclosure Document.

Market and Competition:

The market for your The Toasted Yolk Cafe Franchised Business consists of the general public seeking casual breakfast, brunch and lunch dining in an inviting environment. Our customers particularly draw from the market segment of upper and middle-income households. Our franchises are located in shopping malls and/or are situated in central city, suburban or other high traffic locations and strip centers.

The market for restaurant services is well established and highly competitive. You will compete with businesses, including national, regional and local businesses, offering services similar to those offered by your The Toasted Yolk Café Franchised Business, including other breakfast, brunch and lunch dine-in and takeout restaurants. There are other breakfast, brunch and lunch restaurant franchises, as well as independent businesses throughout the United States, that may offer similar products and services. The market for our products and services is not seasonal but may be affected by economic conditions.

Industry Specific Regulations:

At all times during the operation of your Franchised Business, you must have a ServSafe® Food Handler certification. The jurisdiction where your Franchised Business is located may require additional food safety certifications. You must comply with all laws and regulations for proper food storage, preparation, and service.

The U.S. Food and Drug Administration, the U.S. Department of Agriculture and state and local health departments administer and enforce laws and regulations that govern food preparation and service and foodservice establishment sanitary conditions. State and local agencies inspect foodservice establishments to ensure that they comply with these laws and regulations. Some state and local authorities have adopted, or are considering adopting, laws or regulations that could affect: the content or make-up of food served at you're the Toasted Yolk® outlet, such as the level of trans fat contained in a food item; general requirements or restrictions on advertising containing false or misleading claims, or health and nutrient claims on menus or otherwise, such as "low calorie" or "fat free"; and the posting of calorie and other nutritional information on menus.

You must obtain all required licenses or permits to sell and serve alcoholic beverages at your Franchised Business. Alcoholic beverage permitting requirements, procedures and fees vary greatly by state.

You must comply with all local, state and federal laws and regulations that apply to the operation of your Franchised Business, including, among others, business operations, insurance, discrimination, employment, health, sanitation and workplace safety laws. Your advertising of the Franchised Business is regulated by the Federal Trade Commission. There may be federal, state and local laws which affect your Franchised Business in addition to those listed here. We strongly recommend that you investigate the law in your jurisdiction before you purchase a franchise.

You should investigate whether there are any other state or local regulations or requirements that may apply in the geographic area in which you intend to conduct business. You should consider both their effect on your business and the cost of compliance. You are responsible for obtaining all licenses and permits which may be required for your business.

ITEM 2: BUSINESS EXPERIENCE

Chief Executive Officer and Co-Owner: Chris Milton

Chris Milton is our co-founder and chief executive officer. Chris established the The Toasted Yolk Cafe concept in August 2010 with Matthew DeMott, and since then has worked exclusively developing and growing the brand. He is also the chief executive officer of The Toasted Yolk Café, LLC.

President and Co-Owner: Matthew DeMott

Matthew DeMott is our co-owner and president. Matthew established The Toasted Yolk Café concept with Chris Milton in August 2010 and is also the manager of The Toasted Yolk Café, LLC, a position he has held since August 2010.

Vice President of Franchise: Donnie Mixon

Donnie Mixon is our Vice President of Franchise, a position he has held since April 2023. Donnie previously served as our Director of Franchising, from May 2020 to April 2023 and as Director of Operations from February 2017 to May 2020.

Vice President of Emerging Brands: James Gray

James Gray is our Vice President of Emerging Brands, a position he has held since April 2023. James previously served as our Director of Operations, from July 2019 to April 2023. James also previously served as Regional Manager at Little Woodrow's in Midland, Texas from January 2017 to July 2019.

Director of Operations: Shan Peters

Shan is our Director of Operations, a position he has held since April 2023. Shan previously served as Vice President of Cheeseburger n Paradise located in Houston, Texas from April 2014 to September 2020 and as Vice President of Fuddruckers located in Houston, Texas from March 2017 to June 2021, after which he left the workforce.

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

We will charge you an initial franchise fee ("Initial Franchise Fee") when you sign the Franchise Agreement. The Initial Franchise Fee is Fifty Thousand Dollars ($50,000.00). This payment is fully earned by us and due in lump sum when you sign the Franchise Agreement. The Initial Franchise Fee is not refundable under any circumstance.

We will charge you a development fee ("Development Fee") when you sign the Multi-Unit Development Agreement. The Development Fee is an amount equal to Eighty-Five Thousand Dollars ($85,000.00) for the first three (3) The Toasted Yolk outlets you are to develop under the Multi-Unit Development Agreement, plus Seventeen Thousand Five Hundred Dollars ($17,500.00) multiplied by the number of additional The Toasted Yolk outlets you agree to develop.

The Development Fee is fully earned by us and due in lump sum when you sign the Multi-Unit Development Agreement. The Development Fee is not refundable under any circumstance. Upon execution of the Multi-Unit Development Agreement, you also will sign a franchise agreement for your first The Toasted Yolk Café outlet. You will receive a $50,000 credit from the Development Fee against the $50,000 Initial Franchise Fee due under your first franchise agreement. Upon execution of a lease for each The Toasted Yolk Café outlet you develop, you are required to sign our then-current franchise agreement for the next The Toasted Yolk Café outlet you are to develop, in accordance with your development schedule. For each additional

franchise agreement you sign, you will receive a $17,500 credit from the Development Fee against a discounted Initial Franchise Fee of Thirty-Five Thousand Dollars ($35,000.00) payable and you will pay the balance of Seventeen Thousand Five Hundred Dollars ($17,500.00) then due.

From time to time, we may offer special incentive programs as part of our franchise development activities. We reserve the right to offer, modify or withdraw any incentive program without notice to you. We currently offer an incentive whereby we will discount the Initial Franchise Fee to Thirty-Five Thousand Dollars ($35,000.00) for a second and each subsequent Franchise Agreement you sign with us.

You are required to pay us a Grand Opening Training Fee. The cost is $40,000 to $45,000 depending on whether air travel is required to get to your location and is payable 30 days prior to the opening of your The Toasted Yolk café outlet. The Grand Opening Training fee is for the on-site assistance of eight (8) trainers to provide training, support, and supervision, and includes the cost of our trainers' transportation, meals and lodging expenses that are incurred for a two-week (14 day) period. This charge is not refundable.

ITEM 6: OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Continuing Royalty Fee	5% of weekly Gross Revenue	Weekly by electronic funds transfer on the Tuesday following the close of each calendar week (Monday through Sunday) for gross revenues of the prior week.	Payable to us. See footnote 1.
Required Minimum Expenditure for Local Marketing and Advertising	1% of monthly Gross Revenue, subject to increases not to exceed 2% of monthly Gross Revenue.	As incurred.	Payable to third-party suppliers. All advertising must be approved by us. See Item 11. See footnote 2.
Brand Fund Contribution	0.5% of weekly Gross Revenue, subject to increases not to exceed 2% of weekly Gross Revenue.	Weekly by electronic funds transfer on the Tuesday following the close of each calendar week (Monday through Sunday) for gross revenues of the prior week.	Payable to us. See footnote 3.
Advertising Cooperative	Up to one-half of your required minimum local advertising expenditure.	As determined by cooperative.	No cooperatives have been established as of the date of this Disclosure Document. You are required to join an advertising cooperative if one is formed. Cooperatives will be comprised of all franchised The Toasted

Type of Fee	Amount	Due Date	Remarks
			Yolk Cafe® outlets in a designated geographic area, or we may establish a national cooperative comprised of all franchised The Toasted Yolk Cafe® outlets. Our affiliate-owned outlets may participate in an advertising cooperative, in our sole discretion. See footnote 4.
Late Charge	$75	As incurred	If you fail to pay us the Continuing Royalty Fee, Brand Fund Fee, or if you fail to submit your Gross Revenue report when due, we may charge you $75 for each late submission in addition to interest charges explained below.
Interest Charge	1.5% per month from due date, or maximum allowed by law	As incurred	If you fail to pay us any amount when due, we may charge you interest on the unpaid balance until the payment is received.
Non-Sufficient Funds Fee	$100	As incurred	If your check is returned or an electronic funds transfer from your bank account is denied for insufficient funds, for each occurrence we may charge you an Insufficient Funds Fee.
Successor Agreement Fee	25% of the then-current initial franchise fee.	Before signing successor franchise agreement	Payable to us. See Item 17.
Transfer Fee	50% of the then-current initial franchise fee. For transfers to: (i) an existing franchisee in good standing, the transfer fee is 25% of the then-current initial franchise fee, (ii) an entity owned and controlled by the franchisee for convenience purposes, there is no transfer fee and	Before we approve the transfer	Payable to us. See Item 17

Type of Fee	Amount	Due Date	Remarks
	(iii) a spouse, parent or child upon death or permanent disability, there is no transfer fee.		
Initial Training	No charge for initial training for up to two individuals. You pay all travel and other related expenses incurred by all trainees. The current fee to train additional personnel is $500.00 per person.	Travel and related expenses are due as incurred. Fees for training your key personnel are due prior to the commencement of training.	Initial training takes place in the Houston, Texas and/or Sarasota, Florida area. You must pay the incidental costs of attendance, which include but are not limited to, airfare, transportation, hotel and food costs for all trainees. Incidental costs are payable to third-party suppliers. Fees for additional or replacement trainees are payable to us. See Item 11.
Additional Training	A reasonable fee for all training programs. You pay all travel and other related expenses incurred by you and your personnel to attend training.	As incurred.	See footnote 5.
Remedial Training Fee	Our then-current trainer per diem rate plus expenses. Our current per diem rate is $350 per day, plus travel and other expenses.	As incurred.	We may impose this fee, payable to us, if you request additional training at your premises from time-to-time, or if you are operating below our standards and we require you to have additional training. You must also pay all costs of our trainer, which include but are not limited to, airfare, transportation, hotel and meals.
Examination of Books and Records	Cost of examination plus related expenses.	As incurred.	We have the right under the Franchise Agreement to examine your books, records and tax returns. If an examination reveals that you have understated any Gross Revenue report by two percent (2%) or more, you must pay to us the cost of the audit and all travel and related expenses, in addition to repaying monies owed and interest on the monies owed.

Type of Fee	Amount	Due Date	Remarks
Evaluation Fee	Actual cost of inspection and testing of a proposed item or vendor.	As incurred.	Payable to us. See footnote 6.
Quality Review Services	Varies	As incurred	Payable to third-party providers. See footnote 7.
Internal Systems Fee	Approximately $100 per month, subject to increase	Monthly, or as we otherwise specify.	We impose this fee to develop and maintain new or improved technology for the benefit of the System and the Franchised Business, including but not limited to, a franchise portal, benchmarking platform or other operations or communications systems.
Software/ Applications Fees	$1,000 monthly, subject to increase	Monthly, as required by providers	Payable to third-party suppliers or to us for access, support and updates to our approved software. These fees are subject to change by the software providers. We have the right to substitute or add different approved software or applications, which you must use.
Indemnification	Amount of loss or damages plus costs	As incurred.	See footnote 8.
Reimbursement of Cost and Expenses for Non-compliance	Actual costs and expenses	As incurred.	See footnote 9.
Reimbursement of legal fees and expenses	Our costs and expenses, including but not limited to attorneys' fees, incurred for your failure to pay amounts when due or failure to comply in any way with the	As Incurred	Payable to us.

Type of Fee	Amount	Due Date	Remarks
	Franchise Agreement.		
Confidential Operating Manual Replacement Fee	$250, or our then-current fee	As incurred	Paid to us
Insurance Reimbursement	Amount paid by us for your insurance obligations, plus a reasonable administrative fee	As incurred	You must reimburse us for any insurance costs and other fees we incur due to your failure to meet the insurance obligations required by the Franchise Agreement.
Taxes	Amount of taxes	When incurred.	You must reimburse us for any taxes that we must pay to any taxing authority on account of either the operation of your Franchised Business or payments that you make to us, including, but not limited to any sales taxes or income taxes imposed by any authority.

All fees and expenses described in this Item 6 are nonrefundable and are uniformly imposed. Except as otherwise indicated in the preceding chart, we impose all fees and expenses listed and you must pay them to us.

[1] You must pay us a Continuing Royalty Fee equal to five percent (5.0%) of the Gross Revenue generated weekly by your Franchised Business. "Gross Revenue" includes the full amount payable by your customers, without deduction for your delivery costs or for other write-offs; however, Gross Revenue does not include (i) any sales tax or similar taxes collected from customers and turned over to the governmental authority imposing the tax, (ii) properly documented refunds to customers, and (iii) properly documented promotional discounts (i.e. coupons). Gross Revenue does not include gift card purchases, at the time of purchase, but Gross Revenue does include the redemption amount of purchases made by gift card. If you do not report revenues for the week, then we will collect 120% of the last Continuing Royalty Fee collected and settle the balance the next period in which you report revenue. You are required to set up authorization at your bank to allow us to electronically transfer funds from your bank account to our bank account. Interest and late fees will apply to any late payments or electronic funds transfer requests denied due to insufficient funds.

[2] You must spend a minimum of one percent (1%) of Gross Revenue per month on local advertising and marketing activities, subject to increases not to exceed two percent (2%) of monthly Gross Revenue. Upon our request, you must furnish us with a quarterly report and documentation of local advertising expenditures during the previous calendar quarter.

[3] You must pay a Brand Fund Contribution of one-half percent (0.5%) of weekly Gross Revenue, subject to increases not to exceed two percent (2%) of weekly Gross Revenue, generated by your Franchised Business. Payments are due at the same and in the same manner as the Royalty Fee. You may be required

to set up authorization at your bank to allow the Brand Fund to electronically transfer funds from your bank account to the Brand Fund's bank account. Interest and late fees will apply to any late payments or electronic funds transfer requests denied due to insufficient funds. If you do not report your revenues for the week, then we will collect 120% of the last Brand Fund collected and settle the balance the next period in which you report revenue.

[4] You may be required to contribute up to one-half of your local advertising expenditure to an advertising cooperative, if one is established. This contribution is in addition to your required contributions to the Brand Fund. Any contributions made by you to the advertising cooperative shall be credited against your required expenditures for local advertising.

[5] We may offer mandatory and/or optional additional training programs from time to time. If we require it, you must participate in additional training for up to three (3) days per year, at a location we designate. We may also require you to attend a national business meeting or annual convention for up to three (3) days per year, at a location we designate. We reserve the right to impose a reasonable fee for all additional training programs, including the national business meeting or annual convention. You are responsible for any and all incidental expenses incurred by you and your personnel in connection with additional training or attendance at Franchisor's national business meeting or annual convention, including, without limitation, costs of travel, lodging, meals and wages.

[6] If you wish to purchase, lease or use any, equipment, supplies, services or other items unapproved or from an unapproved supplier, you must request our prior written approval. As a condition to our approval, we may require inspection of the proposed supplier's facilities and evaluation and testing of the proposed item or service. We reserve the right to charge you our actual cost of any inspection and testing.

[7] We may establish quality assurance programs conducted by third-party providers, such as, by way of example only, mystery shop programs and periodic quality audits, to monitor the operations of your Franchised Business. If we require it, you must subscribe and pay the fees for any such program.

[8] You must indemnify and hold us, our affiliates, and all of our respective officers, directors, agents and employees harmless from and against any and all claims, losses, costs, expenses, liability and damages arising directly or indirectly from, as a result of, or in connection with your business operations under the Franchise Agreement, as well as the costs, including attorneys' fees, of defending against them.

[9] If you fail to do so, in our sole discretion, we may correct any deficiency in the Franchised Business and/or your operation of the Franchised Business or take steps to modify, alter or de-identify the Franchised Business location upon the termination or expiration of the Franchise Agreement. You will reimburse us for our costs and expenses incurred to correct any deficiency or to modify, alter or de-identify the Franchised Business location.

ITEM 7: ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT
Single Unit

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is Made
Initial Franchise Fee[1]	$50,000	Lump sum payment in cash or available funds	Upon signing the Franchise Agreement.	Us

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is Made
Your Training Expenses[2]	$12,000 - $18,000	As required for transportation, lodging & meals; per your employment policy	As required by suppliers of transportation, lodging & meals; per your employment policy.	Suppliers of transportation, lodging & meals; your employees
Grand Opening Training[3]	$40,000 - $45,000	Lump sum payment in cash or available funds	Following opening, upon receipt of invoice	Us
Premises Lease Deposits[4]	$20,000 - $42,000	As required by landlord	As required by landlord	Landlord
Utilities Deposits[5]	$2,000 - $5,000	As required by utility providers	As required by utility providers	Utility providers
Architect and Design Fees[6]	$23,000 - $35,000	As required by provider	As required by provider.	Architect, Designer
Leasehold Improvements, Construction and/or Remodeling[7]	$400,000 - $900,000	As required by supplier, contractor or landlord	Before opening, as required by supplier.	Suppliers, contractor and/or Landlord
Furniture, Fixtures and Equipment[8]	$325,000 - $350,000	As required by supplier	Before opening	Suppliers
Signage[9]	$20,000 - $40,000	As required by supplier	Before opening	Supplier
Business Licenses and Permits[10]	$12,000 - $15,000	As required by government agencies	Before opening, as required by government agencies	Government Agencies
Computer Systems[11]	$0 - $3,200	As required by suppliers	Before opening	Suppliers
Initial Inventory to Begin Operating[12]	$22,000 - $25,000	As required by suppliers	Before opening	Suppliers
Professional Fees[13]	$3,000 - $7,000	As required by providers	As incurred	Attorney, Accountant, Other Professional Service Providers
Grand Opening Advertising [14]	$21,500 - $26,500	As required by supplier	As required by supplier	Suppliers
Insurance[15]	$2,500 - $5,000	As required by insurer	Before opening	Insurer
Smallwares[16]	$30,000	As required by suppliers	Before opening	Suppliers
Operating Expenses / Additional Funds – 3 months[17]	$75,000 - $125,000	As incurred	Payroll weekly, other purchases according to	Employees, utilities, suppliers, etc.

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is Made
			agreed-upon terms	
TOTAL	$1,058,000 to $1,721,700			

YOUR ESTIMATED INITIAL INVESTMENT
(Multi-Unit)

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is Made
Development Fee[1]	$85,000	Lump sum payment in cash or available funds	Upon signing the Franchise Agreement.	Us
Your Training Expenses[2]	$12,000 - $18,000	As required for transportation, lodging & meals; per your employment policy	As required by suppliers of transportation, lodging & meals; per your employment policy.	Suppliers of transportation, lodging & meals; your employees
Grand Opening Training[3]	$40,000 - $45,000	Lump sum payment in cash or available funds	Following opening, upon receipt of invoice	Us
Premises Lease Deposits[4]	$20,000 - $42,000	As required by landlord	As required by landlord	Landlord
Utilities Deposits[5]	$2,000 - $5,000	As required by utility providers	As required by utility providers	Utility providers
Architect and Design Fees[6]	$23,000 - $35,000	As required by provider	As required by provider.	Architect, Designer
Leasehold Improvements, Construction and/or Remodeling[7]	$400,000 - $900,000	As required by supplier, contractor or landlord	Before opening, as required by supplier.	Suppliers, contractor and/or Landlord
Furniture, Fixtures and Equipment[8]	$325,000 - $350,000	As required by supplier	Before opening	Suppliers
Signage[9]	$20,000 - $40,000	As required by supplier	Before opening	Supplier

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is Made
Business Licenses and Permits[10]	$12,000 - $15,000	As required by government agencies	Before opening, as required by government agencies	Government Agencies
Computer Systems[11]	$0 - $3,200	As required by suppliers	Before opening	Suppliers
Initial Inventory to Begin Operating[12]	$22,000 - $25,000	As required by suppliers	Before opening	Suppliers
Professional Fees[13]	$3,000 - $7,000	As required by providers	As incurred	Attorney, Accountant, Other Professional Service Providers
Grand Opening Advertising [14]	$21,500 - $26,500	As required by supplier	As required by supplier	Suppliers
Insurance[15]	$2,500 - $5,000	As required by insurer	Before opening	Insurer
Smallwares[16]	$30,000	As required by suppliers	Before opening	Suppliers
Operating Expenses / Additional Funds – 3 months[17]	$75,000 - $125,000	As incurred	Payroll weekly, other purchases according to agreed-upon terms	Employees, utilities, suppliers, etc.
TOTAL	$1,093,000 to $1,756,700			

[1] Please see Item 5 for information on incentive programs that may offer a discount on the Initial Franchise Fee.

[2] Please see Item 11 for more information about our initial training program. The chart estimates the costs for transportation, lodging, and meals for your key personnel to attend training. If you request additional support from our trainers, this will be an additional expense. These costs are not included in the Initial Franchise Fee. Your costs will depend on the number of people attending training, their point of origin, method of travel, class of accommodation and living expenses. The duration of the training program in the Houston, Texas and/or Sarasota, Florida area is forty-eight (48) days.

[3] This estimate represents the cost of six (6) trainers to provide on-site assistance upon your opening for a timespan of two weeks. It also includes an estimate of incidental costs related to Grand Opening Training, including transportation, lodging, and meals. If you request additional support from our trainers, this will be an additional expense.

[4] This estimate represents a one (1) month deposit of rent for a 4,000 – 5,000 square foot premises at a minimum rent ranging from $5 - $50 per square foot. Real estate costs vary widely from place to place. This estimate is based on prevailing rates in the suburban and urban Texas markets. Rental rates may be more or less than this range depending on the location of your Franchised Business. We cannot estimate the cost to purchase land. Most landlords require a security deposit of at least one month's rent. You may also incur real estate broker fees, additional prepayments (e.g., first and./or last month's rent), common

area maintenance (CAM) fees, real estate taxes and insurance costs, advertising or promotional fund fees or other costs, depending on the terms of your lease. Pre-paid rent is generally non-refundable while security or other deposits may be refundable either in full or in part depending upon your lease or rental contract.

[5] Utility providers set the amounts of the utility deposits. A credit check may be required by the issuing utility company prior to the initiation of services, or a higher deposit required for first time customers. These costs will vary depending on the type of services required for the facility and the municipality or utility provider from which they are being contracted. We have based our estimate on the experiences of our affiliates. The figures in the chart include deposits that may be refundable to you at a later time. In most cases, your lease will require you to pay electric, gas, water, and other utilities directly; however, some landlords cover some utility charges through operating fees.

[6] This estimate represents costs for an architect, designer, engineer and/or other professionals to adapt or modify our prototypical plans and specifications for the layout and design of your premises to meet our requirements and the requirements of your landlord and local building codes.

[7] We have based our estimates on the historical experience of our affiliate. They include permit fees and equipment costs. These estimates are applicable to a site which has been obtained in the "vanilla box" stage, which refers to the interior condition of either a new or existing building in which the improvements generally consist of heating/cooling with delivery systems, essential lighting, electrical switches and outlets, lavatories, a finished ceiling, walls that are prepped for painting and a concrete slab floor. The cost of construction or leasehold improvements to your Franchised Business will vary depending on many factors, including, but not limited to, the condition of the premises, the size and configuration, material and labor costs in your geographic area and whether your landlord will pay any of these costs as part of tenant improvements provided.

[8] The figures on this chart reflect the estimated range to purchase furniture, fixtures and equipment, including such items as restaurant tables and seating, audio/visual system, décor items and interior graphics.

[9] This estimate is for the cost to produce and mount storefront signage on the exterior of the building as well as interior signage, such as brand identification graphics for windows and walls. Cost of wall signage for the exterior of the building will vary based on the size of the façade. Pylon signage and directory panels will increase the cost.

[10] This estimate includes the cost of a local business license and a local liquor license. The costs of permits and licenses will vary by location. Requirements and fees vary widely. Please contact your local governing agency for this information.

[11] We require you to purchase or lease computer systems and software meeting our minimum specifications for use at your Franchised Business. The high end of this estimate includes the cost of the point-of-sale system, including monitors, computers, bar code and credit card readers, receipt printers, and installation of our required scheduling management software. You may choose to lease this system. The current leasing rates for the POS System are approximately $525 to $675 per month. You must also have Internet and other telecommunications equipment and services in accordance with our standards to permit electronic transmission of sales information. We reserve the right to change your requirements for computer hardware and software at any time.

[12] This estimate includes the cost of food, condiments, beverages, supplies and other miscellaneous items for approximately 3 months of operation.

[13] You may incur professional fees depending on the scope of work performed, which may include, legal and accounting fees to review franchise documents and costs of forming a separate legal entity and/or

obtaining zoning approval. This amount will vary greatly depending on your specific needs and location. We strongly recommend that you seek the assistance of professional advisors when evaluating this franchise opportunity, this disclosure document and the Franchise Agreement. It is also advisable to consult these professionals to review any lease or other contracts that you will enter into as part of starting your The Toasted Yolk Café franchise.

[14] Beginning at least thirty (30) days before the scheduled opening and sixty (60) days after the opening of your Franchised Business, we require you to spend at least $21,500 on grand opening advertising, including $13,000 on local advertising and promotional activities and $8,500 on promotional materials including banners, POP, and printed items.

[15] Before you open for business, you must purchase and maintain at your sole cost and expense the insurance coverage that we specify. Insurance costs and requirements may vary widely in different localities. The estimate is for the first quarterly premium for required minimum insurance coverage. We reserve the right to require additional types of insurance and coverage as provided in the Franchise Agreement.

[16] This estimate includes the cost of glassware, silverware, pots, pans and other miscellaneous items that you will need for the operation of your business.

[17] This is an estimate of the amount of additional operating capital that you may need to operate your Franchised Business during the first three (3) months after commencing operations. We cannot guarantee that you will not incur additional expenses in starting the business that may exceed this estimate. This estimate includes such items as rent, utilities, internet service, initial payroll and payroll taxes, Royalties (as described in this disclosure document), Brand Fund Contributions, repairs and maintenance, bank charges, miscellaneous supplies and equipment, initial staff recruiting expenses, and other miscellaneous items. These estimates do not include any compensation to you, nor do they include debt service. These items are by no means all-inclusive of the extent of possible expenses.

We relied upon the experience of our affiliate-owned The Toasted Yolk Café outlets to compile these estimates. You should review these figures carefully with a business advisor before making any decision to invest in the franchise. These figures are estimates and we cannot guarantee that you will not have additional expenses starting your Franchised Business. Your additional costs will depend on factors such as how closely you follow our methods and procedures; your management skill, experience, and business acumen; local economic conditions; the local market for our service; competition; and the sales level reached during your initial period. We estimate that a franchisee can expect to put additional cash into the business during at least the first three to six months, and sometimes longer. Notwithstanding, we cannot estimate or guarantee when, or whether, any individual franchisee will achieve positive cash flow or profits.

We do not offer direct or indirect financing to franchisees for any items included in this section.

All fees and payments are non-refundable, unless otherwise stated or permitted by payee.

ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

We have identified various suppliers, distributors and manufacturers of equipment, fixtures, inventory, and services that your Franchised Business must use or provide which meet our standards and requirements. You must purchase all inventory, equipment, computer systems and certain software from our designated suppliers and contractors or in accordance with our specifications. You must use our designated real estate broker, or another broker we approve, for site selection services. We maintain written lists of approved items of equipment, fixtures, inventory and supplies (by brand name and/or by standards and specifications) and a list of designated suppliers and contractors for those items. We will update these lists periodically and issue the updated lists to all franchisees.

We approve suppliers after careful review of the quality of the products they provide to us and our franchisees. If you would like us to consider another item or supplier, you must make such request in writing to us and have the supplier give us samples of its product or service and such other information that we may require. If the item and/or supplier meets our specifications, as we determine in our sole discretion, we will approve it as an additional item or supplier. We will make a good-faith effort to notify you whether we approve or disapprove of the proposed item or supplier within 30 days after we receive all required information to evaluate the product or service. If we do not approve any request within 30 days, it is deemed unapproved. We reserve the right to revoke approval of any item or supplier that does not continue to meet our then-current standards. Our criteria for approving items and suppliers are not available to you. If you request that we approve a proposed item or supplier, we may charge for our actual costs of product testing and evaluation.

We maintain written lists of approved items of equipment, fixtures, inventory and services (by brand name and/or by standards and specifications) and a list of designated suppliers and contractors for those items. We update these lists periodically and issue the updated lists to all franchisees. We reserve the right to change our requirements for furniture, fixtures and equipment at any time.

Neither the Franchisor nor any affiliate of the Franchisor are the sole approved or designated supplier for any product, good or service that you are required to purchase for the operation of your Franchised Business, although we and our affiliates reserve the right to become a supplier in the future. None of our officers own any interest in any privately-held or a material interest in any publicly-held approved or designated supplier for any product, good or service that you are required to purchase for the operation of your Franchised Business.

From time to time, we may receive revenue, rebates, discounts or other material consideration from suppliers based on your required purchases of products, supplies or equipment. Any rebates or discounts we receive may be kept by us in our sole discretion. During our fiscal year ending December 31, 2024, we did not receive any revenue, rebates, discounts or other material consideration from suppliers based on required purchases or leases by our franchisees.

We estimate that your purchase or lease of products, supplies and services from approved suppliers (or those which meet our specifications) will represent approximately 95% of your costs to establish your Franchised Business and approximately 75% to 85% of your costs for ongoing operation.

Before you open for business, you must purchase and maintain at your sole cost and expense the insurance coverage that we specify. This includes commercial general liability insurance, including contractual liability, public liability, products liability, products/completed operations coverage, personal injury, and advertising injury and environmental damage in the amount of at least One Million Dollars ($1,000,000) per occurrence and One Million Dollars ($1,000,000) in the aggregate and medical expense (any one person) of One Million Dollars ($1,000,000); property and casualty insurance in the amount of at least Two Million Dollars ($2,000,000) or the full replacement value of your personal property and leasehold improvements; business interruption insurance in an amount necessary to satisfy your obligations under your franchise agreement for at least six (6) months; statutory worker's compensation insurance in the limits required by state law; employment practices insurance in the amount of Fifty Thousand Dollars ($50,000) and employee dishonesty coverage of at least One Million Dollars ($1,000,000); liquor liability insurance in an amount of at least One Million Dollars ($1,000,000); umbrella liability insurance in an amount of at least One Million Dollars ($1,000,000); electronic equipment and data damage or loss of at least Ten Thousand Dollars ($10,000); identify theft coverage of at least Two Thousand Five Hundred Dollars ($2,500) each for loss and for expenses; and, if you operate a vehicle on behalf of your franchised business, comprehensive automobile liability insurance of at least One Million Dollars ($1,000,000). Your landlord may require greater coverage. Each policy must be written by a responsible carrier or carriers acceptable to us and must name us and our respective officers, directors, partners, agents and employees as additional insured parties, as their interests may appear.

Currently, there are no purchasing or distribution cooperatives. However, we can require that you make your purchases through a cooperative if one is formed.

We have negotiated purchase arrangements, including preferential price and service terms, with certain of our designated and approved suppliers on behalf of all franchisees.

We provide no material benefits (such as the grant of additional franchises) based on your use of designated sources; however, failure to use approved items or designated suppliers and contractors may be a default under the Franchise Agreement. Additionally, when there is any default under the Franchise Agreement, we reserve the right, in addition to other remedies available under the Franchise Agreement, to direct suppliers to withhold furnishing products and services to you.

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 or Article in Franchise Agreement	Section or Article in Multi-Unit Development Agreement	Item in Franchise Disclosure Document
a. Site Selection and Acquisition/Lease	8.1	Not Applicable	11
b. Pre-Opening Purchase/Leases	8.3, 12.3.1	Not Applicable	7, 11
c. Site Development & other Pre-Opening Requirements	8.2, 8.3, 12.1.1, 12.1.3	Article 5	11
d. Initial and Ongoing Training	Article 7	Not Applicable	11
e. Opening	8.2.3, 8.3, 8.4	Not Applicable	11
f. Fees	5.1, 5.2.7, Article 6, 8.4, 12.3.7, 12.6, 15.6, 16.4, 18.1.4, 18.1.5, 19.1.5	Article 4	5, 6, 7
g. Compliance with Standards and Policies/Operating Manual	Article 9, 12.1, 12.1.7, 19.1.1	Not Applicable	8, 11
h. Trademarks and Proprietary Information	9.4, Article 14, 19.2, 19.3, 19.4	Not Applicable	13, 14

i. Restrictions on Products/Services Offered	12.1.1, 12.1.4, 12.6	Not Applicable	8, 16
j. Warranty and Customer Service Requirements	Not Applicable	Not Applicable	Not Applicable
k. Territorial Development and Sales Quotas	13.2	Article 5	12
l. Ongoing Product/Service Purchases	12.1.4, 12.3.5	Not Applicable	8
m. Maintenance, Appearance and Remodeling Requirements	Article 9, 12.1.2, 12.1.5, 12.1.9	Not Applicable	Item 11
n. Insurance	Article 15	Not Applicable	7
o. Advertising	Article 13	Not Applicable	6, 11
p. Indemnification	15.4, 15.6, 16.3.6, 21.1	Article 9	14
q. Owner's Participation, Management, Staffing	11.1, 11.3, 12.1.6	Not Applicable	11, 15
r. Records /Reports	12.2	Not Applicable	6
s. Inspections and Audits	9.2, 12.1.7, 12.2.5	Not Applicable	6, 11
t. Transfer	Article 16	Article 6	17
u. Renewal	Article 5	Not Applicable	17
v. Post-Termination Obligations	Article 18	Section 7.4	17
w. Non-Competition Covenants	19.5	Article 8	17
x. Dispute Resolution	Article 20	Article 10	17
y. Guaranty	11.2.6, Attachment 6	Not Applicable	15

ITEM 10: FINANCING

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

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

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

1. Pre-Opening Obligations

Before you open your Franchised Business, we will:

a. provide you with site selection guidelines and approve a location for your Franchised Business. You are required to use our designated broker or another broker we approve, for site selection assistance. Within one hundred twenty (120) days of signing the Franchise Agreement, you must submit a written request for approval to us describing the proposed location and providing other information about the site that we reasonably request. We will respond within thirty (30) days after receipt, either accepting or rejecting the proposed location. We consider the following factors in approving a site: general location and neighborhood, distance from neighboring franchise territories, proximity to major roads and residential areas, traffic patterns, condition of premises, tenant mix, and demographic characteristics of the area. If you do not identify a site that meets our approval within one hundred twenty (120) days of signing the Franchise Agreement, we reserve the right to terminate the Franchise Agreement. We will not own and/or lease a site to you. You are responsible for negotiating a purchase or lease with the owner of a site we approve. (Franchise Agreement, Sections 8.1.2, 8.1.3,10.1).

b. provide you with prototypical plans and specifications for the layout, design, appearance, and signage for your The Toasted Yolk Cafe®. You are required to adapt our prototypical plans and specifications for the construction of your premises. (Franchise Agreement, Section 10.2).

c. loan to you the The Toasted Yolk Cafe® Operations Manual and other manuals and training aids we designate for use in the operation of your The Toasted Yolk Cafe Franchise, as they may be revised from time to time (Franchise Agreement, Section 10.3).

d. provide a written list of equipment, fixtures, furnishings, signage, supplies and inventory that will be required to open the Franchised Business. We and our affiliates do not deliver or install any of these items (Franchise Agreement, Section 10.5).

e. subject to applicable law, set the minimum and maximum for products and services at your The Toasted Yolk Cafe® (Franchise Agreement, Section 12.5).

f. provide you with initial training at one of our affiliate's locations in the Houston, Texas and/or Sarasota, Florida area and at your Franchised Business location. We will determine, in our sole discretion, whether you satisfactorily complete the initial training (Franchise Agreement, Sections 7.1, 7.2).

2. Time to Open

We estimate the typical length of time between the signing of the Franchise Agreement and the time you open your The Toasted Yolk Cafe is 300 days. Factors that may affect this time period include your ability to acquire a site, financing, zoning or other permits, including an acceptable liquor license; compliance with local ordinances and restrictions; shortages for construction; delivery and installation of

fixtures, signs and equipment, and completion of required training. If you have not opened your Franchised Business within three hundred (300) days after you sign the Franchise Agreement, you must obtain our consent to extend the time to open, which we may or may not grant, at our discretion. Failure to open your Franchised Business within the original time as extended, is a default of the Franchise Agreement. (Franchise Agreement, Sections 8.1.2, 8.3 and 8.4)

3. **Obligations After Opening**

During the operation of your franchise, we will:

a. offer from time to time, in our discretion, mandatory or optional additional training programs. If we require it, you must attend mandatory additional training offered by us for up to three (3) days each year at a location we designate and attend an annual business meeting or franchisee conference for up to three (3) days each year at a location we designate. Failure to attend mandatory additional training or an annual business meeting or conference is a default of the Franchise Agreement. We reserve the right to impose a reasonable fee for tuition and/or attendance for all additional training programs, including the annual business meeting or conference. You must also pay your transportation, lodging, meals and other expenses to attend any mandatory training program. If you fail to attend any mandatory training program, you are required to obtain the training at a location we designate, at your sole cost, which includes tuition at the then-current rate, plus all of your travel costs and our trainer's travel costs. (Franchise Agreement, Section 7.4).

b. upon your request, or as we determine to be appropriate, provide remedial on-site training and assistance at your premises. For any on-site remedial training, you must reimburse all costs for the services of our trainer, including but not limited to the trainer's then-current per diem fee and all travel-related expenses, such as transportation, meals and lodging (Franchise Agreement, Section 7.5).

c. upon your request, provide individualized assistance to you within reasonable limits by telephone, electronic communications, video conferencing or postage service, subject at all times to availability of our personnel and in reasonable limits (Franchise Agreement, Section 7.6).

e. from time to time, as may become available, provide you with samples or digital advertising and promotional materials (Franchise Agreement, Section 10.6).

f. conduct inspections of your Franchised Business, at the frequency and duration that we deem advisable. Such inspections include evaluating your products, service and premises to ensure that they meet our standards (Franchise Agreement, Section 10.4).

g. provide you with any written specifications for required equipment, fixtures, products and services and provide you with updated lists of any approved suppliers of these items (Franchise Agreement, Section 10.7).

h. subject to applicable law, set the minimum and maximum prices for products and services at your The Toasted Yolk Cafe (Franchise Agreement, Section 12.5).

i. approve or disapprove of all advertising, direct mail, and other promotional material and campaigns you propose in writing to us. We will respond within ten (10) business days, either accepting or rejecting the proposed material and/or campaign; however, if we do not respond within ten (10) business days, the proposed material and/or campaign is deemed "disapproved". (Franchise Agreement, Section 13.6).

4. **Advertising**

Local Advertising (Franchise Agreement, Sections 13.2 and 13.6)

We require you to spend at least $20,000 in opening advertising and promotional activities during the thirty (30) days before and sixty (60) days following the opening of your Franchised Business in the Territory. Thereafter, you are required to spend at least one percent (1%) of Gross Revenue per month, subject to increases not to exceed two percent (2%) of Gross Revenue per month, on local advertising to promote your Franchised Business. Upon our request, you must furnish us with a quarterly report and documentation of local advertising expenditures during the previous calendar quarter. We reserve the right to collect some or all of your grand opening funds and/or your Local Advertising expenditure and implement grand opening campaign activities and/or Local Advertising on your behalf.

You may develop advertising materials for your own use at your own cost, and you may use marketing materials that we may offer to you from time to time. You may not use any advertising or marketing materials, including press releases, unless they have been approved in advance in writing by us, which approval may be withheld in our discretion. We will respond to your request for approval within ten (10) business days; however, if we do not respond within ten (10) business days, the proposed advertising or marketing material is deemed "disapproved".

We do not provide for placement of local advertising on your behalf, and we have no obligation to spend any amount on advertising in your area or territory. You are responsible for local advertising placement. You must list the Franchised Business in local business directories, including, but not limited to, listings on Internet search engines. If feasible, you may do cooperative advertising with other The Toasted Yolk Cafe® franchisees in your area, with our prior written approval. You may not maintain any business profile on Facebook, Instagram, TikTok, Twitter, LinkedIn, YouTube, Yelp or any other social media and/or networking site without our prior written approval. You shall provide us will all passwords and administrative rights to any and all social media accounts for the Franchised Business.

System-wide Brand Fund (Franchise Agreement, Section 13.3)

You are required to contribute to the Brand Fund one-half percent (0.5%) of weekly Gross Revenue, subject to increases not to exceed two percent (2%) of weekly Gross Revenue, generated by your Franchised Business. Each The Toasted Yolk Cafe® outlet operated by our affiliate or us may contribute to the Brand Fund, in our discretion, but has no obligation to do so.

The Brand Fund is administered by our accounting and marketing personnel. We may use Brand Fund contributions to pay any and all costs for the development, production and placement of advertising, marketing, promotional and public relations materials and programs. We may also use Brand Fund contributions to pay any and all costs of marketing seminars and training programs, market research, services of advertising and/or public relations agencies, and website development and maintenance. We may further use Brand Fund contributions to pay our costs (including personnel and other administrative costs) for advertising that is administered by us or prepared by us, as well as for administration and direction of the Brand Fund.

The Brand Fund will not be used to defray any of our other general operating expenses. Brand Fund contributions will not be used to solicit new franchise sales; provided however, we reserve the right to include "Franchises Available" or similar language and contact information in advertising produced with Brand Fund contributions.

The Brand Fund collects and expends the Brand Fund contributions for the benefit of the System as a whole. We reserve the right to use the Brand Fund contributions to place advertising in national, regional or local media (including broadcast, print, or other media) and to conduct marketing campaigns through any channel, in our discretion, including but not limited to, Internet and direct-mail campaigns. We have no

obligation, however, to place advertising or conduct marketing campaigns in any particular area, including the Territory where your Franchised Business is located.

The Brand Fund and its earnings shall not otherwise inure to our benefit except that any resulting technology and intellectual property shall be deemed our property.

We have no obligation to make expenditures that are equivalent or proportionate to your Brand Fund contribution or to ensure that you benefit directly or pro rata from the production or placement of advertising from the Brand Fund.

The Brand Fund is not audited. An annual unaudited financial statement of the Brand Fund is available to any franchisee upon written request.

If we spend more or less than the total of all contributions to the Brand Fund in any fiscal year, we may carry-forward any surplus or deficit to the next fiscal year.

During our most recent fiscal year ended December 31, 2024, Brand Fund Contributions were used as follows: 40% on Placement, 40% on Administrative, and 20% on Production. Although the Brand Fund is intended to be of perpetual duration, we may terminate it at any time and for any reason or no reason. We will not terminate the Brand Fund, however, until all monies in the Brand Fund have been spent for advertising or promotional purposes or returned to contributors, without interest, on the basis of their respective contributions.

Regional Advertising (Franchise Agreement, Section 13.4)

Currently, our System has no regional advertising fund or cooperative. However, we may decide to establish a regional fund or cooperative in the future and your participation may be mandatory, in our sole discretion. A regional cooperative will be comprised of all franchised The Toasted Yolk Cafe® outlets in a designated geographic area. Our affiliate-owned outlets may participate in a regional cooperative, in our sole discretion. Each The Toasted Yolk Cafe® outlet will have one vote in the cooperative. We will determine in advance how each cooperative will be organized and governed. We have the right to form, dissolve, merge or change the structure of the cooperatives. If a cooperative is established during the term of your Franchise Agreement, you must sign all documents we request and become a member of the cooperative according to the terms of the documents.

If we establish a regional advertising fund or cooperative, you must contribute amounts we require. Your contributions to a regional advertising fund or cooperative will be in addition to your required contributions to the Brand Fund; however, contributions made by you to a regional advertising fund or cooperative will be credited against your required expenditures for local advertising.

Advertising Council (Franchise Agreement, Section 9.6)

We have an advertising council composed of franchisees that advises us on advertising policies. The franchisee advisory council allows franchisees to communicate ideas, including proposed advertising policies. The council is intended to serve in an advisory capacity only. The council has a one year term and meets quarterly. We determine in advance how franchisees are selected to the council, which includes factors such as a franchisee's level of success, superior performance, and outlet profitability. We reserve the right to change or dissolve the council at any time.

