

FRANCHISE DISCLOSURE DOCUMENT

MILLIE'S FRANCHISING, LLC

A Pennsylvania Limited Liability Company
235 East 7th Avenue, Homestead, Pennsylvania 15120
412-924-0040 x 205

<https://www.millieshomemade.com/>



We offer qualified individuals and entities the right to independently own and operate a business that offers a menu of super premium ice cream and dairy-free gelato, made with all-natural ingredients sourced from vendors focusing on fair trade and sustainability, to customers in a brick-and-mortar location under the name “Millie’s Homemade Ice Cream” (each, a “Shop”), and certain Specialty Sites (each, a “Specialty Shop”).

We also offer qualified individuals and entities the right to independently own and operate a business that offers a menu of super premium ice cream, dairy-free gelato, coffee, specialty coffee drinks, affogato, and other approved coffee and ice cream products, to customers in a brick-and-mortar location under the name “Millie’s Coffee ‘n’ Creamery” (each, a “CNC Shop”), and certain Specialty Sites (each, a “CNC Specialty Shop”).

The total investment necessary to begin operation of a Shop or CNC Shop ranges from \$142,020 to \$470,700. This includes initial fees of \$38,000 to \$41,000 that must be paid to the franchisor or its affiliate.

The total investment necessary to begin operation of a Specialty Shop or CNC Specialty Shop ranges from \$65,000 to \$214,000. This includes initial fees of \$5,500 to \$26,000 that must be paid to the franchisor or its affiliate.

Franchisees may also choose to purchase a development package, for the right to develop three (3) Shops or CNC Shops and a Food Truck, if available (a “Development Agreement”). The total investment necessary to begin operating via a Development Agreement is \$187,295 to \$526,975. This includes initial fees of \$80,500 to \$83,500 that must be paid to the franchisor or its affiliate.

Franchisees that enter into a Development Agreement for Shops and CNC Shops have the option of also operating Food Trucks to conduct mobile catering, for an additional investment of \$15,000 for their first Food Truck, which is payable to franchisor or its affiliate.

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

You may wish to receive your Disclosure Document in another format that is more convenient to you. To discuss the availability of disclosures in different formats, contact Lauren Townsend, Co-President, at Millie's Franchising, LLC at 235 East 7th Avenue, Homestead, Pennsylvania 15120 or via telephone at 412-924-0040 x 205.

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 an accountant.

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

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

Issuance Date: August 14, 2023

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 Exhibit F.
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 MILLIE'S HOMEMADE Business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a MILLIE'S HOMEMADE franchisee?	Exhibit F lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

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

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

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Exhibits

- A. List of State Administrators and Agents for Service of Process
- B. Franchise Agreement
- C. Operations Manual Table of Contents
- D. Financial Statements
- E. State Specific Addenda
- F. List of Franchisees and List of Former Franchisees
- G. Franchisee Compliance Questionnaire
- H. Development Agreement
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Item 1

The Franchisor and Any Parents, Predecessors, and Affiliates

To simplify the language in this Disclosure Document “we”, “us” or “our” means Millie’s Franchising, LLC. “You” means the individual, corporation or partnership who buys the franchise from us. If the franchisee will operate through a corporation, company or partnership, “you” also includes the franchisee’s owners or partners.

The Franchisor

We are a Pennsylvania limited liability company, formed on December 23, 2020, doing business under our limited liability company name and the names “MILLIE’S,” “MILLIE’S HOMEMADE,” “MILLIE’S HOMEMADE ICE CREAM,” and “Millie’s Coffee ‘n’ Creamery.” We do not do business under any other name. Our principal place of business is 235 East 7th Avenue, Homestead, Pennsylvania 15120. Our agents for service of process are listed on Exhibit A. We first began offering franchises for the right to operate a Shops as of January 6, 2021. We do not sell franchises in any other line of business and, except as provided in this Item, we are not otherwise engaged in any other business activity.