5. **Computer Systems** (Franchise Agreement, Section 12.3)

You must purchase or lease, install, and maintain an electronic point of sale cash register system to record sales and transaction data (such as item ordered, price, and date of sale) that we designate. The current requirement is the Revention POS system. However, we reserve the right to change our POS system at any time during the term of your franchise agreement. You will use the POS System as a cash register system, a customer data system, an inventory system, an employee payroll and time maintenance system, and a daily sales reporting system. You must connect the POS System to a high-speed communications device which is capable of accessing the Internet via a third-party network. We have the right to independently access all information and financial data recorded by the system for daily polling, audit, and sales verification. Updates or replacement of the POS System, both hardware and software, may be required. There is no contractual limitation on the frequency or cost of these obligations.

The estimated cost to lease the POS System is $525 to $675 per month. The current monthly software access fees are $1,0000, subject to increase by third-party service providers. We cannot estimate the cost of maintaining, updating and upgrading your smart device or computer hardware and software because it will depend on the make and model of your device and computer, repair history, usage, local cost of computer maintenance services in your area and technological advances that we cannot predict.

At our request, you must install and maintain interactive multi-media equipment, devices, and facilities that we require, including approved music systems, wi-fi, and other wireless Internet and communications systems and interactive and/or digital menu displays, including plasma or LCD screens.

There are no contractual limitations on the frequency and cost of upgrades and/or updates to the above-described systems or programs. We may in the future modify or establish other sales reporting systems or project design methods, as we deem appropriate, for the accurate and expeditious reporting of Gross Revenue and delivery of our products and services. You must fully cooperate in implementing any such modifications at your expense.

We have no obligation to maintain, repair, update or upgrade your computer and software. At your cost, you must provide on-going maintenance and repairs to your computer and software. You must upgrade your smart device, computer hardware and software as necessary to operate the most current version of our POS System and design software. We cannot estimate the cost of maintaining, updating and upgrading your smart device or computer hardware and software because it will depend on the make and model of your device and computer, repair history, usage, local cost of computer maintenance services in your area and technological advances that we cannot predict.

We reserve the right to have independent access to your sales information and customer data generated by and stored in the POS System. There are no contractual limitations on our right to have full access to this information. At our option, we may retrieve, download, analyze and store such information and data at any time. Upon our request, you must sign any documents we require to allow us to independently and electronically access and retrieve the information stored on the POS System. We own all customer data stored in the POS System.

6. **Table of Contents of Operations Manual**

The Table of Contents of our The Toasted Yolk Cafe® Operations Manual, current as of the date of this Disclosure Document is attached as Exhibit E. The Operations Manual has a total of 245 pages.

7. **Training** (Franchise Agreement, Article 7)

You (if the franchisee is an individual) or all of your owners (if the franchisee is a business entity) must also complete our five (5) day Initial Training Program, to our satisfaction, at least thirty (30) days before opening your Franchised Business. Initial Training generally commences on a Wednesday and ends on a Sunday. We will train you at a The Toasted Yolk Cafe outlet in Houston, Texas and/or Sarasota, Florida, operated

by one of our affiliates; however, we reserve the right to designate an alternate location for the Initial Training Program.

OWNER INITIAL TRAINING PROGRAM

Subject	Classroom Hours	On-The-Job Training Hours	Location
Tour of Toasted Yolk	1	-	Houston, TX area, Sarasota, FL area, or a location we designate
Use of the Manual	1	-	Houston, TX area, Sarasota, FL area, or a location we designate
Pre-Opening Procedures	2	5	Houston, TX area, Sarasota, FL area, or a location we designate
Scheduling	3	-	Houston, TX area, Sarasota, FL area, or a location we designate
Craftable (inventory)	3	2	Houston, TX area, Sarasota, FL area, or a location we designate
Hungerrush (POS)	3	3	Houston, TX area, Sarasota, FL area, or a location we designate
Alcohol Management	1	-	Houston, TX area, Sarasota, FL area, or a location we designate
Core Process	2	1	Houston, TX area, Sarasota, FL area, or a location we designate
Kitchen Management/Expo	4	4	Houston, TX area, Sarasota, FL area, or a location we designate
Payroll	3	-	Houston, TX area, Sarasota, FL area, or a location we designate

Customer Service	2	10	Houston, TX area, Sarasota, FL area, or a location we designate
TOTAL HOURS OF TRAINING:	25	25	

We will also provide initial training for up to two (2) of your managers. Your managers must fully complete our forty-eight (48) day manager training program at least 2 weeks prior to the opening of your Franchised Business. We will train your managers at a The Toasted Yolk Cafe outlet in Houston, Texas and/or Sarasota, Florida, operated by one of our affiliates; however, we reserve the right to designate an alternate location for the Initial Training Program.

MANAGER TRAINING PROGRAM

Subject	Classroom Training Hours	On-the-Job Training Hours	Location
History of The Toasted Yolk	1	-	Houston, TX area, Sarasota, FL area, or a location we designate
Use of the Manual	1	-	Houston, TX area, Sarasota, FL area, or a location we designate
Tour of The Toasted Yolk	4	-	Houston, TX area, Sarasota, FL area, or a location we designate
Pre-Opening Procedures	2	-	Houston, TX area, Sarasota, FL area, or a location we designate
Personnel Issues	2	10	Houston, TX area, Sarasota, FL area, or a location we designate
Advertising	2	4	Houston, TX area, Sarasota, FL area, or a location we designate
Core Processes and Daily Routine	5	48	Houston, TX area, Sarasota, FL area, or a location we designate
Franchise Reporting Requirements	1	2	Houston, TX area, Sarasota, FL area, or a location we designate

Subject	Classroom Training Hours	On-the-Job Training Hours	Location
Accounting/Record keeping	2	4	Houston, TX area, Sarasota, FL area, or a location we designate
Customer Service Procedures	5	48	Houston, TX area, Sarasota, FL area, or a location we designate
Server	5	80	Houston, TX area, Sarasota, FL area, or a location we designate
Front/Back of House – Manager Duties	5	80	Houston, TX area, Sarasota, FL area, or a location we designate
Back of House – Prep/Cook Procedures	5	80	Houston, TX area, Sarasota, FL area, or a location we designate
Inventory Management	2	16	Houston, TX area, Sarasota, FL area, or a location we designate
POS System	2	24	Houston, TX area, Sarasota, FL area, or a location we designate
Cleaning Procedures	2	18	Houston, TX area, Sarasota, FL area, or a location we designate
Safety Procedures	2	6	Houston, TX area, Sarasota, FL area, or a location we designate
TOTAL HOURS OF TRAINING:	48	420	

We periodically conduct our Initial Training Program and Manager Training Program on an as-needed basis. Training will be provided by or under the direction of Scott Raines and Michelle Kirby. Scott is our Training Director, a position he has held since May 2021. Scott was the Trainer Specialist for Another Broken Egg for 7 years before leaving and joining The Toasted Yolk. Michelle Kirby is our Training Coordinator, a position she has held since December 2022. Michelle was an Assistant Manager with The Toasted Yolk from July 2018 to April 2021. She then was promoted to General Manager of multiple locations from April 2021 to December 2022.

Our training material consists of our Operations Manual. You and your managers will receive both classroom and hands-on training. In-restaurant training includes observation and active instruction.

The cost of our instructors, training materials, and in-restaurant training for up to two (2) owners at Initial Training and up to two (2) managers at Manager Training is included in the Initial Franchise Fee. You must pay for all travel and personal expenses, including, but not limited to, all costs for your transportation, meals, and lodging for yourself and your personnel. Our current fee to provide initial training to any additional trainees is $500 per person.

If you do not complete our Initial Training Program or your manager does not complete Manager Training to our satisfaction, we reserve the right to terminate the Franchise Agreement. We also reserve the right to charge a reasonable fee to provide initial training in the Houston, Texas or Sarasota, Florida area, to any manager you appoint, with our approval, after the initial opening of your Franchised Business. Our current fee to provide management training to any approved manager is $500 per person. You must also pay your manager's travel and personal expenses.

In conjunction with the opening of your Franchised Business, you are required to pay us a Grand Opening Training Fee of $40,000 - $45,000, which includes on-site assistance for eight (8) trainers to provide your managers on-site training, supervision and assistance with daily operations and grand opening for two (2) weeks, plus the costs of travel, lodging, and meals.

We may conduct mandatory or optional additional training programs, including an annual conference or national business meeting. If we require it, you must attend mandatory training programs that we offer for up to three (3) days each year, and an annual conference or national business meeting for up to three (3) days each year, at a location we designate. Failure to attend mandatory training, including an annual conference or business meeting is a default under the Franchise Agreement. We reserve the right to impose a reasonable fee for tuition and/or attendance for all additional training programs, including the annual business meeting or conference. You must also pay your transportation, lodging, meals and other expenses to attend any mandatory training program. If you fail to attend any mandatory training program, you are required to obtain the training at a location we designate, at your sole cost, which includes tuition at the then-current rate, plus all of your travel costs and our trainer's travel costs.

ITEM 12: TERRITORY

Under the Franchise Agreement, you have the right to establish and operate one (1) The Toasted Yolk Cafe® outlet within a limited protected territory that will be defined after the location of your Franchised Business is identified and approved by us (the "Territory"). You are required to find and obtain possession of a specific location in your Territory for your Franchised Business that meets our site selection standards and our approval. The scope and size of the Territory will be in our sole discretion, based on the following factors: general location, traffic patterns, parking availability, size of site in relation to building type, access, visibility, area demographics, population density, surrounding area commercial activity, and market demands. Because these factors may vary significantly from location to location, at a minimum, your Territory may be limited to your The Toasted Yolk Cafe® outlet premises or the retail building where it is located. Your Territory will be defined and attached to your Franchise Agreement as Attachment 2. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. If you do not yet have a location at the signing of the Franchise Agreement, you will receive a non-exclusive site search area list as Attachment 2.

During the term of your Franchise Agreement, and provided that you are not in default of your Franchise Agreement, we will not open another The Toasted Yolk Cafe® outlet or grant the right to anyone else to open a The Toasted Yolk Cafe® outlet within the Territory. However, notwithstanding this limited protection right we grant to you, we reserve all rights to sell our products and services under the Marks in the Territory

through alternative distribution channels, as discussed below. The Territory does not grant you an exclusive customer base. While you will be required to use commercially reasonable efforts to operate your franchise to achieve optimum sales, there is no minimum sales requirement, market penetration or other contingency that will affect your limited protected right to operate in the Territory during the term of your Franchise Agreement, unless you are in default of your obligations to us.

If you sign a Multi-Unit Development Agreement, during the term of your Agreement, provided that you are not in default of your Agreement or development schedule, we will not open another The Toasted Yolk Cafe outlet or grant the right to anyone else to open a The Toasted Yolk Cafe outlet within your development area until the expiration or sooner termination of your Multi-Unit Development Agreement. However, notwithstanding this limited protection right we grant to you, we reserve all rights to sell our products and services under the Mark in the development area through alternative distribution channels, as discussed below. We will approve the location of each The Toasted Yolk Cafe outlet to be opened under the Multi-Unit Development Agreement and the Territories for those outlets based on our then-current criteria. Subject to the foregoing, you will not receive an exclusive development area. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

You may not change the location of your The Toasted Yolk Cafe® outlet without our written consent, which we may withhold in our sole discretion. If you wish to relocate, you must identify a new location for the your The Toasted Yolk Cafe® outlet that meets our approval, in accordance with our then-current site selection procedures. While you are closed for relocation, you must continue to pay us a minimum Royalty and Brand Fund contribution equal to the average paid during the four (4) calendar quarters immediately preceding the loss of your premises.

Unless you have signed our Multi-Unit Development Agreement, we may, but have no obligation to, consider granting to you the right to establish additional The Toasted Yolk Cafe® outlets under other franchise agreements if you are successful and in compliance with the Franchise Agreement and propose to open another The Toasted Yolk Cafe® outlet in an area and at a location we approve. The Franchise Agreement grants you no options, rights of first refusal or similar rights to acquire additional franchises.

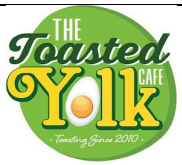
We reserve all rights not expressly granted in the Franchise Agreement. For example, we or our affiliates may own, operate or authorize others to own or operate The Toasted Yolk Cafe® outlets outside of the Territory and may operate other kinds of businesses within the Territory. Although we do not currently do so and have no plans to do so, we and our affiliates may own, acquire, conduct, or authorize others to conduct, any form of business at any location selling any type of product or service not offered under the Marks, including a product or service similar to those you will sell at your Franchised Business. We reserve the right to merge with, acquire, or be acquired by, an existing competitive or non-competitive franchise network, chain, or other business; however, we will not convert any acquired business in your Territory to a franchise using our primary trademarks during the Term of your Franchise Agreement.

We and our affiliates may sell products and services under the Marks within or outside the Territory through any method of distribution other than a dedicated The Toasted Yolk Cafe outlet location, including, sales through such channels of distribution as retail outlets, including but not limited to, convenience stores and supermarkets, mail orders, e-commerce and co-branding with other restaurant concepts, and sales at captive market locations, such as airports, amusement parks, train stations, travel plazas, shopping malls with gross leasable area in excess of 350,000 square feet, stadiums, corporate or educational campuses and other captive market events, locations, or facilities where food and/or beverage service rights are contracted to a third party ("Alternative Distribution Channels"). You will receive no compensation for our sales through Alternative Distribution Channels in the Territory. The Franchise Agreement does not grant you any right to participate in franchises, licensing programs or other business proposals for the sale and distribution of The Toasted Yolk Cafe® products or services through Alternate Distribution Channels.

You may not use Alternative Distribution Channels to make sales inside or outside your Territory; however, we will include a listing on our website with a listing of your The Toasted Yolk Cafe® outlet location. You may only solicit sales from customers in your Territory. Your local advertising must target customers in your Territory, although the reach of your local advertising may extend beyond your Territory.

ITEM 13: TRADEMARKS

The Toasted Yolk Cafe, LLC ("Licensor") is the owner of the Marks and has granted us the exclusive right to use the Marks and license to others the right to use the Marks in the operation of a The Toasted Yolk Cafe® outlet in accordance with the System. The Franchise Agreement will license to you the right to operate your Franchised Business under the The Toasted Yolk Cafe service marks, as described below ("Principal Mark"):

Mark	Registration Number	Registration Date	Register
THE TOASTED YOLK CAFE	7,155,302	09/05/2023	Principal
	7,184,804	10/03/2023	Principal

Licensor has filed all required affidavits.

You must notify us immediately when you learn about an infringement of or challenge to your use of the Principal Mark or other Marks. Licensor and we will take any action we think appropriate and, if you have given us timely notice and are in full compliance with the Franchise Agreement, we will indemnify you for all expenses and damages arising from any claim challenging your authorized use of the Principal Mark or other Marks. Licensor and we have the right to control any administrative proceedings or litigation involving the Principal Mark or other Mark licensed by us to you. You must cooperate fully with Licensor and us in defending and/or settling the litigation.

We reserve the right to substitute different Marks if we can no longer use the current Marks, or if we determine that substitution of different Marks will be beneficial to the System. In such event, we may require you, at your expense, to modify or stop using any Mark, including the Principal Mark, or to use one or more additional or substitute Marks.

You must not directly or indirectly contest Licensor's right, or our right, to the Principal Mark or other Marks.

There are no currently effective material determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeals Board, the Trademark Administration of any state, or any court relating to the Marks. There is no pending infringement, opposition or cancellation. There is no pending material federal or state court litigation involving the Principal Mark or other Marks.

There are no currently effective agreements that significantly limit Licensor's or our rights to use or license the use of the Principal Mark or other Marks in a manner material to the franchise.

As of the date of this Disclosure Document, we know of no superior prior rights or infringing uses that could materially affect your use of the Principal Mark.

ITEM 14: PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We hold no patents and have no pending patent applications that are material to the franchise. We have registered no copyright with the United States Copyright Office. However, we claim copyrights on certain forms, advertisements, promotional materials, photographs and other written materials. We also claim copyrights and other proprietary rights in our Manual.

There are no current material determinations of, or proceedings pending in, the United States Patent and Trademark Office, the U.S. Copyright Office, or any court regarding any of our copyrights discussed above.

There are no agreements currently in effect that limit your right to use any of our copyrights. As of the date of this Disclosure Document, we are unaware of any infringing uses of or superior previous rights to any of our copyrights that could materially affect your use of them.

You must notify us immediately when you learn about an infringement of or challenge to your use of our copyrights. We will take any action we think appropriate and, if you have given us timely notice and are in full compliance with the Franchise Agreement, we will indemnify you for all expenses and damages arising from any claim challenging your authorized use of our copyrights. We have the right to control any administrative proceedings or litigation involving our copyrights licensed by us to you. You must cooperate fully with us in defending and/or settling the litigation.

During the term of the Franchise Agreement, you may have access to and become acquainted with our trade secrets, including, but not limited to, recipes, methods, processes, customer lists, vendor partnerships and/or relationships, sales and technical information, financial information, costs, product prices and names, software tools and applications, website and/or email design, products, services, equipment, technologies and procedures relating to the operation of the Franchised Business; the Operations Manual; methods of advertising and promotion; instructional materials;, any other information which we may or may not specifically designate as "confidential" or "proprietary", and the components of our System whether or not such information is protected or protectable by patent, copyright, trade secret or other proprietary rights (collectively called the “Confidential Information”). You agree that you will take all reasonable measures to maintain the confidentiality of all Confidential Information in your possession or control and that all such Confidential Information and trade secrets shall remain our exclusive property. You may never (during the Initial Term, any Renewal Term, or after the Franchise Agreement expires or is terminated) reveal any of our confidential information to another person or use it for any other person or business. You may not copy any of our Confidential Information or give it to a third party except as we authorize in writing to you prior to any dissemination. Any and all of your personnel who have access to our Confidential Information must sign our Confidentiality/Non-Competition Agreement (Franchise Agreement, Attachment 8).

You must promptly tell us when you learn about unauthorized use of any Confidential Information. We are not obligated to take any action but will respond to this information as we think appropriate. We will indemnify you for losses brought by a third party concerning your use, in strict compliance with the Franchise Agreement, of the Confidential Information.

ITEM 15: OBLIGATIONS OF THE FRANCHISEE TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

The Franchise Agreement requires that either you personally supervise and manage the day-to-day operation of your Franchised Business or you hire a qualified general manager. You may not appoint a

non-owner general manager, unless you receive our prior written approval. Upon approval, your manager must successfully complete our Initial Training Program and all other training courses we require. Your manager must devote full time to the job and cannot have an interest or business relationship with any of our competitors. If the franchisee is a business entity, your manager is not required to have an equity interest in the franchisee entity but must otherwise meet our approval.

Your manager and all other personnel who will have access to our proprietary and Confidential Information and training must sign our Non-Disclosure/Non-Competition Agreement, which is attached to our Franchise Agreement as Attachment 9. If your Franchised Business is owned by an entity, all owners of the entity must personally sign the Franchise Agreement as a Principal. If you are a married individual, your spouse must sign our Guaranty, which is attached to our Franchise Agreement as Attachment 6.

ITEM 16: RESTRICTION ON WHAT FRANCHISEE MAY SELL

You must offer and sell all products and services that are part of the System, and all services and products which we incorporate into the System in the future. You may only offer products and services that we have previously approved.

You may not use our Marks for any other business, and you may not conduct any other business from your Franchised Business location. You cannot engage in any other business that competes with your Franchised Business, with us or our affiliates, or with The Toasted Yolk Cafe® outlets owned by other franchisees, whether such business is inside or outside of the Territory.

We may add to, delete from or modify the products and services that you can and must offer. You must abide by any additions, deletions and modifications, but only if the changes do not materially and unreasonably increase your obligations under the Franchise Agreement. There are no other limits on our rights to make these changes.

You may only sell products and services in the manner we prescribe. You may only solicit sales from customers in your Territory. Your local advertising must target customers in your Territory, although the reach of your local advertising may collaterally extend beyond your Territory.

ITEM 17: RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP
(UNDER THE FRANCHISE AGREEMENT)

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	Art. 4	Term is ten years
b.	Renewal or extension of the Term	Sections 5.1 and 5.5	If you are in good standing as defined below, you can sign up to two (2) successor franchise agreements for additional terms of five (5) years each, unless we have determined, in our sole discretion, to withdraw from the geographical location where your Franchise is located.
c.	Requirements for franchisee to renew or extend	Sections 5.2 and 5.3	Be in full compliance, have no more than three (3) events of default during current

	Provision	Section in Franchise Agreement	Summary
			term, provide written notice to us at least six months before the end of the term, execute a new franchise agreement, pay us the Successor Agreement Fee equal to twenty-five percent (25%) of the then-current initial franchise fee, continue to have the right to occupy the premises or have received approval from us to relocate, remodel your Franchised Business location, execute a general release, comply with then-current qualifications and training requirements, including completion of additional training. You may be asked to sign a new Franchise Agreement with materially different terms and conditions than your original Franchise Agreement.
d.	Termination by franchisee	None	You may seek termination upon any grounds available by state law.
e.	Termination by franchisor without cause	Section 16.7	The Franchise Agreement will terminate upon your death or permanent disability, and the Franchise must be transferred within six (6) months to a replacement franchisee that we approve.
f.	Termination by franchisor with cause	Article 17	We may terminate only if you default. The Franchise Agreement describes defaults throughout. Please read it carefully.
g.	"Cause" defined – curable defaults	Section 17.3	You have 5 days to cure non-payments and any other defaults (except for non-curable defaults listed in the Franchise Agreement and described in h. immediately below).
h.	"Cause" defined - non-curable defaults	Sections 17.1 and 17.2	The Franchise Agreement will terminate automatically, without notice for the following defaults: insolvency; bankruptcy; written admission of inability to pay debts; receivership; levy; composition with creditors; unsatisfied final judgment for more than 30 days; or foreclosure proceeding that is not dismissed within 30 days. We may terminate the Franchise Agreement upon notice to you if you: do not acquire a site, do not complete construction and/or open the Franchised Business within required time frames; falsify any report to us; cease operations for 5 days or more, unless the premises are damaged and you apply to relocate; lose possession of the premises, unless you are not at fault for loss and you timely apply to relocate; fail to restore and re-open the Franchised Business within 120 days after a casualty; fail to comply with applicable laws; default under any lease for the premises; understate Gross Revenue two (2) or more times; fail to comply with insurance and indemnification requirements; attempt a transfer in violation of the Franchise Agreement; fail, or your legal representative

	Provision	Section in Franchise Agreement	Summary
			fails to transfer as required upon your death or permanent disability; misrepresent or omit a material fact in applying for the Franchise; are convicted or plead no contest to a felony or crime that could damage the goodwill or reputation of the Marks or the System; receive an adverse judgment in any proceeding involving allegations of fraud, racketeering or improper trade practices or similar claim that could damage the goodwill or reputation of the Marks or the System; conceal revenues or maintain false books; create a threat or danger to public health or safety; refuse an inspection or audit by us; use the Marks, copyrighted material or Confidential Information in an unauthorized manner; make an unauthorized disclosure of Confidential Information; fail to comply with non-competition covenants; default in the performance of your obligations three (3) or more times during the term or receive two (2) or more default notices in any 12-month period; default under any other agreement with us or our affiliate; have insufficient funds to honor a check or EFT two (2) or more times within any twelve (12)-month period; or terminate the Franchise Agreement without cause.
i.	Franchisee's obligations on termination/ non-renewal	Article 18	Upon termination, you must: cease operations; cease to identify yourself as a The Toasted Yolk Cafe® franchisee; cease to use the Marks; cancel any assumed name registration that contains any Mark; pay us and our affiliates all sums owing; pay us any damages, costs or expenses we incur in obtaining any remedy for any violation of the Franchise Agreement by you, including, but not limited to attorneys' fees; deliver to us all Confidential Information, the Operations Manual and all records and files related to your Franchised Business; comply with the non-disclosure and non-competition covenants; pay liquidated damages; sell to us, at our option, all furnishing, fixtures, equipment, inventory and supplies of your Franchised Business; and assign, at our option, your telephone numbers, directory and internet listings, and social media and software accounts and the lease for the location.
j.	Assignment of contract by franchisor	Section 16.1.1	No restrictions on our right to assign.
k.	"Transfer" by franchisee defined	Section 16.3	Any assignment, sale, transfer, gift, devise or encumbrance of any interest in the Franchise Agreement, the Franchised Business, any assets of the Franchised Business, or in the Franchisee (if the Franchisee is a business entity).
l.	Franchisor approval of transfer by franchisee	Section 16.3	No transfer is allowed without our consent, which we will not unreasonably withhold.

	Provision	Section in Franchise Agreement	Summary
m.	Conditions for franchisor approval of a transfer	Section 16.3 and 16.4	Conditions include: our decision not to exercise our right of first refusal; transferee meets our then-current standards for qualifying franchisees; transferee signs our then-current form of Franchise Agreement, which may have materially different terms from your Franchise Agreement; transferee and its general manager successfully complete our Initial Training Program; you have paid us and third-party creditors all amounts owed; you and the transferee sign a General Release in our then-current form; you shall subordinate any claims you have against the transferee to us; you will indemnify us for a period of 3 years following the transfer; our approval of the material terms and conditions of the transfer; landlord's consent of a lease assignment, if applicable; payment of a transfer fee equal to 75% of the then-current initial franchise fee or 50% of the then-current initial franchise fee for transfer to an existing franchisee in good standing, or $1,500 for transfers among owners or to add an owner than does not change management control or no transfer fee for a transfer to a spouse, parent or child upon death or permanent disability.
n.	Franchisor's right of first refusal to acquire franchisee's business	Section 16.6	You must promptly notify us of any written offer to purchase your Franchise. We have 30 days to exercise our first right to buy it on the same terms and conditions, provided that (a) we may substitute cash for any other consideration (b).we may pay the entire purchase price at closing, (c) our credit is deemed as good as the proposed purchaser, (d) we have at least 60 days to close and (e) you shall give us all customary seller's representations and warranties.
o.	Franchisor's option to purchase franchisee's business	Section 18.2	Upon termination of the Franchise Agreement, we have the option to purchase your furniture, equipment, signs, advertising materials, supplies and inventory at your cost or fair market value, whichever is less.
p.	Death or disability of franchisee	Sections 16.3, 16.4 and 16.7	The Franchise Agreement will terminate upon your death or permanent disability, and the Franchise must be transferred within six (6) months to a replacement franchisee that we approve.
q.	Non-competition covenants during the term of the franchise	Section 19.5.1	You may not: divert, or attempt to divert, customers of any The Toasted Yolk Cafe outlet (including yours) to any competitor, participate in any capacity, including, but not limited to as an owner, investor, officer, director, employee or agent, in any competing business; do any act that could damage the goodwill of the Marks or System, or disrupt or jeopardize our business or that of our franchisees.

	Provision	Section in Franchise Agreement	Summary
r.	Non-competition covenants after the franchise is terminated or expires	Section 19.5.2	For 24 months after the termination of the Franchise Agreement, you may not: divert, or attempt to divert, customers of any The Toasted Yolk Cafe outlet (including yours) to any competitor, participate in any capacity, including, but not limited to as an owner, investor, officer, director, employee or agent, in any casual dining restaurant business within 25 miles of your former The Toasted Yolk Cafe outlet location or any other The Toasted Yolk Cafe® outlet location; do any act that could damage the goodwill of the Marks or System, or disrupt or jeopardize our business or that of our franchisees.
s.	Modification of the agreement	Sections 9.4, 14.6, 19.1.4 and 22.4	No oral modifications generally, but we may change the Operations Manual and System standards at any time. You may be required to implement these changes at your own costs. We have the right to modify our Marks at any time upon written notice to you.
t.	Integration/merger clause	Section 22.4	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law.) Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable.
u.	Dispute resolution by arbitration or mediation	Sections 20.1 and 20.2	At our option, claims that are not resolved internally may be submitted to non-binding mediation at our headquarters.
v.	Choice of forum	Section 20.3	Litigation takes place in Texas, subject to applicable state law.
w.	Choice of law	Section 20.3	Texas law applies, subject to applicable state law.

THE FRANCHISE RELATIONSHIP
(UNDER THE MULTI-UNIT DEVELOPMENT AGREEMENT)

This table lists certain important provisions of the multi-unit development agreement. You should read these provisions in the agreement attached to this disclosure document.

	Provision	Section in Multi-Unit Development Agreement	Summary
a.	Length of the franchise term	Article 4	As determined by you and us based on the number of The Toasted Yolk Cafe outlets you are to develop.
b.	Renewal or extension of the Term	Not Applicable	Not Applicable
c.	Requirements for franchisee to renew or extend	Not Applicable	Not Applicable
d.	Termination by franchisee	Not Applicable	Not Applicable

	Provision	Section in Multi-Unit Development Agreement	Summary
e.	Termination by franchisor without cause	Section 6.6	The Multi-Unit Development Agreement will terminate upon your death or permanent disability, and the Development Rights must be transferred within six months to a replacement developer that we approve.
f.	Termination by franchisor with cause	Article 7	We may terminate only if you default. The Multi-Unit Development Agreement describes defaults throughout. Please read it carefully.
g.	"Cause" defined – curable defaults	Section 7.3	You have 5 days to cure non-payments and any other defaults (except for non-curable defaults listed in the Multi-Unit Development Agreement and described in h. immediately below).
h.	"Cause" defined - non-curable defaults	Sections 7.1 and 7.2	The Multi-Unit Development Agreement will terminate automatically, without notice for the following defaults: insolvency; bankruptcy; written admission of inability to pay debts; receivership; levy; composition with creditors; unsatisfied final judgment for more than 30 days; or foreclosure proceeding that is not dismissed within 30 days. We may terminate the Multi-Unit Development Agreement upon notice to you if you: misrepresent or omit a material fact in applying for the Development Rights; falsify any report to us; fail to comply with any federal, state or local law, rule or regulation, applicable to the development and operations of Developer's The Toasted Yolk Cafe outlets, including, but not limited to, the failure to pay taxes; fail to develop the The Toasted Yolk Cafe outlets in accordance with the Mandatory Development Schedule; attempt a transfer in violation of the Franchise Agreement; are convicted or plead no contest to a felony or crime that could damage the goodwill or reputation of our trademarks or the System; receive an adverse judgment in any proceeding involving allegations of fraud, racketeering or improper trade practices or similar claim that could damage the goodwill or reputation of our trademarks or the System; fail to comply with non-competition covenants; default, or your affiliate defaults, under any other agreement, including any Franchise Agreement, with us or any of our affiliates, suppliers or landlord and does not cure such default within the time period provided in such other agreement; or terminate the Multi-Unit Development Agreement without cause.
i.	Franchisee's obligations on termination/ non-renewal	Section 7.4	Upon termination, you must: cease all development operations and comply with

	Provision	Section in Multi-Unit Development Agreement	Summary
			the non-disclosure and non-competition covenants.
j.	Assignment of contract by franchisor	Section 6.1	No restrictions on our right to assign.
k.	"Transfer" by franchisee defined	Section 6.3	Any assignment, sale, transfer, gift, devise or encumbrance of any interest in the Multi-Unit Development Agreement or Development Rights.
l.	Franchisor approval of transfer by franchisee	Sections 6.2, 6.3	No transfer is allowed without our consent, which we will not unreasonably withhold.
m.	Conditions for franchisor approval of a transfer	Article 6	Conditions include: our decision not to exercise our right of first refusal; transferee meets our then-current standards for qualifying developers; you have paid us all amounts owed; transferee signs our then-current form of Multi-Unit Development Agreement, which may have materially different terms from your Multi-Unit Development Agreement; you and the transferee sign a General Release in our then-current form; you shall subordinate any claims you have against the transferee to us; our approval of the material terms and conditions of the transfer; payment of a transfer fee equal to $15,000, plus $1,500 for each outlet remaining to be developed on the Mandatory Development Schedule or no fee for transfers among owners or for a transfer to a spouse, parent or child upon death or permanent disability.
n.	Franchisor's right of first refusal to acquire franchisee's business	Section 6.5	You must promptly notify us of any written offer to purchase your Development Rights. We have 30 days to exercise our first right to buy it on the same terms and conditions, provided that (a) we may substitute cash for any other consideration (b).we may pay the entire purchase price at closing, (c) our credit is deemed as good as the proposed purchaser, (d) we have at least 60 days to close and (e) you shall give us all customary seller's representations and warranties.
o.	Franchisor's option to purchase franchisee's business	Not Applicable	Not Applicable
p.	Death or disability of franchisee	Section 6.6	The Multi-Unit Development Agreement will terminate upon your death or permanent disability, and the Development Rights must be transferred within six months to a replacement developer that we approve.
q.	Non-competition covenants during the term of the franchise	Section 8.3.1	You may not: divert, or attempt to divert, customers of any The Toasted Yolk Cafe outlet (including yours) to any competitor, participate in any capacity, including, but not limited to as an owner, investor, officer, director, employee or agent, in any competing business, induce any person employed by us to leave their employment; do any act that could damage the goodwill of our trademarks or System, or disrupt or

	Provision	Section in Multi-Unit Development Agreement	Summary
			jeopardize our business or that of our franchisees.
r.	Non-competition covenants after the franchise is terminated or expires	Section 8.3.2	For 24 months after the termination of the Franchise Agreement, you may not: divert, or attempt to divert, customers of any The Toasted Yolk Cafe outlet (including yours) to any competitor, participate in any capacity, including, but not limited to as an owner, investor, officer, director, employee or agent, in any competing business within 20 miles of your former The Toasted Yolk Cafe outlet location or any other The Toasted Yolk Cafe outlet location, induce any person employed by us to leave their employment; do any act that could damage the goodwill of our trademarks or System, or disrupt or jeopardize our business or that of our franchisees.
s.	Modification of the agreement	Section 12.4	No oral modifications. No amendment of the provisions will be binding upon either party unless the amendment has been made in writing and executed by all interested parties.
t.	Integration/merger clause	Section 12.4	Only the terms of the Multi-Unit Development Agreement and other related written agreements are binding (subject to applicable state law.) Any representations or promises outside of Multi-Unit Development Agreement may not be enforceable. Notwithstanding the foregoing, nothing in the Multi-Unit Development Agreement is intended to disclaim the express representations made in this Franchise Disclosure Document.
u.	Dispute resolution by arbitration or mediation	Sections 10.1, 10.2, and 10.3	At our option, claims that are not resolved internally must be submitted to non-binding mediation at our headquarters.
v.	Choice of forum	Section 10.5	Texas, subject to applicable state law.
w.	Choice of law	Section 10.5	Texas law applies, subject to applicable state law.

See the state addenda to this Franchise Disclosure Document and the Franchise Agreement for special state disclosures.

ITEM 18: PUBLIC FIGURES

We do not currently use any public figures 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 and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the

actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

This Item contains a historic financial performance representation of our franchised The Toasted Yolk Cafe outlets in operation as of December 31, 2024, our fiscal year end. On December 31, 2024, we had a total of 36 franchised outlets in operation. We have excluded the performance of 7 franchised outlets who were new to the system and were not in operation for the full 12 months.

Net Revenue of Outlets[1,2]

	Mean	Median	High	Low
Quartile 1 8 Cafes	$2,779,052.13	$2,668,391.50	$3,769,818.00	$2,438,758.00
Quartile 2 8 Cafes	$2,149,415.75	$2,122,644.50	$2,355,153.00	$1,919,066.00
Quartile 3 8 Cafes	$1,672,759.88	$1,646,929.50	$1,909,869.00	$1,538,643.00
Quartile 4 5 cafes	$1,291,951.20	$1,302,817.00	$1,507,016.00	$1,022,665.00

[1] The figures in the above tables have not been audited.

[2] Net Revenue means all revenue from sales of products and services at or from outlet operations, less (i) sales tax and (ii) properly documented refunds (comps) to customers.

Written substantiation will be made available to you upon reasonable request.

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

Other than the above disclosure, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Chris Milton, 20008 Champion Forest Drive, Suite 301, Spring, Texas 77379, 936-827-4692, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20: OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
System-wide Outlet Summary
For Years 2022 to 2024

Column 1 Outlet Type	Column 2 Year	Column 3	Column 4 Outlets at the End of the Year	Column 5 Net Change

		Outlets at the Start of the Year		
Franchised	2022	13	21	+8
	2023	21	29	+8
	2024	29	36	+7
Company – Owned*	2022	6	6	0
	2023	6	6	0
	2024	6	6	0
Total Outlets	2022	19	27	+8
	2023	27	35	+8
	2024	35	42	+7

Table No. 2
Transfers of Outlets From Franchisees to New Owners (Other than the Franchisor)
For Years 2022 to 2024

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Texas	2022	1
	2023	0
	2024	2
Total	2022	1
	2023	0
	2024	2

Table No. 3
Status of Franchised Outlets
For Years 2022 to 2024

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non-renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations - Other Reasons	Column 9 Outlets at End of the Year
Alabama	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	1	0	0	0	0	2
Arkansas	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	1	0	0	0	0	2
Florida	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	3	0	0	0	0	4
Georgia	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non-renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations - Other Reasons	Column 9 Outlets at End of the Year
Kentucky	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Louisiana	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	2	0	0	0	0	2
Mississippi	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Ohio	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
South Carolina	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Tennessee	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Texas	2022	12	7	1	0	0	0	18
	2023	18	4	1	0	0	0	21
	2024	21	1	1	0	0	1	20
Total	2022	13	9	1	0	0	0	21
	2023	21	9	1	0	0	0	29
	2024	29	9	1	0	0	1	36

Table No. 4
Status of Company Owned* Outlets
For Years 2022 to 2024

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisees	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisees	Column 8 Outlets at End of the Year
Texas	2022	6	0	0	0	0	6
	2023	6	0	0	0	0	6
	2024	6	0	0	0	0	6
Total	2022	6	0	0	0	0	6
	2023	6	0	0	0	0	6
	2024	6	0	0	0	0	6

Table No. 5
Projected Openings as of December 31, 2024

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company Owned Outlets in the Next Fiscal Year
Alabama	1	1	0
Florida	2	2	0
Georgia	2	2	0
Louisiana	1	2	0
Mississippi	3	2	0
Texas	16	4	0
Total	25	13	0

* Company-owned stores are operated by affiliated entities.

Exhibit G lists the location of each The Toasted Yolk Cafe® in our System.

During our last fiscal year, one franchisee had an outlet terminated, canceled, not renewed, or has otherwise voluntarily or involuntarily ceased to do business under the franchise agreement or has not communicated with us within 10 weeks of the date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

No franchisee has signed confidentiality clauses during the last three years.

There are no trademark-specific franchisee organizations associated with the franchise system being offered in this Franchise Disclosure Document.

ITEM 21: FINANCIAL STATEMENTS

The Toasted Yolk Franchise Company, LLC, was formed on October 9, 2015. Our audited financial statements, which is comprised of our audited balance sheet and statements of income, operations and cash flow as of December 31, 2024, December 31, 2023, and December 31, 2022., and related notes, are included in Exhibit D. Also included in Exhibit D is our unaudited financials as of July 31, 2025.

Our fiscal year end is December 31.

ITEM 22: CONTRACTS

A copy of all proposed agreements regarding the franchise offering are included in this Disclosure Document, as follows:

- Exhibit B - Franchise Agreement and all attachments to it (Marks, Territory Description, ACH Authorization, Conditional Assignment of Lease, Statement of Ownership Interests in Franchisee, Spousal Guaranty, and Confidentiality and Non-Compete Agreement).
- Exhibit C - Multi-Unit Development Agreement
- Exhibit H - Franchisee Acknowledgement Statement, as permitted by state law. 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.

ITEM 23: RECEIPT

A receipt in duplicate is attached to this Disclosure Document as Exhibit I. You should sign both copies of the receipt. Keep one copy for your own records and return the other signed copy to Chris Milton, The Toasted Yolk Franchise Company, LLC, 20008 Champion Forest Drive, Suite 301, Spring Texas 77379.

EXHIBIT A

STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS

This list includes the names, addresses and telephone numbers of state agencies having responsibility for franchising disclosure/registration laws, and serving as our agents for service of process (to the extent that we are registered in their states). This list also includes the names, addresses and telephone numbers of other agencies, companies or entities serving as our agents for service of process.

State	State Agency	Agent for Service of Process
CALIFORNIA	Commissioner of the Department of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7505 Toll-free (866-275-2677)	Commissioner of the Department of Financial Protection and Innovation
CONNECTICUT	State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230	Banking Commissioner
HAWAII	Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii
ILLINOIS	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General
INDIANA	Indiana Secretary of State Securities Division 302 West Washington St., Room E-111 Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 (517) 373-7117	Michigan Department of Commerce, Corporations and Securities Bureau

State	State Agency	Agent for Service of Process
MINNESOTA	Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce
NEW YORK	Office of the New York State Attorney General Investor Protection Bureau, Franchise Section 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8211 Phone (212) 416-6042 Fax	Attention: New York Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 11231-0001 (518) 473-2492
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard, 5th Floor Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner
OREGON	Department of Consumer and Business Services Division of Finance and Corporate Labor and Industries Building Salem, Oregon 97310 (503) 378-4387	Director of the Department of Consumer and Business Services
RHODE ISLAND	Department of Business Regulation Division of Securities 1511 Pontiac Avenue, Building 69-1 Cranston, RI 02920 (401) 462-9585	Director of Rhode Island Department of Business Regulation
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Director of Insurance-Securities Regulation
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, VA 23219 (804) 371-9051	Clerk of State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219 (804) 371-9733
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033 (360) 902-8760	Director of Washington Financial Institutions Securities Division 150 Israel Road, SW Tumwater, WA 98501
WISCONSIN	Wisconsin Securities Commissioner Securities and Franchise Registration 345 W. Washington Avenue Madison, WI 53703 (608) 266-8559	Commissioner of Securities of Wisconsin

EXHIBIT B

FRANCHISE AGREEMENT

THE TOASTED YOLK FRANCHISE COMPANY, LLC

TABLE OF CONTENTS

1. RECITATIONS. 2

2. GRANT OF FRANCHISE. 2

3. TERRITORY 3

4. TERM. 3

5. SUCCESSOR OPTIONS. 3

6. FEES 5

7. TRAINING 7

8. FRANCHISED LOCATION REQUIREMENTS 9

9. MAINTENANCE AND IMPROVEMENT OF THE FRANCHISED PREMISES AND SYSTEM 11

10. FRANCHISOR'S OBLIGATIONS 13

11. FRANCHISEE'S REPRESENTATIONS, WARRANTIES AND COVENANTS 13

12. FRANCHISEE'S OPERATIONS 16

13. ADVERTISING, PROMOTIONS AND RELATED FEES 20

14. INTELLECTUAL PROPERTY 23

15. INSURANCE AND INDEMNIFICATION 25

16. TRANSFERS 27

17. DEFAULTS 31

18. POST-TERMINATION 34

19. NON-DISCLOSURE AND NON-COMPETITION COVENANTS 36

20. DISPUTE RESOLUTION 40

21. GENERAL 42

LIST OF ATTACHMENTS

ATTACHMENT 1: TRADEMARKS
ATTACHMENT 2: TERRITORY
ATTACHMENT 3: AUTHORIZATION AGREEMENT ACH WITHDRAWALS
ATTACHMENT 4: CONDITIONAL ASSIGNMENT OF LEASE
ATTACHMENT 5: STATEMENT OF OWNERSHIP INTERESTS IN FRANCHISEE/ENTITY
ATTACHMENT 6: GUARANTY
ATTACHMENT 7: INTERNET ADVERTISING, SOCIAL MEDIA, SOFTWARE, AND TELEPHONE ACCOUNT AGREEMENT
ATTACHMENT 8: CONFIDENTIALITY AND NON-COMPETE AGREEMENT

THE TOASTED YOLK FRANCHISE COMPANY, LLC
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (this "Agreement") is being entered into this day of _____, (the "Effective Date") by and between The Toasted Yolk Franchise Company, LLC, a Texas limited liability company with its principal place of business at 20008 Champion Forest Drive, Suite 301, Spring, Texas 77379 (herein "Franchisor") and _____, a _____ _____, with its principal place of business located at _____ and _____'s principals _____, an individual residing at _____ _____ and _____, an individual residing at _____ _____ ("Principal(s)"). _____ and Principal(s) shall be individually and collectively referred to, and each is, the "Franchisee".

RECITATIONS

Through the expenditure of considerable time, effort and money, Franchisor has developed and established an unique and distinctive system relating to the establishment and operation of a restaurant featuring an all-day breakfast, brunch, and lunch menu using Franchisor's confidential operations manual ("Manual") of business practices and policies, and Franchisor's distinctive, décor, fixtures and furnishings, operations methods, sales techniques, recipes, procedures for management control and training, assistance, advertising, and promotional programs, all of which may be changed, improved or further developed by Franchisor at any time (taken together herein the "System").

The System is identified by certain trade names, service marks**,** trademarks, logos, emblems and indicia of origin, including but not limited to the marks The Toasted Yolk Cafe® service mark, as set forth in Attachment 1, and such other trade names, service marks, and trademarks as are now designated and may hereafter be designated or substituted by Franchisor for use in connection with the System (the "Marks").

Franchisor continues to develop, use, and control the use of such Marks in order to identify for the public the source of services and products marketed under the Marks and the System and to represent the System's high standards of quality, appearance, and service.

Franchisee understands and acknowledges the importance of Franchisor's high and uniform standards of quality, service, and appearance, and the necessity of operating the business franchised hereunder in conformity with Franchisor's standards and specifications.

NOW, THEREFORE, the parties, in consideration of the promises, undertakings and commitments of each party to the other set forth herein, and intending to be legally bound hereby, mutually agree as follows:

1. **RECITATIONS. 1.** The Recitations set out above form part of this Agreement.

2. **GRANT OF FRANCHISE.** Franchisor hereby grants to Franchisee and Franchisee accepts, upon the terms and conditions contained in this Agreement, the license to operate a The Toasted Yolk Cafe® franchise (the "Franchise" or "Franchised Business"), using only the Marks licensed hereunder, in strict conformity with the System, which may be changed, improved and further developed by Franchisor from time to time. This grant applies only to a single location within a territory that is designated in Attachment 2 attached hereto and incorporated herein (the "Territory").

3. **TERRITORY**

3.1. Territory. This Agreement grants Franchisee the right to operate the Franchised Business at a single location within the Territory. Subject to Section 3.2 below, Franchisor agrees that Franchisor will not operate, and will not permit any other franchisees to operate, a The Toasted Yolk Cafe® outlet in the Territory using the same Marks as licensed to Franchisee in this Agreement so long as Franchisee is not in default under this Agreement or this Agreement has not expired or been terminated. Franchisee acknowledges that the Territory does not grant Franchisee any exclusive customer base. Except as otherwise specified in this Agreement, Franchisor reserves the right to open, operate or franchise The Toasted Yolk Cafe® franchises bordering and adjacent to the Territory. Franchisee will be selling its products and services from a single location that will be determined by Franchisee with Franchisor's prior written approval, which may be withheld or denied in Franchisor's sole discretion. Franchisee is prohibited from selling and soliciting customers through alternative distribution channels as more fully specified herein.

3.2 Reservation of Rights. Franchisee understands and agrees that all rights to any businesses, other than as specified in this Agreement, are fully reserved to Franchisor within or outside of the Territory. By way of example only, Franchisor reserves the rights to offer (i) other products or services not offered under the Marks, (ii) other casual or upscale dining concepts under the Marks or other trademarks, (iii) any products or services through any channel of distribution in the Territory other than a dedicated The Toasted Yolk Café,® such as retail outlets, including but not limited to, convenience stores and supermarkets, mail orders, e-commerce and co-branding with other restaurant concepts, and (iv) any products and services at captive market locations, such as airports, amusement parks, train stations, travel plazas, shopping malls with gross leasable area in excess of 350,000 square feet, stadiums, corporate or educational campuses and other captive market events, locations, or facilities whereby food and/or beverage service rights are contracted to a third party ("Alternate Distribution Channels"). Franchisee will receive no compensation for Franchisor's sales through Alternate Distribution Channels made within the Territory. Franchisee agrees that such implementation of Franchisor's rights pursuant to this Section 3.2 is deemed not to impair or injure Franchisee's rights pursuant to Section 2 hereof.

4. **TERM.** Unless terminated earlier in accordance with the terms set forth in this Agreement, this Agreement and the Franchise granted hereunder shall commence upon the Effective Date set forth above, and terminate on the date that is ten (10) years following the Opening Date, as defined in Section 8 hereof (the "Term").

5. **SUCCESSOR OPTIONS.** Subject to the terms and conditions of this Agreement, Franchisee shall have the right, following the expiration of the Term hereof, to enter into a new franchise agreement and other agreements then customarily employed by Franchisor and in the form then generally being offered to prospective franchisees in the state in which the Territory is located (the "Successor Franchise Agreement") for up to two (2) additional terms equal to five (5) years each. The term of each such Successor Franchise Agreement shall commence upon the date of expiration of the immediately preceding term. Franchisee shall be charged a successor agreement fee equal to twenty-five percent (25%) of the then-current Initial Franchise Fee ("Successor Agreement Fee").

5.1 Form and Manner of Successor Agreement. If Franchisee desires to exercise Franchisee's option to enter into a Successor Franchise Agreement, it shall be done in the following manner:

5.1.1 Not less than six (6) months prior to the expiration of the Term of this Agreement, Franchisee shall request from Franchisor in writing, a copy of Franchisor's then current Disclosure Document (including Franchisor's then current franchise agreement).

5.1.2 Franchisee must execute and return to Franchisor all required documents, including any and all ancillary documents, within thirty (30) days after receipt by Franchisee of a copy of Franchisor's then current Disclosure Document.

5.1.3 The Successor Franchise Agreement shall supersede this Agreement in all respects, and Franchisee understands and acknowledges that the terms of such new agreement may differ from the terms of this Agreement, including, without limitation, higher or lower royalty and other fees.

5.1.4 If Franchisee fails to perform any of the acts, or deliver any of the notices required pursuant to this Paragraph 5 in a timely fashion, such failure shall be deemed an election by Franchisee not to exercise Franchisee's option to enter into the Successor Franchise Agreement, and such failure shall cause Franchisee's right and option to automatically lapse and expire, without further notice by Franchisor.

5.1.5 Franchisee acknowledges that the initial Term of this Agreement provides Franchisee more than a sufficient opportunity to recoup Franchisee's investment in the Franchise, as well as a reasonable return on such investment.

5.2 Conditions of Successor Agreement. Franchisee's right to enter into a Successor Franchise Agreement is conditioned upon the following:

5.2.1 Franchisee shall be in full compliance with this Agreement and shall have materially performed Franchisee's obligations under this Agreement, the Manual and under all other agreements that may be in effect between Franchisee and Franchisor, including but not limited to all monetary obligations.

5.2.2 Franchisee shall not have committed three (3) or more events constituting default during the Term of this Agreement, whether or not such defaults were cured.

5.2.3 Franchisee will have completed any required additional training to Franchisor's reasonable satisfaction.

5.2.4 Franchisee shall have obtained the right to continue to occupy the premises of the Franchised Business following the expiration of the Term hereof for the full term of the Succesor Franchise Agreement and/or have received Franchisor's approval regarding locating the Franchised Business at a new location.

5.2.5 Franchisee shall execute a general release of all claims Franchisee may have against The Toasted Yolk Franchise Company, LLC, its parent, subsidiaries and affiliates, its officers, directors, shareholders, agents, and employees, whether in their corporate and/or

individual capacities, in Franchisor's then-current form. This release will include all claims arising under any federal, state, or local law, rule, or ordinance.

5.2.6 Franchisee performs such remodeling, repairs, replacements and redecoration as Franchisor may require in order to cause the Franchised Business premises, equipment, fixtures, furnishings and furniture to conform to the plans and specifications being used for new or remodeled franchised businesses on the renewal date.

5.2.7 Franchisee shall pay the required Successor Agreement Fee and sign the Successor Franchise Agreement.

5.3 Notice Required by Law. If applicable law requires Franchisor to give notice to Franchisee prior to the expiration of the Term, this Agreement shall remain in effect on a month-to-month basis until Franchisor has given the notice required by such applicable law. If Franchisor is not offering new The Toasted Yolk Cafe® franchises, is in the process of revising, amending or renewing Franchisor's form of franchise agreement or disclosure document, or Franchisor is not lawfully able to offer Franchisee the then current form of Successor Franchise Agreement at the time Franchisee advises Franchisor pursuant to Paragraph 5.2 hereof that Franchisee desires to renew, Franchisor may, in Franchisor's sole discretion, (i) offer to renew this Agreement upon the same terms set forth herein for the appropriate successor term or (ii) offer to extend the Term hereof on a month-to-month basis following the expiration of the Term for as long as Franchisor deems necessary or appropriate so that Franchisor may lawfully offer the then current form of Successor Franchise Agreement. Any timeframes specified in this Paragraph 5 shall be inclusive of any state mandated notice periods.

5.4 Additional Reservation of Rights. Notwithstanding anything herein to the contrary, Franchisor reserves the right not to enter into a successor franchise agreement for this Franchise as a result of a decision to withdraw from the Territory in which Franchisee's Franchised Business is located.

6. FEES

6.1 Initial Franchise and Royalty Fee. As part of the consideration for the right to operate the Franchise granted herein, Franchisee shall pay to Franchisor the following fees:

6.1.1 Initial Franchise Fee. Franchisee acknowledges and agrees that the grant of this Franchise and the rights and obligations of the parties under this Agreement constitute the sole and only consideration for the initial franchise fee of Fifty Thousand Dollars ($50,000.00) (the "Initial Fee"). **The Initial Fee is fully earned at the time this Franchise Agreement is signed and is not refundable under any circumstances.** Franchisee shall pay the full amount of the Initial Fee to Franchisor upon Franchisee's execution of this Agreement.

6.1.2 Royalty Fee. Franchisee agrees to pay Franchisor, weekly throughout the Term, a royalty fee equal to five percent (5%) of the Gross Revenue, as hereinafter defined, realized from the Franchised Business and from any other revenues received using Franchisor's methods, operations and/or trade secrets (the "Royalty Fee"). The term "Gross Revenue" includes all revenues and income from any source derived or received by Franchisee from, through, by or on account of the operation of the Franchised Business or made pursuant to the rights granted hereunder, including but not limited, any and all other revenues received using Franchisor's methods, operations and/or trade secrets whether received in cash, in services, in kind, from barter and/or exchange, on credit (whether or not payment is actually received) or otherwise.

Gross Revenue shall include the full amount payable by Franchisee's customers, without deduction for Franchisee's delivery costs, third party delivery fees, or for other write-offs; however, Gross Revenue shall not include (i) any sales tax or similar taxes collected from customers and turned over to the governmental authority imposing the tax, (ii) properly documented refunds to customers, and (iii) properly documented promotional discounts (i.e. coupons). Gross Revenue does not include gift card purchases, at the time of purchase, but Gross Revenue does include the redemption amount of purchases made by gift card. If a state or local law in which the Franchised Business is located prohibits or restricts in any way Franchisor's ability to collect Royalty Fees or other amounts based on Gross Sales derived from the sale of beer, wine, and other alcoholic beverages at the Franchised Business, then Franchisor shall increase the percentage rate for calculating Royalty Fees, and change the definition of Gross Sales to exclude sales of beer, wine and other alcoholic beverages, in a manner such that the Royalty Fees to be paid by Franchisee shall be equal to such amounts as Franchisee would have been required to pay if sales from beer, wine, and other alcoholic beverages were included in Gross Sales.

6.1.3 Gross Revenue Reports. Franchisee shall, on the Tuesday following the close of each calendar week (Monday through Sunday), furnish Franchisor with a report showing Franchisee's Gross Revenue at or from the Franchised Business and/or made pursuant to the rights granted hereunder during such period (the "Gross Revenue Report"). The Gross Revenue Report shall be in such form and shall contain such information as Franchisor may from time to time prescribe. Franchisor reserves the right to establish a point of sale system ("POS System") that Franchisor may require Franchisee to use in the operation of the Franchised Business. At Franchisor's option, Franchisee shall submit, or grant Franchisor access to, the Gross Revenue Report by an electronic transfer of data via the POS System at the times and interims then specified by Franchisor.

6.1.4 Method of Payment. Franchisee shall, together with the submission of the Gross Revenue Report, pay Franchisor the Royalty Fee and the Brand Fund Contribution, as defined and more particularly described in Article 13, then due. At Franchisor's request, Franchisee must execute documents, including but not limited to, the Authorization attached as Attachment 3, that allow Franchisor to automatically take the Royalty Fee and Brand Fund Contribution due as well as other sums due Franchisor, from business bank accounts via electronic funds transfers or Automated Clearing House ("ACH") payments. Franchisee's failure to allow electronic funds transfers or ACH payments on an ongoing basis is a material breach of this Agreement. If Franchisee fails to timely report Gross Revenue, then, in addition to a late fee and interest pursuant to Sections 6.2 and 6.3 hereof, Franchisor shall collect one hundred twenty percent (120%) of the last Royalty Fee payable. Franchisor shall reconcile amounts when Gross Revenues are reported. Franchisor reserves the right to modify the method and frequency of collection of the Royalty Fee and Brand Fund Contribution upon forty-five (45) days' prior notice to Franchisee.

6.2 Late Fee. If the Royalty Fee, Brand Fund Contribution, or any Gross Revenue Reports are not received by Franchisor as required by this Agreement, Franchisee shall pay to Franchisor, in addition to the overdue amount, a late fee of Seventy-Five Dollars ($75.00). This late fee is reasonably related to Franchisor's costs resulting from the delay in payment and/or receipt of any report, is not a penalty, and is in addition to any other remedy available to Franchisor under this Agreement for Franchisee's failure to pay the Royalty Fee, the Brand Fund Contribution, and/or submit Gross Revenue Reports in accordance with the terms of this Agreement.

6.3 Interest. Any and all amounts that shall become due and owing from Franchisee to Franchisor

under the terms hereof shall bear interest from the date due until paid at the rate of 18% per annum or at the highest rate permitted by law, whichever is lower.

6.4 Internal Systems Fee. Franchisor reserves the right to impose an internal systems fee, in an amount that Franchisor reasonably determines, for the development, adoption and/or use of new or improved technology for the benefit of the System and Franchised Business, including but not limited to, assigned phone numbers and email addresses required for use in the Franchised Business, a franchise portal, benchmarking platform or other operations or communications systems ("Internal Systems Fee"). In Franchisor's sole discretion, Franchisor may (i) increase the amount of the internal systems fees or (ii) replace the technology with different technology, developed by Franchisor or a third-party, and Franchisee shall pay the then-current fees for the replacement technology and for continuous access thereto. Payment of the Internal Systems Fee will be made in the manner and frequency as reasonably determined by Franchisor.

6.5 Non-Sufficient Funds Fee. In the event any of Franchisee's checks are returned, or an electronic funds transfer from Franchisee's bank account is denied, for insufficient funds, Franchisee shall pay Franchisor, in addition to the amount due, a non-sufficient funds fee of One Hundred Dollars ($100.00) per occurrence. This non-sufficient funds fee is reasonably related to Franchisor's costs resulting from the delayed and declined payment, is not a penalty, and is in addition to any other remedy available to Franchisor under this Agreement.

6.6 Taxes. If any sales, excise, use or privilege tax is imposed or levied by any government or governmental agency on Franchisor for any Royalty Fee, Brand Fund Contribution or other fees due and payable to Franchisor under this Agreement, Franchisee shall pay Franchisor a sum equal to the amount of such tax.

7. TRAINING.

7.1 Initial Training Program. Franchisee (specifically including all Franchisee's principals) shall attend and complete to Franchisor's sole and absolute satisfaction, Franchisor's initial training program ("Initial Training Program") at least thirty (30) days (but no more than ninety (90) days), prior to the opening of the Franchised Business. The Initial Training Program includes classroom and on-the-job training conducted at one of Franchisor's affiliated outlets in Houston, Texas and Sarasota, Florida. Franchisor reserves the right to designate an alternate location for the Initial Training Program. Franchisee must at all times during the term of this Agreement have principals and a General Manager (as defined below) who have successfully completed the Initial Training Program to Franchisor's sole and complete satisfaction. No charge shall be made for up to two (2) individuals to take the Initial Training Program prior to opening the Franchised Business ("Initial Trainees"). Notwithstanding the foregoing, Franchisee shall be required to pay all of the expenses of the Initial Trainees, including, without limitation, costs of travel, lodging, meals and wages.

7.2 Manager Training. Franchisee shall cause Franchisee's managers to complete Franchisor's management training program, at Franchisee's sole expense, no later than two (2) weeks prior to opening the Franchised Business.

7.3 Satisfactory Completion. Franchisor shall determine, in Franchisor's sole discretion, whether the Initial Trainees have satisfactorily completed the Initial Training Program. If the Initial Training Program is not satisfactorily completed by the Initial Trainees, or if Franchisor, in Franchisor's reasonable business judgment based upon the performance of the Initial Trainees,

determines that the Initial Training Program cannot be satisfactorily completed by Franchisee and Franchisee's Principal(s), Franchisor may terminate this Agreement.

7.4 Grand Opening Training. No later than thirty days prior to the anticipated opening of the Franchised Business, Franchisee shall pay Franchisor a grand opening training fee and Franchisor shall provide trainers for up to two (2) weeks for on-site opening training, supervision, and assistance ("Grand Opening Training Fee"). No part of the Grand Opening Training Fee is refundable.

7.5 Additional Training. Franchisor may offer mandatory and/or optional additional training programs from time to time. If required by Franchisor, Franchisee, or Franchisee's principals shall participate in the following additional training:

(i) on-going training for up to three (3) days per year, at a location designated by Franchisor.

(ii) a national business meeting or annual convention for up to three (3) days per year, at a location designated by Franchisor.

Franchisor reserves the right to impose a reasonable fee for all additional training programs. Franchisee shall be responsible for any and all incidental expenses incurred by Franchisee or Franchisee's personnel in connection with additional training or attendance at Franchisor's national business meeting or annual convention, including, without limitation, costs of travel, lodging, meals and wages. Franchisee's failure to attend and/or complete mandatory additional training or failure to attend Franchisor's national business meeting or annual convention is a default of this Agreement. Franchisee or Franchisee's personnel shall be required to obtain any missed mandatory additional training at a location Franchisor designates. Franchisee shall pay all costs and expenses for such additional training, including but not limited to, tuition at the then-current rate and any and all transportation, meals and lodging of Franchisee, Franchisee's principal and Franchisor's training personnel. Franchisee shall pay to Franchisor any incurred expenses by Franchisor's training personnel within ten (10) days of Franchisor's billing thereof to Franchisee.

7.6 On-Site Remedial Training. Upon Franchisee's reasonable request or as Franchisor shall deem appropriate, Franchisor shall, during the term hereof, subject to the availability of personnel, provide Franchisee with additional trained representatives who shall provide on-site remedial training and assistance to Franchisee's personnel at the Franchised Business location. For any additional on-site training and assistance, Franchisee shall pay the per diem fee then being charged to franchisees under the System for the services of such trained representatives, plus their costs of travel, lodging, and meals.

7.7 Counseling and Assistance. In addition to visits by Franchisor's field representatives, as Franchisor deems appropriate, Franchisor shall, within reasonable limits and subject to the availability of Franchisor's personnel, upon Franchisee's request and at no charge, unless such assistance is provided at the Franchised Business pursuant to Section 7.5, furnish consultation and assistance to Franchisee, either in person or by telephone, electronic communications, video conferencing or postal service, as determined by Franchisor, in Franchisor's sole discretion, with respect to the operation of the Franchised Business, including consultation and advice regarding employee training, marketing, operation issues, purchasing and inventory control, bookkeeping and System improvements.

8. FRANCHISED BUSINESS SITE REQUIREMENTS

8.1 Site Selection.

8.1.1 Franchisee assumes all cost, liability, expense and responsibility for obtaining and developing a site for the Franchised Business within the Territory and for constructing and equipping the Franchised Business at such site. Franchisee shall not make any binding commitment to a prospective vendor or lessor of real estate with respect to a site for the Franchised Business unless the site premises is approved by Franchisor. While Franchisor may render assistance to Franchisee in the selection of a site, as set forth in Section 8.1.2 below, Franchisee has sole responsibility for procuring and developing a site for the Franchised Business and Franchisee may and is encouraged to consult with professionals of Franchisee's choosing in discharging such responsibility. Franchisee acknowledges that Franchisor's approval of a prospective site location is permission only, does not constitute a representation, promise, warranty or guarantee, express or implied, by Franchisor that the Franchised Business operated at that site will be profitable or otherwise successful, and cannot, and does not, create a liability for Franchisor. Franchisee releases Franchisor from any claims over the site location selection and evaluation by Franchisor, and Franchisee shall hold Franchisor harmless with respect to Franchisee's selection of the site for the Franchisee's Franchised Business.

8.1.2 Franchisee shall use Franchisor's designated broker, or another broker approved by Franchisor, for the purposes of locating a site for the Franchised Business. Franchisee shall pay any fees required by such broker for site selection and/or lease negotiation assistance.

8.1.3 Franchisee shall locate a site that satisfies the site selection guidelines provided to Franchisee by Franchisor and shall submit to Franchisor, in writing, a description of the site, together with written certification the site complies with Franchisor's site selection guidelines, and such other information and materials as Franchisor may reasonably require. Recognizing that time is of the essence, Franchisee shall submit such information and materials for a proposed site to Franchisor for its consent no later than one hundred twenty (120) days after the execution of this Agreement. Franchisor shall have thirty (30) days after receipt of this information and materials to consent, in its sole and absolute discretion, to the proposed site as the location for the Franchised Business. No site may be used for the location of the Franchised Business unless it is consented to in writing by Franchisor. If Franchisee does not locate a site for the Franchised Business that meets Franchisor's approval within one hundred twenty (120) days of signing this Agreement, Franchisor reserves the right to terminate this Agreement.

8.1.4 Within forty-five (45) days after Franchisor has consented to the site for the Franchised Business (or such longer period as Franchisor consents to in writing), Franchisee shall execute a lease therefor and obtain physical possession of the premises. Any lease must include Franchisor's Collateral Assignment of Lease Agreement, a copy of which is attached hereto as Attachment 4. Failure by Franchisee to acquire the site for the Franchised Business within the time and in the manner required herein shall constitute a material event of default under this Agreement.

8.1.5 Upon consent by Franchisor to the location for the Franchised Business, Franchisor shall set forth the premises address and Territory in Attachment 2 of this Agreement and shall provide a copy thereof to Franchisee. Attachment 2, as completed by Franchisor, shall be incorporated herein and made a part hereof. Franchisee shall notify Franchisor within

fifteen (15) days of any error or rejection of Attachment 2; otherwise, the Attachment 2 provided to Franchisee shall be deemed final.

8.2 Construction.

8.2.1 Franchisee shall be responsible for obtaining clearances that may be required by state or local laws, ordinances or regulations or that may be necessary as a result of any restrictive covenants relating to the Franchised Business premises. Prior to beginning the construction of the Franchised Business, Franchisee shall (a) obtain all permits, licenses, insurance and certifications required for the lawful construction or remodeling and operation of the Franchised Business, including permits for the installation of signage, and (b) certify in writing to Franchisor that all required approvals, clearances, permits, insurance and certifications have been obtained.

8.2.2 During the time of construction or remodeling, Franchisee shall provide Franchisor, or its designated representative, with such periodic reports regarding the progress in obtaining all licenses and permits; and of the construction or remodeling as may be reasonably requested by Franchisor or its representative. In addition, Franchisor or its representative may make such on-site inspections as it may deem reasonably necessary to evaluate such progress. At least thirty (30) days prior to completion of the construction or remodeling, Franchisee shall notify Franchisor of the scheduled date for completion of construction or remodeling. Within a reasonable time after the date of completion of construction or remodeling, Franchisor or its representative may, at its option, conduct an electronic or in-person inspection of the completed Franchised Business premises improvements.

8.2.3 Franchisee acknowledges and agrees that it will not open the Franchised Business for business without the written authorization of Franchisor and that authorization to open shall be conditioned upon Franchisee's strict compliance with this Agreement.

8.3 Time to Open. Franchisee acknowledges that time is of the essence in this Agreement. Subject to Franchisee's compliance with the conditions stated below, Franchisee shall open the Franchised Business and commence business within one hundred fifty (150) days after Franchisee has executed a lease for the premises, unless Franchisee obtains a written extension of such time period from Franchisor. The date the Franchised Business opens for business to the public shall be defined herein as the "Opening Date". Prior to the Opening Date, Franchisee shall (i) complete all exterior and interior preparations for the Franchised Business, including installation and cleaning of equipment, fixtures, furnishings and signs, in accordance with System requirements and the plans and specifications consented to by Franchisor, (ii) satisfactorily complete Franchisor's Initial Training Program, as further set forth in Article 7, (iii) hire and train staff, and (iv) obtain all required licenses to operate the Franchised Business, including but not limited to, any required licenses to serve and/or consume alcohol at the Franchised Business location, which Franchisee acknowledges and agrees is an integral part of the System. If Franchisee fails to comply with any of such obligations, Franchisor shall have the right to prohibit Franchisee from opening for business. Franchisee's failure to open the Franchised Business and commence business (i) in accordance with the foregoing and (ii) within three hundred (300) days following the date of this Agreement shall be deemed a material event of default under this Agreement.

8.4 Liquidated Damages. If Franchisee fails to open the Franchised Business for business as required herein, then Franchisee shall pay to Franchisor $250.00 per week until the Franchised Business location is open, such payments to commence on the day the first Royalty Fee would have been due

had the Franchised Business location timely opened for business. Such payment represents liquidated damages for lost revenues which Franchisor would have received had Franchisee commenced operations as required in this Agreement. In the event that such failure to open continues for more than ninety (90) days, Franchisor shall have the right, but not the obligation, to terminate this Agreement and all of Franchisee's rights herein, select a new franchisee for the Franchised Business location and retain all monies paid to Franchisor by Franchisee, as well as any and all other rights and remedies of Franchisor on Franchisee's default, whether provided by this Agreement or by law.

8.5 No Relocation. Franchisee's rights to operate the Franchised Business shall be limited to the location set forth in Attachment 2, and no other. Franchisee shall not relocate the premises of the Franchised Business at any time without Franchisor's written approval, which approval shall be granted only in the sole and complete discretion of Franchisor, and if permitted, shall be at Franchisee's sole expense, and subject to the following:

8.5.1 Franchisee shall continue to operate at the original Franchised Business premises, where feasible, until construction of the new premises is complete and ready to commence operation;

8.5.2 Franchisee shall construct and develop the new site to conform to Franchisor's then-current specifications for design, appearance and leasehold improvements for new Franchised Businesses;

8.5.3 Franchisee shall remove any signs or other property from the original Franchised Business premises which identified the original Franchise Business premises as part of the System;

8.5.4 If Franchisee is required to suspend operations at the original Franchised Business premises, Franchisee agrees that, during the build-out, decorating and furnishing of the new premises, and at Franchisor's sole and absolute discretion: (i) the term of this Agreement shall not be abated, and (ii) Franchisee shall remain liable to pay a minimum Royalty Fee and Brand Fund Contribution that is equal to the average amount paid by Franchisee during the four (4) calendar quarters immediately preceding the date that operations cease or the shorter period that Franchisee had been in business at the original Franchised Business premises;

8.5.5 Franchisor shall issue a revised Attachment 2, in accordance with Section 8.1.5, to reflect the address of the new Franchised Business premises; and

8.5.6 Franchisee shall reimburse Franchisor for all actual expenses Franchisor incurs in connection with selection, approval, acquisition and construction of Franchisee's relocated premises for the Franchised Business.

9. SYSTEM MAINTENANCE AND IMPROVEMENT

9.1 Maintenance of Franchised Business Premises. Franchisee shall equip and maintain the Franchised Business premises to the standards of décor, furnishings, equipment, sanitation, repair and condition required by Franchisor, which standards are specified in the Manual and other written directives, standards and specifications. Franchisee, at Franchisee's expense, shall make such additions, alterations, repairs, refurbishing and replacements as may be required to comply with Franchisor's standards, including, without limitation, periodic repainting and repairs or replacement of worn or impaired décor, materials, furniture, fixtures, equipment, and signage as Franchisor may direct.

9.2 Inspections. Franchisee shall operate and maintain the Franchised Business and Franchised Business premises in conformance with restaurant industry standards and best practices for food and beverage storage, handling, preparation, service and disposal and in a manner that will ensure the highest rating possible for businesses of like kind from the governmental authorities that may inspect such businesses in the Territory. Franchisee shall submit to Franchisor a copy of any inspection reports. It shall be a default of this Agreement if, upon inspection, Franchisee does not obtain such rating or if Franchisee fails to operate in accordance with the general standards of quality, maintenance, repairs and sanitation required by the System, and Franchisor may, at its option, terminate this Agreement.

9.3 Equipment and Technology Updates. Franchisee shall make any and all upgrades to equipment, including but not limited to, display, storage and kitchen equipment, POS Systems, and computer hardware and software, and any technology used in conjunction therewith, as Franchisor requires in its sole and absolute discretion.

9.4 Trade Dress Modifications.

9.4.1 Franchisee is aware that to maintain and improve the image and reputation of the System, Franchisor, in its sole and absolute discretion, may change and modify identifying elements of the System, including but not limited to, the adoption and use of new exterior building designs, new interior decors, new color schemes, new or modified marks, and new furnishings (collectively, "Trade Dress Modifications").

9.4.2 Upon Franchisor's request, no more often than twice during the Term, Franchisee shall refurbish the Franchised Business premises at Franchisee's sole expense, as required by Franchisor, to conform to Trade Dress Modifications. This includes, without limitation, structural changes, remodeling, redecoration, and modifications to existing improvements. Notwithstanding the foregoing restriction on the frequency of Trade Dress Modifications, Franchisee, upon notice by Franchisor and in accordance with Section 14.6 hereof, shall immediately discontinue the use of any Mark that is no longer desirable or available to Franchisor and substitute a different Mark or Marks as Franchisor directs.

9.4.3 Franchisee will accept, use and display any such Trade Dress Modifications as if they were a part of this Franchise Agreement at the time of execution hereof.

9.5 No Liability/Waiver of Claims. Franchisor shall not be liable to Franchisee for any expenses, losses or damages sustained by Franchisee as a result of any of the modifications, including Trade Dress Modifications, required by this Article 9. Franchisee hereby covenants not to commence or join in any litigation or other proceeding against Franchisor or any third party, complaining of any such or seeking expenses, losses or damages caused thereby. Further, Franchisee expressly waives any claims, demands or damages arising from or related to the modifications contemplated by this Article 9, including, without limitation, any claim of breach of contract, breach of fiduciary duty, fraud, and/or breach of the implied covenant of good faith and fair dealing.

9.6 Franchisee Advisory Council. Franchisor has established a franchisee advisory council as a formal means for System franchisees to communicate ideas. Franchisor reserves the right to change or dissolve the council. Franchisor may invite Franchisee to participate in council-related activities and meetings, which invitation may be based on a franchisee's level of success, superior performance and restaurant profitability.

10. FRANCHISOR'S OBLIGATIONS

Franchisor and/or its designated representative will provide the services described below:

10.1 Site Selection Guidelines. Site selection criteria, as Franchisor may deem advisable. Franchisor shall also approve the site in accordance with Section 8.1.2.

10.2 Construction. Provide to Franchisee criteria and specifications for a The Toasted Yolk Cafe®. Such criteria and specifications include, but are not necessarily limited to, criteria with respect to required food storage and preparation systems and layout. Franchisee shall independently, and at Franchisee's expense, have such criteria and specifications incorporated into the construction of the Franchised Business premises in accordance with Article 8.

10.3 Manual. Provide Franchisee access to the Confidential Operations Manual and such other manuals and written materials as Franchisor may hereafter develop for use by franchisees, as the same may be revised by Franchisor from time to time. Such documents may be provided electronically or via the Internet, at Franchisor's sole and absolute discretion.

10.4 Inspection. Inspection of the Franchised Business and evaluations of the products sold and services rendered therein whenever reasonably determined by Franchisor.

10.5 Pre-Opening Requirements. Provide a written list of equipment, fixtures, furnishings, signage, supplies and inventory that will be required and/or recommended to open the Franchised Business for business.

10.6 Advertising Materials. Provide samples or digital artwork of certain advertising and promotional materials and information developed by Franchisor from time to time for use by Franchisee in marketing and conducting local advertising for the Franchised Business.

10.7 List of Supplies/Suppliers. Make available from time to time, and amend as deemed appropriate by Franchisor, a list of required and/or recommended products and services for System franchisees and a list of approved and/or recommended suppliers of such items. Franchisee acknowledges that Franchisor or Franchisor's affiliate(s) may be the sole approved supplier(s) of certain products and services that Franchisee is required to purchase to operate the Franchised Business.

10.8 Training. The training programs specified in Article 7 herein.

10.9 On-Site Assistance. On-site post-opening assistance at the Franchised Business premises in accordance with the provisions of Article 7.

10.10 Brand Fund. Administer a Brand Fund in accordance with Section 13.3.

11. FRANCHISEE'S REPRESENTATIONS, WARRANTIES AND COVENANTS

11.1 Best Efforts. Franchisee, including each Principal, covenants and agrees that he or she shall make all commercially reasonable efforts to operate the Franchised Business so as to achieve optimum sales.

11.2 Corporate Representations. If Franchisee is a corporation, partnership, limited liability company, or other legal entity, Franchisee and each Principal represent, warrant and covenant that:

11.2.1 The Franchisee entity is duly organized and validly existing under the state law of its formation;

11.2.2 Attachment 5 of this Agreement accurately reflects all individuals with an ownership interest, whether direct or beneficial, in the Franchisee entity;

11.2.3 The Franchisee entity is duly qualified and is authorized to do business in the jurisdiction of the Franchised Business premises and the Territory;

11.2.4 The Franchisee entity's organizational documents shall at all times provide that the activities of Franchisee are confined exclusively to the operation of the Franchise granted herein, unless otherwise consented to in writing by Franchisor, which consent may be withheld by Franchisor in Franchisor's sole discretion;

11.2.5 The execution of this Agreement and the consummation of the transactions contemplated hereby are within Franchisee's power and have been duly authorized by Franchisee; and

11.2.6 Any financial statements and tax returns provided to Franchisor shall be certified as true, complete and correct and shall have been prepared in conformity with generally accepted accounting principles applicable to the respective periods involved and, except as expressly described in the applicable notes, applied on a consistent basis. No material liabilities, adverse claims, commitments or obligations of any nature exist as of the date of the statements or returns, whether accrued, unliquidated, absolute, contingent or otherwise, that are not reflected as liabilities; and

11.3 Spousal Guaranty. If any Principal is a married individual and the Principal's spouse has not executed this Agreement, such Principal shall cause his or her spouse to personally execute and bind himself or herself to the terms of a Guaranty, in the form attached as Attachment 6 hereof.

11.4 Appointment of Manager.

11.4.1 Franchisee shall designate and retain at all times a general manager ("General Manager") to direct the operation and management of the Franchised Business location. Franchisee shall designate its General Manager prior to attending the Initial Training Program. The General Manager shall be responsible for the daily operation of the Franchised Business location. Unless otherwise permitted by Franchisor, the General Manager shall be, Franchisee, if Franchisee is an individual, or a Principal.

11.4.2 The General Manager shall, during the entire period he or she serves as General Manager, meet the following qualifications:

11.4.2.1 The General Manager shall meet Franchisor's standards and criteria for such individual, as set forth in the Manual or otherwise in writing by Franchisor, and shall be an individual otherwise acceptable to Franchisor in its sole discretion.

11.4.2.2 The General Manager shall devote his or her full time and best efforts to the supervision and management of the Franchised Business and may not engage in

any other competitive business activity without the Franchisor's consent, which may be withheld in Franchisor's sole discretion.

11.4.2.3 The General Manager shall satisfy the training requirements set forth in Article 7.

11.4.3 If the General Manager is not able to continue to serve in such capacity, or no longer qualifies to act as such in accordance with this Agreement, Franchisee shall promptly notify Franchisor and designate a replacement within thirty (30) days after the General Manager ceases to serve, such replacement being subject to the same qualifications required by this Agreement. Franchisee's replacement General Manager shall attend and satisfactorily complete the Initial Training Program, at Franchisee's sole cost and expense, including the payment of the then-current tuition. Until such replacement is designated and trained, Franchisee shall provide interim management of the Franchised Business, who shall act in accordance with the terms of this Agreement. Any failure to comply with the requirements of this Section shall be deemed a material event of default under this Agreement. Franchisor, in Franchisor's sole discretion, may provide interim management support and charge Franchisee ten percent (10%) of the Gross Revenue generated by the Franchised Business during Franchisor's operation thereof until such General Manager is properly trained or certified in accordance with Franchisor's requirements, plus any and all costs of travel, lodging, meals and other expenses reasonably incurred by Franchisor, and shall be withdrawn from Franchisee's designated bank account in accordance with Section 6.1.4.

11.5 Legal Compliance. Franchisee shall comply with all federal, state and local laws, rules and regulations and shall timely obtain any and all permits, certificates or licenses necessary for the full and proper conduct of the Franchised Business. Such laws, rules and regulations shall include, without limitation, licenses to do business, health and sanitation inspections, if required, fictitious name registrations, sales and other tax permits, fire and police department clearances, Americans With Disability Act compliance, certificates of occupancy, any permits, certificates or licenses required by any environmental federal, state or local law, rule or regulation and any other requirement, rule, law or regulation of any federal, state or local jurisdiction. Franchisee shall further comply with all industry best practices with respect to the handling, storage, preparation, service and disposal of food and beverage products.

11.6 Claims and Potential Claims. Franchisee shall notify Franchisor in writing within three (3) days of any incident or injury that could lead to, or the actual commencement of any action, suit or proceeding and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which in any way relating to or affecting the operation or financial condition of the Franchised Business. Any and all media inquiries concerning the Franchised Business or Franchised Business premises, including, but not limited to, the business operation and incidents and occurrences related to a customer or employee, shall be referred to Franchisor. Neither Franchisee, Franchisee's employees nor anyone on Franchisee's behalf may comment to any broadcast medium, except as directed by Franchisor.

11.7 Assignment of Numbers and Listings. Franchisee shall execute such forms and documents included in Attachment 7 to appoint Franchisor its true and lawful attorney-in-fact, with full power and authority, for the sole purpose of assigning to Franchisor, Franchisee's telephone numbers and listings; and provide Franchisor with passwords and administrator rights for all email and, software, social media, or other such accounts used or created by Franchisee in order to operate the Franchised Business. Upon the expiration or termination of this Agreement, Franchisor may exercise its authority, pursuant to such documents, to obtain any and all of Franchisee's rights to the telephone numbers of the Franchised Business and all related telephone directory listings and

other business listings, and all Internet listings, domain names, Internet advertising, websites, listings with search engines, electronic mail addresses, social media, or any other similar listing or usages related to the Franchised Business.

11.8 Access to Tax Filings. Upon Franchisor's request, Franchisee shall execute such forms and documents as Franchisor deems necessary, to appoint Franchisor its true and lawful attorney-in-fact with full power and authority, for the sole purpose of obtaining any and all tax returns and reports related to the Franchised Business filed by Franchisee with any state or federal taxing authority.

11.9 Continuing Obligation. Franchisee and each Principal acknowledge and agree that the representations, warranties and covenants set forth in this Article 11 are continuing obligations of Franchisee and each Principal, as applicable, and that any failure to comply with such representations, warranties and covenants shall constitute a material event of default under this Agreement. Franchisee and each Principal shall cooperate with Franchisor in any efforts made by Franchisor to verify compliance with such representations, warranties and covenants.

12. FRANCHISEE'S OPERATIONS

12.1 Operation of Franchised Business Premises. To maintain the highest degree of quality and service on a uniform System-wide basis, Franchisee shall operate the Franchised Business in conformity with the methods, standards and specifications prescribed by Franchisor. Franchisee agrees to comply with the Manual, as it is modified from time to time, and all directives, rules and procedures specified by Franchisor, and will, among other things:

12.1.1 Use only those furnishings, fixtures, décor, equipment, ingredients, recipes, supplies and signage that conform with Franchisor's specifications and/or which shall be purchased from only those vendors designated and approved by Franchisor;

12.1.2 Maintain and operate the Franchised Business premises in attractive condition and good repair, using Franchisee's best efforts to maintain a clean, enjoyable and inviting atmosphere thereabout in accordance with System standards, the Manual and all other directives and requirements of Franchisor, and do such redecoration, repairing, refurbishing and restoration as from time to time may be reasonably required to meet System standards and Franchisor's requirements as they may be modified from time to time. Franchisee acknowledges and agrees that: (i) Franchisor and/or Franchisor's affiliate may be a designated supplier or sole approved supplier of any product or service that Franchisee is required to lease or purchase, (ii) Franchisor and/or Franchisor's affiliate may receive payment from supplier(s) related to Franchisee's required purchases or leases, and (iii) any payments so received are for Franchisor's benefit only and may be used or applied in any manner determined by Franchisor in Franchisor's sole and absolute discretion;

12.1.3 Procure the necessary licenses or permits to allow food and beverage preparation and service, including but not limited to, a liquor license, and otherwise comply with all applicable governmental laws, ordinances, rules and regulations including those related to health and sanitation;

12.1.4 Maintain sufficient inventories of ingredients and supplies, as prescribed by Franchisor;

12.1.5 Conduct sales in accordance with Franchisor's standards and specifications, as set forth in the Manual and other directives of Franchisor. Franchisee acknowledges and accepts that Franchisee may only engage in providing food and beverage service to end-consumers. Franchisee is expressly prohibited from selling products outside of the Franchised Business premises, on the Internet, to dealers and/or to distributors for subsequent re-sale, and engaging in such sales shall be a material default of this Agreement;

12.1.6 Employ only qualified individuals who are trained in accordance with Franchisor's standards, including but not limited to the protection of Franchisor's confidential and proprietary information, and who will at all times enhance Franchisor's brand and conduct themselves in a competent and courteous manner in accordance with this Agreement and the image and reputation of the System. Franchisee shall use its best efforts to ensure that Franchisee's employees maintain a neat and clean appearance and render competent and courteous service to patrons of the Franchised Business. Franchisee acknowledges and agrees that poorly trained employees, sloppy or unclean appearances and incompetent or discourteous service are extremely damaging to the goodwill of the System and the Marks and are a material default of this Agreement;

12.1.7 Permit Franchisor or its agents, to inspect the Franchised Business premises and any services, products or equipment, to determine whether they meet Franchisor's then-current standards, specifications and requirements. In addition to any other remedies Franchisor may have, Franchisee shall reimburse Franchisor for Franchisor's inspection costs of any item that does not conform to the System standards and specifications;

12.1.8 Prominently display signs in and upon the Franchised Business premises using the Marks and/or other advertising and/or signs of such nature, form, color, number, location and size, and containing such material, as Franchisor may from time to time reasonably direct or approve in writing; and to not display in or upon the Franchised Business premises or elsewhere any sign or advertising media or interior décor of any kind to which Franchisor reasonably objects, including signs, advertising media or interior décor which are outdated. Upon giving Franchisee notice of its objection to same or upon termination hereof, Franchisor may at any time enter upon the Franchised Business premises or elsewhere and remove any objectionable or non-approved signs, advertising media or interior décor and keep or destroy same without paying therefor or without being deemed guilty of trespass or any other tort;

12.1.9 Conduct all advertising programs in a manner consistent with Franchisor's standards and specification, in a manner satisfactory to Franchisor and that will not detract from the reputation of the System or the Marks.

12.2. Bookkeeping and Reports.

12.2.1. Franchisee agrees to keep and maintain complete and accurate books and records of its transactions and business operations using the accounting procedures specified by Franchisor. Franchisee agrees to purchase the computer systems specified in Section 12.3 to maintain the records and accounts of the Franchisee to the standards of the Franchisor. Franchisee acknowledges and agrees that the financial data of Franchisee's Franchised Business (i) is owned by Franchisor, (ii) is Franchisor's Proprietary Information, (iii) may be published in franchise disclosure document(s) issued by Franchisor following the Effective Date hereof, and (iv) may be shared with other franchisees in the System.

12.2.2. Within thirty (30) days after the close of each calendar quarter and within ninety (90) days after the close of each fiscal year, Franchisee will furnish Franchisor a full and complete written statement of income and expense and a profit and loss statement for the operation of the Franchised Business during said period, together with a balance sheet for the Franchised Business, all of which shall be prepared in accordance with generally accepted accounting principles and practice. Franchisee's annual statements and balance sheets shall be prepared by an independent certified public accountant and certified to be correct.