We grant franchises for the right to independently own and operate distinctive businesses offering a menu of super premium ice cream and dairy-free gelato, made with all-natural ingredients sourced from vendors focusing on fair trade and sustainability, to customers in a brick-and-mortar location, and off-site, non-Food Truck catering (“Shops”), or in various specialty locations (“Specialty Shops”). We also grant franchises for the right to independently own and operate locations with the same high quality ice cream products, plus coffee, specialty coffee drinks, affogato, and other approved coffee products, to customers in a brick-and-mortar location, and off-site, non-Food Truck catering (“CNC Shop”), or in various specialty locations (“CNC Specialty Shop”). The locations operate under the marks “MILLIE’S” “MILLIE’S HOMEMADE”, or “MILLIE’S COFFEE N CREAMERY” as well as corresponding logos and any other proprietary marks we designate in the future (the “Marks”), and also operate utilizing our proprietary business system described more fully below.

Franchisees that enter into a Development Agreement to open multiple Shops and CNC Shops may apply for the right to purchase a food truck (“Food Truck”), that provides mobile food service and catering for special events, festivals, corporate events, fundraisers, weddings/parties, and similar events (“Food Truck Business”). We grant the right to operate Food Trucks to franchisees in our sole discretion, and only when territories are available.

Shops, Specialty Shops, CNC Shops, CNC Specialty Shops, and Food Trucks may be referred to collectively as “Millie’s Location(s).”

Our Parent, Predecessors and Affiliates

Our parent company, Frozen Assets Holdings, LLC, is a Pennsylvania limited liability company, with its principal place of business at 235 East 7th Avenue, Homestead, PA 15120. We do not have any predecessors.

As of the issue date of this Disclosure Document, we have four (4) affiliates, all of which were organized in Pennsylvania as limited liability companies and each has a principal business address 235 East 7th Avenue, Homestead, PA 15120. Our affiliates do not sell franchises in any line of business and, except as provided in this Item, are not otherwise engaged in any other

business activity.

Our affiliate, Millie's Homemade, LLC, was formed on December 24, 2013 under the name "La Recette, LLC," which was changed to Millie's Homemade, LLC on November 4, 2015. As disclosed in Item 13, this affiliate owns the Marks and licenses us the right to sub-license the Marks to franchisees. This affiliate also operates some of our company-owned Shops, company-owned pop-up locations, and kiosks.

Our affiliates Millie's Shadyside, LLC, and Millie's Market Square, LLC were formed on December 21, 2018. Each of these affiliates operates a Shop similar to the Shops being offered under this Disclosure Document and all are located in Pittsburgh, Pennsylvania. These Shops are disclosed as "company-owned" locations in Item 20.

Our affiliate, Millie's Ice Cream Works, LLC was formed on December 21, 2018. It manufactures Millie's ice cream products, which are sold direct-to-consumer and wholesale to grocery stores and foodservice companies, the company owned Millie's Locations, and Millie's franchisees.

Except as provided above in this Item, we do not have any affiliates or predecessors that must be disclosed in this Disclosure Document.

The Franchised Business

Your Shop will be authorized to offer and sell a menu of Millie's ice cream and dairy-free gelato, made with all-natural ingredients sourced from vendors focusing on fair trade and sustainability ("Ice Cream Products"), to customers in a brick-and-mortar location, and off-site, non-Food Truck catering. Specialty Shops offer the same products but in specialty locations, such as enclosed shopping malls, public parks, farmers' markets, amusement parks, military bases, college campuses, hospitals, airports, sports arenas and stadia, train stations, travel plazas, toll roads and casinos ("Specialty Sites"). CNC Shops and CNC Specialty Shops will offer the same super premium Ice Cream Products, but will also offer coffee, specialty coffee drinks, affogato, and other approved coffee products ("Coffee Products"). In operating your Millie's Location, you will be required to provide the foregoing products and services, along with any other services and products we authorize (collectively, the "Approved Products and Services"), with the highest level of customer service in a consistent, clean and friendly environment for your customers.

Your Millie's Location will be operated using our Marks and in accordance with our proprietary operating system, which includes our valuable knowhow, information, trade secrets, methods, confidential operations manual (the "Operations Manual") and other proprietary manuals we may loan to you, recipes, standards and specifications, sales techniques, merchandising, marketing, advertising, inventory management systems, marketing and sales programs, fixture and furniture selection and other research and development connected with the establishment and operation of a Shop (collectively, the "System"), which we may modify from time to time as we deem appropriate in our sole discretion.

Your Millie's Location will have between approximately 500 to 2000 square feet of leased or owned space, and will typically be located in a centrally located business center, retail shopping center or other high-traffic pedestrian and business location with ample parking. Specialty Shops and CNC Specialty Shops may be approved for smaller locations within shopping malls, amusement parks, public parks, military bases, college campuses, hospitals, airports, sports arenas and stadia, train stations, travel plazas, toll roads and casinos. Your Millie's Location will

not be permitted to be located in a standalone location unless there is significant pedestrian traffic to the location. In order to own and operate a Millie's Location, you must enter into our current form of franchise agreement that is attached as Exhibit B to this Disclosure Document (the "Franchise Agreement").

Market and Competition

The ice cream and dessert business is highly competitive with respect to price, service, location, and food quality, and is often affected by changes in consumer tastes, economic conditions and population and traffic patterns. You will compete against all other quick-service businesses serving ice-cream, desserts and treats. In addition, there is active competition for management and food service employees, as well as for attractive commercial real estate sites suitable for Millie's Locations.

Your competitive advantage in the marketplace will be based on your adherence to our System standards and guidelines, as well as your entrepreneurial and managerial abilities and focus on customer service.

Industry-Specific Regulations

As a participant in the food service industry, your Millie's Location will be subject to food service health and sanitation laws, rules, and regulations. You must check with state and local agencies regarding the applicable requirements and necessary licenses for operating a Shop.

Most states and local jurisdictions have also enacted other laws, rules, regulations and ordinances that may apply to the operation of your business, including those that: (i) establish general standards, specifications and requirements for the construction, design and maintenance of the business premises; (ii) regulate matters affecting the health, safety and welfare of your customers, such as restrictions on smoking; (iii) set standards pertaining to employee health and safety; (iv) regulate matters affecting requirements for accommodating disabled persons, including the Americans with Disabilities Act; (v) set standards and requirements for fire safety and general emergency preparedness; and (vi) regulate, or otherwise relate to or govern, the operation of a Shop generally.

The United States enacted the "Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001" (the "USA Patriot Act"). We are required to comply with the USA Patriot Act. To help us comply with the USA Patriot Act, we ask you in the Franchise Agreement to confirm for us that neither you nor your directors, officers, shareholders, partners, members, employees, or agents are suspected terrorists or persons associated with suspected terrorists or are under investigation by the U.S. government for criminal activity.

You must consult with your own attorney to ensure that the laws of the state where your Millie's Location will be located permits you to provide the Approved Products and Services. It is your sole responsibility to investigate any regulations in your area, including those related to the establishment and operation of a Millie's Location, generally.

Item 2

Business Experience

Charles Townsend IV: Co-founder and CEO

Chad is the Co-founder and CEO of Millie's. He hails from Pittsburgh, PA, and began his illustrious foray into the culinary world at age 15 as most chefs do – washing dishes. He has worked as a professional chef at some of Pittsburgh's finest restaurants including Salt of the Earth and Eleven, as well as the two-Michelin starred Yoann Conte restaurant in Annecy, France. Chad brings his culinary chops to the ice cream manufacturing process, drawing on years of taste memory and food science to perfect the bold flavors and creamy texture of Millie's ice creams and sorbets. He received his professional culinary training from the Pennsylvania Culinary Institute.

- Co-founder, Millie's Homemade, *Homestead, PA, July 2014 – Present*
- Executive Chef, Salt of the Earth Restaurant, *Pittsburgh, PA, August 2011 – June 2014*
- Stagiaire, La Nouvelle Maison de Marc Veyrat, *Annecy, France, February 2011 – August 2011*
- Executive Sous Chef, Eleven Restaurant, *Pittsburgh, PA, August 2004 – January 2011*

Lauren Townsend: Co-founder and President

Lauren is the Co-founder and President of Millie's. Lauren has a profound sweet tooth and a long love affair with ice cream. At Millie's, Lauren gets to exercise both sides of her brain, handling all things from finance and strategy to branding and curating the customer experience. She has extensive experience working in the mergers & acquisitions industry as both a private equity investor and a due diligence consultant. Prior to co-founding Millie's, she spent 6 years with Incline Equity Partners, a middle-market private equity fund in Pittsburgh, PA. She holds a BS from Georgetown University in International Affairs.