12.2.3. The financial statements required hereunder shall be in such form and contain such information as Franchisor may from time to time reasonably designate.

12.2.4. Franchisor reserves the right to require Franchisee to engage the services of a third-party accounting services firm, designated and approved by Franchisor, in the event that (i) Franchisee fails to keep books and records in accordance with Franchisor's standards or (ii) Franchisor, in its sole discretion, determines that use of a third-party accounting services firm by all System franchisees is beneficial to the System.

12.2.5. Franchisor shall have the right at all reasonable times to examine, at its expense, Franchisee's books, records, and tax returns. If Franchisor's examination finds that any Gross Revenue Report was understated by two percent (2%) or more, Franchisee shall reimburse Franchisor for the cost of such examination and pay the Franchisor the amounts due together with interest thereon at the rate provided herein. Such understatement may be considered a material default hereunder. Two (2) such understatements during the term of this Agreement may, at the option of Franchisor, be considered an incurable default and thereby subject to termination as provided herein.

12.3. Computer Systems.

12.3.1. Franchisee, at Franchisee's sole expense, shall install and maintain the POS System and computer hardware and software Franchisor requires for the operation of the Franchised Business and shall follow the procedures related thereto that Franchisor specifies in the Manual or otherwise in writing.

12.3.2. Franchisor may require Franchisee, at Franchisee's sole expense, to install and maintain systems and web-based payment processing accounts that permit Franchisor to independently and electronically access and retrieve any information stored in Franchisee's POS System, other computer systems and web-based payment processing accounts, including, without limitation, information concerning Gross Revenue. Upon Franchisor's request, Franchisee shall execute such documents as Franchisor deems necessary to permit Franchisor to independently and electronically access and retrieve all information stored on Franchisee's POS System, other computer systems and web-based payment processing accounts.

12.3.3 Any and all customer data collected or provided by Franchisee, retrieved from Franchisee's POS System, or otherwise collected from Franchisee by Franchisor or provided to Franchisor, is and will be owned exclusively by Franchisor and will be considered to be Franchisor's proprietary and Confidential Information. Franchisor has the right to use such data in any manner without compensation to Franchisee. Franchisor licenses to Franchisee the use of such data solely for the purpose of operating the Franchised Business; provided that, this license shall automatically and irrevocably terminate, without any additional action or notice required by Franchisor, upon the expiration or earlier termination of this Agreement.

12.3.4. Franchisor may require Franchisee, at Franchisee's sole expense, to enter into software license agreements in the form that Franchisor requires for software Franchisor develops or acquires for use in the System, or for security purposes to protect the operation and integrity of Franchisor's systems.

12.3.5. Franchisee shall have and maintain adequate hardware and software in order to access the Internet at the speed required by Franchisor from time to time. Franchisee shall utilize the electronic mail account provided by Franchisor. Franchisee shall promptly read and respond to all electronic mail related to the Franchised Business no less often than on a daily basis and shall accept and acknowledge receipt of all electronic mail sent by Franchisor. Franchisee shall not establish any website or other listing on the Internet except as provided and specifically permitted herein.

12.3.6. Franchisor has established a website that provides information about the System and the products and services offered by the The Toasted Yolk Cafe System (the "Website"). Franchisor has sole discretion and control over the Website. Franchisor shall include a listing on its Website with Franchisee's Franchised Business premises. Franchisee has no ownership or other proprietary rights to Franchisor's website and Franchisee will lose all rights to such listing of Franchisee's location upon expiration or termination of this Agreement for any reason.

12.3.7 In addition to the requirements of Section 6.4, Franchisee shall pay all fees, whether to Franchisor or to third party vendor(s), and expenses for technology required by this Agreement for operation of the Franchised Business, including but not limited to, the costs of computer hardware and software and applications, installation costs and regularly recurring fees for software and digital menu displays, Internet access, license fees, help desk fees, and licensing or user-based fees.

12.3.8 Franchisee is solely responsible for maintaining the security and integrity of the computer and payment processing systems used in the Franchised Business and the customer and other data stored therein. Franchisee, at Franchisee's sole cost and expense, shall implement all computer hardware, software and Internet security procedures, including required updates or upgrades thereto, that are reasonably necessary to protect Franchisee's computer and payment processing systems and the data stored therein from viruses, malware, privacy breaches or other unauthorized access.

12.4. Safety and Security of Premises. Franchisee is solely responsible for the safety and security of the Franchised Business premises for Franchisee, Franchisee's personnel, customers, agents and the general public. Franchisee shall (i) train all employees on, and comply with all best practices and instructions contained in owner's manuals for all equipment, (ii) train all employees on, and comply with all best practices for safe food handling, storage, and service; as well as best practices for restaurant safety and cleanliness, and (iii) train all employees on, and comply with all best practices for the responsible service of alcohol. All matters of safety and security are within Franchisee's discretion and control, and Franchisee's indemnification obligations set forth in Section 15.6 hereof shall apply to any claims made against Franchisor regarding safety or security.

12.5 Prices. Subject to applicable law, Franchisor may recommend or set maximum prices for services and products offered by Franchisee, which may vary depending on geographic and other market conditions. Franchisee shall have the right to sell its products and services at any price Franchisee determines within Franchisor's parameters. Franchisee acknowledges that Franchisor has made

no guarantee or warranty that offering services or products at any particular price will enhance Franchisee's sales or profits.

12.6. Unapproved Item/Suppliers. If Franchisee desires to purchase, lease or use any unapproved equipment, product, or service or to purchase, lease or use any equipment, product or service from an unapproved supplier, Franchisee shall submit to Franchisor a written request for such approval prior to utilizing such product, service or supplier. Franchisee shall not purchase or lease any item or use any supplier until and unless such item or supplier has been approved in writing by Franchisor. Franchisor shall have the right to require that its representatives be permitted to inspect the supplier's facilities and to test or otherwise evaluate samples from the supplier. Franchisor reserves the right to charge Franchisee a fee equal to the actual cost and expense for inspection and testing. Franchisor shall notify Franchisee whether Franchisor approves or disapproves of the proposed item or supplier within thirty (30) days after Franchisor receives all required information to evaluate the product, service or supplier. Franchisor reserves the right, at its option, to re-inspect from time to time the facilities and products of any such approved supplier and to revoke its approval upon the supplier's failure to continue to meet any of Franchisor's then-current criteria. Nothing in the foregoing shall be construed to require Franchisor to approve any particular item or supplier.

12.7. External Quality Assurance Services. Franchisor reserves the right to establish quality assurance programs conducted by third-party providers, including, but not limited to, mystery shop programs and periodic quality assurance audits ("Quality Review Services"). Upon Franchisor's request and at Franchisee's sole cost and expense, Franchisee shall subscribe, to any such third-party provider for Quality Review Services to monitor the operations of the Franchised Business as directed by Franchisor.

12.8. Variations in Standards. Notwithstanding anything to the contrary contained in this Agreement and this Section 12 in particular, Franchisee acknowledges and agrees that because complete and detailed uniformity under many varying conditions may not be possible or practical, Franchisor specifically reserves the right and privilege, at its sole discretion and as it may deem in the best interests of all concerned in any specific instance, to vary performance standards for some franchisees based upon the peculiarities and characteristics of the particular site or circumstance, business potential, existing business practices or any other condition which Franchisor deems to be of importance to the successful operation of such particular franchise business. Franchisor has full rights to vary standard specifications and practices for any other franchisee at any time without giving Franchisee comparable rights. Franchisee shall not be entitled to require Franchisor to disclose or grant to Franchisee a like or similar variation.

13. ADVERTISING, PROMOTIONS AND RELATED FEES

13.1. Advertising Programs. Franchisor may from time to time develop and administer advertising and sales promotion programs designed to promote and enhance the collective success of all Franchised Businesses operating under the System. Franchisee shall participate in all such advertising and sales promotion programs in accordance with the terms and conditions established by Franchisor from time to time for each program. In all aspects of these programs, including, without limitation, the type, quantity, timing, placement and choice of media, market areas and advertising agencies, the standards and specifications established by Franchisor, as modified from time to time, shall be final and binding upon Franchisee.

13.2. Local Advertising.

13.2.1. In addition to the ongoing advertising contributions set forth herein, and following the expenditures set forth in Section 13.2.3 below, Franchisee shall spend monthly, throughout the term of this Agreement, not less than one percent (1%) of Gross Revenue per month on advertising for the Franchised Business in the Territory ("Local Advertising"). Franchisor reserves the right, in Franchisor's sole discretion and at any time and from time to time, to increase the minimum monthly Local Advertising expenditure to any amount not to exceed two percent (2%) of the Gross Revenue. Franchisor may require Franchisee to allocate to a regional advertising cooperative, as described in Section 13.4, up to one-half of Franchisee's required Local Advertising expenditures. Franchisor reserves the right to collect some or all of Franchisee's Local Advertising expenditure and implement Local Advertising on Franchisee's behalf.

13.2.2. Within ten (10) business days of Franchisor's request, Franchisee shall provide a quarterly expenditure report accurately reflecting Franchisee's Local Advertising expenditures for the preceding quarterly period. The following costs and expenditures incurred by Franchisee shall ***not*** be included in Franchisee's expenditures on Local Advertising for purposes of this Section, unless approved in advance by Franchisor in writing: (i) incentive programs for employees or agents of Franchisee; (ii) research expenditures; (iii) salaries and expenses of any of Franchisee's personnel to attend advertising meetings, workshops or other marketing activities; (iv) charitable, political or other contributions or donations.

13.2.3. Franchisee shall spend at least Twenty-One Thousand Five Hundred Dollars ($21,500.00) on Local Advertising and promotional activities in the Territory within the thirty (30) days before and first sixty (60) days after the opening of the Franchised Business to promote the opening of the Franchisee's Franchised Business. Franchisor reserves the right to collect some or all of Franchisee's grand opening funds and implement grand opening campaign activities on Franchisee's behalf.

13.3. Brand Fund.

13.3.1. Franchisor has established a national fund on behalf of the System for national advertising, marketing, and brand development (the "Brand Fund"). Franchisee is required to contribute an amount equal to one-half percent (0.5%) of the Gross Revenue generated weekly by Franchisee's Franchised Business to the Brand Fund ("Brand Fund Contribution"). Franchisor reserves the right, in Franchisor's sole discretion and at any time and from time to time, to increase the amount of the Brand Fund Contribution to any amount not to exceed two percent (2%) of the Gross Revenue. Payments will be made in the same manner and time as the Royalty Fees. If Franchisee fails to timely report Gross Revenue, then, in addition to a late fee and interest pursuant to Sections 6.2 and 6.3 hereof, Franchisor shall collect one hundred twenty percent (120%) of the last Brand Fund Contribution payable. Franchisor shall reconcile amounts when Gross Revenues are reported.

13.3.2. Franchisor shall direct the Brand Fund and shall have sole discretion to approve or disapprove the creative concepts, materials and media used in such programs and the placement and allocation thereof. Franchisee agrees and acknowledges that the Brand Fund is intended to maximize general public recognition and acceptance of the Marks and enhance the collective success of all Franchised Businesses operating under the System.

13.3.3. Franchisor may, but has no obligation to, contribute to the Brand Fund on the same basis as Franchisee with respect to The Toasted Yolk Cafe® outlets operated by Franchisor or Franchisor's affiliates.

13.3.4. Franchisor may use the Brand Fund to satisfy any and all costs of developing, preparing, producing, directing, administering, conducting, maintaining and disseminating advertising, marketing, promotional and public relations materials, programs, campaigns, sales and marketing seminars and training programs of every kind and nature, through media now existing or hereafter developed (including, without limitation, the cost of television, radio, magazine, social media, newspaper and electronic advertising campaigns; direct mail and outdoor billboard advertising; public relations activities; conducting marketing research, employing advertising agencies to assist therein; developing, enhancing and maintaining the Website, social media platforms, apps, and other technology for the benefit of the The Toasted Yolk Cafe brand image and/or Systemwide improvements; and staff salaries and other personnel and departmental costs for advertising that Franchisor internally administers or prepares). While Franchisor does not intend that any part of the Brand Fund will be used for advertising which is principally a solicitation for franchisees, Franchisor reserves the right to use the Brand Fund for public relations, to explain the franchise system, and/or to include a notation in any advertisement indicating "Franchises Available."

13.3.5. The Brand Fund will not be used to defray any of Franchisor's general operating expenses, except for reasonable administrative costs and overhead that Franchisor may incur in activities related to the administration and direction of the Brand Fund and such costs and expenses pursuant Section 13.3.4. The Brand Fund and its earnings shall not otherwise inure to Franchisor's benefit except that any resulting technology and intellectual property shall be deemed the property of Franchisor.

13.3.6. Franchisor will prepare an unaudited annual statement of the Brand Fund's operations and will make it available to Franchisee upon request. In administering the Brand Fund, Franchisor undertakes no obligation to make expenditures for Franchisee that are equivalent or proportionate to Franchisee's contribution or to ensure that any particular franchisee benefits directly or pro rata from the production or placement of advertising.

13.3.7. Although the Brand Fund is intended to be of perpetual duration, Franchisor may terminate it at any time and for any reason or no reason. Franchisor will not terminate the Brand Fund, however, until all monies in the Brand Fund have been spent for advertising or promotional purposes or returned to contributors, without interest, on the basis of their respective contributions.

13.4. Regional Advertising. Franchisor reserves the right to establish, in Franchisor's sole discretion, a regional advertising cooperative. If a regional cooperative is established during the term of this Agreement, Franchisee agrees to sign all documents Franchisor requests to become a member of the cooperative according to the terms of the documents. If Franchisor establishes a regional cooperative, Franchisee agrees to contribute amounts Franchisor requires, in addition to required Brand Fund Contributions.

13.5. Directory Listings. At Franchisee's sole cost and expense, Franchisee must list the Franchised Business in local business directories, including, but not limited to, listings on Internet search engines. If feasible, and with Franchisor's prior written approval, Franchisee may do cooperative listings with other System franchisees. Notwithstanding the foregoing, Franchisee may not maintain any business profile on Facebook, Instagram, TikTok, X, Twitter, LinkedIn, YouTube or

any other social media and/or networking site without Franchisor's prior written approval and use of any social media accounts shall be in strict accordance with Franchisor's requirements. Franchisee shall provide Franchisor with all passwords and administrative rights to any and all social media accounts for the Franchised Business, and Franchisee hereby appoints Franchisor its true and lawful agent and attorney-in-fact with full power and authority, for the sole purpose of taking whatever action as is necessary for the best interest of the System, if Franchisee fails to maintain such accounts in accordance with Franchisor's standards.

13.6. Approval of Advertising. All advertising and promotion by Franchisee, in any medium, shall be conducted in a professional manner and shall conform to the standards and requirements of Franchisor as set forth in the Manual or otherwise. Franchisee shall submit to Franchisor for its approval samples of all advertising, press releases, promotional plans and materials and public relations programs that Franchisee desires to use, including, without limitation, any materials in digital, electronic or computerized form, or in any form of media now or hereafter developed that have not been either provided or previously approved by Franchisor. Franchisor shall approve or disapprove such plans and materials within ten (10) business days of Franchisor's receipt thereof. If Franchisor fails to respond to Franchisee's submission within ten (10) business days, such plans and materials shall be deemed "disapproved". Franchisee shall not use such unapproved plans or materials until they have been approved by Franchisor in writing and shall promptly discontinue use of any advertising or promotional plans or materials, whether or not previously approved, upon notice from Franchisor. Any advertising, marketing or sales concepts, programs or materials proposed or developed by Franchisee for the The Toasted Yolk Cafe® brand and approved by Franchisor may be used by other System franchisees without any compensation to Franchisee.

14. INTELLECTUAL PROPERTY

14.1 Ownership.

14.1.1 Franchisee expressly understands and acknowledges that Franchisor and/or Franchisor's affiliate(s) are the record owner of the Marks. Franchisor holds the exclusive right to license the Marks to franchisees of the System for use pursuant to the System. Franchisee further expressly understands and acknowledges that Franchisor and/or Franchisor's affiliate(s) claim copyrights on certain material used in the System, including but not limited to its website, documents, recipes, advertisements, promotional materials, photographs, social media content, and the Manual, whether or not Franchisor and/or Franchisor's affiliate(s) have filed for copyrights thereto with the U.S. Copyright Office. The Marks and copyrights, along with Franchisor's trade secrets, service marks, trade dress and proprietary systems are hereafter collectively referred to as the "Intellectual Property".

14.1.2 As between Franchisor and Franchisee, Franchisor and/or Franchisor's affiliate(s) are the owner of all right, title and interest in and to the Intellectual Property and the goodwill associated with and symbolized by them.

14.2 No Interference. Neither Franchisee nor any Principal shall take any action that would prejudice or interfere with the validity of Franchisor's and/or Franchisor's affiliate(s)'s rights with respect to the Intellectual Property. Nothing in this Agreement shall give the Franchisee any right, title, or interest in or to any of the Intellectual Property or any of Franchisor's and/or Franchisor's affiliate(s)'s service marks, trademarks, trade names, trade dress, logos, copyrights or proprietary materials, except the right to use the Intellectual Property and the System in accordance with the terms and conditions of this Agreement for the operation of a Franchised Business and only at or

from the Franchised Business premises or in approved advertising related to the Franchised Business.

14.3 Goodwill. Franchisee understands and agrees that any and all goodwill arising from Franchisee's use of the Intellectual Property and the System shall inure solely and exclusively to the benefit of Franchisor and/or Franchisor's affiliate(s), and upon expiration or termination of this Agreement and the license herein granted, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the Intellectual Property.

14.4 Validity. Franchisee shall not contest the validity of, or Franchisor's and/or Franchisor's affiliate(s)'s interest in, the Intellectual Property or assist others to contest the validity of, or Franchisor's and/or Franchisor's affiliate(s)'s interest in, the Intellectual Property.

14.5 Infringement. Franchisee acknowledges that any unauthorized use of the Intellectual Property shall constitute an infringement of Franchisor's and/or Franchisor's affiliate(s)'s rights in the Intellectual Property and a material event of default hereunder. Franchisee shall provide Franchisor and/or Franchisor's affiliate(s) with all assignments, affidavits, documents, information and assistance Franchisor and/or Franchisor's affiliate(s) reasonably requests to fully vest in Franchisor and/or Franchisor's affiliate(s) all such rights, title and interest in and to the Intellectual Property, including all such items as are reasonably requested by Franchisor and/or Franchisor's affiliate(s) to register, maintain and enforce such rights in the Intellectual Property.

14.6 Substitution. Franchisor reserves the right to substitute different Marks for use in identifying the System and the Franchised Business, if it in its sole discretion, determines that substitution of different Marks will be beneficial to the System. Franchisor will not be liable to Franchisee for any expenses, losses or damages sustained by Franchisee as a result of any additions, modifications, substitutions or discontinuation of the Marks. Franchisee covenants not to commence or join in any litigation or other proceeding against Franchisor for any of these expenses, losses or damages.

14.7 Franchisee's Use of the Intellectual Property. With respect to Franchisee's use of the Intellectual Property pursuant to this Agreement, Franchisee further agrees that:

14.7.1 Unless otherwise authorized or required by Franchisor, Franchisee shall advertise the Franchised Business only under the Marks "The Toasted Yolk Cafe" and design. Franchisee shall not use the Marks, or any portions, variations, or derivatives thereof, as part of its corporate or other legal name. All fictitious names used by Franchisee shall bear the designation "a franchisee of The Toasted Yolk Franchise Company, LLC".

14.7.2 Franchisee shall identify itself as the owner of the Franchised Business and as an independent The Toasted Yolk Cafe® franchisee in conjunction with any use of the Intellectual Property, including, but not limited to, uses on invoices, order forms, receipts and contracts, as well as the display of a notice in such content and form and at such conspicuous locations on the premises of the Franchised Business as Franchisor may designate in writing.

14.7.3 Franchisee shall not use the Intellectual Property to incur any obligation or indebtedness on behalf of Franchisor.

14.7.4 Any item offered by Franchisee that contains the Marks, must be approved by Franchisor in writing prior to being distributed or sold by Franchisee and such approval may be granted or denied in Franchisor's sole and absolute discretion.

14.8 Claims. Franchisee shall notify Franchisor immediately via both email and telephone, of any apparent infringement of or challenge to Franchisee's use of any Intellectual Property and of any claim by any person of any rights in any Intellectual Property. Franchisee shall not communicate with any person other than Franchisor or any designated affiliate thereof, their counsel and Franchisee's counsel in connection with any such infringement, challenge or claim. Franchisor shall have complete discretion to take such action as it deems appropriate in connection with the foregoing, and the right to control exclusively, or to delegate control to any of its affiliates of, any settlement, litigation or other proceeding arising out of any such alleged infringement, challenge or claim or otherwise relating to any Intellectual Property. Franchisee agrees to execute any and all instruments and documents, render such assistance, and do such acts or things as may, in the opinion of Franchisor, reasonably be necessary or advisable to protect and maintain the interests of Franchisor or any other person or entity in any litigation or other proceeding or to otherwise protect and maintain the interests of Franchisor or any other interested party in the Intellectual Property. Franchisor will indemnify and defend Franchisee against and reimburse Franchisee for actual damages (including settlement amounts) for which Franchisee is held liable in any proceeding arising out of Franchisee's use of any of the Intellectual Property that infringes on the rights of any other party, provided that the conduct of Franchisee with respect to such proceeding and use of the Intellectual Property is in full compliance with the terms of this Agreement.

14.9 Franchisor may use and grant franchises and licenses to others to use the Intellectual Property and the System and to establish, develop and franchise other systems, different from the System licensed to Franchisee herein, without offering or providing Franchisee any rights in, to or under such other systems and Franchisor may modify or change, in whole or in part, any aspect of the Intellectual Property or the System, so long as Franchisee's rights thereto are in no way materially harmed thereby.

14.10 Franchisee shall not register or attempt to register the Intellectual Property in Franchisee's name or that of any other person, firm, entity or corporation.

15. INSURANCE AND INDEMNIFICATION

15.1. Procurement. Franchisee shall procure, prior to the commencement of any operations under this Agreement, and thereafter maintain in full force and effect during the term of this Agreement at Franchisee's sole cost and expense and to Franchisor's sole satisfaction, insurance policies, which shall be primary and non-contributory to any insurance that Franchisor may carry. Franchisee's insurance shall be provided by insurance companies with an A.M. Best rating of not less than A-VII, protecting Franchisee and Franchisor, and naming Franchisor, its officers, directors, partners, owners, employees and affiliates as additional insureds as their interests may appear, in the following minimum limits (except as additional coverage and higher policy limits may reasonably be specified from time to time in the Manual or otherwise in writing):

15.1.1. Liability. Commercial general liability insurance, including contractual liability, public liability, liquor liability, personal injury, advertising injury, and environmental damage coverage in the amount of at least One Million Dollars ($1,000,000) per occurrence and One Million Dollars ($1,000,000) in the aggregate;

15.1.2. Employment. Worker's compensation coverage in the limits required by state law and employer practices of One Million Dollars ($1,000,000) aggregate; and employer practices liability insurance in the amount of Fifty Thousand Dollars ($50,000); as well as such other insurance as may be required by statute or rule of the state in which the Franchised Business is located and operated;

15.1.3. Property. Fire, vandalism and extended coverage insurance for property damage with primary and excess limits of not less than the full replacement value of the leasehold improvements, equipment, furniture, fixtures, and inventory, whichever is greater.

15.1.4 Business. Business interruption insurance for a minimum of six (6) months, in an amount necessary to satisfy Franchisee's obligations under this Agreement and the lease for the Franchised Business location.

15.1.5 Automobile Insurance. Prior to operation of any vehicle on behalf of the Franchised Business, Franchisee must obtain comprehensive automobile liability insurance in the amount of at least a combined single limit for bodily injury and property damage of One Million Dollars ($1,000,000), or greater if required by state law.

15.1.6 Cyber Liability. Coverage for damage or loss of electronic and computer equipment, media and data, including ransomware in an amount of not less than Ten Thousand Dollars ($10,000);

15.1.7 Identity Theft, Forgery or Alteration. Coverage for identity forgery, alteration or theft in an amount of at least Two Thousand Five Hundred Dollars ($2,500) per loss and expenses;

15.1.8 Food Contamination Business Income. Coverage for food contamination in an amount of at least Two Hundred Fifty Thousand Dollars ($250,000) for claims of actual or alleged food/drink contamination;

15.1.9 Umbrella Liability. Coverage to be in excess of general liability, automobile liability and employer's liability in an amount of at least One Million Dollars ($1,000,000).

15.2 Evidence of Insurance. Franchisee shall deliver to, and maintain at all times with Franchisor, current Certificates of Insurance evidencing the existence and continuation of the required coverages. In addition, if requested by Franchisor, Franchisee shall deliver to Franchisor a copy of the insurance policy or policies required hereunder.

15.3 Failure to Procure. If, for any reason, Franchisee should fail to procure or maintain the insurance required by this Agreement as revised from time to time for all franchisees by the Manual or otherwise in writing, Franchisor shall have the right and authority (without, however, any obligation) to immediately procure such insurance and to charge Franchisee for the cost thereof together with a reasonable fee for Franchisor's expenses in so acting, including all attorneys' fees. Franchisee shall pay Franchisor immediately upon notice by Franchisor to Franchisee that Franchisor has undertaken such action and the cost thereof.

15.4 Increase in Coverage. The levels and types of insurance stated herein are minimum requirements. Franchisor reserves the right to raise the required minimum requirements for any type of insurance or add additional types of insurance requirements as Franchisor deems reasonably prudent to require. Within thirty (30) days of any such required new limits or types of coverage, Franchisee

must submit proof to Franchisor of Franchisee's coverage pursuant to Franchisor's requirements.

15.5. Additional Insured. All required insurance policies shall name Franchisor and their affiliates and their members, officers, agents and employees as additional insureds as their interests may appear. All public liability policies shall contain a provision that the additional insureds, although named as insureds, shall nevertheless be entitled to recover under such policies on any loss caused by Franchisee or Franchisee's servants, agents or employees.

15.6. Indemnification. TO THE FULLEST EXTENT PERMITTED BY LAW, FRANCHISEE AGREES TO EXONERATE AND INDEMNIFY AND HOLD HARMLESS THE TOASTED YOLK FRANCHISE COMPANY, LLC, THE TOASTED YOLK CAFE, LLC, AND ANY OF THESE COMPANIES' PARENT COMPANIES, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES, AS WELL AS THEIR DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, AND SHAREHOLDERS (COLLECTIVELY REFERRED TO AS THE "TOASTED YOLK INDEMNITEES"), FROM ALL CLAIMS BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATED TO FRANCHISEE'S FRANCHISE AND/OR THE OPERATION THEREOF, INCLUDING BUT NOT LIMITED TO, ANY CLAIM IN CONNECTION WITH FRANCHISEE'S EMPLOYEES OR AGENTS; FRANCHISEE'S COMPUTER SYSTEMS; FRANCHISEE'S PREPARATION, STORAGE, HANDLING AND/OR DISPOSAL OF FOOD OR BEVERAGE PRODUCTS; THE FRANCHISED BUSINESS PREMISES; OR FRANCHISEE'S ADVERTISING OR BUSINESS PRACTICES. FRANCHISEE AGREES TO PAY FOR ALL THE TOASTED YOLK INDEMNITEES' LOSSES, EXPENSES (INCLUDING, BUT NOT LIMITED TO ATTORNEYS' FEES) OR CONCURRENT OR CONTRIBUTING LIABILITY INCURRED IN CONNECTION WITH ANY ACTION, SUIT, PROCEEDING, INQUIRY (REGARDLESS OF WHETHER THE SAME IS REDUCED TO JUDGMENT OR DETERMINATION), OR ANY SETTLEMENT THEREOF FOR THE INDEMNIFICATION GRANTED BY FRANCHISEE HEREUNDER. THE TOASTED YOLK INDEMNITEES SHALL HAVE THE RIGHT TO SELECT AND APPOINT INDEPENDENT COUNSEL TO REPRESENT ANY OF THE TOASTED YOLK INDEMNITEES IN ANY ACTION OR PROCEEDING COVERED BY THIS INDEMNITY. FRANCHISEE AGREES THAT TO HOLD THE TOASTED YOLK INDEMNITEES HARMLESS, FRANCHISEE WILL REIMBURSE THE TOASTED YOLK INDEMNITEES AS THE COSTS AND EXPENSES ARE INCURRED BY THE TOASTED YOLK INDEMNITEES.

_____
Initial

16. TRANSFERS

16.1 Transfers by Franchisor.

16.1.1 Franchisor shall have the right to assign this Agreement, and all of Franchisor's rights and privileges hereunder, to any person, firm, corporation or other entity, without Franchisee's permission or prior knowledge, provided that, with respect to any assignment resulting in the subsequent performance by the assignee of Franchisor's obligations, the assignee shall expressly assume and agree to perform Franchisor's obligations hereunder. Specifically, and without limitation to the foregoing, Franchisee expressly affirms and agrees that Franchisor may: (i) sell Franchisor's assets and Franchisor's rights to the Marks and the System outright to a third party; (ii) engage in a public or private placement of some or all of Franchisor's securities; (iii) merge, acquire other corporations, or be acquired by another corporation, including competitors; (iv) undertake a refinancing, recapitalization,

leveraged buy-out or other economic or financial restructuring; and (v) with regard to any or all of the above sales, assignments and dispositions, Franchisee expressly and specifically waives any claims, demands or damages arising from or relating to the loss of association with or identification of Franchisor. Nothing contained in this Agreement shall require Franchisor to remain in the business franchised herein or to offer the same products and services, whether or not bearing the Marks, in the event that Franchisor exercises its prerogative hereunder to assign Franchisor's rights in this Agreement.

16.1.2 Franchisee agrees that Franchisor has the right, now or in the future, to purchase, merge, acquire or affiliate with an existing competitive or non-competitive franchise network, chain or any other business regardless of the location of that chain's or business' facilities, and to operate, franchise or license those businesses and/or facilities operating under the Marks or any other marks following Franchisor's purchase, merger, acquisition or affiliation, regardless of the location of the facilities (which Franchisee acknowledges may be within the Territory, proximate thereto, or proximate to any of Franchisee's locations). However, Franchisor represents that it will not convert any such acquired facilities that are operating within the Territory to a The Toasted Yolk Cafe® franchise during the Term of this Agreement.

16.1.3 If Franchisor assigns its rights in this Agreement, nothing herein shall be deemed to require Franchisor to remain in the casual dining or crafts business or to offer or sell any products or services to Franchisee.

16.2 Restrictions on Transfers by Franchisee. Franchisee's rights and duties under this Agreement are personal to Franchisee as it is organized and with the Principal(s) of the business as they exist on the date of execution of this Agreement, and Franchisor has made this Agreement with Franchisee in reliance on Franchisor's perceptions of the individual and collective character, skill, aptitude, attitude, business ability, and financial capacity of Franchisee or Principal(s). Thus, no transfer, as hereafter defined, may be made without Franchisor's prior written approval. Franchisor may void any transfer made without such approval.

16.3 Transfers by Franchisee. Franchisee shall not directly or indirectly sell, assign, transfer, give, devise, convey or encumber this Agreement or any right or interest herein or hereunder (a "Transfer"), the Franchise, the Franchised Business or any assets thereof (except in the ordinary course of business) or suffer or permit any such assignment, transfer, or encumbrance to occur by operation of law unless it first obtains the written consent of Franchisor. A transfer of any stock in the Franchisee if it is a corporation or a transfer of any ownership rights in Franchisee if it is a partnership, a limited liability company or limited partnership shall be considered a Transfer restricted hereunder. If Franchisee has complied fully with this Agreement and subject to Franchisor's Right of First Refusal set forth in Section 16.6, Franchisor will not unreasonably withhold its consent of a Transfer that meets the following requirements:

16.3.1 The proposed transferee and all its principals must have the demeanor, be individuals of good character and otherwise meet, in Franchisor's sole discretion, Franchisor's then-applicable standards for franchisees.

16.3.2 The transferee must have sufficient business experience, aptitude and financial resources to operate the Franchised Business and to comply with this Agreement;

16.3.3 The transferee has agreed to complete Franchisor's Initial Training Program to Franchisor's satisfaction;

16.3.4 Franchisee has paid all amounts owed to Franchisor and third-party creditors;

16.3.5 The transferee has executed Franchisor's then-standard form of Franchise Agreement, which may have terms and conditions different from this Agreement, except that the transferee shall not be required to pay the Initial Franchise Fee;

16.3.6 Franchisee and the transferee and each of Franchisee's and the transferee's Principals shall have executed a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and Franchisor's officers, directors, shareholders, members and employees in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances. Franchisee will agree to subordinate any claims Franchisee may have against the transferee to Franchisor, and indemnify Franchisor against any claims by the transferee relating to misrepresentations in the transfer process, specifically excluding those representations made by Franchisor in the Franchise Disclosure Document given to the transferee;

16.3.7 Franchisor has granted written approval of the material terms and conditions of the Transfer, including, without limitation, that the price and terms of payment will not adversely affect the Franchised Business's operation. However, Franchisor's approval of a Transfer is not in any way a representation or warranty of the transferee's success or the soundness of transferee's decision to purchase the Franchise on such terms and conditions. Franchisee shall provide Franchisor all proposed transfer documents for Franchisor's review at least thirty (30) days prior to a closing of the proposed Transfer;

16.3.8 If Franchisee or any Principal finances any part of the sale price of the Transfer, Franchisee or its Principal have agreed that all obligations of the transferee under any notes, agreements or security interests to Franchisee or its Principal will be subordinate to the transferee's obligations to Franchisor; and

16.3.9 If consent is required, the lessor of the Franchised Business's premises consents to the assignment or further sublet of the premises to the transferee.

16.4 Transfer Fee. As a condition to any Transfer, Franchisee shall pay Franchisor a transfer fee equal to seventy-five percent (75%) of the then-current initial franchise fee; provided however, (i) for transfers to an existing franchisee in good standing with Franchisor, the transfer fee is fifty percent (50%) of the then-current initial franchise fee, (ii) for transfers of ownership interest among existing shareholders or members, or to add a new shareholder or member, of the Franchisee entity and such transfer does not change management control of the Franchisee entity, the transfer fee is $1,500, and (iii) for a transfer to a spouse, parent or child upon death or permanent disability of Franchisee or Franchise's Principal, as the case may be, no transfer fee is applicable.

16.5 Entity Formation Documents. The By-Laws of a corporation or Operating Agreement of a limited liability company of a Franchisee that is an entity must state that (i) the issuance and assignment of any interest in Franchisee are restricted by this Article 16; (ii) Franchisee may conduct no business except the operation of a Franchised Business pursuant to the terms of this Agreement; (iii) transfers of interests in Franchisee are subject to the terms of this Agreement governing transfers; and (iv) stock or member certificates will contain a legend so indicating.

16.6 Franchisor 's Right of First Refusal.

16.6.1 If Franchisee wishes to transfer all or part of its interest in the Franchised Business or this Agreement or if a Principal wishes to transfer any ownership interest in Franchisee, pursuant to any bona fide offer to purchase such interest, then Franchisee or such Principal shall promptly notify Franchisor in writing of each such offer, and shall provide such information and documentation relating to the offer as Franchisor may require.

16.6.2 Franchisor has the right, exercisable by written notice to Franchisee within thirty (30) days after receipt of written notification and copies of all documentation required by Franchisor describing such offer, to buy the interest in this Agreement and the Franchised Business or the Principal's interest in Franchisee for the price and on the terms and conditions contained in the offer, subject to Section 16.6.3.

16.6.3 Franchisee further agrees, in the event Franchisor exercises its right of first refusal, notwithstanding anything to the contrary contained in the offer, that (i) Franchisor may substitute cash for any other form of consideration contained in the offer; (ii) at Franchisor 's option, Franchisor may pay the entire purchase price at closing; (iii) Franchisor 's credit will be deemed equal to the credit of any proposed transferee; (iv) Franchisor will have at least sixty (60) days to close the purchase; and (v) Franchisor will be entitled to receive from the Franchisee all customary representations and warranties given by a seller of the assets of a business or equity interest in an entity, as applicable.

16.6.4 If Franchisor does not exercise its right to buy within thirty (30) days, Franchisee may thereafter transfer the interest to the transferee on terms no more favorable than those disclosed to Franchisor, provided that such transfer is subject to Franchisor's prior written approval pursuant to Section 16.3 hereof. However, if (i) the sale to the transferee is not completed within one hundred twenty (120) days after the offer is given to Franchisor or (ii) there is any material change in the terms of the offer, the offer will again be subject to Franchisor's right of first refusal.

16.7 Death or Permanent Disability. The grant of rights under this Agreement is personal to Franchisee, and on the death or permanent disability of Franchisee or any of Franchisee's Principals, the executor, administrator, conservator or other personal representative of Franchisee or Principal, as the case may be, shall be required to transfer Franchisee's or Principal's interest in this Agreement within six (6) months from the date of death or permanent disability to a third party approved by Franchisor. Failure to transfer in accordance with the forgoing will constitute a material default and the Franchise granted by this Agreement will terminate. A transfer under this Section 16.7, including without limitation, transfer by devise or inheritance, is subject to the conditions for Transfers in this Article 16 and unless transferred by gift, devise or inheritance, subject to the terms of Section 16.6 above. For purposes of this Agreement, the term "permanent disability" means a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent such person from providing continuous and material supervision of the operation of Franchisee's Franchised Business during the six (6)-month period from its onset.

Immediately after the death or permanent disability of such person, or while the Franchise is owned by an executor, administrator, guardian, personal representative or trustee of that person, the Franchised Business shall be supervised by an interim successor manager satisfactory to Franchisor, or Franchisor, in its sole discretion, may provide interim management at no less than Franchisor's actual cost, pending transfer of the Franchise to the deceased or disabled individual's lawful heirs or successors.

16.8 Effect of Consent to Transfer. Franchisor's consent to a Transfer will not waive any claims Franchisor may have against the Franchisee or any Franchisee's Principals nor waive its right to demand that the transferee comply strictly with this Agreement.

16.9 Security Interests to Lender. If Franchisee is in full compliance with this Agreement, Franchisee may pledge or give a security interest in Franchisee's interest in the assets of the Franchised Business to a lender of the funds needed by Franchisee for Franchisee's initial investment, provided that the security interest is subordinate to Franchisee's obligations to Franchisor, that a foreclosure on such a pledge or security interest and/or any Transfer resulting from such a foreclosure shall be subject to all provisions of this Agreement, and that Franchisee obtains from the lender a written acknowledgement to Franchisor of these restrictions. Notwithstanding the foregoing, in the event Franchisee obtains financing whereby funding is provided with the assistance of the United States Small Business Administration ("SBA Financing"), Franchisee shall be permitted to grant the lender of such SBA Financing a senior lien on any collateral Franchisee uses to secure the SBA Financing, and Franchisor agrees to (i) subordinate its interest in any lien on Franchisee's collateral to that of the lender of the SBA Financing and (ii) waive the requirement of the written acknowledgement referenced in this Section.

17. DEFAULTS

17.1 Default and Automatic Termination. Franchisee shall be deemed to be in material default under this Agreement, and all rights granted herein shall automatically terminate without notice to Franchisee, if Franchisee shall become insolvent or makes a general assignment for the benefit of creditors; or if Franchisee files a voluntary petition under any section or chapter of federal bankruptcy law or under any similar law or statute of the United States or any state thereof, or admits in writing its inability to pay its debts when due; or if Franchisee is adjudicated a bankrupt or insolvent in proceedings filed against Franchisee under any section or chapter of federal bankruptcy laws or under any similar law or statute of the United States or any state; or if a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee; or if a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee; or if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); or if Franchisee is dissolved; or if execution is levied against Franchisee's business or property; or if suit to foreclose any lien or mortgage against the Franchised Business premises or equipment is instituted against Franchisee and not dismissed within thirty (30) days.

17.2 Defaults with No Opportunity to Cure. Franchisee shall be deemed to be in material default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure the default, effective immediately upon notice to Franchisee, if Franchisee, or any Principal, as the case may be:

17.2.1 has misrepresented or omitted material facts in applying for, or in operating, the Franchise;

17.2.2 fails to acquire a site for the Franchised Business and timely complete construction of the Franchised Business, fails to obtain, or suffers a lapse of, any licenses and permits, including but not limited to a license to have alcoholic beverages in the Franchised Business premises before opening and/or during operations, or open the Franchised Business within the time and in the manner specified in Article 8.

17.2.3 falsifies any report required to be furnished Franchisor hereunder;

17.2.4 ceases to operate the Franchised Business for a period of five (5) days or more; subject to loss or casualty which is governed by Section 17.2.4 and Section 17.2.5;

17.2.5 loses for any cause whatsoever the right of possession of the Franchised Business premises; provided, however, that this provision shall not apply if through no fault of Franchisee, Franchisee loses right of possession and Franchisee applies within thirty (30) days after such event, for Franchisor's approval to relocate the Franchised Business (which approval shall not be unreasonably withheld) and Franchisee diligently pursues such relocation in accordance with Section 8.5;

17.2.6 fails to restore the Franchised Business premises to full operation within a reasonable period of time but not more than one hundred twenty (120) days from the date the Franchised Business premises is rendered inoperable by any casualty, as may be extended by Franchisor in Franchisor's reasonable discretion;

17.2.7 fails to comply with any federal, state or local law, rule or regulation, applicable to the operation of the Franchised Business, including, but not limited to, the ability to provide alcoholic beverages or the failure to pay taxes;

17.2.8 defaults under any lease or sublease of the real property on which the Franchised Business is located;

17.2.9 understates Gross Revenue on two (2) occasions or more, whether or not cured on any or all of those occasions;

17.2.10 fails to comply with the covenants in Article 15;

17.2.11 permits a Transfer in violation of the provisions of Article 16 of this Agreement;

17.2.2 fails, or Franchisee's legal representative fails, to transfer the interests in this Franchise Agreement and the Franchised Business upon death or permanent disability of Franchisee or any Principal of Franchisee as required by Section 16.7.

17.2.13 is convicted of, or pleads no contest to, a felony or to a crime that could damage the goodwill associated with the Marks or does anything to harm the reputation of the System or the goodwill associated with the Marks;

17.2.14 receives an adverse judgment or a consent decree in any case or proceeding involving allegations of fraud, racketeering, unfair or improper trade practices or similar claim which is likely to have an adverse effect on the System, or the Marks, the goodwill associated therewith or Franchisor's interest therein, in Franchisor's sole opinion;

17.2.15 conceals revenues, knowingly maintains false books or records, or knowingly submits any false reports;

17.2.16 creates a threat or danger to public health or safety from the construction, maintenance or operation of the Franchised Business;

17.2.17 refuses to permit Franchisor to inspect or audit Franchisee's books or records;

17.2.18 makes any unauthorized use of the Marks or copyrighted material or any unauthorized use or disclosure of Confidential Information (as defined in Section 19.2);

17.2.19 fails to comply with the non-competition covenants in Section 19.5;

17.2.20 defaults in the performance of Franchisee's obligations under this Agreement three (3) or more times during the term of this Agreement or has been given at least two (2) notices of default in any consecutive twelve (12)–month period, whether or not the defaults have been corrected;

17.2.21 has insufficient funds to honor a check or electronic funds transfer two (2) or more times within any consecutive twelve (12)-month period;

17.2.22 defaults, or an affiliate of Franchisee defaults, under any other agreement, including any other franchise agreement, with Franchisor or any of its affiliates, suppliers or landlord and does not cure such default within the time period provided in such other agreement; or

17.2.23 terminates this Agreement without cause.

17.3 Curable Defaults. Franchisee shall be deemed to be in material default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, if Franchisee fails to cure the default within the time period set forth in this Section 17.3, effective immediately upon notice to Franchisee, if Franchisee, or any Principal, as the case may be:

17.3.1 fails to pay when due any amounts due to Franchisor under this Agreement or any related agreement and does not correct the failure within five (5) days after written notice; provided, however, Franchisor has no obligation to give written notice of a late payment more than two (2) times in any twelve (12)–month period, and the third such late payment in any twelve (12)–month period shall be a non-curable default under Sections 17.2.20 and/or 17.2.21;

17.3.2 fails to perform any non-monetary obligation imposed by this Agreement (excepting those defaults of obligations set forth in Sections 17.1 and 17.2 for which there is no opportunity to cure) and such default shall continue for five (5) days after Franchisor has given written notice of such default, or if the default cannot be reasonably corrected within said five (5)-day period, then if it is not corrected within such additional time as may be reasonably required assuming Franchisee proceeds diligently to cure; provided, however, Franchisor has no obligation to give written notice of a non-monetary default more than two (2) times in any twelve (12)–month period, and the third such default, whether monetary or non-monetary, in any twelve (12) – month period shall be a non-curable default under Section 17.2.20.