- Co-founder, Millie's Homemade, *Homestead, PA, July 2014 – Present*
- M&A Consultant, Self-employed, *Pittsburgh, PA, March 2015 – Present*
- Investment Associate, Incline Equity Partners, *Pittsburgh, PA April 2009 – February 2015*

Melissa Horst: Director of Franchise Onboarding & Training

Ms. Horst joined Millie's in 2016, overseeing all operations of the Company's first scoop shop. Currently, she oversees all new franchisee onboarding and training. Melissa met Chad & Lauren Townsend in 2012 while working as the General Manager of Salt of the Earth, where Chad was the Executive Chef. Prior to moving to Pittsburgh, Melissa worked in Washington DC, where she supported the creation of two highly successful restaurants, including the 200-seat multi-million-dollar Virtue restaurant, where she served as GM and Beverage Director. In addition to her restaurant experience, Melissa has created two CPG snack products. She received her professional training at the elite New England Culinary Institute in Montpelier, VT where she graduated top of her class.

- Dir. of Franchise Onboarding & Training, Millie's Homemade, *Homestead, PA, July 2023 - present*
- VP, Retail Operations, Millie's Homemade, *Homestead, PA, May 2016- present*
- General Manager, Point Brugge, *Pittsburgh, PA, May 2015- May 2016*
- General Manager, Salt of The Earth *Pittsburgh, PA, December 2012-May 2015*
- General Manager / Beverage Director, Eat Good Food Group (Virtue Feed & Grain, The Majestic, Restaurant Eve), *Alexandria, VA August 2008- December 2012*
- Pastry Chef / Sous Chef, New Heights, *Washington DC June 2007-August 2008*

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 Fee

For Shops and CNC Shops, all franchisees must pay to us a \$32,500 lump sum “Initial Franchise Fee” when they sign a franchise agreement.

Our affiliate is an approved supplier of the initial inventory you will need to begin operation, including ice cream, dairy products, toppings, paper goods, janitorial supplies, point-of-sale system and related supplies (“Initial Inventory”). The amount of Initial Inventory will vary depending on the demographics surrounding the Shop and CNC Shop, the season during which you open, and the size of the premises, but we will advise you regarding the amount of Initial Inventory necessary prior to your opening. Initial Inventory for Shops and CNC Shops is estimated to be between \$5,500 and \$8,500. Upon written notice to you, you may be required to purchase the Initial Inventory from an approved supplier other than our affiliate.

For Specialty Shops and CNC Specialty Shops, the Initial Franchise Fee is \$17,500, which is payable in a lump sum, when you sign the franchise agreement. No initial franchise fee is due if the franchisee already owns a Shop or CNC Shop and the Specialty Site falls within its existing Territory. Initial Inventory for a Specialty Shop and CNC Specialty Shop is estimated to be \$5,500 to \$8,500.

We offer a development package, where you may purchase the right to develop three (3) Shops/CNC Shops(the “Development Agreement”). The purchase of a Development Agreement is optional and not required. The Initial Franchise Fee for the Development Package is \$70,000, and is payable in a lump sum at the time you sign the Development Agreement and first Franchise Agreement (“Development Fee”).

Franchisees entering into a Development Agreement to open several Shops and CNC Shops may apply for the rights to operate Food Trucks within a defined territory. The right to own and operate a Food Truck will be granted at our discretion, and only if Food Truck Territories are available. The Initial Franchise Fee for the first Food Truck is \$15,000, in addition to the Initial Franchise Fee paid for the development package (“Truck Fee”). No additional Initial Inventory is required to be purchased in connection with purchasing the food truck option. If you are approved to operate more than one Food Truck, you will not be obligated to pay an additional Truck Fee.

All Initial Franchise Fees, Truck Fees, and Development Fees are deemed fully earned and non-refundable when you sign a Franchise Agreement.