17.4 Franchisor's Cure of Franchisee's Defaults. In the event of a default by Franchisee, in addition to Franchisor's right to terminate the Franchise Agreement, and not in lieu thereof, Franchisor may, but has no obligation to:

17.4.1 effect a cure on Franchisee's behalf and at Franchisee's expense, and Franchisee shall immediately pay Franchisor the costs incurred by Franchisor upon demand; or

17.4.2 enter upon the Franchised Business premises and exercise complete authority with respect to the operation thereof until such time as Franchisor determines that the default of Franchisee has been cured and that Franchisee is complying with the requirements of this Agreement. Franchisee specifically agrees that a designated representative of Franchisor may take over, control and operate the Franchised Business. In addition to all other fees paid under this Agreement, Franchisee shall pay Franchisor ten percent (10%) of the Gross Revenue generated by the Franchised Business during Franchisor's operation thereof as compensation therefor. Further, Franchisee shall reimburse Franchisor for the full compensation paid to such representative including the cost of all fringe benefits plus all travel expenses, lodging, meals and other expenses reasonably incurred by such representative until the default has been cured and Franchisee is complying with the terms of this Agreement.

17.5 Notice to Suppliers. In the event of a default by Franchisee, in addition to Franchisor's right to terminate the Franchise Agreement, and not in lieu thereof, Franchisor reserves the right with five (5) days' prior written notice to Franchisee to direct suppliers to stop furnishing any and all products and supplies until such time as Franchisee's default is cured. In no event shall Franchisee have recourse against Franchisor for loss of revenue, customer goodwill, profits or other business arising from Franchisor's actions and the actions of suppliers.

17.6 Suspend Operations. In the event of a default by Franchisee pursuant to Section 17.2.6 hereof, in addition to Franchisor's right to terminate the Franchise Agreement, and not in lieu thereof, Franchisor may instruct Franchisee to immediately suspend operation of the Franchised Business, until Franchisee has cured such non-compliance to Franchisor's satisfaction. Non-operation of the Franchised Business due to regulatory or other legal non-compliance shall specifically be subject to Section 17.3.2 hereof. In addition, Franchisee shall remain liable to pay a minimum Royalty Fee and Brand Fund Contribution that is equal to the average amount paid by Franchisee during the four (4) calendar quarters immediately preceding the date that operations cease or the shorter period that Franchisee had been in business.

17.7 Reimbursement of Costs. Franchisee shall reimburse Franchisor all costs and expenses, including but not limited to attorneys' fees, incurred by Franchisor as a result of Franchisee's default, including costs in connection with collection of any amounts owed to Franchisor and/or enforcement of Franchisor's rights under this Agreement.

18. POST-TERMINATION

18.1 Franchisee's Obligations. Upon termination or expiration of this Agreement, all rights and licenses granted hereunder to Franchisee shall immediately terminate and Franchisee and each Principal, if any, shall:

18.1.1 immediately cease to operate the Franchised Business, and shall not thereafter, directly or indirectly identify himself, herself or itself as a current The Toasted Yolk Cafe® owner, franchisee or licensee;

18.1.2 immediately and permanently cease to use the Marks, any imitation of any Mark, Franchisor's recipes, copyrighted material or other intellectual property, confidential or proprietary material or indicia of the Franchised Business; immediately and permanently refrain from using any trade name, trade or service mark or other commercial symbol that suggests a current or past association with Franchisor, Franchisor's affiliate(s), or the System and immediately and permanently refrain from using in any way Franchisor's name

or Intellectual Property in connection with Franchisee's future business endeavors. In particular, Franchisee shall cease to use, without limitation, all signs, billboards, advertising materials, displays, stationery, forms and any other articles, which display the Marks;

18.1.3 take such action as may be necessary to cancel any assumed name or equivalent registration that contains the Mark or any other service mark or trademark of Franchisor, and Franchisee shall furnish Franchisor with evidence of compliance with this obligation, which is satisfactory to Franchisor, within five (5) days after termination or expiration of this Agreement;

18.1.4 promptly pay all sums owing to Franchisor and its affiliates. Such sums shall include all damages, costs and expenses, including reasonable attorneys' fees, incurred by Franchisor as a result of any default by Franchisee. The payment obligation herein shall give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all of the personal property, furnishings, equipment, fixtures, and inventory owned by Franchisee and located at the Franchised Business location at the time of default;

18.1.5 pay to Franchisor all damages for any breach or early termination of this Agreement, plus, costs and expenses, including reasonable attorneys' fees, incurred by Franchisor in connection with obtaining any remedy available to Franchisor for and, subsequent to the termination or expiration of this Agreement, in obtaining injunctive or other relief for the enforcement of any provisions of this Agreement that survive its termination;

18.1.6 immediately deliver at Franchisee's sole cost and expense, to Franchisor the Manual and all records, files, instructions, correspondence, invoices, agreements, menus, recipes, all confidential, proprietary and copyrighted material and all other materials related to operation of the Franchised Business, including but not limited to customer lists and records, (all of which are acknowledged to be Franchisor's property), delete all electronic copies and retain no copy or record of any of the foregoing, except Franchisee's copy of this Agreement and of any correspondence between the parties and any other documents that Franchisee reasonably needs for compliance with any provision of law;

18.1.7 comply with the non-disclosure and non-competition covenants contained in Article 19; and

18.1.8 in the event this Agreement is terminated due to Franchisee's default, pay Franchisor a lump sum payment (as liquidated damages and not as a penalty) in an amount equal to: (a) the average weekly Royalty Fee and Brand Fund Contribution payable by Franchisee over the twelve (12) month period immediately prior to the date of termination (or such shorter time period if the Franchised Business has been open less than twelve (12) months); (b) multiplied by the lesser of (i) twenty-four (24) months or (ii) the number of months then remaining in the then-current term of this Agreement. Franchisee acknowledges that a precise calculation of the full extent of the damages Franchisor will incur in the event of termination of this Agreement as a result of Franchisee's default is difficult to determine and that this lump sum payment is reasonable in light thereof. The liquidated damages payable by Franchisee pursuant to this Section 18.1.8 shall be in addition to all other amounts payable under this Agreement and shall not affect Franchisor's right to obtain appropriate injunctive relief and remedies pursuant to any other provision of this Agreement.

18.2. Right to Purchase.

18.2.1 Franchisor shall have the option, to be exercised within thirty (30) days after termination or expiration of this Agreement, to purchase from Franchisee any or all of the furnishings,

equipment (including any point of sale system), signs, fixtures, advertising materials, supplies, and inventory of Franchisee related to the operation of the Franchised Business, at Franchisee's cost or fair market value, whichever is less. Franchisor shall purchase Franchisee's assets free and clear of any liens, charges, encumbrances or security interests and Franchisor shall assume no liabilities whatsoever, unless otherwise agreed to in writing by the parties. If the parties cannot agree on the fair market value within thirty (30) days of Franchisor's exercise of its option, fair market value shall be determined by two (2) appraisers, with each party selecting one (1) appraiser, and the average of their determinations shall be binding. In the event of such appraisal, each party shall bear its own legal and other costs and shall split the appraisal fees equally. If Franchisor elects to exercise its option to purchase herein provided, it shall have the right to set off (i) all fees for any such independent appraiser due from Franchisee, (ii) all amounts due from Franchisee to Franchisor or any of its affiliates and (iii) any costs incurred in connection with any escrow arrangement (including reasonable legal fees), against any payment therefor and shall pay the remaining amount in cash. Closing of the purchase shall take place no later than thirty (30) days after determination of the fair market value.

18.2.2 With respect to the options described in Sections 18.2.1, Franchisee shall deliver to Franchisor in a form satisfactory to Franchisor, such warranties, releases of lien, bills of sale, assignments and such other documents and instruments that Franchisor deems necessary in order to perfect Franchisor's title and possession in and to the assets being purchased or assigned and to meet the requirements of all tax and government authorities. If, at the time of closing, Franchisee has not obtained all of these certificates and other documents, Franchisor may, in its sole discretion, place the purchase price in escrow pending issuance of any required certificates or documents.

18.2.3 Franchisor shall be entitled to assign any and all of its option in Section 18.2.1 to any other party, without the consent of Franchisee.

18.3 Assignment of Telephone Numbers. Franchisee, at the option of Franchisor, shall assign to Franchisor all rights to the telephone numbers of the Franchised Business and any related public directory listing or other business listings and execute all forms and documents required by Franchisor and any telephone company at any time, to transfer such service and numbers to Franchisor. Further, Franchisee shall assign to Franchisor any and all social media accounts and internet listings, domain names, internet advertising, websites, listings with search engines, electronic mail addresses or any other similar listing or usage related to the Franchised Business. Notwithstanding any forms and documents that may have been executed by Franchisee under Section 11.6, Franchisee shall provide Franchisor with all passwords and administrative rights, and hereby appoints Franchisor its true and lawful agent and attorney-in-fact with full power and authority, for the sole purpose of taking such action as is necessary to complete such assignment. This power of attorney shall survive the expiration or termination of this Agreement. Franchisee shall thereafter use different telephone numbers, social media account, electronic mail addresses or other listings or usages at or in connection with any subsequent business conducted by Franchisee.

18.4 Survival. The rights and obligations of the parties contained in this Article 18 shall survive the expiration or sooner termination of this Agreement.

19. NON-DISCLOSURE AND NON-COMPETITION COVENANTS

19.1 Operations Manual.

19.1.1 Franchisor has provided to Franchisee, on loan, a current copy of the Manual. The Manual may be in hard copy or made available to Franchisee in digital, electronic or computerized form or in some other form now existing or hereafter developed that would allow Franchisee to view the contents thereof. If the Manual (or any changes thereto) are provided in a form other than physical copy, Franchisee shall pay any and all costs to retrieve, review, use or access the Manual. To protect the reputation and goodwill of Franchisor and to maintain high standards of operation under Franchisor's Marks, Franchisee shall operate all aspects of the Franchised Business in accordance with the Manual, as they may from time to time be modified by Franchisor, other written directives that Franchisor may issue to Franchisee from time to time, whether or not such directives are included in the Manual, and any other manual and materials created or approved for use in the operation of the Franchised Business.

19.1.2 Franchisee and Principal(s) shall at all times treat the Manual, written directives, and other materials and any other confidential communications or materials, and the information contained therein, as confidential and shall maintain such information as trade secret and confidential in accordance with this Article and this Agreement. Franchisee and Principal(s), if any, shall not divulge and make such materials available to anyone other than those of Franchisee's employees who require the information contained therein to operate the Franchised Business. Franchisee shall, prior to disclosure, fully train and inform its employees on all the restrictions, terms and conditions under which it is permitted to use Franchisor's intellectual, proprietary and confidential information; and shall ensure its employees'' compliance with such restrictions, terms and conditions. Franchisee, Principal(s), and any person working with Franchisee shall agree not, at any time to use, copy, duplicate, record or otherwise reproduce these materials, in whole or in part, or otherwise make the same available to any person other than those authorized above, without Franchisor's prior written consent.

19.1.3 The Manual, written directives, and other materials and any other confidential communications provided or approved by Franchisor shall at all times remain the sole property of Franchisor. Franchisee shall maintain the Manual and all Franchisor's confidential and proprietary materials at all times in a safe and secure location, shall take all reasonable measures to prevent unauthorized access thereto, whether any attempted unauthorized access takes the form of physical access or access via computer or telecommunications networks or otherwise, and shall report the theft or loss of the Manual, or any portion thereof, immediately to Franchisor. At a minimum, Franchisee shall, in the case of computer and telecommunications networks, use the latest available firewall, encryption and similar technology to prevent unauthorized access. Franchisee shall delete all electronic copies, and return and cease using any physical copy of the Manual and other confidential and proprietary materials to Franchisor immediately upon request or upon transfer, termination or expiration of this Agreement.

19.1.4 Franchisor may from time to time revise the contents of the Manual and other materials created or approved for use in the operation of the Franchised Business. Franchisee expressly agrees to comply with each new or changed policy, standard or directive. In the event of any dispute as to the contents of the Manual, the terms of the master copy of the Manual maintained by Franchisor shall control.

19.1.5 If Franchisee loses, misplaces or otherwise requests a physical copy of the Manual, Franchisor, in its discretion, may provide such physical copy and Franchisee shall pay Franchisor the

then-current replacement fee. The replacement fee as of the date of this Agreement is Two Hundred Fifty Dollars ($250.00).

19.2 Confidential Information. Franchisee and Principal(s) acknowledge and accept that during the term of this Agreement Franchisee and Principal(s) will have access to Franchisor's trade secrets, including, but not limited to, recipes, methods, processes, customer lists, vendor partnerships and/or relationships, sales and technical information, financial information, costs, product prices and names, software tools and applications, website and/or email design, products, services, equipment, technologies and procedures relating to the operation of the Franchised Business; the Manual; methods of advertising and promotion; instructional materials; any other information which Franchisor may or may not specifically designate as "confidential" or "proprietary"; and the components of the System, whether or not such information is protected or protectable by patent, copyright, trade secret or other proprietary rights (collectively referred to herein as the "Confidential Information"). Neither Franchisee nor any Principal shall, during the term of this Agreement and thereafter, communicate or divulge to, or use for the benefit of, any other person or entity, and, following the expiration or termination of this Agreement, shall not use for their own benefit, any Confidential Information that may be communicated to Franchisee or any Principal or of which Franchisee or any Principal may be apprised in connection with the operation of the Franchised Business under the terms of this Agreement. Franchisee and any Principal shall not divulge and make any Confidential Information available to anyone other than those of Franchisee's employees who require the Confidential Information to operate the Franchised Business and who have themselves entered into confidentiality and non-compete agreements containing the same provisions as contained in this Agreement, in accordance with Section 19.10 hereof. Franchisee and any Principal shall not at any time copy, duplicate, record or otherwise reproduce any Confidential Information, in whole or in part, or otherwise make the same available to any person other than those authorized above, without Franchisor's prior written consent. The covenant in this Section 19.2 shall survive the expiration, termination or transfer of this Agreement or any interest herein and shall be perpetually binding upon Franchisee and each Principal.

19.3 Protection of Information. Franchisee shall take all steps necessary, at Franchisee's own expense, to protect the Confidential Information and shall immediately notify Franchisor if Franchisee finds that any Confidential Information has been divulged in violation of this Agreement.

19.4 New Concepts. If Franchisee or any Principal develops any new concept, process, product, recipe, design or improvement in the operation or promotion of the Franchised Business ("Improvements"), Franchisee is required to promptly notify Franchisor and provide Franchisor with all related information, processes, products, design or other improvements, and sign any and all forms, documents and/or papers necessary for Franchisor to obtain full proprietary rights to such Improvements, without compensation and without any claim of ownership or proprietary rights to such Improvements. Franchisee and any Principal acknowledge that any such Improvements will become the property of Franchisor, and Franchisor may use or disclose such information to other franchisees as it determines to be appropriate.

19.5 Noncompetition Covenants. Franchisee and Principal(s) specifically acknowledge that, pursuant to this Agreement, Franchisee and Principal(s) will receive valuable training, trade secrets and Confidential Information of the System that are beyond the present knowledge, training and experience of Franchisee, Principal(s) and Franchisee's managers and employees. Franchisee and Principal(s) acknowledge that such specialized training, trade secrets and Confidential Information provide a competitive advantage and will be valuable to them in the development and operation of the Franchised Business, and that gaining access to such specialized training,

trade secrets and Confidential Information is, therefore, a primary reason why Franchisee and Principal(s) are entering into this Agreement. In consideration for such specialized training, trade secrets, Confidential Information and rights, Franchisee and Principal(s) covenant that, except as otherwise approved in writing by Franchisor:

19.5.1 During the term of this Agreement, Franchisee and Principal(s) shall not, either directly or indirectly, for themselves or through, on behalf of, or in conjunction with, any person or entity (i) divert, or attempt to divert, any business or customer of the Franchised Business or of other franchisees in the System to any competitor, by direct or indirect inducement or otherwise; (ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any other capacity in any restaurant or eatery business that either (x) derives more than twenty percent (20%) of its gross receipts from the sale of eggs, pancakes, waffles and/ or other breakfast items or (y) closes before 6 p.m.(("Competitive Business"); or (iii) do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System or (iv) in any manner interfere with, disturb, disrupt, decrease or otherwise jeopardize the business of the Franchisor or any The Toasted Yolk Cafe® franchisees or Franchisor-affiliated outlets.

19.5.2. Upon the expiration or earlier termination of this Agreement or upon a Transfer and continuing for twenty-four (24) months thereafter, Franchisee and Principal(s) shall not, either directly or indirectly, for themselves or through, on behalf of or in conjunction with any person or entity (i) divert, or attempt to divert, any business or customer of the Franchised Business or of other franchisees in the System to any competitor, by direct or indirect inducement or otherwise; or (ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any other capacity in any Competitive Business within twenty-five (25) miles of the Territory or any The Toasted Yolk Cafe® location; or (iii) do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System or (iv) in any manner interfere with, disturb, disrupt, decrease or otherwise jeopardize the business of the Franchisor or any The Toasted Yolk Cafe® franchisees.

19.6. Reasonableness of Restrictions. Franchisee and Principal(s) acknowledge and agree that the covenants not to compete set forth in this Agreement are fair and reasonable and will not impose any undue hardship on Franchisee or Principal(s) , since Franchisee or Principal(s), as the case may be, have other considerable skills, experience and education which afford Franchisee or Principal(s), as the case may be, the opportunity to derive income from other endeavors.

19.7. Reduction of Time or Scope. If the period of time or the geographic scope specified above, should be adjudged unreasonable in any proceeding, then the period of time will be reduced by such number of months or the geographic scope will be reduced by the elimination of such portion thereof, or both, so that such restrictions may be enforced for such time and scope as are adjudged to be reasonable. In addition, Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Paragraph 19 or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof, and Franchisee agrees to forthwith comply with any covenant as so modified.

19.8. Injunctive Relief. Franchisee and Principal(s) acknowledges that a violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to Franchisor for which no adequate remedy at law will be available. Accordingly, Franchisee and Principal(s) hereby consent to the entry of an injunction prohibiting any conduct by Franchisee

or any Principal in violation of the terms of the covenants not to compete set forth in this Agreement.

19.9. No Defense. Franchisee and Principal(s) expressly agree that the existence of any claims they may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section.

19.10. Covenants of Employees, Agents and Third Persons. Franchisee shall require and obtain execution of covenants similar to those set forth in this Section (including covenants applicable upon the termination of a person's employment with Franchisee) from all employees, contractors or third persons who will have access to Franchisor's confidential and proprietary information, and Franchisee shall provide Franchisor with executed versions thereof. Such covenants shall be substantially in the form set forth in Attachment 8 as revised and updated from time to time and contained in the Manual. Franchisee shall indemnify and hold Franchisor harmless from any and all liability, loss, attorneys' fees, or damage Franchisor may suffer as a result of Franchisee's failure to obtain executed restricted covenants by employees, agents and third persons as required by this Section.

20. DISPUTE RESOLUTION

20.1. Internal Dispute Resolution. Franchisee shall first bring any claim, controversy or dispute arising out of or relating to this Agreement, the Attachments hereto or the relationship created by this Agreement to Franchisor's president and/or chief executive officer for resolution. After providing notice as set forth in Section 21.7 below. Franchisee must exhaust this internal dispute resolution procedure before Franchisee may bring Franchisee's dispute before a third party. This agreement to first attempt resolution of disputes internally shall survive termination or expiration of this Agreement.

20.2. Mediation. At Franchisor's option, any claim, controversy or dispute that is not resolved pursuant to Section 20.1 hereof shall be submitted to non-binding mediation. Franchisee shall provide Franchisor with written notice of Franchisee's intent to pursue any unresolved claim, controversy or dispute, specifying in sufficient detail the nature thereof, prior to commencing any legal action. Franchisor shall have thirty (30) days following receipt of Franchisee's notice to exercise Franchisor's option to submit such claim, controversy or dispute to mediation. Mediation shall be conducted through a mediator or mediators selected in accordance with the American Arbitration Association, Commercial Mediation Rules. Such mediation shall take place in the then-current location of Franchisor's corporate headquarters. The costs and expenses of mediation, including compensation and expenses of the mediator (and except for the attorneys' fees incurred by either party), shall be borne by the parties equally. Franchisor may specifically enforce Franchisor's rights to mediation, as set forth herein.

20.3 Arbitration.

20.3.1 Except disputes not subject to alternative dispute resolution as set forth in Section 20.4, any dispute between Franchisor and Franchisee and/or any Principal arising out of or relating to this Agreement, the Exhibits hereto or any breach thereof, including any claim that this Agreement or any of its parts, is invalid, illegal or otherwise voidable or void, which has not been resolved in accordance with Sections 20.1 or 20.2, will be resolved by submission to the American Arbitration Association or its successor organization to be settled by a

single arbitrator in accordance with the Commercial Arbitration Rules then in effect for such Association or successor organization.

20.3.2 All issues relating to arbitrability or the enforcement of the agreement to arbitrate contained in this Article 20 will be governed by the Federal Arbitration Act (9 U.S.C. §1 *et seq*.) and the federal common law of arbitration. All hearings and other proceedings will take place in Montgomery County, Texas, or the offices of the American Arbitration Association, or, if Franchisor so elects, in the county where the principal place of business of Franchisee is then located.

20.3.3 This arbitration provision is self-executing and will remain in full force and effect after expiration or termination of this Agreement. Any arbitration will be conducted on an individual, and not a class-wide or multiple plaintiffs, basis. If either party fails to appear at any properly noticed arbitration proceeding, an award may be entered against the party by default or otherwise, notwithstanding the failure to appear. Judgment upon an arbitration award may be entered in any court having jurisdiction and will be binding, final and not subject to appeal. No punitive or exemplary damages will be awarded against Franchisor, Franchisee, or entities related to either of them, in an arbitration proceeding or otherwise, and are hereby waived.

20.3.4 The provisions of this Section 20.3 are independent of any other covenant or provision of this Agreement; provided, however, that if a court of competent jurisdiction determines that any of the provisions are unlawful in any way, the court will modify or interpret the provisions to the minimum extent necessary to have them comply with the law.

20.3.5 In proceeding with arbitration and in making determinations hereunder, no arbitrator shall extend, modify, or suspend any terms of this Agreement or the reasonable standards of business performance and operation established by Franchisor in good faith. No notice, request or demand for arbitration shall stay, postpone, or rescind the effectiveness of any termination of this Agreement.

20.3.6 Except as expressly required by law, Franchisor, Franchisee and any Principal shall keep all aspects of any mediation and/or arbitration proceeding in confidence, and shall not disclose any information about the proceeding to any third party other than legal counsel who shall be required to maintain the confidentiality of such information.

20.4 Exceptions. Notwithstanding the requirements of Sections 20.2 or 20.3, the following claims shall not be subject to mediation or arbitration:

20.4.1 Franchisor's claims for injunctive or other extraordinary relief;

20.4.2 disputes and controversies arising from the Sherman Act, the Clayton Act or any other federal or state antitrust law;

20.4.3 disputes and controversies based upon or arising under the Lanham Act, as now or hereafter amended, relating to the ownership or validity of the Marks;

20.4.4 disputes and controversies relating to actions to obtain possession of the premises of the Franchised Business; and

20.4.5 enforcement of Franchisee's post-termination obligations, including but not limited to, Franchisee's non-competition covenants.

20.5. Governing Law and Venue. This Agreement is made in, and shall be substantially performed in, the State of Texas. Any claims, controversies, disputes or actions arising out of this Agreement shall be governed, enforced and interpreted pursuant to the laws of the State of Texas. Franchisee and Principal(s), except where specifically prohibited by law, hereby irrevocably submit themselves to the sole and exclusive jurisdiction of the state and federal courts in Texas. Franchisee and Principal(s) hereby waive all questions of personal jurisdiction for the purpose of carrying out this provision.

20.6. Mutual Benefit. Franchisee, Principal(s), and Franchisor acknowledge that the parties' agreement regarding applicable state law and forum set forth in Section 20.5 provide each of the parties with the mutual benefit of uniform interpretation of this Agreement and any dispute arising hereunder. Each of Franchisee, Principal(s), and Franchisor further acknowledge the receipt and sufficiency of mutual consideration for such benefit and that each party's agreement regarding applicable state law and choice of forum have been negotiated in good faith and are part of the benefit of the bargain reflected by this Agreement.

20.7. Waiver of Certain Damages. Franchisee and Principal(s), hereby waive, to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) against Franchisor, its affiliates, and their respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, in their corporate and individual capacities, arising out of any cause whatsoever. Each of Franchisee and Principal(s), agree that in the event of a dispute, Franchisee and each Principal shall be limited to the recovery of any actual direct compensatory damages sustained.

20.8. Limitations of Claims. Any and all claims asserted by Franchisee and Principal(s) arising out of or relating to this Agreement or the relationship among the parties will be barred unless a proceeding for relief is commenced within one (1) year from the date on which Franchisee or Principal(s) knew or should have known of the facts giving rise to such claims.

20.9. Survival. The provisions of this Article 20 shall continue in full force and effect notwithstanding the expiration or termination of this Agreement or a transfer by Franchisee or any Principal of their respective interests in this Agreement.

21. GENERAL

21.1 Relationship of the Parties.

21.1.1 Independent Licensee. Franchisee is and shall be an independent licensee under this Agreement, and no partnership shall exist between Franchisee and Franchisor. This Agreement does not constitute Franchisee as an agent, legal representative, or employee of Franchisor for any purpose whatsoever, and Franchisee is not granted any right or authority to assume or create any obligation for or on behalf of, or in the name of, or in any way to bind Franchisor. Franchisee agrees not to incur or contract any debt or obligation on behalf of Franchisor or commit any act, make any representation, or advertise in any manner which may adversely affect any right of Franchisor or be detrimental to Franchisor or other franchisees of Franchisor. Franchisor does not assume any liability, and will not be considered liable, for

any agreements, representations, or warranties made by Franchisee or Principal(s) which are not expressly authorized under this Agreement. Franchisor will not be obligated for any damages to any person or property which directly or indirectly arise from or relate to Franchisee's operation of the Franchised Business. Pursuant to the above, Franchisee agrees to indemnify Franchisor and hold Franchisor harmless from any and all liability, loss, attorneys' fees, or damage Franchisor may suffer as a result of claims, demands, taxes, costs, or judgments against Franchisor arising out of any allegation of an agent, partner, or employment relationship.

21.1.2 No Relationship. Franchisee acknowledges and agrees that Franchisee alone exercises day-to-day control over all operations, activities, and elements of the Franchised Business, and that under no circumstance shall Franchisor do so or be deemed to do so. Franchisee further acknowledges and agrees, and will never claim otherwise, that the various restrictions, prohibitions, specifications, and procedures of the System which Franchisee is required to comply with under this Agreement, whether set forth in the Manual or otherwise, do not directly or indirectly constitute, suggest, infer or imply that Franchisor controls any aspect or element of the day-to-day operations of the Franchised Business, which Franchisee alone controls, but only constitute standards to which Franchisee must adhere when exercising control of the day-to-day operations of the Franchised Business.

21.1.3 Franchisee's Employees. Franchisor has no authority to control, either directly or indirectly, the essential terms and conditions of employment of Franchisee's employees. Franchisee acknowledges and agrees that Franchisee, in Franchisee's sole and absolute discretion, shall determine all such essential terms and conditions of employment, which are defined in the Manual. Franchisee specifically agrees that any training Franchisor provides for Franchisee's employees is geared to impart to those employees, with Franchisee's ultimate authority, the various procedures, protocols, systems, and operations of a The Toasted Yolk outlet and in no fashion reflects any employment relationship between Franchisor and such employees. If ever it is asserted that Franchisor is the employer, joint employer or co-employer of any of Franchisee's employees in any private or government investigation, action, proceeding, arbitration or other setting, Franchisee irrevocably agree to assist Franchisor in defending said allegation, appearing at any venue requested by Franchisor to testify on Franchisor's behalf participate in depositions, other appearances or preparing affidavits rejecting any assertion that Franchisor is the employer, joint employer or co-employer of any of Franchisee's employees.

21.2. Successors. This Agreement shall bind and inure to the benefit of the successors and assigns of Franchisor and shall be personally binding on and inure to the benefit of Franchisee (including the individuals executing this Agreement on behalf of the Franchisee entity) and its or their respective heirs, executors, administrators and successors or assigns; provided, however, the foregoing provision shall not be construed to allow a transfer of any interest of Franchisee or Principal(s) in this Agreement or the Franchised Business, except in accordance with Article 16 hereof.

21.3. Invalidity of Part of Agreement. Should any provisions in this Agreement, for any reason, be declared invalid, then such provision shall be invalid only to the extent of the prohibition without in any way invalidating or altering any other provision of this Agreement.

21.4. Construction. All terms and words used in this Agreement, regardless of the number and gender in which they are used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context or sense of this Agreement or any provision herein may require, as if such words had been fully and properly written in the appropriate number and gender. All covenants, agreements and obligations assumed herein by Franchisee and Principal(s) shall be deemed to be joint and several covenants, agreements and obligations of each of the persons named as Franchisee, if more than one person is so named.

21.5. Captions. Captions and section headings are used herein for convenience only. They are not part of this Agreement and shall not be used in construing it.

21.6. Notices. Whenever notice is required or permitted to be given under the terms of this Agreement, it shall be given in writing, and be delivered personally or by certified mail or courier, postage prepaid, addressed to the party for whom intended, and shall be deemed given on the date of delivery or delivery is refused. All such notices shall be addressed to the party to be notified at their respective addresses as set forth in the introductory paragraph of this Agreement, or at such other address or addresses as the parties may from time to time designate in writing.

21.7. Effect of Waivers. No waiver, delay, omission or forbearance on the part of Franchisor to exercise any right, option, duty or power arising from any default or breach by Franchisee shall affect or impair the rights of Franchisor with respect to any subsequent default of the same or of a different kind. Any use by Franchisee of the System or any part thereof at any place other than at the Franchised Business location shall not give Franchisee any rights not specifically granted hereunder. Failure to take action to stop such use shall not in any event be considered a waiver of the rights of Franchisor at any time to require Franchisee to restrict said use to the Franchised Business location.

21.8. Remedies Cumulative. All rights and remedies of the parties to this Agreement shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies that are provided for herein or that may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement or any other agreement between Franchisee or any of its affiliates and Franchisor or any of its affiliates. The rights and remedies of the parties to this Agreement shall be continuing and shall not be exhausted by any one or more uses thereof, and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration, earlier termination or exercise of Franchisor's rights pursuant to Article 17 shall not discharge or release Franchisee or any Principal from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration, the earlier termination or the exercise of such rights under this Agreement.

21.9. Counterparts. This Agreement may be executed in multiple counterparts, each of which when so executed shall be an original, and all of which shall constitute one and the same instrument.

21.10. Survival. Any obligation of Franchisee or any Principal that contemplates performance of such obligation after termination or expiration of this Agreement or the transfer of any interest of Franchisee or any Principal therein shall be deemed to survive such termination, expiration or transfer.

21.11. Entire Agreement. This Agreement, including all attachments, is the entire agreement of the parties, superseding all prior written or oral agreements of the parties concerning the same subject matter, and superseding all prior written or oral representations made to Franchisee, except that nothing in this Agreement or in any related agreement is intended to disclaim the representations made to Franchisee in Franchisor's Franchise Disclosure Document. No agreement of any kind relating to the matters covered by this Agreement and no amendment of the provisions hereof shall be binding upon either party unless and until the same has been made in writing and executed by all interested parties.

Remainder of Page Intentionally Blank

The parties hereto have executed this Franchise Agreement on the day and year first above written.

FRANCHISEE (Entity):

_____

By:_____
Name:_____
Title:_____

FRANCHISOR:
THE TOASTED YOLK FRANCHISE COMPANY, LLC

By:_____
Name: Chris Milton
Title: C.E.O.

FRANCHISEE (Principal):

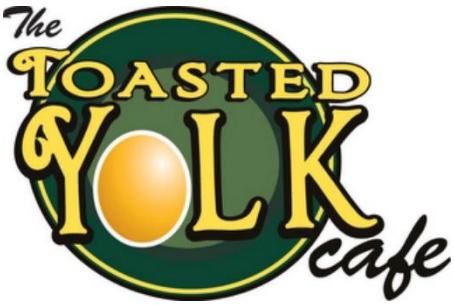
_____
Name:_____

FRANCHISEE (Principal):

_____
Name:_____

ATTACHMENT 1

Service Marks –



THE TOASTED YOLK CAFÉ

ATTACHMENT 2

TERRITORY DESCRIPTION AND FRANCHISED BUSINESS ADDRESS

**TERRITORY AND ADDRESS TO BE DETERMINED AND INSERTED AFTER THE TOASTED YOLK CAFÉ PREMISES IS IDENTIFIED BY FRANCHISEE AND APPROVED BY FRANCHISOR, IN ACCORDANCE WITH SECTION 8.1 OF THE FRANCHISE AGREEMENT, IN THE NON-EXCLUSIVE SITE SEARCH AREA OF _____.

Territory (insert map and/or define by zip codes):

_____

_____

_____

_____

Franchised Business Address:

_____

_____

ATTACHMENT 3

AUTHORIZATION AGREEMENT
AUTOMATIC DEPOSITS (ACH WITHDRAWALS)

Franchisor Name: **The Toasted Yolk Franchise Company, LLC**

I (We) hereby authorize The Toasted Yolk Franchise Company, LLC, hereinafter called Franchisor, to initiate debit entries to my (our) Checking Account/Savings Account (Select One) indicated below at the depository financial institution named below, and to debit the same to such account. I (We) acknowledge that the origination of ACH transactions to my (our) account must comply with the provisions of U.S. Law, and that I will be responsible for any banking fees that my institution charges.

Financial Institution Name:_____ Branch: _____

City:_____ State:_____ Zip:_____ Phone: _____

ACH/Routing Number:_____ Account Number: _____
(Nine Digits)

This authorization is to remain in full force and effect until Franchisor has received a written replacement ACH Withdrawal Form notification from me. I (We) understand that revocation of this Authorization Agreement by me (us) may constitute an event of Default under the Franchise Agreement.

I (We) understand that the amount to be withdrawn by Franchisor will not be the same each month and I (We) therefore authorize all monetary transfers pursuant to Articles 6 and 18 of the Franchise Agreement.

Print Franchisee / Account Holder Name	Print Franchisee/Co-Account Holder Name
Franchisee/ Account Holder Signature-Date	Franchisee/Co-Account Holder Signature-Date
Daytime Phone Number	Email Address

PLEASE ATTACH A VOIDED CHECK TO THIS FORM

Please Return Form to: The Toasted Yolk Franchise Company, LLC
20008 Champion Forest Drive, Suite 301
Spring, Texas 77379
Phone #: 936-827-4692

ATTACHMENT 4

CONDITIONAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, the undersigned _____ ("Assignor") hereby assigns and transfers to The Toasted Yolk Franchise Company, LLC, a Texas limited liability company with a notice address of 20008 Champion Forest Drive, Suite 301, Spring, Texas 77379 ("Assignee"), all of Assignor's right, title and interest as tenant in, to and under that certain lease, a copy of which shall be attached hereto (the "Lease") respecting premises commonly known as _____. This Assignment is for collateral purposes only and except as specified herein, Assignee shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment or the Lease unless Assignee takes possession of the premises demised by the Lease pursuant to the terms hereof and assumes the obligations of Assignor thereunder.

Assignor represents and warrants to Assignee that Assignor has full power and authority to so assign the Lease and Assignor's interest therein and that Assignor has not previously assigned or transferred, and is not obligated to assign or transfer, any of Assignor's interest in the Lease or the premises demised thereby.

Upon a default by Assignor under the Lease or under the franchise agreement for a Toasted Yolk Cafe outlet between Assignee and Assignor (the "Franchise Agreement"), or in the event of a default by Assignor under any document or instrument securing the Franchise Agreement, Assignee shall have the right and is hereby empowered to take possession of the Premises demised by the Lease, expel Assignor therefrom, and, in such event, Assignor shall have no further right, title or interest in the Lease.

Assignor agrees that it will not suffer or permit any surrender, termination, amendment or modification of the Lease without the prior written consent of Assignee. Throughout the term of the Franchise Agreement and any renewals thereto, Assignor agrees that it shall elect and exercise all options to extend the term of or renew the Lease not less than thirty (30) days prior to the last day that the option must be exercised, unless Assignee otherwise agrees in writing. If Assignee does not otherwise agree in writing, and upon failure of Assignor to so elect to extend or renew the Lease as aforesaid, Assignor hereby appoints Assignee as its true and lawful attorney-in-fact to exercise such extension or renewal options in the name, place and stead of Assignor for the purpose of effecting such extension or renewal.

ASSIGNOR:

DATED: _____ By: _____

_____, _____
(Print Name, Title)

DATED: _____ _____

DATED: _____ _____

CONSENT AND AGREEMENT OF LANDLORD

to that Conditional Assignment of Lease from _____ (Assignor) to The Toasted Yolk Franchise Company, LLC (Assignee) dated _____ for the property known as _____ _____.

The undersigned Landlord under the aforedescribed Lease further hereby:

(a) Agrees to notify Assignee in writing of and upon the failure of Assignor to cure any default by Assignor under the Lease;

(b) Agrees that Assignee shall have the right, but shall not be obligated, to cure any default by Assignor under the Lease within 30 days after delivery by Landlord of notice thereof in accordance with paragraph (a) above;

(c) Consents to the foregoing Conditional Assignment and agrees that if Assignee takes possession of the Premises demised by the Lease and confirms to Landlord the assumption of the Lease by Assignee as tenant thereunder, Landlord shall recognize Assignee as tenant under the Lease, provided that Assignee cures within the 30-day period the non-monetary defaults, if any, of Assignor under the Lease;

(d) Agrees that Assignee may further assign the Lease to a person, firm or corporation who shall agree to assume the tenant's obligations under the Lease and who is reasonably acceptable to Landlord and upon such assignment Assignee shall have no further liability or obligation under the Lease as assignee, tenant or otherwise.

(e) Permits Assignee to enter upon the Premises without being guilty of trespass or any other crime or tort to de-identify the Premises as a The Toasted Yolk Café outlet if Tenant fails to do so following termination of the Franchise Agreement or Lease, provided that Assignee shall repair any damage caused thereby.

DATED: _____ LANDLORD:

_____

_____

ATTACHMENT 5

STATEMENT OF OWNERSHIP INTERESTS IN FRANCHISEE/FRANCHISEE ENITY

Name	**Percentage of Ownership**

ATTACHMENT 6

GUARANTY

This Guaranty and Covenant (this "Guaranty") is given by the undersigned ("Guarantor") on _____ _____ (the "Effective Date") to The Toasted Yolk Franchise Company, LLC, a Texas limited liability company ("Franchisor"), in order to induce Franchisor to enter into that certain Franchise Agreement dated on or about the Effective Date hereof (the "Franchisee Agreement") with _____ _____, a(n) _____ _____, _____ and _____ (collectively "Franchisee").

Guarantor acknowledges that Guarantor is the spouse of Franchisee's Principal, as that term is used in the Franchise Agreement.

Guarantor acknowledges that Guarantor has read the terms and conditions of the Franchise Agreement and acknowledges that the execution of this Guaranty are in partial consideration for, and a condition to the granting of, the rights granted in the Franchise Agreement to Franchisee, and that Franchisor would not have granted these rights without the execution of this Guaranty by Guarantor.

Guarantor hereby individually makes, agrees to be bound by, and agrees to perform, all of the monetary obligations and non-competition covenants and agreements of the Franchisee as set forth in the Franchise Agreement, including but not limited to, the covenants set forth in Sections 19.2, 19.5, 19.6, 19.8 and 19.9 of the Franchise Agreement ("Guaranteed Obligations"). Guarantor shall perform and/or make punctual payment to Franchisor of the Guaranteed Obligations in accordance with the terms of the Franchise Agreement or other applicable document forthwith upon demand by Franchisor.

This Guaranty is an absolute and unconditional continuing guaranty of payment and performance of the Guaranteed Obligations. This Guaranty shall not be discharged by renewal of any claims guaranteed by this instrument, change in ownership or control of the Franchisee entity, transfer of the Franchise Agreement, the suffering of any indulgence to any debtor, extension of time of payment thereof, nor the discharge of Franchisee by bankruptcy, operation of law or otherwise. Presentment, demand, protest, notice of protest and dishonor, notice of default or nonpayment and diligence in collecting any obligation under any agreement between Franchisee and Franchisor are each and all waived by Guarantor and/or acknowledged as inapplicable. Guarantor waives notice of amendment of any agreement between Franchisee and Franchisor and notice of demand for payment by Franchisee. Guarantor further agrees to be bound by any and all amendments and changes to any agreement between Franchisee and Franchisor.

Franchisor may pursue its rights against Guarantor without first exhausting its remedies against Franchisee and without joining any other guarantor hereto and no delay on the part of Franchisor in the exercise of any right or remedy shall operate as a waiver of such right or remedy, and no single or partial exercise by Franchisor of any right or remedy shall preclude the further exercise of such right or remedy.

If other guarantors have guaranteed any and or all of the Guaranteed Obligations, their liability shall be joint and several to that of Guarantor.

Until all of the Guaranteed Obligations have been paid in full and/or performed in full, Guarantor shall not have any right of subrogation, unless expressly given to Guarantor in writing by Franchisor.

All Franchisor's rights, powers and remedies hereunder and under any other agreement now or at any time hereafter in force between Franchisor and Guarantor shall be cumulative and not alternative and shall be in addition to all rights, powers and remedies given to Franchisor by law.

Should any one or more provisions of this Guaranty be determined to be illegal or unenforceable, all other provisions nevertheless shall remain effective.

This Guaranty shall extend to and inure to the benefit of Franchisor and its successors and assigns and shall be binding on Guarantor and its successors and assigns.

Guarantor has signed this Guaranty as of the date set forth above.

GUARANTOR - SPOUSE OF FRANCHISEE'S PRINCIPAL:

_____

Print Name: _____

Address: _____

ATTACHMENT 7

INTERNET ADVERTISING, SOCIAL MEDIA, SOFTWARE, AND TELEPHONE LISTING AGREEMENT

THIS INTERNET ADVERTISING, SOCIAL MEDIA, SOFTWARE, AND TELEPHONE LISTING AGREEMENT (the "Agreement") is made and entered into this day of _____ (the "Effective Date"), by and between The Toasted Yolk Franchise Company, LLC, a Texas limited liability company with its principal place of business at 20008 Champion Forest Drive, Suite 301, Spring, Texas 77379 (the "Franchisor"), and _____, a _____, with its principal place of business located at _____ and _____'s principals _____, an individual residing at _____ _____ and _____, an individual residing at _____ _____ ("Principal(s)"). _____ and Principal(s) shall be individually and collectively referred to as, and each is, the "Franchisee".

WHEREAS, Franchisee desires to enter into a franchise agreement with Franchisor for a The Toasted Yolk Cafe business ("Franchise Agreement") which will allow Franchisee to conduct internet-based advertising, maintain social media accounts, use software, and use telephone listings linked to The Toasted Yolk Cafe brand.

WHEREAS, Franchisor would not enter into the Franchise Agreement without Franchisee's agreement to enter into, comply with, and be bound by all the terms and provisions of this Agreement;

NOW, THEREFORE, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Definitions**

All terms used but not otherwise defined in this Agreement shall have the meanings set forth in the Franchise Agreement. "Termination" of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

2. **Internet Advertising and Telephone Accounts**

2.1 Interest in Websites, Social Media, and Software Accounts and Other Electronic Listings. Franchisee may acquire (whether in accordance with or in violation of the Franchise Agreement) during the term of Franchise Agreement, certain right, title, or interest in and to certain domain names, social media accounts, software accounts, hypertext markup language, uniform resource locator addresses, access to corresponding internet websites, and the right to hyperlink to certain websites and listings on various internet search engines (collectively, "Electronic Advertising") related to the Franchised Business or the Marks.

2.2 Interest in Telephone Numbers and Listings. Franchisee has or will acquire during the term of the Franchise Agreement, certain right, title, and interest in and to those certain telephone numbers and regular, classified, internet page, and other telephone directory listings (collectively, the "Telephone Listings") related to the Franchised Business or the Marks.

2.3 Transfer. On Termination of the Franchise Agreement, or on periodic request of Franchisor, Franchisee will immediately:

2.3.1 direct all internet service providers, domain name registries, internet search engines, social media and software companies, and other listing agencies (collectively, the "Internet Companies") with which Franchisee has Electronic Advertising and Telephone Listings: (i) to transfer all of Franchisee's interest in such Electronic Advertising and Telephone Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Electronic Advertising and Telephone Listings, Franchisee will immediately direct the Internet Companies to terminate such Electronic Advertising and Telephone Listings or will take such other actions with respect to the Electronic Advertising and Telephone Listings as Franchisor directs; and

2.3.1 direct all telephone companies, telephone directory publishers, and telephone directory listing agencies (collectively, the "Telephone Companies") with which Franchisee has Telephone Listings: (i) to transfer all Franchisee's interest in such Telephone Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Telephone Listings, Franchisee will immediately direct the Telephone Companies to terminate such Telephone Listings or will take such other actions with respect to the Telephone Listings as Franchisor directs.

2.4 Appointment; Power of Attorney. Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor's benefit under the Franchise Agreement and this Agreement or otherwise, with full power of substitution, as Franchisee's true and lawful attorney-in-fact with full power and authority in Franchisee's place and stead, and in Franchisee's name or the name of any affiliated person or affiliated company of Franchisee, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including without limitation this Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

2.4.1 Direct the Internet Companies to transfer all Franchisee's interest in and to the Electronic Advertising and Telephone Listings to Franchisor, or alternatively, to direct the Internet Companies to terminate any or all of the Electronic Advertising and Telephone Listings;

2.4.2 Direct the Telephone Companies to transfer all Franchisee's interest in and to the Telephone Listings to Franchisor, or alternatively, to direct the Telephone Companies to terminate any or all of the Telephone Listings; and

2.4.3 Execute such standard assignment forms or other documents as the Internet Companies and/or Telephone Companies may require in order to affect such transfers or terminations of Franchisee's interest.

2.5 Certification of Termination. Franchisee hereby directs the Internet Companies and Telephone Companies to accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor's written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated.

2.6 Cessation of Obligations. After the Internet Companies and the Telephone Companies have duly transferred all Franchisee's interests as described in paragraph 2.3 above to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further interest in, or obligations with respect to the particular Electronic Advertising and/or Telephone Listing. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Internet Companies and Telephone Companies for the respective sums

Franchisee is obligated to pay to them for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such interests, or for any other obligations not subject to the Franchise Agreement or this Agreement.

3. **Miscellaneous**

3.1 Release. Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Internet Companies and/or Telephone Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertible in, or in any way related to this Agreement.

3.2 Indemnification. Franchisee is solely responsible for all costs and expenses related to its performance, its nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and its and their directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, claims, debts, claims, demands, or obligations that are related to or are based on this Agreement.

3.3 No Duty. The powers conferred on Franchisor hereunder are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's interest in any matter hereunder.

3.4 Further Assurances. Franchisee agrees that at any time after the date of this Agreement, Franchisee will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Agreement.

3.5 Successors, Assigns, and Affiliates. All Franchisor's rights and powers, and all Franchisee's obligations, under this Agreement shall be binding on Franchisee's successors, assigns, and affiliated persons or entities as if they had duly executed this Agreement.

3.6 Effect on Other Agreements. Except as otherwise provided in this Agreement, all provisions of the Franchise Agreement and attachments and schedules thereto shall remain in effect as set forth therein.

3.7 Survival. This Agreement shall survive the Termination of the Franchise Agreement.

3.8 Governing Law. This Agreement shall be governed by and construed under the laws of the State of Texas, without regard to the application of Texas conflict of law rules.

-Remainder of Page Intentionally Blank-

The undersigned have executed or caused their duly authorized representatives to execute this Agreement as of the Effective Date.

FRANCHISEE (Entity):

_____

By:_____
Name:_____
Title:_____

FRANCHISOR:
THE TOASTED YOLK FRANCHISE COMPANY, LLC

By:_____
Name: Chris Milton
Title: C.E.O.

FRANCHISEE (Principal):

_____
Name:_____

FRANCHISEE (Principal):

_____
Name:_____

ATTACHMENT 8

CONFIDENTIALITY AND NON-COMPETE AGREEMENT

This Confidentiality and Non-Compete Agreement (the "Agreement") is made and entered into this ___ day of_____, 20____, by _____ _____, a(n) _____ _____ ("Franchisee"), a franchisee of The Toasted Yolk Franchise Company, LLC a Texas limited liability company ("Franchisor"), and _____, an individual ("Covenantor") in connection with a Franchise Agreement dated.

WHEREAS, Franchisee and Franchisor are parties to a franchise agreement dated _____ , 20____ (the "Franchise Agreement"), whereby Franchisor has granted Franchisee the right to use certain trademarks, including, the registered trademark "The Toasted Yolk Cafe" and design mark, and certain proprietary products, services, promotions and methods (the "System") for the establishment and operation of Franchised Business outlets;

WHEREAS, in connection with his or her duties, it will be necessary for Covenantor to have access to some or all of the confidential information, knowledge, know-how, techniques, contents of the The Toasted Yolk Cafe® operations manual and other materials used in or related to the System and/or concerning the methods of operation of the System (collectively referred to as "Confidential Information");

WHEREAS, the Confidential Information provides economic advantages to Franchisor and licensed users of the System, including Franchisee;

WHEREAS, Franchisee has acknowledged the importance of restricting the use, access and dissemination of the Confidential Information, and Franchisee therefore has agreed to obtain from Covenantor a written agreement protecting the Confidential Information and further protecting the System against unfair competition; and

WHEREAS, Covenantor acknowledges that receipt of and the right to use the Confidential Information constitutes independent valuable consideration for the representations, promises and covenants made by Covenantor herein.

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

1. Confidentiality Agreement.

a. Covenantor shall, at all times, maintain the confidentiality of the Confidential Information and shall use such Confidential Information only in the course of his or her employment by or association with Franchisee in connection with the operation of a Franchised Business under the Franchise Agreement.

b. Covenantor shall not at any time make copies of any documents or compilations containing some or all of the Confidential Information without Franchisor's express written permission.

c. Covenantor shall not at any time disclose or permit the disclosure of the Confidential Information except, and only then to the limited extent necessary, to those employees of Franchisee for training and assisting such employees in the operation of the Franchised Business.

d. Covenantor shall surrender any material containing some or all of the Confidential Information to Franchisee or Franchisor, upon request, or upon termination of employment or association with Franchisee.

e. Covenantor shall not at any time, directly or indirectly, do any act or omit to do any act that would or would likely be injurious or prejudicial to the goodwill associated with the System.

f. Covenantor agrees that no Confidential Information may be reproduced, in whole or in part, without written consent.

2. Covenants Not to Compete.

a. In order to protect the goodwill and unique qualities of the System, and in consideration for the disclosure to Covenantor of the Confidential Information, Covenantor further agrees and covenants that during Covenantor's employment or association with Franchisee, Covenantor shall not, for Covenantor or through, on behalf of or in conjunction with any person or entity:

(i) divert, or attempt to divert, any business or customer of the The Toasted Yolk Cafe® or of other franchisees in the System to any competitor, by direct or indirect inducement or otherwise,

(ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any other capacity in any restaurant or eatery business that either (x) derives more than twenty percent (20%) of its gross receipts from the sale of eggs, pancakes, waffles and/or other breakfast items or (y) closes before 6 p.m.

b. In further consideration for the disclosure to Covenantor of the Confidential Information and to protect the goodwill and unique qualities of the System, Covenantor further agrees and covenants that, upon the termination of Covenantor's employment or association with Franchisee and continuing for twenty-four (24) months thereafter, Covenantor shall not, for Covenantor or through, on behalf of or in conjunction with any person or entity:

(i) divert, or attempt to divert, any business or customer of the Franchised Business or of other franchisees in the The Toasted Yolk Cafe® System to any competitor, by direct or indirect inducement or otherwise,

(ii) participate as an owner, partner, director, officer, employee, or consultant or serve in any other managerial, operational or supervisory capacity in any restaurant or eatery business that either (x) derives more than twenty percent (20%) of its gross receipts from the sale of eggs, pancakes, waffles and/or other breakfast items or (y) closes before 6 p.m. within twenty-five (25) miles of Franchisee's Territory or any The Toasted Yolk Cafe® location.

c. The parties acknowledge and agree that each of the covenants contained herein are reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor.

d. If the period of time or the geographic scope specified Section 2.b. above, should be adjudged unreasonable in any proceeding, then the period of time will be reduced by such number of months or the geographic scope will be reduced by the elimination of such portion thereof, or both, so that such restrictions may be enforced for such time and scope as are adjudged to be reasonable. In addition, Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement or any portion thereof, without Covenantor's or Franchisee's consent, effective immediately upon receipt by Covenantor of written notice thereof, and Covenantor agrees to forthwith comply with any covenant as so modified.

3. General.

a. Franchisee shall take full responsibility for ensuring that Covenantor acts as required by this Agreement.

b. Covenantor agrees that in the event of a breach of this Agreement, Franchisor would be irreparably injured and be without an adequate remedy at law. Therefore, in the event of such a breach, or threatened or attempted breach of any of the provisions hereof, Franchisee is obligated to enforce the provisions of this Agreement and shall be entitled, in addition to any other remedies that are made available to it at law or in equity, to a temporary and/or permanent injunction and a decree for the

specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security.

c. Covenantor agrees to pay all expenses (including court costs and reasonable attorneys' fees) incurred by Franchisor and Franchisee in enforcing this Agreement.

d. Any failure Franchisee to object to or take action with respect to any breach of any provision of this Agreement by Covenantor shall not operate or be construed as a waiver of or consent to that breach or any subsequent breach by Covenantor.

e. THIS AGREEMENT SHALL BE INTERPRETED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT REFERENCE TO TEXAS CHOICE OF LAW PRINCIPLES. COVENANTOR HEREBY IRREVOCABLY SUBMITS HIMSELF OR HERSELF TO THE JURISDICTION OF THE STATE AND FEDERAL COURTS OF THE STATE OF TEXAS. COVENANTOR HEREBY WAIVES ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. COVENANTOR HEREBY AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON COVENANTOR IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY TEXAS OR FEDERAL LAW. COVENANTOR FURTHER AGREES THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE IN TEXAS; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION THAT INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, FRANCHISOR OR FRANCHISEE MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE THAT HAS JURISDICTION.

f. The parties agree that each of the foregoing covenants contained herein shall be construed as independent of any other covenant or provision of this Agreement.

g. Covenantor acknowledges and agrees that each of the covenants contained herein will not impose any undue hardship on Covenantor since Covenantor has other considerable skills, experience and education which affords Covenantor the opportunity to derive income from other endeavors.

h. This Agreement contains the entire agreement of the parties regarding the subject matter hereof. This Agreement may be modified only by a duly authorized writing executed by all parties.

i. All notices and demands required to be given hereunder shall be in writing, and shall be delivered personally or by certified or registered mail, postage prepaid, addressed to the party for whom intended, and shall be deemed given on the date of delivery or the date delivery is refused. All such notices shall be addressed to the party to be notified at the following addresses:

If directed to Franchisee:

_____

_____

If directed to Covenantor:

_____

_____

Any change in the foregoing addresses shall be effected by giving written notice of such change to the other parties.

j. Franchisor is an intended third-party beneficiary of this Agreement, and Franchisor may take whatever action it deems necessary to enforce Covenantor's obligations hereunder. The rights and remedies of Franchisor under this Agreement are fully assignable and transferable and shall inure to the benefit of its respective affiliates, successors and assigns.

k. The respective obligations of Franchisee and Covenantor hereunder may not be assigned by Franchisee or Covenantor, without the prior written consent of Franchisor.

The undersigned have entered into this Confidentiality and Non-Compete Agreement as witnessed by their signatures below.

FRANCHISEE:

_____

By: _____
Name: _____
Title: _____

COVENANTOR:

_____
Name: _____

EXHIBIT C

MULTI-UNIT DEVELOPMENT AGREEMENT

THE TOASTED YOLK FRANCHISE COMPANY, LLC

TABLE OF CONTENTS

1. RECITATIONS 3
2. GRANT OF DEVELOPMENT RIGHTS 3
3. TERM 4
4. DEVELOPMENT AND FRANCHISE FEES 4
5. EXERCISE OF DEVELOPMENT RIGHTS 4
6. TRANSFER. 6
7. DEFAULT AND TERMINATION. 10
8. NON-DISCLOSURE AND NON-COMPETITION COVENANTS 12
9. INDEMNIFICATION 14
10. DISPUTE RESOLUTION 15
11. GENERAL 17

List of Attachments

ATTACHMENT 1: DEVELOPMENT AREA
ATTACHMENT 2: MANDATORY DEVELOPMENT SCHEDULE

THE TOASTED YOLK FRANCHISE COMPANY, LLC
MULTI-UNIT DEVELOPMENT AGREEMENT

THIS MULTI-UNIT DEVELOPMENT AGREEMENT (this "Agreement") is being entered into this day of _____, (the "Effective Date") by and between The Toasted Yolk Franchise Company, LLC, a Texas limited liability company with a principal business address of 20008 Champion Forest Drive, Suite 301, Spring, Texas 77379 (herein "Franchisor") and _____, an individual residing at _____ _____ and _____, an individual residing at _____ (herein "Developer").

RECITATIONS

Through the expenditure of considerable time, effort and money, Franchisor has developed an unique and distinctive system relating to the establishment and operation of a restaurant featuring an all-day breakfast, brunch, and lunch menu using Franchisor's confidential operations manual ("Manual") of business practices and policies, and Franchisor's distinctive training techniques, operations methods, sales techniques, recipes, procedures for management control and training, assistance, advertising, and promotional programs, all of which may be changed, improved or further developed by Franchisor at any time (taken together herein the "System").

The System is identified by certain trade names, service marks**,** trademarks, logos, emblems and indicia of origin, including but not limited to the The Toasted Yolk Cafe service marks, and such other trade names, service marks, and trademarks as are now designated and may hereafter be designated or substituted by Franchisor for use in connection with the System (the "Marks").

Franchisor continues to develop, use, and control the use of such Marks in order to identify for the public the source of services and products marketed under the Marks and the System and to represent the System's high standards of quality, appearance, and service.

Pursuant to franchise agreements, Franchisor licenses to others the right to operate The Toasted Yolk Cafe outlets, using the Marks and System, in strict conformity therewith, which may be changed, improved and further developed by Franchisor from time to time (each a "Franchise Agreement").

Developer understands and acknowledges the importance of Franchisor's high and uniform standards of quality, service, and appearance, and the necessity of operating franchised businesses of the System in conformity with Franchisor's standards and specifications.

Developer desires to obtain the right to further develop and expand the System in accordance with the development schedule described in Section 5.2 and Attachment 2 hereof (the "Mandatory Development Schedule") within the development area described in Attachment 1 (the "Development Area"), under the System and Marks, on the terms and conditions set forth in this Agreement;

NOW, THEREFORE, the parties, in consideration of the promises, undertakings and commitments of each party to the other set forth herein, and intending to be legally bound hereby, mutually agree as follows:

1. RECITATIONS. The Recitations set out above form part of this Agreement.

2. GRANT OF DEVELOPMENT RIGHTS.

2.1 Grant. Franchisor hereby grants to Developer, and the Developer hereby accepts from the Franchisor, on the terms and conditions set forth in this Agreement, which includes, but is not limited to, the execution of a Franchise Agreement pursuant to Section 4.1 hereof, the right to develop, construct, open and operate one (1) The Toasted Yolk Cafe outlet within the Development Area set forth in Attachment 1. Developer shall be granted rights to establish additional The Toasted Yolk Cafe outlets in the Development Area, up to the total number of outlets set forth in the Mandatory Development Schedule set forth in Section 5.2 hereof, subject to Developer's full compliance with all conditions precedent to the grant of such rights outlined below, which rights shall be exercised in accordance with Section 4.1 hereof. Provided that Developer is in compliance with this Agreement, including the mandatory Development Schedule set forth in Attachment 2 hereof, Franchisor agrees that during the Term of this Agreement, Franchisor will not operate, and will not authorize any other franchisees to operate, a The Toasted Yolk Cafe within the Development Area.

2.2 Reservation of Rights. Notwithstanding the provisions of Section 2.1 above, Developer understands and agrees Franchisor fully reserves all other rights, other than as specified in this Agreement, for sales, solicitation and distribution of The Toasted Yolk Cafe products and services within or outside of the Development Area. This reservation of Franchisor's rights includes, but is not limited to, Franchisor's rights to offer (i) other products or services not offered under the Marks, (ii) other casual or upscale dining concepts under the Marks or other trademarks, and (iii) any products or services through any channel in the Development Area other than a dedicated The Toasted Yolk Café,® such as retail outlets, including but not limited to, convenience stores and supermarkets, mail orders, e-commerce and co-branding with other restaurant concepts, and (iv) any products and services at captive market locations, such as airports, amusement parks, train stations, travel plazas, shopping malls with gross leasable area in excess of 350,000 square feet, stadiums, corporate or educational campuses and other captive market events, locations, or facilities whereby food and/or beverage service rights are contracted to a third party.

2.3 No License to System and Marks. Developer expressly acknowledges that this Agreement is not a Franchise Agreement and does not grant to Developer any right or license to operate a The Toasted Yolk Cafe outlet, distribute any product or service, or use the Marks. This Agreement sets forth conditions which, if fully satisfied, confer upon Developer the rights to enter a Franchise Agreement with Franchisor to establish one or more The Toasted Yolk Cafe outlets in the Development Area only. Developer's rights to open and operate a The Toasted Yolk Cafe outlet and use the System and Marks shall

be derived only through the execution of a Franchise Agreement for each The Toasted Yolk Cafe outlet to be established in the Development Area.

3. TERM. Unless sooner terminated in accordance with this Agreement, the term of this Agreement and all rights granted by Franchisor under this Agreement shall expire on the date on which Developer successfully and in a timely manner has complied with all of Developer's obligations hereunder and has completed the development obligations in accordance with the Development Schedule.

4. DEVELOPMENT AND FRANCHISE FEES.

4.1 Multi-Unit Development Fee. In consideration of the rights granted under this Agreement, Developer shall pay Franchisor a development fee equal to Eighty-Five Thousand Dollars ($85,000.00) for three (3) The Toasted Yolk Cafe outlets, plus an additional Seventeen Thousand Five Hundred Dollars ($17,500.00) for each additional The Toasted Yolk Cafe outlet, Developer agrees to develop as set forth on the Mandatory Development Schedule (the "Development Fee"). **The Development Fee is fully earned at the time this Multi-Unit Development Agreement is signed and is not refundable under any circumstances.** Developer shall pay the full amount of the Development Fee to Franchisor upon Developer's execution of this Agreement.

4.2 Application of Development Fee. Contemporaneous with the execution of this Agreement, Developer shall execute the initial Franchise Agreement for the first The Toasted Yolk Cafe outlet to be established pursuant to the Mandatory Development Schedule. Developer shall receive a Fifty Thousand Dollar ($50,000.00) credit from the Development Fee, which shall be payment in full of the Initial Franchise Fee due under the initial Franchise Agreement. Upon the execution of the second Franchise Agreement, Developer shall receive a Seventeen Thousand Five Hundred Dollar ($17,500.00) credit from the Development Fee, which shall be applied to half of the discounted Initial Franchise Fee then due and Developer shall pay the remaining balance of Seventeen Thousand Five Hundred Dollars ($17,500.00). Upon the execution of the third and each additional Franchise Agreement pursuant to the Mandatory Development Schedule, Developer shall receive a Seventeen Thousand Five Hundred Dollar ($17,500.00) credit from the Development Fee, which shall be applied to half of the discounted Initial Franchise Fee then due and Developer shall pay the remaining balance of Seventeen Thousand Five Hundred Dollars ($17,500.00). Upon Franchisor's approval, Developer may enter into the initial Franchise Agreement or any subsequent Franchise Agreement as required under this Agreement using a newly formed entity, such as a limited liability company, corporation or partnership, for the sole purpose of entering into a Franchise Agreement and operating the The Toasted Yolk Cafe outlet pursuant thereto, provided that Developer shall also personally sign such Franchise Agreement as a principal.

5. EXERCISE OF DEVELOPMENT RIGHTS.

5.1 Valid Exercise. Developer shall exercise the development rights granted hereunder only by entering into a separate Franchise Agreement with Franchisor for each The Toasted Yolk Cafe outlet for which a development right is granted. Developer shall execute and deliver to Franchisor, concurrently with the execution and delivery of this Agreement,

Franchisor's current form of Franchise Agreement for the first The Toasted Yolk Cafe outlet to be established by Developer pursuant to the Mandatory Development Schedule. For each subsequent The Toasted Yolk Cafe outlet to be established hereunder, Developer shall execute and deliver to Franchisor Franchisor's then-current form of Franchise Agreement, which shall be presented to Developer together with Franchisor's then-current Franchise Disclosure Document. The then-current form of Franchise Agreement may differ from the current form of Franchise Agreement; provided however, the initial franchise fee for the second and each additional outlet shall be $36,000. Further, Developer acknowledges and agrees that Developer shall not receive any initial training related to the second and each additional The Toasted Yolk Cafe outlet. Developer hereby waives all obligations by Franchisor to provide any training to Developer contained in each Franchise Agreement, other than the initial Franchise Agreement executed concurrently with this Agreement, by and between Franchisor and Developer. Developer hereby acknowledges and agrees that the training Developer receives pursuant to the initial Franchise Agreement executed concurrently with this Agreement is sufficient to allow Developer to construct, equip, open and operate each of Developer's The Toasted Yolk Cafe outlets in the Development Area.

5.2 Mandatory Development Schedule. Subsequent to Developer's signing of this Agreement and the initial Franchise Agreement, and provided that all conditions in Section 5.4 hereof are satisfied or waived, upon the execution of a lease for Developer's first The Toasted Yolk Cafe outlet, Developer shall execute an additional Franchise Agreement for the development of the second The Toasted Yolk Cafe outlet to be opened under the Mandatory Development Schedule. Provided that all conditions in Section 5.4 hereof are satisfied or waived, upon the execution of a lease for each subsequent The Toasted Yolk Cafe outlet to be developed by Developer, Developer shall execute an additional Franchise Agreement for the development of the next The Toasted Yolk Cafe outlet to be opened under the Mandatory Development Schedule. Notwithstanding the foregoing, Developer shall open the The Toasted Yolk Cafe outlets in accordance with the Mandatory Development Schedule described in Attachment 2 hereof.

Developer acknowledges and agrees that the terms of the Mandatory Development Schedule are reasonable and viable based upon Developer's independent investigation and analysis. Failure by Developer to adhere to the Mandatory Development Schedule (including any extensions thereof approved by Franchisor in writing pursuant to Section 5.3 below) shall constitute a material event of default under this Agreement.

5.3 Extension of Mandatory Development Schedule. If Developer is unable to meet the Mandatory Development Schedule for any outlet, Developer may seek a reasonable extension from Franchisor. Any request for an extension must be in writing and submitted to Franchisor at least sixty (60) days prior to the Mandatory Open Date for such outlet. Franchisor shall not unreasonably withhold consent for such reasonable one hundred

twenty (120) day extension provided that Developer has (i) submitted its extension request in a timely manner; (ii) demonstrated diligent efforts to meet the original Mandatory Open Date; (iii) has at all times acted in good faith and is otherwise fulfilling its obligations under this Agreement; and (iv) Developer has paid Franchisor an extension fee equal to Three Thousand Dollars ($3,000.00).

5.4 Conditions to Exercise Developer's Rights. All of the following conditions must be satisfied or waived, in Franchisor's sole discretion, before Franchisor grants Developer the right to develop an additional The Toasted Yolk Cafe outlet in accordance with Section 4.1 hereof and pursuant to a Franchise Agreement:

5.4.1 Developer shall (i) request Franchisor's then-current Franchise Disclosure Document, (ii) submit to Franchisor all information and other documents requested by Franchisor prior to and as a basis for the issuance of Franchise Agreements in the System, (iii) submit to Franchisor all financial statements reasonably requested by Franchisor, and (iv) satisfy Franchisor's then-current financial criteria for multi-unit franchisees.

5.4.2 Developer shall be in full compliance with this Agreement, the Mandatory Development Schedule, and all Franchise Agreements with Franchisor and any other agreement with Franchisor or Franchisor's affiliates;

5.4.3 Developer shall pay the balance of the Initial Franchise Fee upon the execution of the additional Franchise Agreement; and

5.4.4 Developer has demonstrated the management skills necessary for competent operation, organization, customer service and record keeping of an additional The Toasted Yolk Cafe outlet as determined by Franchisor, in Franchisor's sole discretion.

5.5 Termination for Failure of Condition. Notwithstanding anything to the contrary contained herein, in the event that Franchisor determines, in Franchisor's sole and absolute discretion, that any condition set forth in Section 5.4 hereof cannot be satisfied, Franchisor may terminate this Agreement upon written notice to Developer. Termination of this Agreement in accordance with this Section 5.5 shall have no effect on the validity of any other agreement between Franchisor and Developer, provided that Developer is in full compliance therewith.

6. TRANSFER.

6.1. Transfers by Franchisor.

6.1.1. Franchisor shall have the right to assign this Agreement, and all of Franchisor's rights and privileges hereunder, to any person, firm, corporation or other entity, without Developer's permission or prior knowledge, provided that, with respect to any assignment resulting in the subsequent performance by the assignee of

Franchisor's obligations, the assignee shall expressly assume and agree to perform Franchisor's obligations hereunder. Specifically, and without limitation to the foregoing, Developer expressly affirms and agrees that Franchisor may: (i) sell Franchisor's assets and Franchisor's rights to the Marks and the System outright to a third party; (ii) engage in a public or private placement of some or all of Franchisor's securities; (iii) merge, acquire other corporations, or be acquired by another corporation, including competitors; (iv) undertake a refinancing, recapitalization, leveraged buy-out or other economic or financial restructuring; and (v) with regard to any or all of the above sales, assignments and dispositions, Developer expressly and specifically waives any claims, demands or damages arising from or relating to the loss of association with or identification of Franchisor. Nothing contained in this Agreement shall require Franchisor to remain in the business franchised herein or to offer the same products and services, whether or not bearing the Marks, in the event that Franchisor exercises its prerogative hereunder to assign Franchisor's rights in this Agreement.

6.1.2. Developer agrees that Franchisor has the right, now or in the future, to purchase, merge, acquire or affiliate with an existing competitive or non-competitive franchise network, chain or any other business regardless of the location of that chain's or business' facilities, and to operate, franchise or license those businesses and/or facilities operating under the Marks or any other marks following Franchisor's purchase, merger, acquisition or affiliation, regardless of the location of the facilities (which Developer acknowledges may be within the Development Area, proximate thereto, or proximate to any of Developer's locations).

6.1.3. If Franchisor assigns its rights in this Agreement, nothing herein shall be deemed to require Franchisor or any of its affiliates to remain in any line of business or to offer or sell any products or services to Developer.

6.2 Restrictions on Transfers by Developer. Developer's rights and duties under this Agreement are personal to Developer, and Franchisor has made this Agreement with Developer in reliance on Franchisor's perceptions of the individual and collective character, skill, aptitude, attitude, business ability, and financial capacity of Developer. Thus, no transfer, as hereafter defined, may be made without Franchisor's prior written approval. Franchisor may void any transfer made without such approval.

6.3 Transfers by Developer. Developer shall not directly or indirectly sell, assign, transfer, give, devise, convey or encumber this Agreement or any right granted or interest herein or hereunder (a "Transfer") or suffer or permit any such assignment, transfer, or encumbrance to occur by operation of law unless Developer first obtains the written consent of Franchisor, which Franchisor may or may not grant in Franchisor's sole discretion, and subject to the following:

6.3.1 The proposed transferee must be an individual of good moral character and otherwise meet Franchisor's then-applicable standards for multi-unit franchisees.

6.3.2 The transferee must have sufficient business experience, aptitude and financial resources to operate multiple The Toasted Yolk Cafe outlets and to comply with this Agreement;

6.3.3 The transferee has agreed to complete Franchisor's Initial Management Training Program to Franchisor's satisfaction;

6.3.4 Developer has paid all amounts owed to (i) Franchisor pursuant to this Agreement and all Franchise Agreements and other agreements between Franchisor and/or Franchisor's affiliates and Developer and (ii) third-party creditors;

6.3.5 The transferee has executed Franchisor's then-standard form of Multi-Unit Development Agreement, which may have terms and conditions different from this Agreement, for a term no less than the unexpired term of future development obligations due pursuant to the Mandatory Development Schedule of this Agreement;

6.3.6 Developer and the transferee shall have executed a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and Franchisor's officers, directors, shareholders, members and employees in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances. Developer agrees to subordinate any claims Developer may have against the transferee to Franchisor, and indemnify Franchisor against any claims by the transferee relating to misrepresentations in the transfer process, specifically excluding those representations made by Franchisor in the Franchise Disclosure Document given to the transferee;

6.3.7 Franchisor has granted written approval of the material terms and conditions of the Transfer, including, without limitation, that the price and terms of payment will not adversely affect the transferee's development obligations. However, Franchisor's approval of a Transfer is not in any way a representation or warranty of the transferee's success or the soundness of transferee's decision to purchase the Developer's development rights on such terms and conditions. Developer shall provide Franchisor all proposed transfer documents for Franchisor's review at least thirty (30) days prior to a closing of the proposed Transfer; and

6.3.8 If Developer, through Developer or any entity, finances any part of the sale price of the Transfer, Developer agrees that all obligations of the transferee under any notes, agreements or security interests to Developer or Developer's entity will be subordinate to the transferee's obligations to Franchisor.

6.4 Transfer Fee. As a condition to any Transfer, Developer shall pay Franchisor a transfer fee equal to: Fifteen Thousand Dollars ($15,000.00), plus One Thousand Five Hundred Dollars ($1,500.00) for each outlet remaining to be developed in accordance with the Mandatory Development Schedule; provided however, (i) for transfers among the individuals named as Developer in the introductory paragraph of this Agreement, and (ii)

for a transfer to a spouse upon death or permanent disability of a Developer, no Transfer Fee shall be payable.

6.5 Franchisor 's Right of First Refusal.

6.5.1 If Developer wishes to transfer all or part of his or her interest in this Agreement pursuant to any bona fide offer received from a third party to purchase such interest, then Developer shall promptly notify Franchisor in writing of each such offer, and shall provide such information and documentation relating to the offer as Franchisor may require.

6.5.2 Franchisor has the right, exercisable by written notice to Developer within thirty (30) days after receipt of written notification and copies of all documentation required by Franchisor describing such offer, to buy the interest in this Agreement for the price and on the terms and conditions contained in the offer.

6.5.3 Developer further agrees, in the event Franchisor exercises its right of first refusal, notwithstanding anything to the contrary contained in the third-party offer, that (i) Franchisor may substitute cash for any other form of consideration contained in the offer; (ii) at Franchisor 's option, Franchisor may pay the entire purchase price at closing; (iii) Franchisor 's credit will be deemed equal to the credit of any proposed transferee; (iv) Franchisor will have at least sixty (60) days to close the purchase; and (v) Franchisor will be entitled to receive from Developer all customary representations and warranties given by a seller of franchise development rights.

6.5.4 If Franchisor does not exercise its right to buy within thirty (30) days, Developer may thereafter transfer the interest to the transferee on terms no more favorable than those disclosed to Franchisor, provided that such transfer is subject to Franchisor 's prior written approval pursuant to Section 6.3 hereof. However, if (i) the sale to the transferee is not completed within one hundred twenty (120) days after the offer is given to Franchisor or (ii) there is any material change in the terms of the offer, the offer will again be subject to Franchisor's right of first refusal.

6.6 Death or Permanent Disability. The grant of rights under this Agreement is personal to Developer, and on the death or permanent disability of Developer, the executor, administrator, conservator, or other personal representative of Developer shall be required to transfer Developer’s interest in this Agreement within six (6) months from the date of death or permanent disability to a third party approved by Franchisor. Failure to transfer in accordance with the forgoing will constitute a material default and all that is granted by this Agreement will terminate. A transfer under this Section 6.6, including without limitation, transfer by devise or inheritance, is subject to the conditions for Transfers in this Article 6 and unless transferred by gift, devise or inheritance, subject to the terms of Section 6.5 above. For purposes of this Agreement, the term "permanent disability" means a mental or physical disability, impairment or condition that is

reasonably expected to prevent or actually does prevent such person from providing continuous and material supervision of the operation of Developer's The Toasted Yolk Cafe outlet(s) and remaining development schedule during the six (6)-month period from its onset.

7. DEFAULT AND TERMINATION.

7.1 Default and Automatic Termination. Developer shall be deemed to be in material default under this Agreement, and all rights granted herein shall automatically terminate without notice to Developer, if any of Developer shall become insolvent or makes a general assignment for the benefit of creditors; or if any of Developer files a voluntary petition under any section or chapter of federal bankruptcy law or under any similar law or statute of the United States or any state thereof, or admits in writing his or her inability to pay debts when due; or if any of Developer is adjudicated a bankrupt or insolvent in proceedings filed against any of Developer under any section or chapter of federal bankruptcy laws or under any similar law or statute of the United States or any state; or if a bill in equity or other proceeding for the appointment of a receiver of any of Developer or other custodian for any of Developer's business or assets is filed and consented to by any of Developer; or if a receiver or other custodian (permanent or temporary) of any of Developer's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against any of Developer; or if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); or if Developer is dissolved; or if execution is levied against any of Developer's business or property; or if suit to foreclose any lien or mortgage against any of Developer's The Toasted Yolk Cafe outlet premises or equipment is instituted against Developer and not dismissed within thirty (30) days.

7.2 Defaults with No Opportunity to Cure. Developer shall be deemed to be in material default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Developer any opportunity to cure the default, effective immediately upon notice to Developer, if Developer:

7.2.1 has misrepresented or omitted material facts in applying for the development rights granted hereunder;

7.2.2 falsifies any report required to be furnished Franchisor hereunder;

7.2.3 fails to comply with any federal, state or local law, rule or regulation, applicable to the development and operations of Developer's The Toasted Yolk Cafe outlets, including, but not limited to, the failure to pay taxes;

7.2.4 fails to develop the The Toasted Yolk Cafe outlets in accordance with the Mandatory Development Schedule.

7.2.5 attempts a Transfer in violation of the provisions of Article 6 of this Agreement;

7.2.6 is convicted of, or pleads no contest to, a felony or to a crime that could damage the goodwill associated with the Marks or does anything to harm the reputation of the System or the goodwill associated with the Marks;

7.2.7 receives an adverse judgment or a consent decree in any case or proceeding involving allegations of fraud, racketeering, unfair or improper trade practices or similar claim which is likely to have an adverse effect on the System, or the Marks, the goodwill associated therewith or Franchisor's interest therein, in Franchisor's sole opinion;

7.2.8 fails to comply with the non-disclosure and non-competition covenants in Article 8 hereof;

7.2.9 defaults, or an affiliate of Developer defaults, under any other agreement, including any Franchise Agreement, with Franchisor or any of its affiliates, suppliers or a landlord of any of Developer's The Toasted Yolk Cafe outlets and does not cure such default within the time period provided in such other agreement; or

7.2.10 terminates this Agreement without cause.

7.3 Curable Defaults. Developer shall be deemed to be in material default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, if Developer fails to cure the default within the time period set forth in this Section 7.3, effective immediately upon notice to Developer, if Developer:

7.3.1 fails to pay when due any amounts due to Franchisor under this Agreement or any related agreement and does not correct the failure within five (5) days after written notice; provided, however, Franchisor has no obligation to give written notice of a late payment more than two (2) times in any twelve (12)–month period, and the third such late payment in any twelve (12)–month period shall be a non-curable default under Section 7.2;

7.3.2 fails to perform any non-monetary obligation imposed by this Agreement (excepting those defaults of obligations set forth in Sections 7.1 and 7.2 for which there is no opportunity to cure) and such default shall continue for five (5) days after Franchisor has given written notice of such default, or if the default cannot be reasonably corrected within said five (5)-day period, then if it is not corrected within such additional time as may be reasonably required assuming Developer proceeds diligently to cure; provided, however, Franchisor has no obligation to give written notice of a non-monetary default more than two (2) times in any twelve (12)–month period, and the third such default, whether monetary or non-monetary, in any twelve (12) – month period shall be a non-curable default under Section 7.2.

7.4. Post-Termination Obligations. Upon termination or expiration of this Agreement, all rights and licenses granted hereunder to Developer shall immediately terminate and

Developer shall (i) immediately cease all development operations pursuant to this Agreement; and (ii) comply with the non-disclosure and non-competition covenants contained in Article 8.

8. NON-DISCLOSURE AND NON-COMPETITION COVENANTS.

8.1 Confidential Information. Developer acknowledges and accepts that during the term of this Agreement, Developer will have access to Franchisor's trade secrets, including, but not limited to, recipes, methods, processes, customer lists, vendor partnerships and/or relationships, sales and technical information, financial information, costs, product prices and names, software tools and applications, website and/or email design, products, services, equipment, technologies and procedures relating to the operation of the Franchised Business; the Manual; methods of advertising and promotion; instructional materials; any other information which Franchisor may or may not specifically designate as "confidential" or "proprietary"; and the components of the System, whether or not such information is protected or protectable by patent, copyright, trade secret or other proprietary rights (collectively referred to herein as the "Confidential Information"). Developer shall not, during the term of this Agreement and thereafter, communicate or divulge to, or use for the benefit of, any other person or entity, and, following the expiration or termination of this Agreement, shall not use for Developer's own benefit, any Confidential Information that may be communicated to Developer or of which Developer may be apprised in connection with the development of The Toasted Yolk Cafe outlets under the terms of this Agreement. Developer shall not at any time copy, duplicate, record or otherwise reproduce any Confidential Information, in whole or in part, or otherwise make the same available to any person, without Franchisor's prior written consent. The covenant in this Section 8.1 shall survive the expiration, termination or transfer of this Agreement or any interest herein and shall be perpetually binding upon Developer.

8.2 Protection of Information. Developer shall take all steps necessary, at Developer's own expense, to protect the Confidential Information and shall immediately notify Franchisor if Developer finds that any Confidential Information has been divulged in violation of this Agreement.

8.3 Noncompetition Covenants. Developer acknowledges that, pursuant to this Agreement and the Franchise Agreement, Developer will receive valuable training, trade secrets and Confidential Information of the System that are beyond the present knowledge, training and experience of Developer. Developer acknowledges that such specialized training, trade secrets and Confidential Information provide a competitive advantage and will be valuable to him or her in the development and operation of The Toasted Yolk Cafe outlets, and that gaining access to such specialized training, trade secrets and Confidential Information is, therefore, a primary reason why Developer is entering into this Agreement. In consideration for such specialized training, trade secrets, Confidential Information and rights, Developer covenants that, except as otherwise approved in writing by Franchisor:

8.3.1 During the term of this Agreement, Developer shall not, either directly or indirectly, for himself or herself or through, on behalf of, or in conjunction with, any person or entity (i) divert, or attempt to divert, any business or customer of the The Toasted Yolk Café outlets to be developed hereunder or of other franchisees in the System to any competitor, by direct or indirect inducement or otherwise; (ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any other capacity in any restaurant or eatery business that either (x) derives more than twenty percent (20%) of its gross receipts from the sale of eggs, pancakes, waffles and/ or other breakfast items or (y) closes before 6 p.m.(("Competitive Business"); or (iii) seek to employ any person who is at that time employed by Franchisor or otherwise induce such person to leave his or her employment; or (iv) do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System or (v) in any manner interfere with, disturb, disrupt, decrease or otherwise jeopardize the business of the Franchisor or any The Toasted Yolk Cafe franchisees or Franchisor-affiliated outlets.

8.3.2 Upon the expiration or earlier termination of this Agreement or upon a Transfer and continuing for twenty-four (24) months thereafter, Developer shall not, either directly or indirectly, for himself or herself or through, on behalf of or in conjunction with any person or entity (i) divert, or attempt to divert, any business or customer of the The Toasted Yolk Café outlets developed hereunder or of other franchisees in the System to any competitor, by direct or indirect inducement or otherwise; or (ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any other capacity in any Competitive Business within twenty-five (25) miles of the Development Area or any The Toasted Yolk Cafe location; or (iii) seek to employ any person who is at that time employed by Franchisor or otherwise induce such person to leave his or her employment or (iv) do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System or (v) in any manner interfere with, disturb, disrupt, decrease or otherwise jeopardize the business of the Franchisor or any The Toasted Yolk Cafe franchisees.

8.4 Reasonableness of Restrictions. Developer acknowledges and agrees that the covenants not to compete set forth in this Agreement are fair and reasonable and will not impose any undue hardship on Developer since Developer has other considerable skills, experience and education which afford Developer the opportunity to derive income from other endeavors.

8.5 Reduction of Time or Scope. If the period of time or the geographic scope specified above, should be adjudged unreasonable in any proceeding, then the period of time will be reduced by such number of months or the geographic scope will be reduced by the elimination of such portion thereof, or both, so that such restrictions may be enforced for such time and scope as are adjudged to be reasonable. In addition, Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Article 8 or any portion thereof, without Developer's consent, effective immediately upon

receipt by Developer of written notice thereof, and Developer agrees to forthwith comply with any covenant as so modified.

8.6 Injunctive Relief. Developer acknowledges that a violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to Franchisor for which no adequate remedy at law will be available. Accordingly, Developer hereby consents to the entry of an injunction prohibiting any conduct by Developer in violation of the terms of the covenants not to compete set forth in this Agreement.

8.7 No Defense. Developer expressly agrees that the existence of any claims he or she may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section.

9. INDEMNIFICATION. TO THE FULLEST EXTENT PERMITTED BY LAW, DEVELOPER AGREES TO EXONERATE AND INDEMNIFY AND HOLD HARMLESS THE TOASTED YOLK FRANCHISE COMPANY, LLC, THE TOASTED YOLK CAFE, LLC AND ANY OF THE ABOVE'S PARENT COMPANY, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES, AS WELL AS THEIR DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, SUCCESSORS, DESIGNEES AND REPRESENTATIVES (COLLECTIVELY REFERRED TO AS "THE TOASTED YOLK CAFE INDEMNITEES"), FROM ALL CLAIMS BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATED TO THE DEVELOPMENT, OPERATION, CONDITION, OR ANY PART OF ANY OF DEVELOPER'S THE TOASTED YOLK CAFE OUTLETS TO BE DEVELOPED HEREUNDER, THE PRODUCTS, THE PREMISES, OR ANY ASPECT OF THE REAL ESTATE CONNECTED TO ANY OF SUCH THE TOASTED YOLK CAFE OUTLETS, WHETHER CAUSED BY DEVELOPER'S AGENTS OR EMPLOYEES, OR ARISING FROM DEVELOPER'S ADVERTISING OR BUSINESS PRACTICES. DEVELOPER AGREES TO PAY FOR ALL THE TOASTED YOLK CAFE INDEMNITEES' LOSSES, EXPENSES (INCLUDING, BUT NOT LIMITED TO ATTORNEYS' FEES) OR CONCURRENT OR CONTRIBUTING LIABILITY INCURRED IN CONNECTION WITH ANY ACTION, SUIT, PROCEEDING, INQUIRY (REGARDLESS OF WHETHER THE SAME IS REDUCED TO JUDGMENT OR DETERMINATION), OR ANY SETTLEMENT THEREOF FOR THE INDEMNIFICATION GRANTED BY DEVELOPER HEREUNDER. THE TOASTED YOLK CAFE INDEMNITEES SHALL HAVE THE RIGHT TO SELECT AND APPOINT INDEPENDENT COUNSEL TO REPRESENT ANY OF THE TOASTED YOLK CAFE INDEMNITEES IN ANY ACTION OR PROCEEDING COVERED BY THIS INDEMNITY. DEVELOPER AGREES THAT TO HOLD THE TOASTED YOLK CAFE INDEMNITEES HARMLESS, DEVELOPER WILL REIMBURSE THE TOASTED YOLK CAFE INDEMNITEES AS THE COSTS AND EXPENSES ARE INCURRED BY THE TOASTED YOLK CAFE INDEMNITEES.