**Item 6
Other Fees**

Type of Fee¹	Amount	Due Date	Remarks
Royalty Fee	5% of Net Sales ²	Weekly on Tuesdays, for the prior week	See Note 1.
Brand Fund Fee	Up to 2% of Net Sales per month Currently, 2% of Net Sales	If and when charged, at the same time and in the same manner as the Royalty	See Note 1.
Local Advertising Requirement	Up to 2% of Net Sales per month	As Incurred	Payable to outside suppliers. See Item 11.
Opening Advertising	Minimum of \$5,000	As Incurred	Payable to outside suppliers. See Item 11.
Transfer Fee	\$5,000	Before consummation of transfer	Payable when the Franchise Agreement, or a material portion of your assets or any interest in you is transferred; may be waived or reduced in our discretion.
Training Costs	\$250 per trainee in excess of 5 initial trainees.	Immediately when training services provided.	Payable for additional training services; may be waived or reduced in our discretion.
Recurring Inventory	Approximately 32% of sales	Within fourteen (14) days of receipt of invoice	You must purchase these items from us or our Approved Suppliers. See Item 8.
Technology Fee	Our then-current fee. Currently, \$250 per month, per Shop. \$100 per month for	Monthly	Paid to us or our Approved Supplier for the POS System. See Item 8.

Type of Fee ¹	Amount	Due Date	Remarks
	Specialty Shops and Trucks		
Unapproved Supplier or Product Fee	\$500 per occurrence	As incurred	Payable to us if you either (a) offer or sell any unapproved product or (b) purchase product to be sold at the Shop from an unapproved supplier.
Renewal	\$5,000	Upon signing successor franchise agreement	Renewal Fee may be waived or reduced in our discretion.
Conversion Fee	\$5,000	Upon executing an Addendum to Franchise Agreement to convert your Shop to a CNC Shop	If you choose to convert your Shop to a CNC Shop, this fee is payable to us to pay for training and other conversion expenses incurred by us
Reimbursement for Deactivating Domain Names Containing Marks	Costs and attorney fees; will vary under circumstances	Upon Demand	Payable if a Domain Name or any domain name containing any Mark is registered by you and it does not comply with the requirements of the Franchise Agreement.
Supplier Approval	\$500	Immediately when supplier approval requested	Payable if we are requested to review and approve an alternative supplier; may be waived or reduced in our discretion.

Type of Fee¹	Amount	Due Date	Remarks
Costs and Attorneys' Fees	Will vary under circumstances	As incurred	Payable if incurred by us in obtaining injunctive or other relief for the enforcement of any term of the Franchise Agreement
Indemnification	Will vary under circumstances	As incurred	You have to reimburse us if we are held liable for claims arising from your franchise operations
Interest and Late Charges	10% of amount owed (or maximum amount allowed by law) plus interest at lesser of 1.5% per month or highest rate allowed by law	Assessed and/or withdrawn by ACH on or after the tenth day following the billing cycle.	Interest assessed on all overdue amounts the tenth day following the billing cycle; may be waived or reduced in our discretion
Audit Expenses	Cost of audit (which can vary greatly, but are anticipated to range from \$1,000-\$5,000, plus out-of-pocket travel expenses) and amount of understatement plus interest at 18% per annum, or the maximum amount allowable by law.	Immediately upon receipt of audit report	Audit costs payable only if understatement greater than 2% for any week; may be waived or reduced in our discretion

Notes:

- 1 Unless otherwise indicated above, all fees are imposed and collected by and payable to us. All fees are non-refundable and uniform. We will automatically draft Royalty Fees, the Brand Fund Fee and any additional fees from your bank account according to the terms of the Franchise Agreement. Royalty Fees are determined by the Net Sales recorded in the POS System you are required to use in connection with your Shop and are reconciled when weekly bookkeeping is finalized.
- 2 Gross Sales includes all revenues and income from the sale of food products, beverages, and other merchandise, products, and services to your customers, whether or not sold or performed at or from the Millie's Location, and whether received in cash, in services in kind, from barter and/or exchange, on credit

(whether or not you receive payment) or otherwise. Net Sales includes Gross Sales less discounts and refunds and also excludes sales tax. All barter and/or exchange transactions in which you furnish goods and/or services in exchange for goods or services provided to you by a vendor, supplier or customer will, for the purpose of determining Gross Sales and Net Sales, be valued at the full retail value of the goods and/or services provided by you. We have the right to examine or audit your books, records, state sales tax returns and accounts. If the audit shows that you underestimated Gross Sales or Net Sales by two percent (2%) or more then you must pay the unpaid plus interest on the underestimated amounts and the cost of the audit. Otherwise, we pay the cost of the audit.