_____
Initial

10. DISPUTE RESOLUTION

10.1 Internal Dispute Resolution. Developer shall first bring any claim, controversy or dispute arising out of or relating to this Agreement, the Attachments hereto or the relationship created by this Agreement to Franchisor's president and/or President for resolution. After providing notice as set forth in Section 12.7 below. Developer must exhaust this internal dispute resolution procedure before Developer may bring Developer's dispute before a third party. This agreement to first attempt resolution of disputes internally shall survive termination or expiration of this Agreement.

10.2 Mediation. At Franchisor's option, any claim, controversy or dispute that is not resolved pursuant to Section 10.1 hereof shall be submitted to non-binding mediation. Developer shall provide Franchisor with written notice of Developer's intent to pursue any unresolved claim, controversy or dispute, specifying in sufficient detail the nature thereof, prior to commencing any legal action. Franchisor shall have thirty (30) days following receipt of Developer's notice to exercise Franchisor's option to submit such claim, controversy or dispute to mediation. Mediation shall be conducted through a mediator or mediators in accordance with the American Arbitration Association Commercial Mediation Rules. Such mediation shall take place in the then-current location of Franchisor's corporate headquarters. The costs and expenses of mediation, including compensation and expenses of the mediator (and except for the attorneys' fees incurred by either party), shall be borne by the parties equally. Franchisor may specifically enforce Franchisor's rights to mediation, as set forth herein.

10.3 Arbitration.

10.3.1 Except disputes not subject to alternative dispute resolution as set forth in Section 10.4, any dispute between Franchisor and Developer arising out of or relating to this Agreement, the Attachments hereto or any breach thereof, including any claim that this Agreement or any of its parts, is invalid, illegal or otherwise voidable or void, which has not been resolved in accordance with Sections 10.1 or 10.2, will be resolved by submission to the American Arbitration Association or its successor organization to be settled by a single arbitrator in accordance with the Commercial Arbitration Rules then in effect for such Association or successor organization.

10.3.2 All issues relating to arbitrability or the enforcement of the agreement to arbitrate contained in this Article 10 will be governed by the Federal Arbitration Act (9 U.S.C. §1 *et seq*.) and the federal common law of arbitration. All hearings and other proceedings will take place in Montgomery County, Texas, or the offices of the American Arbitration Association, or, if Franchisor so elects, in the county where the principal place of business of Developer is then located.

10.3.3 This arbitration provision is self-executing and will remain in full force and effect after expiration or termination of this Agreement. Any arbitration will be conducted on an individual, and not a class-wide or multiple plaintiffs, basis. If either party fails to appear at any properly noticed arbitration proceeding, an award may be entered against the party by default or otherwise, notwithstanding the failure to appear. Judgment upon an arbitration award may be entered in any court having jurisdiction and will be binding, final and not subject to appeal. No punitive or exemplary damages will be awarded against Franchisor, Developer, or entities related to either of them, in an arbitration proceeding or otherwise, and are hereby waived.

10.3.4 The provisions of this Section 10.3 are independent of any other covenant or provision of this Agreement; provided, however, that if a court of competent jurisdiction determines that any of the provisions are unlawful in any way, the court will modify or interpret the provisions to the minimum extent necessary to have them comply with the law.

10.3.5 In proceeding with arbitration and in making determinations hereunder, no arbitrator shall extend, modify, or suspend any terms of this Agreement or the reasonable standards of business performance and operation established by Franchisor in good faith. No notice, request or demand for arbitration shall stay, postpone, or rescind the effectiveness of any termination of this Agreement.

10.3.6 Except as expressly required by law, Franchisor and Developer shall keep all aspects of any mediation and/or arbitration proceeding in confidence and shall not disclose any information about the proceeding to any third party other than legal counsel who shall be required to maintain the confidentiality of such information.

10.4 Exceptions. Notwithstanding the requirements of Sections 10.2 or 10.3, the following claims shall not be subject to mediation or arbitration:

10.4.1 Franchisor's claims for injunctive or other extraordinary relief;

10.4.2 disputes and controversies arising from the Sherman Act, the Clayton Act or any other federal or state antitrust law;

10.4.3 disputes and controversies based upon or arising under the Lanham Act, as now or hereafter amended, relating to the ownership or validity of the Marks; and

10.4.4 enforcement of Developer's post-termination obligations, including but not limited to, Developer's non-competition covenants.

10.3 Governing Law and Venue. This Agreement is made in, and shall be substantially performed in, the State of Texas. Any claims, controversies, disputes or actions arising out of this Agreement shall be governed, enforced and interpreted pursuant to the laws of the State of Texas. Developer, except where specifically prohibited by law, hereby

irrevocably submit himself or herself to the sole and exclusive jurisdiction of the state and federal courts in Texas. Developer hereby waives all questions of personal jurisdiction for the purpose of carrying out this provision.

10.4 Mutual Benefit. Developer and Franchisor acknowledge that the parties' agreement regarding applicable state law and forum set forth in Section 10.5 provide each of the parties with the mutual benefit of uniform interpretation of this Agreement and any dispute arising hereunder. Each of Developer and Franchisor further acknowledge the receipt and sufficiency of mutual consideration for such benefit and that each party's agreement regarding applicable state law and choice of forum have been negotiated in good faith and are part of the benefit of the bargain reflected by this Agreement.

10.5 Waiver of Certain Damages. Developer hereby waives, to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) against Franchisor, its affiliates, and their respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, in their corporate and individual capacities, arising out of any cause whatsoever. Each of Developer agrees that in the event of a dispute, Developer shall be limited to the recovery of any actual damages sustained.

10.6 Limitations of Claims. Any and all claims asserted by Developer arising out of or relating to this Agreement or the relationship among the parties will be barred unless a proceeding for relief is commenced within one (1) year from the date on which Developer knew or should have known of the facts giving rise to such claims.

10.7 Survival. The provisions of this Article 10 shall continue in full force and effect notwithstanding the expiration or termination of this Agreement or a transfer by Franchisee or any Principal of their respective interests in this Agreement.

11. GENERAL

11.1 Independent Contractor. Developer is and shall be an independent contractor under this Agreement, and no partnership shall exist between Developer and Franchisor. This Agreement does not constitute Developer as an agent, legal representative, or employee of Franchisor for any purpose whatsoever, and Developer is not granted any right or authority to assume or create any obligation for or on behalf of, or in the name of, or in any way to bind Franchisor. Developer agrees not to incur or contract any debt or obligation on behalf of Franchisor or commit any act, make any representation or advertise in any manner which may adversely affect any right of Franchisor or be detrimental to Franchisor or other developers or franchisees of Franchisor. Pursuant to the above, Developer agrees to indemnify Franchisor and hold Franchisor harmless from any and all liability, loss, attorneys' fees, or damage Franchisor may suffer as a result of claims, demands, taxes, costs or judgments against Franchisor arising out of the relationship hereby established which specifically, but not exclusively, includes costs, losses, expenses, attorneys fees relative to assignment or the transfer of right to develop and transactional costs relative thereto,

defaults under any leases, subleases, notes, receipt of revenues or any other relationships arising directly or indirectly out of the development and operation of the The Toasted Yolk Cafe outlets.

11.2 Successors. This Agreement shall bind and inure to the benefit of the successors and assigns of Franchisor and shall be personally binding on and inure to the benefit of Developer and his or her respective heirs, executors, administrators and successors or assigns; provided, however, the foregoing provision shall not be construed to allow a transfer of any interest of Developer in this Agreement, except in accordance with Article 6 hereof.

11.3 Invalidity of Part of Agreement. Should any provisions in this Agreement, for any reason, be declared invalid, then such provision shall be invalid only to the extent of the prohibition without in any way invalidating or altering any other provision of this Agreement.

11.4 Entire Agreement. This Agreement, including all attachments, is the entire agreement of the parties, superseding all prior written or oral agreements of the parties concerning the same subject matter, and superseding all prior written or oral representations made to Developer, except the representations made to Developer in Franchisor's Franchise Disclosure Document. No agreement of any kind relating to the matters covered by this Agreement and no amendment of the provisions hereof shall be binding upon either party unless and until the same has been made in writing and executed by all interested parties.

11.5 Construction. All terms and words used in this Agreement, regardless of the number and gender in which they are used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context or sense of this Agreement or any provision herein may require, as if such words had been fully and properly written in the appropriate number and gender. All covenants, agreements and obligations assumed herein by Developer shall be deemed to be joint and several covenants, agreements and obligations of each of the persons named as Developer, if more than one person is so named.

11.6 Captions. Captions and section headings are used herein for convenience only. They are not part of this Agreement and shall not be used in construing it.

11.7 Notices. Whenever notice is required or permitted to be given under the terms of this Agreement, it shall be given in writing, and be delivered personally or by certified or registered mail, postage prepaid, addressed to the party for whom intended, and shall be deemed given on the date of delivery or delivery is refused. All such notices shall be addressed to the party to be notified at their respective addresses as first above written, or at such other address or addresses as the parties may from time to time designate in writing.

11.8 Effect of Waivers. No waiver, delay, omission or forbearance on the part of Franchisor to exercise any right, option, duty or power arising from any default or breach by Developer

shall affect or impair the rights of Franchisor with respect to any subsequent default of the same or of a different kind.

11.9 Remedies Cumulative. All rights and remedies of the parties to this Agreement shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies that are provided for herein or that may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement or any other agreement between Developer or any of its affiliates and Franchisor or any of its affiliates. The rights and remedies of the parties to this Agreement shall be continuing and shall not be exhausted by any one or more uses thereof, and may be exercised at any time, or from time to time, as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration, earlier termination or exercise of Franchisor's rights pursuant to Article 7 shall not discharge or release Developer from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration, the earlier termination or the exercise of such rights under this Agreement.

11.10. Consent to Do Business Electronically. The parties to this Agreement hereby consent to do business electronically. Pursuant to the Uniform Electronic Transactions Act as adopted by the State of Texas, the parties hereby affirm to each other that they agree with the terms of this Agreement, and by attaching their signature electronically to this Agreement, they are executing the document and intending to attach their electronic signature to it. Furthermore, the parties acknowledge that the other parties to this Agreement can rely on an electronic signature as the respective party's signature.

11.11 Counterparts. This Agreement may be executed in multiple counterparts, each of which when so executed shall be an original, and all of which shall constitute one and the same instrument.

11.12 Survival. Any obligation of Developer that contemplates performance of such obligation after termination, expiration or transfer of this Agreement shall be deemed to survive such termination, expiration or transfer.

-Remainder of Page Intentionally Blank-

The parties hereto have executed this Multi-Unit Development Agreement on the day and year first above written.

FRANCHISOR:

THE TOASTED YOLK FRANCHISE COMPANY, LLC

By:_____

Chris Milton , CEO
(Print Name, Title)

DEVELOPER:

_____

_____
(Print Name)

DEVELOPER:

_____

_____
(Print Name)

ATTACHMENT 1

DEVELOPMENT AREA

(insert map and/or define by zip codes):

ATTACHMENT 2

MANDATORY DEVELOPMENT SCHEDULE

Outlet for Development	Mandatory Open Date
1	___ months following the Effective Date
2	___ months following the Effective Date
3	___months following the Effective Date

EXHIBIT D

FINANCIAL STATEMENTS

THE TOASTED YOLK FRANCHISE COMPANY, LLC

THE RASCON CPA FIRM PLLC
Growth • Innovation • Success
1095 Evergreen Circle, Ste 200, The Woodlands, Texas 77380 | (832) 482-4611 | Fax: (832) 442-5077

April 25, 2025

To the Partners
The Toasted Yolk Franchise Company LLC
15135 North Freeway, Ste 600
Houston, TX 77090

We have audited the accompanying statement of assets, liabilities and equity of The Toasted Yolk Franchise Company LLC as of December 31, 2024 and 2023, and the related statements of income, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

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

The Rascon CPA Firm PLLC

April 15, 2025

THE TOASTED YOLK FRANCHISE COMPANY, LLC
STATEMENT OF ASSETS, LIABILITIES, AND MEMBERS EQUTY
DECEMBER 31, 2024 AND 2023
(SEE ACCOUNTANT'S AUDIT REPORT)

ASSETS

CURRENT ASSETS	2024	2023
Cash & Cash Equivalents	$ 327,855	$ 327,880
Accounts Receivable	$ (4,695)	$ (259)
Prepaid Expenses (See Note 9)	$ 50,000	$ -
TOTAL CURRENT ASSETS:	$ 373,160	$ 327,621
INTANGIBLE ASSETS:		
Organizational Costs (See Note 4)	$ 2,300	$ 2,300
Start-up Costs (See Note 4)	$ 149,726	$ 149,726
Accumulated Amortization	$ (152,026)	$ (152,026)
TOTAL INTANGIBLE ASSETS:	$ -	$ -
TOTAL ASSETS:	$ 373,160	$ 327,621

LIABILITIES AND EQUITY

SHORT-TERM LIABILITIES:		
Accounts Payable	27,375	407
Due to Toasted Yolk Café	(1,315)	(2,565)
Marketing Reserve	-	-
Credit Card Payable	8,978	2,873
Payroll Liabilities	$ 250	$ -
TOTAL SHORT-TERM LIABILITIES:	$ 35,288	$ 715
EQUITY		
Partner Capital	$ 1,000	$ 1,000
Additional Contributions (See Note 10)	$ 150,000	$ 150,000
Capital Accounts	$ 4,518,791	$ 2,502,918
Capital Distributions	$ (6,224,134)	$ (4,342,885)
Retained Earnings	$ -	$ -
Net Income (Loss)	$ 1,892,215	$ 2,015,873
TOTAL EQUITY:	$ 337,872	$ 326,906
TOTAL LIABILITIES AND CAPITAL	$ 373,160	$ 327,621

Growth • Innovation • Success
THE RASCON CPA FIRM PLLC

THE TOASTED YOLK FRANCHISE COMPANY, LLC
STATEMENT OF INCOME AND EXPENSES
DECEMBER 31, 2024 AND 2023
(SEE ACCOUNTANT'S AUDIT REPORT)

	2024	2023
Royalty Sales (See Note 3)	$ 3,227,214	$ 2,638,873
Franchise Sales (See Note 3)	$ 391,500	$ 1,073,500
Other Income	$ 941	$ 902
Total Sales	$ 3,619,655	$ 3,713,275
Cost of Goods Sold	$ -	$ -
GROSS PROFIT:	$ 3,619,655	$ 3,713,275
General and Administrative Expenses:		
Advertising	$ 328,971	$ 314,791
Automobile Expense	$ -	$ 2,310
Bank Service Charges	$ 7	$ (168)
Brokers Fees & Commissions (See Note 7)	$ 219,117	$ 344,900
Conventions	$ 521	$ 8,886
Reimbursed Labor Costs		
Interest Expense	$ -	$ 518
Insurance Expense	$ 37,525	$ 31,215
Meals & Entertainment	$ 50,212	$ 35,136
Licenses & Permits	$ 301	$ 1,250
Computer & Internet Expenses	$ 21,259	$ 10,589
Catering & To Go Expense	$ 962	$ 1,682
Marketing Fees (See Note 6)	$ (322,721)	$ (263,888)
Office Supplies	$ 17,823	$ 11,485
Professional Fees (See Note 5)	$ 155,167	$ 137,606
Shipping & Delivery	$ 155	$ 935
Franchise & Property Taxes	$ 7,111	$ 4,359
Travel Expense	$ 184,264	$ 157,240
Payroll Wages (See Note 8)	$ 953,851	$ 835,765
Payroll Taxes	$ 72,916	$ 62,790
Amortization		
Total General and Administrative Expenses:	$ 1,727,440	$ 1,697,401
NET INCOME	$ 1,892,215	$ 2,015,874

Growth · Innovation · Success
THE RASCON CPA FIRM PLLC

THE TOASTED YOLK FRANCHISE COMPANY, LLC
STATEMENT OF CASHFLOWS
DECEMBER 31, 2024 AND 2023
(SEE ACCOUNTANT'S AUDIT REPORT)

Cash Flows from Operating Activities:	**2024**	**2023**
Net Income	$ 1,892,215	$ 2,015,874
Adjustments to reconcile net income to net cash		
Provided by Operating Activities		
Amortization Expense		
(Incr)/Decr - Accounts Receivable	$ 4,437	$ 259
(Incr)/Decr - Prepaid Expense	$ (50,000)	$ -
Incr/(Decr) - Accounts Payable	$ 26,968	$ 407
Incr/(Decr) - Credit Card Payable	$ 6,105	$ (1,361)
Incr/(Decr) - Other Payables	$ 1,500	$ (8,279)
Incr/(Decr) - Member Loans Payable	$ -	$ (44,269)
Increase in Interest Payable	$ -	$ -
Net cash provided by (used in) operating activities	$ (10,990)	$ (53,243)
Cash Flows from Investing Activities:		
Net Cash used in Investing Activities	$ -	$ -
	$ -	$ -
Cash Flows from Financing Activities:		
Increase in Member Loans		$ -
Member Capital Distributions	$ (1,881,250)	$ (1,822,540)
Net cash provided by Financing Activities	$ (1,881,250)	$ (1,822,540)
Net Increase/(Decrease) in Cash and Cash Equivalents	$ (25)	$ 140,091
Cash and Cash Equivalents, Beginning of Period	$ 327,880	$ 187,789
Cash and Cash Equivalents, End of Period	$ 327,855	$ 327,880

Growth • Innovation • Success
THE RASCON CPA FIRM PLLC

NOTE 1: NATURE OF OPERATIONS

The Toasted Yolk Franchise Company ("Toasted Yolk" or "Company") is a US company that sells franchises of The Toasted Yolk Café to franchisees. The Toasted Yolk Café brings experienced restaurant professionals and savvy business entrepreneurs the opportunity to operate in what the company refers to as "the limited daypart concept" which serves only breakfast, lunch and brunch.

Backed by years of experience in foodservice, and multiple locations, they are committed to bringing a quality-focused mix of breakfast and lunch classics to the communities. Therefore, each menu item comes with a unique contemporary spin, and can be accompanied by a wide selection of beverages, including draft beers and a full wine list.

It all adds up to a breakfast lunch restaurant franchise concept, an opportunity unlike any other. Their fully supported restaurant business model is designed for maximum bottom-line impact and growth, with both streamlined staffing needs and hours of operation, looking for seasoned professionals to this unique establishment.

In 2017 Toasted Yolk finally broadened its base with Franchisees by selling two franchises and opening several more locations around the Houston area. By 2024 the Company sold a total of 122, with 34 of them open for business, and six corporate restaurants.

NOTE 2: BASIS OF ACCOUNTING

The accompanying financial statements present financial results on the accrual basis of accounting required under generally accepted accounting principles.

USE OF ESTIMATES

The preparation of the company's financial statements, conforming with generally accepted accounting principles in the United States of America, requires management to make estimates and assumptions that can affect certain reported amounts and disclosures. Therefore, actual results could differ from those estimates.

NOTE 3: ROYALTY INCOME & SALES

The Company's franchise sales represent the number of franchises sold. In 2024 Toasted Yolk sold nine franchises in various locations in Texas, Alabama, Arkansas, Florida, Louisiana, and South Carolina. In 2024 Toasted Yolk received $391,500 in Franchise cash sales. In 2023, the Company received $1,073,500. The Company also closed two locations in Cedar Park, TX and Spring Valley, TX.

Its royalty income is calculated by invoicing 5% of the weekly Net Sales (Gross - Tax) from each franchisee. See Note 6 for further discussion on Marketing Fees related to royalty income. In 2024 Toasted Yolk received $3,227,214 in Royalty payments. In 2023, the Company received $2,638,873.

NOTE 4: ORGANIZATIONAL AND STARTUP COSTS

Organizational and start-up costs consist of LLC creation fees, professional fees, business licenses, advertising, and consulting expense costs during the start-up phase of the company prior to June 1st, 2016, the first day of business operations. The company amortizes these costs over 5 years beginning on the first day of business.

The company organizational and start-up costs were fully amortized as of December 31, 2021.

NOTE 5: PROFESSIONAL FEES

In 2024, the Company paid $124.595 in accounting fees and $25,073 in legal fees, and $5,500 in other professional fees related to maintaining a free-standing restaurant prototypes in Texas. In 2023, the Company paid $88,262 in accounting fees and $27,279 in legal fees, and $22,064 in other professional fees related to designing a free-standing restaurant prototype with a franchisee in Texas.

NOTE 6: MARKETING FEES

As discussed in Note 3 Toasted Yolk recognizes Royalty income by charging its Franchisees 5% of net sales every week. In addition to that, the Company also charges .5% of net sales each week from their Franchisees for Marketing Fees and reports this item as a credit expense on their Income Statement. This is for the marketing expense incurred by the Company for all Franchise stores.

NOTE 7: BROKER FEES & COMMISSIONS

Toasted Yolk generally pays a 50% commission to its broker for each new franchise they sell. However, in certain arrangements the brokerage rule is set for the Company paying 50% for the first location, and 20% for future locations. In addition, Toasted Yolk pays a monthly fee to its broker. In 2024 this expense was $219,117. In 2023 the amount the Company paid to its broker was $344,900.

NOTE 8: WAGES

In 2024 Toasted Yolk decided to hire its own employees and employed nine to ten people, paying $953,851 (including $24,500 for car allowance) in total wages. In 2023, the Company had eight employees, paying $835,765 in total wages.

NOTE 9: PREPAID EXPENSES

In 2024, Toasted Yolk gave a deposit in the amount of $50,000 to Geraty Investments to begin the sale of the Toasted Yolk franchise company.

NOTE 10: EQUITY

The initial capital was paid out by five partners as indicated below:

Beartrel Milton: Capital Account	50	5.00%
Chris Milton: Capital Account	325	32.50%
Kevin Pierce: Capital Account	50	5.00%
Mathew DeMott: Capital Account	325	32.50%
Terzetto Investments, LLC: Capital Account	250	25.00%
	1,000	100.00%

In 2024, the following distributions were made:

Beartrel Milton	$ 94,063
Kevin Pierce	$ 94,063
Chis Milton	$ 611,407
Matt Demott	$ 611,407
Terzetto Investments	$ 470,310
Total Distributions in 2024:	$1,881,250

In addition to the initial contribution noted above, Terzetto Investments LLC is the only partner that agreed to make an additional cash contribution to capital in the amount of $150,000. The other partners agreed to contribute intrinsic value related to their experience. A key part of this agreement - Mathew Demott and Chris Milton agree to contribute their intellectual property to the LLC which includes, but is not limited to, their heavy experience and working knowledge of the restaurant industry, recipes, menus and branding of The Toasted Yolk Café, their commitment of time and services to develop the franchise instruction and the training manual, and providing training to the first ten franchisees. Beartel Milton and Kevin Pierce agree to provide consulting services to the LLC as needed when they are called upon.

Growth • Innovation • Success
THE RASCON CPA FIRM PLLC
1095 Evergreen Circle, Ste 200, The Woodlands, Texas 77380 | (832) 482-4611 | Fax: (832) 442-5077

March 6, 2024

To the Partners
The Toasted Yolk Franchise Company LLC
15135 North Freeway, Ste 600
Houston, TX 77090

We have audited the accompanying statement of assets, liabilities and equity of The Toasted Yolk Franchise Company LLC as of December 31, 2023 and 2022, and the related statements of income, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Toasted Yolk Franchise Company LLC as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The Rascon CPA Firm PLLC

March 15, 2024

THE TOASTED YOLK FRANCHISE COMPANY, LLC
STATEMENT OF ASSETS, LIABILITIES, AND MEMBERS EQUTY
DECEMBER 31, 2023 AND 2022
(SEE ACCOUNTANT'S AUDIT REPORT)

ASSETS

CURRENT ASSETS	2023	2022
Cash & Cash Equivalents	$ 327,880	$ 187,789
Accounts Receivable	$ (259)	
TOTAL CURRENT ASSETS:	$ 327,621	$ 187,789
INTANGIBLE ASSETS:		
Organizational Costs (See Note 4)	$ 2,300	$ 2,300
Start-up Costs (See Note 4)	$ 149,726	$ 149,726
Accumulated Amortization	$ (152,026)	$ (152,026)
TOTAL INTANGIBLE ASSETS:	$ -	$ -
TOTAL ASSETS:	$ 327,621	$ 187,789

LIABILITIES AND EQUITY

SHORT-TERM LIABILITIES:		
Accounts Payable	407	
Due to Toasted Yolk Café	(2,565)	658
Marketing Reserve	-	5,056
Credit Card Payable	$ 2,873	$ 4,233
TOTAL SHORT-TERM LIABILITIES:	$ 715	$ 9,947
LONG-TERM LIABILITIES:		
Member Loans (See Note 9)	$ -	$ 44,270
TOTAL LONG-TERM LIABILITIES:	$ -	$ 44,270
EQUITY		
Partner Capital	$ 1,000	$ 1,000
Additional Contributions (See Note 10)	$ 150,000	$ 150,000
Capital Accounts	$ 2,502,918	$ 1,077,403
Capital Distributions	$ (4,342,885)	$ (2,520,347)
Retained Earnings	$ -	$ -
Net Income (Loss)	$ 2,015,873	$ 1,425,516
TOTAL EQUITY:	$ 326,906	$ 133,572
TOTAL LIABILITIES AND CAPITAL	$ 327,621	$ 187,789

Growth • Innovation • Success
THE RASCON CPA FIRM PLLC

THE TOASTED YOLK FRANCHISE COMPANY, LLC
STATEMENT OF INCOME AND EXPENSES
DECEMBER 31, 2023 AND 2022
(SEE ACCOUNTANT'S AUDIT REPORT)

	2023	2022
Royalty Sales (See Note 3)	$ 2,638,873	$ 1,611,766
Franchise Sales (See Note 3)	$ 1,073,500	$ 974,000
Other Income	$ 902	$ 9,044
Total Sales	$ 3,713,275	$ 2,594,810
Cost of Goods Sold	$ -	$ -
GROSS PROFIT:	$ 3,713,275	$ 2,594,810
General and Administrative Expenses:		
Advertising	$ 314,791	$ 161,176
Automobile Expense	$ 2,310	$ 18,062
Bank Service Charges	$ (168)	$ 105
Brokers Fees & Commissions (See Note 7)	$ 344,900	$ 312,900
Conventions	$ 8,886	$ 2,800
Reimbursed Labor Costs		$ -
Interest Expense	$ 518	$ 3,158
Insurance Expense	$ 31,215	$ 31,309
Meals & Entertainment	$ 35,136	$ 13,508
Licenses & Permits	$ 1,250	$ 250
Computer & Internet Expenses	$ 10,589	$ 6,717
Catering & To Go Expense	$ 1,682	$ 958
Marketing Fees (See Note 6)	$ (263,888)	$ (161,176)
Office Supplies	$ 11,485	$ 6,401
Professional Fees (See Note 5)	$ 137,606	$ 128,116
Shipping & Delivery	$ 935	$ 250
Franchise & Property Taxes	$ 4,359	$ 2,315
Travel Expense	$ 157,240	$ 59,237
Payroll Wages (See Note 8)	$ 835,765	$ 543,001
Payroll Taxes	$ 62,790	$ 40,206
Amortization		
Total General and Administrative Expenses:	$ 1,697,401	$ 1,169,293
NET INCOME	$ 2,015,874	$ 1,425,517

Growth • Innovation • Success
THE RASCON CPA FIRM PLLC

THE TOASTED YOLK FRANCHISE COMPANY, LLC
STATEMENT OF CASHFLOWS
DECEMBER 31, 2023 AND 2022
(SEE ACCOUNTANT'S AUDIT REPORT)

Cash Flows from Operating Activities:	**2023**	**2022**
Net Income	$ 2,015,874	$ 1,425,517
Adjustments to reconcile net income to net cash		
Provided by Operating Activities		
Amortization Expense		
(Incr)/Decr - Accounts Receivable	$ 259	
(Incr)/Decr - Franchisee Loan Receivable	$ -	$ 15,323
Incr/(Decr) - Accounts Payable	$ 407	
Incr/(Decr) - Credit Card Payable	$ (1,361)	$ 4,233
Incr/(Decr) - Other Payables	$ (8,279)	$ 5,714
Incr/(Decr) - Member Loans Payable	$ (44,269)	$ (94,225)
Increase in Interest Payable	$ -	$ 3,158
Net cash provided by (used in) operating activities	$ (53,243)	$ (65,797)
Cash Flows from Investing Activities:		
Net Cash used in Investing Activities	$ -	$ -
	$ -	$ -
Cash Flows from Financing Activities:		
Increase in Member Loans		$ -
Member Capital Distributions	$ (1,822,540)	$ (1,260,971)
Net cash provided by Financing Activities	$ (1,822,540)	$ (1,260,971)
Net Increase/(Decrease) in Cash and Cash Equivalents	$ 140,091	$ 98,749
Cash and Cash Equivalents, Beginning of Period	$ 187,789	$ 89,040
Cash and Cash Equivalents, End of Period	$ 327,880	$ 187,789

Growth • Innovation • Success
THE RASCON CPA FIRM PLLC

NOTE 1: NATURE OF OPERATIONS

The Toasted Yolk Franchise Company ("Toasted Yolk" or "Company") is a US company that sells franchises of The Toasted Yolk Café to franchisees. The Toasted Yolk Café brings experienced restaurant professionals and savvy business entrepreneurs the opportunity to operate in what the company refers to as "the limited daypart concept" which serves only breakfast, lunch and brunch.

Backed by years of experience in foodservice, and multiple locations, they are committed to bringing a quality-focused mix of breakfast and lunch classics to the communities. Therefore, each menu item comes with a unique contemporary spin, and can be accompanied by a wide selection of beverages, including draft beers and a full wine list.

It all adds up to a breakfast lunch restaurant franchise concept, an opportunity unlike any other. Their fully supported restaurant business model is designed for maximum bottom-line impact and growth, with both streamlined staffing needs and hours of operation. They are just looking for seasoned professionals to this unique establishment.

In 2017 Toasted Yolk finally broadened its base with Franchisees by selling two franchises and opening several more locations around the Houston area. By 2023 the Company sold a total of 110, with 29 of them open for business, and six corporate restaurants.

NOTE 2: BASIS OF ACCOUNTING

The accompanying financial statements present financial results on the accrual basis of accounting required under generally accepted accounting principles.

USE OF ESTIMATES

The preparation of the company's financial statements, conforming with generally accepted accounting principles in the United States of America, requires management to make estimates and assumptions that can affect certain reported amounts and disclosures. Therefore, actual results could differ from those estimates.

NOTE 3: ROYALTY INCOME & SALES

The Company's franchise sales represent the number of franchises sold in 2023 where Toasted Yolk sold thirty-eight franchises in various locations in Texas, Arkansas, Tennessee, Florida, Mississippi, Alabama, Georgia, Ohio, and Oklahoma. In 2023 Toasted Yolk received $1,073,500 in Franchise cash sales. In 2022, the Company received $974,000.

Its royalty income is calculated by invoicing 5% of the weekly Net Sales (Gross - Tax) from each franchisee. See Note 6 for further discussion on Marketing Fees related to royalty income. In 2023 Toasted Yolk received $2,638,873 in Royalty payments. In 2022, the Company received $1,611,766.

NOTE 4: ORGANIZATIONAL AND STARTUP COSTS

Organizational and start-up costs consist of LLC creation fees, professional fees, business licenses, advertising, and consulting expense costs during the start-up phase of the company prior to June 1st, 2016, the first day of business operations. The company amortizes these costs over 5 years beginning on the first day of business.

The company organizational and start-up costs were fully amortized as of December 31, 2021.

NOTE 5: PROFESSIONAL FEES

In 2023, the Company paid $88,262 in accounting fees and $27,279 in legal fees, and $22,064 in other professional fees related to maintaining a free-standing restaurant prototypes in Texas. In 2022, the Company paid $78,650 in accounting fees and $32,853 in legal fees, and $16,613 in other professional fees related to designing a free-standing restaurant prototype with a franchisee in Texas.

NOTE 6: MARKETING FEES

As mentioned in Note 3 Toasted Yolk recognizes Royalty income by charging its Franchisees 5% of net sales every week. In addition to that, the Company also charges .5% of net sales each week from their Franchisees for Marketing Fees and reports this item as a credit expense on their Income Statement. This is for the marketing expense incurred by the Company for all Franchise stores.

NOTE 7: BROKER FEES & COMMISSIONS

Toasted Yolk pays a 50% commission to its broker for each new franchise they sell. In 2023 this expense was $344,900. In 2022 the amount the Company paid to its broker was $312,900.

NOTE 8: WAGES

In 2023 Toasted Yolk decided to hire its own employees and employed nine to ten people, paying $835,765 (including $25,500 for car allowance) in total wages. In 2022, the Company had eight employees, paying $543,001 in total wages.

NOTE 9: MEMBER LOANS

In 2017 loans were issued to the company from three partners. As of December 31, 2023 the loan amounts outstanding to each partner are listed below.

Chris Milton	- $ - 0 -
Matthew Demott	- $ - 0 -
Terzetto Investments	- $ - 0 -
Total	$ - 0 -

As of December 31, 2023 there were no additional loan amounts advanced. The total interest accrued and paid was $518, and the total amount of payments made to each loan was $ - 0 -, $ - 0 -, and $44,269, respectively. There were no terms on each loan.

NOTE 10: EQUITY

The initial capital was paid out by five partners as indicated below:

Beartrel Milton: Capital Account	50	5.00%
Chris Milton: Capital Account	325	32.50%
Kevin Pierce: Capital Account	50	5.00%
Mathew DeMott: Capital Account	325	32.50%
Terzetto Investments, LLC: Capital Account	250	25.00%
	1,000	100.00%

In 2023, the following distributions were made:

Beartrel Milton	$ 91,125
Kevin Pierce	$ 91,125
Chis Milton	$ 592,333
Matt Demott	$ 592,333
Terzetto Investments	$ 455,624
Total Distributions in 2023:	$1,822,540

In addition to the initial contribution noted above, Terzetto Investments LLC is the only partner that agreed to make an additional cash contribution to capital in the amount of $150,000. The other partners agreed to contribute intrinsic value related to their experience. A key part of this agreement - Mathew Demott and Chris Milton agree to contribute their intellectual property to the LLC which includes, but is not limited to, their heavy experience and working knowledge of the restaurant industry, recipes, menus and branding of The Toasted Yolk Café, their commitment of time and services to develop the franchise instruction and the training manual, and providing training to the first ten franchisees. Beartel Milton and Kevin Pierce agree to provide consulting services to the LLC as needed when they are called upon.

Growth • Innovation • Success

THE RASCON CPA FIRM PLLC

1095 Evergreen Circle, Ste 200, The Woodlands, Texas 77380 | (832) 482-4611 | Fax: (832) 442-5077

March 10, 2023

To the Partners
The Toasted Yolk Franchise Company LLC
15135 North Freeway, Ste 600
Houston, TX 77090

We have audited the accompanying statement of assets, liabilities and equity of The Toasted Yolk Franchise Company LLC as of December 31, 2022 and 2021, and the related statements of income, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Toasted Yolk Franchise Company LLC as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The Rascon CPA Firm PLLC

March 15, 2023

THE TOASTED YOLK FRANCHISE COMPANY, LLC
STATEMENT OF ASSETS, LIABILITIES, AND MEMBERS EQUTY
DECEMBER 31, 2022 AND 2021
(SEE ACCOUNTANT'S AUDIT REPORT)

ASSETS

CURRENT ASSETS	2022	2021
Cash & Cash Equivalents	$ 187,789	$ 89,040
Franchisee Loan Receivable		$ 15,323
TOTAL CURRENT ASSETS:	$ 187,789	$ 104,363
INTANGIBLE ASSETS:		
Organizational Costs (See Note 4)	$ 2,300	$ 2,300
Start-up Costs (See Note 4)	$ 149,726	$ 149,726
Accumulated Amortization	$ (152,026)	$ (152,026)
TOTAL INTANGIBLE ASSETS:	$ -	$ -
TOTAL ASSETS:	$ 187,789	$ 104,363

LIABILITIES AND EQUITY

SHORT-TERM LIABILITIES:		
Due to Toasted Yolk Café	658	
Marketing Reserve	5,056	
Credit Card Payable	$ 4,233	
TOTAL SHORT-TERM LIABILITIES:	$ 9,947	$ -
LONG-TERM LIABILITIES:		
Member Loans (See Note 10)	$ 44,270	$ 135,336
TOTAL LONG-TERM LIABILITIES:	$ 44,270	$ 135,336
EQUITY		
Partner Capital	$ 1,000	$ 1,000
Additional Contributions (See Note 11)	$ 150,000	$ 150,000
Capital Accounts	$ 1,077,403	$ -
Capital Distributions	$ (2,520,347)	$ (1,259,376)
Retained Earnings	$ -	$ 70,078
Net Income (Loss)	$ 1,425,516	$ 1,007,325
TOTAL EQUITY:	$ 133,572	$ (30,973)
TOTAL LIABILITIES AND CAPITAL	$ 187,789	$ 104,363

-

Growth • Innovation • Success
THE RASCON CPA FIRM PLLC

THE TOASTED YOLK FRANCHISE COMPANY, LLC
STATEMENT OF INCOME AND EXPENSES
DECEMBER 31, 2022 AND 2021
(SEE ACCOUNTANT'S AUDIT REPORT)

	2022	2021
Royalty Sales (See Note 3)	$ 1,611,766	$ 1,036,004
Franchise Sales (See Note 3)	$ 974,000	$ 690,750
Other Income	$ 9,044	
Total Sales	$ 2,594,810	$ 1,726,754
Cost of Goods Sold	$ -	$ -
GROSS PROFIT:	$ 2,594,810	$ 1,726,754
General and Administrative Expenses:		
Advertising	$ 161,176	$ 115,186
Automobile Expense	$ 18,062	
Bank Service Charges	$ 105	$ 26
Brokers Fees & Commissions (See Note 7)	$ 312,900	$ 192,500
Conventions	$ 2,800	
Reimbursed Labor Costs (See Note 8)	$ -	$ 351,365
Interest Expense	$ 3,158	$ 4,389
Insurance Expense	$ 31,309	$ 19,154
Meals & Entertainment	$ 13,508	$ 1,524
Licenses & Permits	$ 250	$ -
Computer & Internet Expenses	$ 6,717	$ -
Catering & To Go Expense	$ 958	
Marketing Fees (See Note 6)	$ (161,176)	$ (103,600)
Office Supplies	$ 6,401	$ 38
Professional Fees (See Note 5)	$ 128,116	$ 100,644
Shipping & Delivery	$ 250	
Franchise & Property Taxes	$ 2,315	
Travel Expense	$ 59,237	$ 25,533
Payroll Wages (See Note 9)	$ 543,001	
Payroll Taxes	$ 40,206	
Amortization		$ 12,670
Total General and Administrative Expenses:	$ 1,169,293	$ 719,429
NET INCOME	$ 1,425,517	$ 1,007,325

Growth • Innovation • Success
THE RASCON CPA FIRM PLLC

THE TOASTED YOLK FRANCHISE COMPANY, LLC
STATEMENT OF CASHFLOWS
DECEMBER 31, 2022 AND 2021
(SEE ACCOUNTANT'S AUDIT REPORT)

Cash Flows from Operating Activities:	**2022**	**2021**
Net Income	$ 1,425,517	$ 1,007,325
Adjustments to reconcile net income to net cash		
Provided by Operating Activities		
Amortization Expense		$ 12,670
(Incr)/Decr - Royalty & Marketing Fees Receivable		$ -
(Incr)/Decr - Marketing Reserve		$ -
(Incr)/Decr - Franchisee Loan Receivable	$ 15,323	$ (15,323)
Incr/(Decr) - Credit Card Payable	$ 4,233	
Incr/(Decr) - Other Payables	$ 5,714	
Incr/(Decr) - Member Loans Payable	$ (94,225)	$ (44,453)
Increase in Interest Payable	$ 3,158	$ 4,389
Net cash provided by (used in) operating activities	$ (65,797)	$ (42,717)
Cash Flows from Investing Activities:		
Net Cash used in Investing Activities	$ -	$ -
	$ -	$ -
Cash Flows from Financing Activities:		
Increase in Member Loans		$ -
Member Capital Distributions	$ (1,260,971)	$ (980,500)
Net cash provided by Financing Activities	$ (1,260,971)	$ (980,500)
Net Increase/(Decrease) in Cash and Cash Equivalents	$ 98,749	$ (15,892)
Cash and Cash Equivalents, Beginning of Period	$ 89,040	$ 104,932
Cash and Cash Equivalents, End of Period	$ 187,789	$ 89,040

Growth · Innovation · Success
THE RASCON CPA FIRM PLLC

NOTE 1: NATURE OF OPERATIONS

The Toasted Yolk Franchise Company ("Toasted Yolk" or "Company") is a US company that sells franchises of The Toasted Yolk Café to franchisees. The Toasted Yolk Café brings experienced restaurant professionals and savvy business entrepreneurs the opportunity to operate in what the company refers to as "the limited daypart concept" which serves only breakfast, lunch and brunch.

Backed by years of experience in foodservice, and multiple locations, they are committed to bringing a quality-focused mix of breakfast and lunch classics to the communities. Therefore, each menu item comes with a unique contemporary spin, and can be accompanied by a wide selection of beverages, including draft beers and a full wine list.

It all adds up to a breakfast lunch restaurant franchise concept, an opportunity unlike any other. Their fully-supported restaurant business model is designed for maximum bottom-line impact and growth, with both streamlined staffing needs and hours of operation. They are just looking for seasoned professionals to this unique establishment.

In 2017 Toasted Yolk finally broadened its base with Franchisees by selling two franchises and opening up several more locations around the Houston area. By 2022 the Company sold a total over 70 with 22 of them open for business and six corporate offices.

NOTE 2: BASIS OF ACCOUNTING

The accompanying financial statements present financial results on the accrual basis of accounting required under generally accepted accounting principles.

USE OF ESTIMATES

The preparation of the company's financial statements, conforming with generally accepted accounting principles in the United States of America, requires management to make estimates and assumptions that can affect certain reported amounts and disclosures. Therefore, actual results could differ from those estimates.

NOTE 3: ROYALTY INCOME & SALES

The Company's franchise sales represent the number of franchises sold in 2022 where Toasted Yolk sold thirty-five franchises in various locations in Texas, Arkansas, Tennessee, Florida, Mississippi, and Alabama. In 2022 Toasted Yolk received $974,000 in Franchise cash sales. In 2021, the Company received $690,750.

Its royalty income is calculated by invoicing 5% of the weekly Net Sales (Gross - Tax) from each franchisee. See Note 6 for further discussion on Marketing Fees related to royalty income. In 2022 Toasted Yolk received $1,611,766 in Royalty payments. In 2021, the Company received $1,036,004.

NOTE 4: ORGANIZATIONAL AND STARTUP COSTS

Organizational and start-up costs consist of LLC creation fees, professional fees, business licenses, advertising, and consulting expense costs during the start-up phase of the company prior to June 1st, 2016, the first day of business operations. The company amortizes these costs over 5 years beginning on the first day of business.

The company organizational and start-up costs were fully amortized as of December 31, 2021.

NOTE 5: PROFESSIONAL FEES

In 2022, the Company paid $78,650 in accounting fees and $32,853 in legal fees, and $16,613 in other professional fees related to designing a free-standing restaurant prototype with a franchisee in Texas. In 2021, the Company paid $59,983.63 in accounting fees and $40,660 in legal fees.

NOTE 6: MARKETING FEES

As mentioned in Note 3 Toasted Yolk recognizes Royalty income by charging its Franchisees 5% of net sales every week. In addition to that, the Company also charges .5% of net sales each week from their Franchisees for Marketing Fees and reports this item as a credit expense on their Income Statement. This is for the marketing expense incurred by the Company for all Franchise stores.

NOTE 7: BROKER FEES & COMMISSIONS

Toasted Yolk pays a 50% commission to its broker for each new franchise they sell. In 2022 this expense was $312,900. In 2021 the amount the Company paid to its broker was $192,500.

NOTE 8: REIMBURSED LABOR COSTS

Toasted Yolk reimburses The Toasted Yolk Café for the labor of employees who perform services for the Company. In 2022 the amount reimbursed was $ -0- because the company hired its own employees (see Note 9), and in 2021 the amount reimbursed was $351,365 for five employees.

NOTE 9: WAGES

In 2022 Toasted Yolk decided to hire its own employees and employed eight people, paying $543,001 in total wages.

NOTE 10: MEMBER LOANS

In 2017 loans were issued to the company from three partners. As of December 31, 2022 the loan amounts outstanding to each partner are listed below.

Chris Milton	- $ - 0 -
Matthew Demott	- $ - 0 -
Terzetto Investments	- $ 44,269
Total	$ 44,269

As of December, 31, 2022 there were no additional loan amounts advanced. The total interest accrued and paid was $3,158, and the total amount of payments made to each loan was $8,549, $8,897, and $76,778, respectively. There were no terms on each loan.

NOTE 11: EQUITY

The initial capital was paid out by five partners as indicated below:

Beartrel Milton: Capital Account	50	5.00%
Chris Milton: Capital Account	325	32.50%
Kevin Pierce: Capital Account	50	5.00%
Mathew DeMott: Capital Account	325	32.50%
Terzetto Investments, LLC: Capital Account	250	25.00%
	1,000	100.00%

In 2022, the following distributions were made:

Beartrel Milton	$ 60,740
Kevin Pierce	$ 60,740
Chis Milton	$ 411,483
Matt Demott	$ 411,483
Terzetto Investments	$ 316,525
Total Distributions in 2022:	$1,260,971

In addition to the initial contribution noted above, Terzetto Investments LLC is the only partner that agreed to make an additional cash contribution to capital in the amount of $150,000. The other partners agreed to contribute intrinsic value related to their experience. A key part of this agreement - Mathew Demott and Chris Milton agree to contribute their intellectual property to the LLC which includes, but is not limited to, their heavy experience and working knowledge of the restaurant industry, recipes, menus and branding of The Toasted Yolk Café, their commitment of time and services to develop the franchise instruction and the training manual, and providing training to the first ten franchisees. Beartel Milton and Kevin Pierce agree to provide consulting services to the LLC as needed when they are called upon.

These Financial Statements Have Been Prepared without an Audit. Prospective Franchisees or Sellers of Franchises Should be Advised that No Independent Certified Public Accountant Has Audited These Figures or Expressed an Opinion with Regard to their Content or Form.

The Toasted Yolk Franchise Company, LLC
Profit & Loss
January through July 2025

	Jan 25	Feb 25	Mar 25	Apr 25
Ordinary Income/Expense				
Income				
Convention Sponsorships	0.00	7,500.00	0.00	10,000.00
4020 · Royalty	237,941.40	245,592.42	341,142.80	258,082.71
4030 · Royalty Sales	0.00	0.00	0.00	0.00
4200 · Discounts	0.00	0.00	331.14	0.00
4790 · Sales	35,000.00	0.00	17,500.00	305,000.00
Total Income	272,941.40	253,092.42	358,973.94	573,082.71
Gross Profit	272,941.40	253,092.42	358,973.94	573,082.71
Expense				
Broker Fees & Commissions	25,669.89	7,000.00	7,000.00	126,438.56
Conventions	0.00	14,632.13	0.00	0.00
6000 · Advertising and Promotion				
6005 · Advertising Expense	-11,221.70	-11,669.35	10,694.84	1,041.27
6010 · Marketing Fee from Royalties	-23,794.13	-24,559.20	-34,114.28	-25,808.27
6000 · Advertising and Promotion - Other	40,401.38	37,901.32	33,125.50	10,089.29
Total 6000 · Advertising and Promotion	5,385.55	1,672.77	9,706.06	-14,677.71
6020 · Automobile Expense	0.00	-424.39	338.50	881.70
6040 · Bank Service Charges	0.50	2.75	0.50	0.50
6050 · Bad Debt Expense	0.00	0.00	0.00	1,156.61
6170 · Computer and Internet Expenses	2,048.33	3,732.12	1,821.74	1,940.10
6210 · License and Permits	0.00	0.00	0.00	0.00
6280 · Research & Development	0.00	0.00	0.00	5,299.20
6330 · Insurance Expense	2,867.36	2,867.36	2,867.36	2,867.36
6420 · Catering & To Go Expenses	73.19	56.95	325.27	50.38
6430 · Meals and Entertainment	63.27	6,132.57	375.58	2,664.01
6450 · Shipping and Delivery Expense	0.00	84.28	0.00	0.00
6490 · Office Supplies	1,007.20	5,264.57	4,982.18	636.72
6500 · Taxes	0.00	0.00	0.00	0.00
6600 · Payroll Expenses				
6610 · Employee Payroll	110,407.94	71,273.06	64,481.85	89,578.92
6620 · Car Deductions	3,125.00	2,500.00	2,250.00	2,000.00
6630 · Payroll Taxes	8,428.54	5,315.55	4,933.80	6,897.25
6640 · Other Payroll Expenses	1,401.41	1,122.50	611.92	888.68
6660 · Training Expenses	6,000.00	-7,514.06	-7,275.50	-6,675.51
Total 6600 · Payroll Expenses	129,362.89	72,697.05	65,002.07	92,689.34
6670 · Professional Fees				
Accounting	5,150.00	17,150.00	11,150.00	11,150.00
Legal	2,000.00	2,000.00	2,000.00	2,000.00
Total 6670 · Professional Fees	7,150.00	19,150.00	13,150.00	13,150.00
6810 · Telephone Expense	0.00	0.00	0.00	0.00
6840 · Travel Expense	3,179.29	49,027.06	11,952.71	8,579.18
Total Expense	176,807.47	181,895.22	117,521.97	241,675.95
Net Ordinary Income	96,133.93	71,197.20	241,451.97	331,406.76
Net Income	**96,133.93**	**71,197.20**	**241,451.97**	**331,406.76**

The Toasted Yolk Franchise Company, LLC
Profit & Loss
January through July 2025

	May 25	Jun 25	Jul 25
Ordinary Income/Expense			
Income			
Convention Sponsorships	0.00	0.00	0.00
4020 · Royalty	280,367.26	345,435.69	274,267.17
4030 · Royalty Sales	0.00	0.00	0.00
4200 · Discounts	0.00	154.89	0.00
4790 · Sales	102,500.00	-22,000.00	0.00
Total Income	382,867.26	323,590.58	274,267.17
Gross Profit	382,867.26	323,590.58	274,267.17
Expense			
Broker Fees & Commissions	83,868.04	7,000.00	7,000.00
Conventions	0.00	0.00	0.00
6000 · Advertising and Promotion			
6005 · Advertising Expense	14,000.36	9,757.92	0.00
6010 · Marketing Fee from Royalties	-28,036.76	-34,543.59	-27,426.69
6000 · Advertising and Promotion - Other	29,584.17	25,381.74	31,422.68
Total 6000 · Advertising and Promotion	15,547.77	596.07	3,995.99
6020 · Automobile Expense	2,289.19	188.09	1,389.71
6040 · Bank Service Charges	0.50	0.50	0.50
6050 · Bad Debt Expense	0.00	0.00	0.00
6170 · Computer and Internet Expenses	2,039.71	2,267.91	1,956.45
6210 · License and Permits	1,201.15	0.00	400.00
6280 · Research & Development	0.00	0.00	0.00
6330 · Insurance Expense	2,867.36	2,867.36	2,867.36
6420 · Catering & To Go Expenses	40.05	45.06	40.31
6430 · Meals and Entertainment	1,916.48	2,512.46	2,251.43
6450 · Shipping and Delivery Expense	0.00	0.00	0.00
6490 · Office Supplies	1,742.58	713.11	928.68
6500 · Taxes	5,908.51	0.00	0.00
6600 · Payroll Expenses			
6610 · Employee Payroll	73,045.84	73,150.14	80,312.17
6620 · Car Deductions	2,500.00	2,500.00	2,500.00
6630 · Payroll Taxes	5,670.24	5,598.29	6,143.89
6640 · Other Payroll Expenses	755.78	1,050.36	271.36
6660 · Training Expenses	2,000.00	-5,375.51	-2,756.61
Total 6600 · Payroll Expenses	83,971.86	76,923.28	86,470.81
6670 · Professional Fees			
Accounting	11,225.00	15,800.00	11,525.00
Legal	2,500.00	2,000.00	5,000.00
Total 6670 · Professional Fees	13,725.00	17,800.00	16,525.00
6810 · Telephone Expense	0.00	5.00	0.00
6840 · Travel Expense	10,573.05	13,567.64	12,107.87
Total Expense	225,691.25	124,486.48	135,934.11
Net Ordinary Income	157,176.01	199,104.10	138,333.06
Net Income	**157,176.01**	**199,104.10**	**138,333.06**

The Toasted Yolk Franchise Company, LLC
Profit & Loss
January through July 2025

	TOTAL
Ordinary Income/Expense	
Income	
Convention Sponsorships	17,500.00
4020 · Royalty	1,982,829.45
4030 · Royalty Sales	0.00
4200 · Discounts	486.03
4790 · Sales	438,000.00
Total Income	2,438,815.48
Gross Profit	2,438,815.48
Expense	
Broker Fees & Commissions	263,976.49
Conventions	14,632.13
6000 · Advertising and Promotion	
6005 · Advertising Expense	12,603.34
6010 · Marketing Fee from Royalties	-198,282.92
6000 · Advertising and Promotion - Other	207,906.08
Total 6000 · Advertising and Promotion	22,226.50
6020 · Automobile Expense	4,662.80
6040 · Bank Service Charges	5.75
6050 · Bad Debt Expense	1,156.61
6170 · Computer and Internet Expenses	15,806.36
6210 · License and Permits	1,601.15
6280 · Research & Development	5,299.20
6330 · Insurance Expense	20,071.52
6420 · Catering & To Go Expenses	631.21
6430 · Meals and Entertainment	15,915.80
6450 · Shipping and Delivery Expense	84.28
6490 · Office Supplies	15,275.04
6500 · Taxes	5,908.51
6600 · Payroll Expenses	
6610 · Employee Payroll	562,249.92
6620 · Car Deductions	17,375.00
6630 · Payroll Taxes	42,987.56
6640 · Other Payroll Expenses	6,102.01
6660 · Training Expenses	-21,597.19
Total 6600 · Payroll Expenses	607,117.30
6670 · Professional Fees	
Accounting	83,150.00
Legal	17,500.00
Total 6670 · Professional Fees	100,650.00
6810 · Telephone Expense	5.00
6840 · Travel Expense	108,986.80
Total Expense	1,204,012.45
Net Ordinary Income	1,234,803.03
Net Income	**1,234,803.03**

The Toasted Yolk Franchise Company, LLC
Balance Sheet
As of July 31, 2025

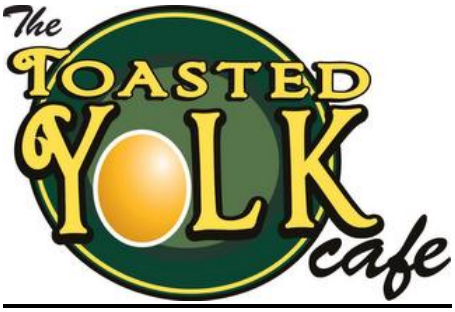
	Jul 31, 25
ASSETS	
Current Assets	
Checking/Savings	
1020 · Veritex Marketing	16,542.92
1021 · Veritex Operating	229,623.51
Total Checking/Savings	246,166.43
Other Current Assets	
1300 · Prepaid Expense	52,253.62
Total Other Current Assets	52,253.62
Total Current Assets	298,420.05
Fixed Assets	
Accumulated Amortization	-152,025.76
Organizational Cost	2,300.00
Startup Cost	149,725.76
Total Fixed Assets	0.00
TOTAL ASSETS	**298,420.05**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
2500 · Visa Credit Card	
AErickson	11,049.71
AHarling	8,656.24
AKenebrew	4,672.27
CMilton	46,259.91
JGray	5,744.61
PGrisaffe	157,282.14
SRaines	86,089.15
2500 · Visa Credit Card - Other	-305,495.79
Total 2500 · Visa Credit Card	14,258.24
Total Credit Cards	14,258.24
Other Current Liabilities	
2100 · Toasted Yolk Cafe	-1,887.55
2400 · Payroll Liabilities	250.00
Total Other Current Liabilities	-1,637.55
Total Current Liabilities	12,620.69
Total Liabilities	12,620.69
Equity	
Beartrel Milton	
Capital Account	320,600.33
Distributions	-349,027.50
Total Beartrel Milton	-28,427.17
Chris Milton	
3050 · Distributions	-2,480,534.05
3060 · Capital Account	2,083,902.16

The Toasted Yolk Franchise Company, LLC
Balance Sheet
As of July 31, 2025

	Jul 31, 25
Total Chris Milton	-396,631.89
Kevin Pierce	
Capital Account	320,600.33
Distributions	-349,027.50
Total Kevin Pierce	-28,427.17
Mathew DeMott	
3030 · Distributions	-2,334,158.75
3040 · Capital Account	2,083,902.16
Total Mathew DeMott	-250,256.59
Terzetto Investments, LLC	
Capital Account	1,753,001.65
Distributions	-1,998,262.50
Total Terzetto Investments, LLC	-245,260.85
Net Income	1,234,803.03
Total Equity	285,799.36
TOTAL LIABILITIES & EQUITY	298,420.05

EXHIBIT E

OPERATIONS MANUAL TABLE OF CONTENTS



THE TOASTED YOLK CAFE
FRANCHISE OPERATIONS MANUAL TABLE OF CONTENTS

THE TOASTED YOLK CAFE FRANCHISE

OPERATIONS MANUAL

TABLE OF CONTENTS

Preface for Manual practice

The Manual Organization	Pg. I
The Purpose of this Manual	Pg. II
The Importance of Confidentiality	Pg. III
Keeping the Franchise Operations Manual Current	Pg. IV
Submitting Suggestions to The Toasted Yolk Cafe Corporate Office	Pg. V
Manual Disclaimer	Pg. VI

A. INTRODUCTION

Welcome Letter from the President	Pg. A-1
History of The Toasted Yolk Cafe	Pg. A-2
Services Provided to The Toasted Yolk Cafe Franchisee	Pg. A-3
Responsibilities of The Toasted Yolk Cafe Franchisee and Staff	Pg. A-5
Visits from the Corporate Office	Pg. A-7
Paying Other Fees	Pg. A-9

B. PRE-OPENING PROCEDURES

Introduction

Pre-Opening Checklist	Pg. B-1

Site Selection Process Pg. B-5

Site Selection Criteria Pg. B-7
Gaining Site Selection Acceptance Pg. B-8
Lease Considerations Pg. B-9
Working with an Architect Pg. B-10
Selecting a Contractor Pg. B-11
Building out the Restaurant Pg. B-12

Required List of Equipment and Smallwares Pg. B-14

Initial Inventory Pg. B-15

Signage and Logo Specifications Pg. B-17

Contracting with Required Utilities and Services Pg. B-19

Obtaining Required Licenses and Permits Pg. B-20

Setting Up Bank Accounts and Accounting Systems Pg. B-21

Procuring Required Insurance Policies Pg. B-22

Meeting Your Tax Obligations Pg. B-23

Conducting a Grand Opening Pg. B-24

C. HUMAN RESOURCES

Introduction

EEOC Guidelines on Hiring Pg. C-1

Wage and Labor Laws Pg. C-3

Profile of The Toasted Yolk Cafe Employees Pg. C-5

Recruiting The Toasted Yolk Cafe Employees Pg. C-7

Getting the Word Out Pg. C-9
Sources of Applicants Pg. C-10

Job Descriptions Pg. C-11

General Manager Pg. C-12
Assistant Manager Pg. C-13
Servers Pg. C-14
Host Pg. C-15
Bussers Pg. C-16
Food Runner Pg. C-17
Bartenders Pg. C-18
Prep Cook Pg. C-19

The Interview Process Pg. C-21

Sample Interview Questions Pg.C-22
Completing the Interview Report Pg.C-24
Testing Procedures Pg.C-26
Background Testing Pg.C-28
Reference Check Procedures Pg.C-30
Hiring on a Trial Period Pg.C-31

Training Employees Pg.C-33

Orientating New Employees Pg.C-34
Initial Training of New Employees Pg.C-36
Training Schedule for Each Position Pg.C-38
Training Tests Pg.C-40
Ongoing Training Process Pg.C-41

Personnel Policies Pg.C-42

Time-Tracking Procedures Pg. C-43

Uniform and Dress Code Pg. C-53

Conducting Performance Evaluations Pg. C-55

Progressive Discipline Procedures Pg. C-57

Separation/Termination Procedures Pg. C-59

D. DAILY OPERATING PROCEDURES

Introduction

Suggested Hours of Operation Pg. D-1

Daily Routines Pg. D-2

Opening Procedures (each position) Pg. D-3

Closing Procedures (each position) Pg. D-5

Guest Service Procedures Pg. D-7

The Toasted Yolk Cafe Guest Service Philosophy Pg. D-8
Providing Excellent Guest Service Pg. D-9
Obtaining Guest Feedback Pg. D-10
Handling Guest Complaints Pg. D-11
Handling Refund Requests Pg. D-12

Serving the Guests Pg. D-14

Answering the Phone Pg. D-15
Greeting Guest Properly Pg. D-16
Steps of Service Pg. D-17
Suggestive Selling Pg. D-19
Using POS System to Enter Orders Pg. D-21
Transacting Sales Pg. D-23
Cash Handling Procedures Pg. D-25
The Farewell Pg. D-26

Serving Guests at the Bar Pg. D-28

Alcohol Management Pg. D-30

Catering Procedures Pg. D-32

Taking Catering Orders Pg. D-33
Payment/Deposit for Catering Orders Pg. D-34
Preparation of Catering Orders Pg. D-35
Delivery of Catering Orders Pg. D-36

Bussing Procedures Pg. D-37

Food Preparation Procedures Pg. D-38

The Toasted Yolk Cafe Recipe Standards Pg. D-39
Preparing Menu Items/Food Production Pg. D-40
Plate Presentation Pg. D-41

Prep Procedures Pg. D-43

Kitchen Line Set-Up Pg. D-44
Planning Prep Work Pg. D-46
Prepping Menu Items Correctly Pg. D-48
Controlling Waste and Spoilage Pg. D-50

POS System Pg. D-52

Money Handling Procedures Pg. D-53

Accepting Payment Pg. D-54
Cash Handling Procedures Pg. D-55
Reconciling Sales and Payments Pg. D-56
Making Your Bank Deposit Pg. D-57

Required Cleaning Pg. D-59

Daily, Weekly, and Monthly Cleaning Pg. D-60
Restroom Checklist Pg. D-62

Equipment Maintenance Pg. D-64

Preventive Maintenance Pg. D-66

Maintenance Schedules Pg. D-67

Safety and Security Issues Pg. D-68

Food Safety Pg. D-70
Accident Report Pg. D-72

E. MANAGING THE TOASTED YOLK CAFE

Introduction

Organizing your Management Activities Pg. E-1

Use of the Manager's Communication Log Pg. E-2
Use of Checklists Pg. E-4
Use of the Temperature Log Pg. E-6

The Toasted Yolk Cafe Management Philosophy Pg. E-8

Managing Personnel Pg. E-9

Developing Efficient Schedules Pg. E-10
Communicating with Employees Pg. E-11
Hosting Employee Meetings Pg. E-12
Motivating Employees Pg. E-13

Managing the Guest Experience Pg. E-14

Communicating with Guests Pg. E-15
Maintaining a Positive Environment Pg. E-16

Inventory Management Pg. E-17

Product Ordering Procedures Pg. E-18
Ordering from Approved Suppliers Pg. E-19
Changing Approved Suppliers Pg. E-20
Product Receiving Procedures Pg. E-21
Storing Procedures Pg. E-22
Labeling and Rotating Inventory Pg. E-23
Tracking Inventory and Waste Pg. E-24

Operational and Financial Reporting Pg. E-26

Features of the POS System Pg. E-27
Generating and Analyzing all Necessary Reports Pg. E-28
Sample Reports Pg. E-29

Loss Prevention Techniques Pg. E-31

Cash Control System Pg. E-32
Inventory Control System Pg. E-33

Franchise Reporting Requirements Pg. E-35

Royalty Payment Pg. E-36
Advertising Contributions Pg. E-37
Financial Statements Pg. E-38

F. ADVERTISING

Promoting The Toasted Yolk Cafe in Your Area

Use of Social Media Pg. F-1
Use of Media Pg. F-3
Guidelines for Using The Toasted Yolk Cafe Marks Pg. F-5
Using Referrals to Build Business Pg. F-6

Required Advertising Expenditures Pg. F-8

System-wide Advertising Contribution Pg. F-9
Local Advertising Requirement Pg. F-10
Promotional Requirement Pg. F-11
Grand Opening Advertising Requirement Pg. F-12

Public Relations/Community Involvement Pg. F-14

Obtaining Advertising Approval Pg.F-16

Total Pages: 245

Appendix A Forms

Appendix B Food Prep Procedures

EXHIBIT F

GENERAL RELEASE

GENERAL RELEASE

This release (the "Release") is given this day of _____ by _____ _____, a(n) _____, with its principal place of business located at_____ _____ ("Franchisee") and _____'s principals _____, an individual residing at _____and ("Principal(s)").

Franchisee and Principal(s), on behalf of themselves and their respective officers, directors, employees, successors, assigns, heirs, personal representatives, and all other persons acting on their behalf or claiming under them (collectively, the "Franchisee Releasors"), hereby release, discharge and hold harmless The Toasted Yolk Franchise Company, LLC ("Franchisor"), The Toasted Yolk Cafe, LLC, their affiliates, and each of their respective officers, directors, members, shareholders, employees, agents, attorneys, successors, and assigns (collectively, the "Franchisor Releasees") from any suits, claims, controversies, rights, promises, debts, liabilities, demands, obligations, costs, expenses, actions, and causes of action of every nature, character and description, in law or in equity, whether presently known or unknown, vested or contingent, suspected or unsuspected arising under, relating to, or in connection with the Franchise Agreement dated _____ between Franchisee and Franchisor and any related agreements and the relationship created thereby, or the Franchised Business operated under the Franchise Agreement, or any claims or representations made relative to the sale of the franchise to operate such Franchised Business or under any federal or state franchise or unfair or deceptive trade practice laws, which any of the Franchisee Releasors now own or hold or have at any time heretofore owned or held against the Franchisor Releasees (collectively, the "Franchisee Released Claims").

FRANCHISEE AND PRINCIPAL(S) ON BEHALF OF THEMSELVES AND THE FRANCHISEE RELEASORS WAIVE ANY RIGHTS AND BENEFITS CONFERRED BY ANY APPLICABLE PROVISION OF LAW EXISTING UNDER ANY FEDERAL, STATE OR POLITICAL SUBDIVISION THEREOF WHICH WOULD INVALIDATE ALL OR ANY PORTION OF THE RELEASE CONTAINED HEREIN BECAUSE SUCH RELEASE MAY EXTEND TO CLAIMS WHICH THE FRANCHISEE RELEASORS DO NOT KNOW OR SUSPECT TO EXIST IN THEIR FAVOR AT THE TIME OF EXECUTION OF THIS AGREEMENT. The Franchisee Releasors also covenant not to bring any suit, action, or proceeding, or make any demand or claim of any type, against any Franchisor Releasees with respect to any Franchisee Released Claim, and Franchisee and Principal(s) shall defend, indemnify and hold harmless each of Franchisor Releasees against same.

Release given this day of _____ by:

FRANCHISEE:

_____

By:_____

_____,_____
(Print Name, Title)

PRINCIPAL:

_____

_____
(Print Name)

PRINCIPAL:

_____

_____
(Print Name)

EXHIBIT G

FRANCHISED OUTLETS AS OF DECEMBER 31, 2024

Franchisee	Address	City/State	Phone/Email
Elri Parker	3070 Ross Clark Circle	Dothan, AL 36301	334-405-3757
John Rees, Kenneth Martin, Phillip Tappan	17406 Chenal Parkway	Little Rock, AR 72223	501-900-9655
Chris & Kelly Milton	3750 S Tamiami Trail	Sarasota, FL 34239	832-296-5062
Sandy Pardeshi	201 James B. Blackburn Drive	Savannah, GA 31408	912-224-9889
Christopher Heck & Denita Taylor	1507 N Dixie Ave	Elizabethtown, KY 42701	502-612-3566
John Lockett & Ryan LaFleur*	902 Howard Ave	Biloxi, MS 39530	228-229-0027
Joe Oller, Rodger Sawyer, Catherine Oller, Douglas Craig	2020 Tiffin Ave	Findlay, OH 45840	281-380-4014
David & Emilie Lee	9087 Poplar Ave Suite #111	Germantown, TN 38138	901-779-7731
Rex & Maricela Heckelman*	4580 Beltline Road	Addison, TX 75001	972-896-7292
Bret Baumgartner	6455 Phelan Boulevard	Beaumont, TX 77706	409-242-1224
Gerry Doerr*	5103 Bellaire Blvd #160	Bellaire, TX 77401	713-239-0607
Ron Claypool	14105 Ronald Reagan Blvd	Cedar Park, TX 78641	737-757-1589
Cyril Thomas	27008 Highway. 290, Ste. 100	Cypress, TX 77433	281-221-0662
Scott & Mary Wong	700B University Drive	East College Station, TX 77840	281-546-9999
JAG-BIA Enterprises, LLC	6727 FM 1463, Suite 150	Fulshear, TX 77494	832-437-5083
Brandon Jones	2711 Fountain View Drive, Suite A	Houston, TX 77057	832-410-4710
Anwar Hussaini	12151 Westheimer	Houston, TX 77077	281-617-7458
Jerry Doerr*	4601 Washington Avenue, Suite130	Houston, TX 77077	832-804-9443
Akash Patel	9630 N. Sam Houston Parkway E.	Humble, TX 77396	346-219-0786

Cyril Thomas*	98 W. Grand Parkway S #100	Katy, TX 77494	281-968-0883
Brandon Jones	2535 Gulf Freeway	League City, TX 77573	281-729-1053
Mark Murray	6807 Milwaukee Ave	Lubbock, TX 79424	806-317-1499
Robert Amaya, Donnie Mixon, Rafael Barrenechea, Jamie Suarez, Daniel Brinkman	9533 Farm to Market Road 1488, Ste 400	Magnolia, TX 77354	713-494-6507
Marjuana & Alfred Williams	13001 Interstate 10 East	Mont Belvieu, TX 77523	409-363-3206
Brett Baumgartner	7675 Memorial Drive	Port Arthur, TX 77640	409-853-1549
Sami & Anwar Hussaini	6726 Reading Road	Rosenberg, TX 77469	281-885-8706
Rodger Sawyer, Donnie Mixon, Catherine Oller, Joe Oller	2211 Rayford Road Suite 119	Spring, TX 77386	832-246-5885
Jerry Doerr*	1725 Washington Ave	Waco, TX 76701	713-269-9066
Greg & Tammie Buie*	206 Lake Drive Suite 15	Covington, LA 70433	Greg.buie@att.net
Jim Clark	2512 Kaliste Saloom Road	Lafayette, LA 70508	36jc@cox.net
John Lockett and Ryan LaFleur	2066 Old Shell Road	Mobile, AL 36607	251-426-8820
Hootie and Kristi Moore	5653 Gateway Ave A	Springdale, AR 72762	479-307-9550
Hootie and Kristi Moore	657 Kristine Way	The Villages, FL 32163	352-987-9653
Adam Thornton	1004 Glenforest Road	Myrtle Beach, SC 29579	843-903-4100

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

Franchise Agreements Signed but Outlet Not Open as of December 31, 2024

Franchisee	Contact Information	Site Search Area
Lee & Brian Moore*	hootie@gigtus.net	Washington County, AR
Bret Baumgartner	tycthegoat@gmail.com	Lake Charles, LA
Joe Oller, Rodger Sawyer, Catherine Oller, Ardy Reed	rodger@rffcfinancial.com	Flowood, MS

David Lee	davidtlee123@yahoo.com	Jackson, MS
Edrice Malveaux*	jamal@selelogistics.com	Austin, TX
Gerald Doerr*	jerry@tyovereasy.com	Killeen, TX
Chelvis Kennerson	ckennerson@edenmanagementco.com	Lake Jackson, TX
Akash Patel	toastedyolk.fv@yahoo.com	Manvil, TX
Jared & Lynn Eskandari*	j.r.eskandari@gmail.com	New Braunfels, TX
Chelvis Kennerson	ckennerson@edenmanagementco.com	Pearland, TX
Cyril Thomas	cyril@aristagroups.com	Richmond, TX
Nikki Rowan	Nikkirowan2334@gmail.com	Rockwall, TX
MarJuana & Alfred Williams*	mwilliams@mbwpllc.com	Tyler, TX
Georgia & Spiro Petritsis	Spiro.petritsis@prosperitybankusa.com	Victoria County, TX
Randy & Sananittria Craft*	randyscraft@yahoo.com	Westcreek, TX
Bret Baumgartner	tycthegoat@gmail.com	Lumberton, TX
Keith Fontana	keithfontana@hotmail.com	Abilene, TX
Hassiba Braggs	hb10@att.net	Stockbridge, GA
DeBlair Tate	dtate26@gmail.com	Marietta, GA
Colette Lewis	colette.lewis@ffsgconsulting.com	Birmingham, AL
Josh Ellis	josh.ellis77@gmail.com	Bastrop, TX

*Multi-Unit Developer

Former Franchisees

that 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 the franchisor within the 10 weeks preceding the Issuance Date of this Disclosure Document:

Franchisee	Location	Contact Information

Chelvis Kennerson*	Lake Jackson, TX	ckennerson@edenmanagementco.com
Jared & Lynn Eskandari*	New Braunfels, TX	j.r.eskandari@gmail.com
Chelvis Kennerson*	Pearland, TX	ckennerson@edenmanagementco.com
Rozina Lakhani	Southlake, TX	817-912-1444
Nikki Rowan*	Rockwall, TX	Nikkirowan2334@gmail.com
Ronald & Valerie Claypool	Georgetown, TX, Pflugerville, TX	Claypool1234@msn.com
Perry Jordan	Spring Valley, TX 77024	832-804-6914

*Left the system prior to opening outlet.

EXHIBIT H

ACKNOWLEDGEMENT STATEMENTS

EXHIBIT H-1

FRANCHISEE ACKNOWLEDGEMENT STATEMENT

Acknowledgement of the truthfulness of the statements below are an inducement for the Franchisor to enter into a Franchise Agreement. Notify Franchisor immediately, prior to acknowledgment, if any statement below is incomplete or incorrect.

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.

1. Franchisee has conducted an independent investigation of all aspects relating to the financial, operational and other aspects of the business of operating the Franchised Business. Franchisee further acknowledges that, except as may be set forth in Franchisor's Disclosure Document, no representations of performance (financial or otherwise) for the Franchised Business provided for in this Agreement has been made to Franchisee by Franchisor and Franchisee and any and all Principals hereby waive any claim against Franchisor for any business failure Franchisee may experience as a franchisee under this Agreement.

_____
Initial

2. Franchisee has conducted an independent investigation of the business contemplated by this Agreement and understands and acknowledges that the business contemplated by this Agreement involves business risks making the success of the venture largely dependent upon the business abilities and participation of Franchisee and its efforts as an independent business operation.

_____
Initial

3. Franchisee agrees that no claims of success or failure have been made to it or him or her prior to signing the Franchise Agreement and that it/she/he understands all the terms and conditions of the Franchise Agreement. Franchisee further acknowledges that the Franchise Agreement contains all oral and written agreements, representations and arrangements between the parties hereto, and any rights which the respective parties hereto may have had under any other previous contracts are hereby cancelled and terminated, and that this Agreement cannot be changed or terminated orally.

_____
Initial

4. Franchisee has no knowledge of any representations by Franchisor or its officers, directors, shareholders, employees, sales representatives, agents or servants, about the business contemplated by the Franchise Agreement that are contrary to the terms of the Franchise Agreement or the documents incorporated herein. Franchisee acknowledges that no representations or warranties are made or implied, except as specifically set forth in the Franchise Agreement. Franchisee represents, as an inducement to Franchisor's entry into this Agreement, that it has made no misrepresentations in obtaining the Franchise Agreement.

_____
Initial

5. Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received or relied upon, any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business venture contemplated by the Franchise Agreement.

_____
Initial

6. Franchisee acknowledges that Franchisor's approval or acceptance of Franchisee's Business location does not constitute a warranty, recommendation or endorsement of the location for the Franchised Business, nor any assurance by Franchisor that the operation of the Franchised Business at the premises will be successful or profitable.

_____
Initial

7. Franchisee acknowledges that it has received the The Toasted Yolk Franchise Company, LLC, Franchise Disclosure Document with a complete copy of the Franchise Agreement and all related Attachments and agreements at least fourteen (14) calendar days prior to the date on which the Franchise Agreement was executed. Franchisee further acknowledges that Franchisee has read such Franchise Disclosure Document and understands its contents.

_____
Initial

8. Franchisee acknowledges that it has had ample opportunity to consult with its own attorneys, accountants and other advisors and that the attorneys for Franchisor have not advised or represented Franchisee with respect to the Franchise Agreement or the relationship thereby created.

_____
Initial

9. Franchisee, together with Franchisee's advisers, has sufficient knowledge and experience in financial and business matters to make an informed investment decision with respect to the Franchise granted by the Franchise Agreement.

_____
Initial

10. Franchisee is aware of the fact that other present or future franchisees of Franchisor may operate under different forms of agreement(s), and consequently that Franchisor's obligations and rights with respect to its various franchisees may differ materially in certain circumstances.

_____
Initial

11. It is recognized by the parties that Franchisor is also (or may become) a manufacturer or distributor of certain products under the Marks licensed herein; and it is understood that Franchisor does not warrant that such products will not be sold within the Franchisee's Territory by others who may have purchased such products from Franchisor.

_____
Initial

12. BY EXECUTING THE FRANCHISE AGREEMENT, FRANCHISEE AND ANY PRINCIPAL, INDIVIDUALLY AND ON BEHALF OF FRANCHISEE'S AND SUCH PRINCIPAL'S HEIRS, LEGAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS, HEREBY FOREVER RELEASE AND DISCHARGE THE TOASTED YOLK FRANCHISE COMPANY, LLC, THE TOASTED YOLK CAFE, LLC, AND ANY OF EITHER'S PARENT COMPANY, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES, AND THE FOREGOING ENTITIES' DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, SUCCESSORS, DESIGNEES AND REPRESENTATIVES FROM ANY AND ALL CLAIMS, DEMANDS AND JUDGMENTS RELATING TO OR ARISING UNDER THE STATEMENTS, CONDUCT, CLAIMS OR ANY OTHER AGREEMENT BETWEEN THE PARTIES EXECUTED PRIOR TO THE DATE OF THE FRANCHISE AGREEMENT, INCLUDING, BUT NOT LIMITED TO, ANY AND ALL CLAIMS, WHETHER PRESENTLY KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, ARISING UNDER THE FRANCHISE, SECURITIES, TAX OR ANTITRUST LAWS OF THE UNITED STATES OR OF ANY STATE OR TERRITORY THEREOF. THIS RELEASE SHALL NOT APPLY TO ANY CLAIMS ARISING FROM REPRESENTATIONS MADE BY FRANCHISOR IN FRANCHISOR'S FRANCHISE DISCLOSURE DOCUMENT RECEIVED BY FRANCHISEE.

_____
Initial

FRANCHISEE:

_____

By:_____

_____,_____
(Print Name, Title)

Date:_____

PRINCIPAL:

_____

_____
(Print Name)

Date: _____

PRINCIPAL:

_____

_____
(Print Name)

Date: _____

EXHIBIT H-2

DEVELOPER ACKNOWLEDGEMENT STATEMENT

Acknowledgement of the truthfulness of the statements below are an inducement for the Franchisor to enter into a Multi-Unit Development Agreement. Notify Franchisor immediately, prior to acknowledgment, if any statement below is incomplete or incorrect.

No statement, questionnaire, or acknowledgment signed or agreed to by a developer 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.

Developer has conducted an independent investigation of all aspects relating to the financial, operational and other aspects of the business of developing the The Toasted Yolk Cafe outlets contemplated hereunder. Developer further acknowledges that, except as may be set forth in Franchisor's Disclosure Document, no representations of performance (financial or otherwise) for the The Toasted Yolk Cafe outlets to be developed hereunder has been made to Developer by Franchisor and Developer hereby waives any claim against Franchisor for any business failure Developer may experience as a developer under this Agreement.

_____
Initial

Developer agrees that no claims of success or failure have been made to him or her prior to signing this Agreement and that he/she understands all the terms and conditions of this Agreement. Developer further acknowledges that this Agreement contains all oral and written agreements, representations and arrangements between the parties hereto, and any rights which the respective parties hereto may have had under any other previous contracts are hereby cancelled and terminated, and that this Agreement cannot be changed or terminated orally; provided, however, nothing in this Multi-Unit Development Agreement or in any related agreement is intended to disclaim the representations made to Developer in Franchisor's Franchise Disclosure Document.

_____
Initial

Developer has no knowledge of any representations by Franchisor or its officers, directors, shareholders, employees, sales representatives, agents or servants, about the business contemplated by this Agreement that are contrary to the terms of this Agreement or the documents incorporated herein. Developer acknowledges that no representations or warranties are made or implied, except as specifically set forth herein. Developer represents, as an inducement to Franchisor's entry into this Agreement, that it has made no misrepresentations in obtaining this Agreement.

_____
Initial

Franchisor expressly disclaims the making of, and Developer acknowledges that it has not received or relied upon, any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business venture contemplated by this Agreement.

_____
Initial

Developer acknowledges that he/she has received the The Toasted Yolk Franchise Company, LLC Franchise Disclosure Document with a complete copy of this Agreement and all related Attachments and agreements at least fourteen (14) calendar days prior to the date on which this Agreement was executed. Developer further acknowledges that Developer has read such Franchise Disclosure Document and understands its contents.

_____
Initial

Developer acknowledges that he/she has had ample opportunity to consult with his/her own attorneys, accountants and other advisors and that the attorneys for Franchisor have not advised or represented Developer with respect to this Agreement or the relationship thereby created.

_____
Initial

Developer, together with Developer's advisers, has sufficient knowledge and experience in financial and business matters to make an informed investment decision with respect to the development rights granted by this Agreement.

_____
Initial

Release of Prior Claims. BY EXECUTING THIS AGREEMENT, DEVELOPER, INDIVIDUALLY AND ON BEHALF OF DEVELOPER'S HEIRS, LEGAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS, HEREBY FOREVER RELEASE AND DISCHARGE THE TOASTED YOLK FRANCHISE COMPANY, LLC, THE TOASTED YOLK CAFE, LLC, THE TOASTED YOLK CAFE INDEMNITEES, AND ALL OF THEIR OFFICERS, DIRECTORS, SHAREHOLDERS, AGENTS AND SUCCESSORS AND ASSIGNS FROM ANY AND ALL CLAIMS, DEMANDS AND JUDGMENTS RELATING TO OR ARISING UNDER THE STATEMENTS, CONDUCT, CLAIMS OR ANY OTHER AGREEMENT BETWEEN THE PARTIES EXECUTED PRIOR TO THE DATE OF THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, ANY AND ALL CLAIMS, WHETHER PRESENTLY KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, ARISING UNDER THE FRANCHISE, SECURITIES, TAX OR ANTITRUST LAWS OF THE UNITED STATES OR OF ANY STATE OR TERRITORY THEREOF. THIS RELEASE SHALL NOT APPLY TO ANY CLAIMS ARISING FROM REPRESENTATIONS MADE BY FRANCHISOR IN FRANCHISOR'S FRANCHISE DISCLOSURE DOCUMENT RECEIVED BY DEVELOPER.

_____
Initial

DEVELOPER:

_____
Name:_____

Date: _____

EXHIBIT I

STATE ADDENDA

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT AND AMENDMENT TO FRANCHISE AGREEMENT PURSUANT TO THE MINNESOTA FRANCHISE INVESTMENT LAW

(Applies only to Minnesota franchisees)

Notwithstanding anything to the contrary set forth in the Disclosure Document and/or Franchise Agreement, as applicable, the following provisions shall supersede and apply to all franchises offered and sold in the State of Minnesota:

1. Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota

2. With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

3. The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statues, Section 80C.12, Subd. 1(g).

4. Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

5. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required**.**

6. The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

7. NSF checks are governed by Minnesota Statute 604.113, which puts a cap of $30 on service charges.

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

VIRGINIA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

The following statements are added to Item 17.h.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the franchise agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

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

No statement, questionnaire, or acknowledgement signed or agreed to by you 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 us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

Risk Factor: **Estimated Initial Investment.** The franchisee will be required to make an estimated initial investment ranging from $1,058,000 to $1,721,700. This amount exceeds the franchisor's stockholders equity as of December 31, 2024, which is $337,872.

STATE EFFECTIVE DATES

The following states 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 Franchise Disclosure Document is registered, on file or exempt from registrations in the following states having franchise disclosure laws, with the following effective dates:

STATE	EFFECTIVE DATE
Indiana	May 13, 2025
Minnesota	August 19, 2025
Virginia	September 23, 2025

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.

RECEIPT

This Franchise Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Franchise Disclosure Document and all exhibits carefully.

If The Toasted Yolk Franchise Company, 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 you to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If The Toasted Yolk Franchise Company, 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 and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and to your state authority listed on Exhibit A.

The name and principal business address and telephone number of each franchise seller offering the franchise is:

Chris Milton 20008 Champion Forest Drive Suite 301 Spring, Texas 77379 (936) 827-4692	Clay Carson 182 Rockwell Park Blvd The Woodlands, Texas (850) 333-8260

Issuance Date: May 5, 2025

I received a Disclosure Document dated May 5, 2025, that included the following Exhibits:

Exhibit A: State Administrators/Agents For Service Of Process
Exhibit B: Franchise Agreement
Exhibit C: Multi-Unit Development Agreement
Exhibit D: Financial Statements of The Toasted Yolk Franchise Company, LLC
Exhibit E: Operations Manual Table of Contents
Exhibit F: General Release
Exhibit G: Franchised Outlets
Exhibit H: Franchisee Acknowledgement Statement
Exhibit I: State Addenda

Date Received: _____ DATE: _____
(If other than date signed)

Print Name: _____

Print Address: _____

City, State: _____

_____
(Signature of recipient)

Please return signed receipt to The Toasted Yolk Franchise Company, LLC,
20008 Champion Forest Drive, Suite 301, Spring, Texas 77379

RECEIPT

This Franchise Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Franchise Disclosure Document and all exhibits carefully.

If The Toasted Yolk Franchise Company, 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 you to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If The Toasted Yolk Franchise Company, 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 and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and to your state authority listed on Exhibit A.

The name and principal business address and telephone number of each franchise seller offering the franchise is:

Chris Milton 20008 Champion Forest Drive Suite 301 Spring, Texas 77379 (936) 827-4692	Clay Carson 182 Rockwell Park Blvd The Woodlands, Texas (850) 333-8260

Issuance Date: May 5, 2025

I received a Disclosure Document dated May 5, 2025, that included the following Exhibits:

Exhibit A: State Administrators/Agents For Service Of Process
Exhibit B: Franchise Agreement
Exhibit C: Multi-Unit Development Agreement
Exhibit D: Financial Statements of The Toasted Yolk Franchise Company, LLC
Exhibit E: Operations Manual Table of Contents
Exhibit F: General Release
Exhibit G: Franchised Outlets
Exhibit H: Franchisee Acknowledgement Statement
Exhibit I: State Addenda

Date Received: _____ DATE: _____
(If other than date signed)

Print Name: _____

Print Address: _____

City, State: _____

_____
(Signature of recipient)

KEEP FOR YOUR RECORDS