Item 7 Estimated Initial Investment

YOUR ESTIMATED INITIAL INVESTMENT

SHOP AND CNC SHOP¹

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Franchise Fee	\$32,500	\$32,500	Lump Sum	Upon signing Franchise Agreement	Us
Rent (3 months) ²	\$7,500	\$13,500	As required by landlord	As incurred	Landlord
Leasehold Improvements and Signage ³	\$40,000	\$260,000	As required by supplier	Prior to opening	Outside Suppliers
Equipment ⁴	\$25,820	\$57,500	As required by supplier	Prior to opening	Outside Suppliers
Opening Inventory ⁵	\$5,500	\$8,500	Lump Sum	Prior to opening	Us or Approved Supplier
Opening Advertising ⁷	\$5,000	\$5,000	As required by supplier	Within sixty (60) days before and ninety (90) days following opening	Outside Suppliers
Food Truck/Upfitting ⁸	\$0	\$65,000	As required by supplier	As incurred	Outside Suppliers

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Office Supplies and Smallwares ⁹	\$3,500	\$4,000	As required by supplier	As incurred	Outside Suppliers
Initial Training Expenses ¹⁰	\$1,000	\$2,000	As required by supplier	As Incurred	Outside Suppliers and Employees
Business Licenses ¹¹	\$1,000	\$3,000	As required by third party	As Incurred	Outside Entities/ Organizations
Insurance ¹²	\$2,000	\$2,500	As required by insurer	As Incurred	Outside Suppliers
Computer Systems ¹³	\$1,200	\$1,200	As required by vendor	Prior to opening	Outside Suppliers
Additional Funds – (Initial Period 3 months) ¹⁴	\$20,000	\$30,000	As required by third parties/law	As Incurred	Employees and Outside Suppliers
TOTAL	\$145,020	\$484,700			

Specialty Shop/CNC Specialty Shop

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Franchise Fee	\$0	\$17,500	Lump Sum	Upon signing Franchise Agreement; this fee is waived for franchisees that own a Shop or CNC Shop and the Specialty Location is within your Protected Territory	Us

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Rent (3 months) ²	\$27,000	\$60,000	As required by landlord	As incurred	Landlord
Leasehold Improvements and Signage ³	\$5,000	\$25,000	As required by supplier	Prior to opening	Outside Suppliers
Equipment ⁴	\$0	\$57,500	As required by supplier	Prior to opening	Outside Suppliers
Opening Inventory ⁵	\$5,500	\$8,500	Lump Sum	Prior to opening	Us or Approved Supplier
Opening Advertising ⁷	\$0	\$3,000	As required by supplier	Within sixty (60) days before and ninety (90) days following opening	Outside Suppliers
Office Supplies and Smallwares ⁹	\$3,500	\$4,000	As required by supplier	As incurred	Outside Suppliers
Initial Training Expenses ¹⁰	\$1,000	\$2,000	As required by suppliers and by law	As Incurred	Outside Suppliers and Employees
Business Licenses ⁹	\$1,000	\$3,000	As required by third parties	As Incurred	Outside entities/organizations
Insurance ¹⁰	\$2,000	\$2,500	As required by insurer	As Incurred	Outside Suppliers
Computer Systems ¹¹	\$0	\$1,200	As required by vendor	Prior to opening	Outside Suppliers
Additional Funds – (Initial Period 3 months) ¹²	\$20,000	\$30,000	As required by third parties/law	As Incurred	Employees and Outside Suppliers
TOTAL	\$65,000	\$214,200			

Development Area Agreement

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Franchise Fee	\$75,000	\$75,000	Lump Sum	Upon signing Franchise Agreement	Us
Rent (3 months) ²	\$7,500	\$13,500	As required by landlord	As incurred	Landlord
Leasehold Improvements and Signage ³	\$40,000	\$260,000	As required by supplier	Prior to opening	Outside Suppliers
Equipment ⁴	\$25,820	\$57,500	As required by supplier	Prior to opening	Outside Suppliers
Opening Inventory ⁵	\$5,500	\$8,500	Lump Sum	Prior to opening	Us or Approved Supplier
Opening Advertising ⁶	\$5,000	\$5,000	As required by supplier	Within sixty (60) days before and ninety (90) days following opening	Outside Suppliers
Food Truck/Upfitting ⁷	\$0	\$65,000	As required by supplier	As incurred	Outside Suppliers
Office Supplies and Smallwares ⁸	\$3,500	\$4,000	As required by supplier	As incurred	Outside Suppliers
Initial Training Expenses ⁹	\$1,000	\$2,000	As required by supplier	As Incurred	Outside Suppliers and Employees
Business Licenses ¹⁰	\$1,000	\$3,000	As required by third party	As Incurred	Outside entities/organi zation
Insurance ¹¹	\$2,000	\$2,500	As required by insurer	As Incurred	Outside Suppliers

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Computer Systems ¹²	\$975	\$975	As required by vendor	Prior to opening	Outside Suppliers
Additional Funds – (Initial Period 3 months) ¹³	\$20,000	\$30,000	As required by third parties/law	As Incurred	Employees and Outside Suppliers
TOTAL	\$187,295	\$526,975			

Notes:

- 1 General. The initial investment ranges are based on the historical costs incurred in opening our affiliate locations. Costs from the Lawrenceville Shop were excluded as this location will also serve as our training center and thus has a larger square footage than typical Millie's locations. Our affiliates all operate in the Pittsburgh, Pennsylvania metropolitan area. We recommend researching the above costs in your market area, as they may vary in different areas throughout the country.

We do not make any representation regarding whether any amounts paid to third parties are refundable. Amounts paid to us are not refundable unless otherwise specified. Neither we nor any affiliate of ours finances any part of the initial investment.

- 2 Rent. You will be required to lease a space for your Millie's Location and we must approve the premises and the lease. Rent at Specialty Sites is higher than a typical Shop or CNC Shop, and you are permitted to establish your pricing in accordance with that cost.
- 3 Leasehold Improvements. You will be required to renovate the premises of your Millie's Location prior to opening in accordance with our standards and specifications, in addition to local codes and regulations. All or some of these improvements may be paid for by your landlord and you should consult with your real estate professional during the site selection process regarding any such expenses covered by the landlord. This estimate includes the approximate cost of the interior and exterior signage required under the Franchise Agreement including our standards, specifications, and requirements. The cost of signs depends on the size and location of your Millie's Location, the particular requirements of the landlord, local and state ordinances and zoning requirements.
- 4 Equipment. You are required to purchase all equipment necessary to provide the Approved Products and Services at your Millie's Location. We will assist you in determining the equipment you will need to operate your Millie's Location and the

cost of such items will depend on the amount and types of equipment, the square footage, and credit worthiness. We assume that all franchisees will purchase the required equipment. The high end of the range represents the cost of equipment needed for a CNC Shop, which requires additional equipment to prepare the coffee products. At Specialty Sites, the landlord may purchase and own the equipment.

- 5 Opening Inventory. All franchisees must purchase Initial Inventory from us, an affiliate, or an Approved Supplier, including ice cream, toppings, paper products, and related supplies. The amount will vary depending on the demographics surrounding the Millie's Location, but we will decide on the amount of Initial Inventory prior to your opening.
- 6 Opening Advertising. If you purchase a Shop or CNC Shop, you will be required to expend a minimum of \$5,000 in connection with the opening of your Millie's Location for the period between 60 days prior to opening and 90 days after opening. In Specialty Shops or CNC Specialty Shops, we do not require that you conduct an Opening Advertising campaign.
- 7 Food Truck/Upfitting. If you purchase a Development Agreement, you may apply for the right to own and operate a Food Truck. We grant the right to operate Food Trucks to franchisees in our sole discretion, and only if Food Truck Territories are available. If you purchase a Food Truck you must pay us an initial franchise fee of \$15,000 ("Truck Fee") for the first Food Truck, which is deemed fully earned upon receipt and is non-refundable. If you are approved to operate more than one Food Truck, you will not be obligated to pay an additional Truck Fee. The cost of upfit the food truck to our specifications, and to wrap the vehicle with the Marks is approximately \$30,000 to \$50,000.
- 8 Office Supplies and Smallwares. You are required to purchase all office supplies and smallwares necessary to provide the Approved Products and Services at the Millie's Location. We will provide a list of the required items prior to opening.
- 9 Initial Training Expenses. You must attend training at our affiliate's location in Pittsburgh, Pennsylvania, or in such place as we designate within the United States, and you are responsible for all travel expenses including food, transportation, and lodging.
- 10 Business Licenses. You must comply with federal, state and local license, certificate and permit requirements for the operation of your Millie's Location. The requirements of states vary. You should determine what laws apply to you before acquiring a franchise. You must obtain and pay for these licenses and/or permits before opening your Shop.
- 11 Insurance. Before you open your Millie's Location, you must purchase and maintain at your sole expenses the insurance coverage that we specify in the Franchise Agreement and Operations Manual. This includes comprehensive general liability insurance, property and casualty insurance, statutory workers' compensation insurance, employer's liability insurance, and product liability insurance. The cost will vary from state to state and we anticipate that you will be required to pay your insurance carrier or agent a full annual premium in advance. You must show proof of coverage, meeting the insurance requirements outlined in

the Franchise Agreement and Operations Manual and you must name us as additional insureds. We reserve the right to reject an insurance certificate that you provide if it does not meet the required limits or standards of quality if, in our sole opinion, the insurance does not sufficiently protect us, you or your customers.

- 12 Computer Systems. This estimate includes the costs of purchasing the computer hardware and software required by the Franchise Agreement. See Item 11 for a description of the computer system, including the required purchases of hardware and software.
- 13 Additional Funds. The estimate of additional funds is based on an approximation of expenses for the first three months of operation, compiled based upon the experience of our affiliate operating its locations in Pittsburgh, Pennsylvania. The additional funds required will vary by your area; how much you follow our methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market for your services; competition; and the sales level reached during the initial period. This estimate accounts for expenses such as, but not limited to, monthly utilities, linen costs, pest control, employee wages, legal and professional services, and uniforms. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

Item 8

Restrictions on Sources of Products and Services

Except as otherwise noted in this Disclosure Document, neither we nor any affiliate sell fixtures, equipment, food, or supplies to our franchisees, and, except as otherwise noted, we do not require that you purchase or lease goods, services, supplies, fixtures, equipment, inventory, or computer hardware and software from us or any of our affiliates in the establishment or operation of your Shop.

You are required to purchase the ice cream, toppings, paper goods, janitorial supplies, uniforms, and computer hardware and software from us, an affiliate or an Approved Supplier. If you are located in the Pittsburgh, Pennsylvania area then you will purchase these items from us or an affiliate. If located outside this area, then you will purchase these items from an Approved Supplier. You are also required to purchase trademarked items (signage, uniforms, etc.), kitchen smallwares, office supplies, fixtures and equipment from an Approved Supplier.

Prior to opening, we will provide a list (the "Approved Suppliers List") of manufacturers, suppliers, and distributors who are authorized for the Millie's Location ("Approved Suppliers") and a list (the "Approved Supplies List") of approved food products, ingredients, inventory, fixtures, furniture, equipment, signs, stationary, supplies and other items or services necessary to operate the Shop ("Approved Supplies"). Other than as stated above, neither we nor our affiliates are an Approved Supplier. Other than in us and our affiliates, no person listed in Item 2 has any interest in any of our Approved Suppliers.

We may develop proprietary private-label products for use in your Millie's Location, including private-label products that bear our Marks, and require you to purchase these items from us or our affiliate(s).

From time to time, we will negotiate purchasing deals from Approved Suppliers of goods that you will use in connection with your Millie's Location. We may receive rebates from Approved Suppliers. These rebates are usually based on the volume of the purchases and are calculated as a percentage of the franchisees' purchases. As of December 31, 2022, we have not yet derived any material rebate revenue from suppliers related to purchases by any franchisees. We estimate that the required purchases under our specifications will make up approximately 30% to 35% of your total initial investment and approximately 30% to 35% of your annual operating expenses. In our fiscal year ending December 31, 2022, our affiliate, Millie's Works, LLC earned \$355,799.07 in revenue from required franchisee purchases, which is 23.4% of our total annual revenue of \$1,518,435.63.

In order for a supplier to be accepted by us as an Approved Supplier, a request for acceptance must be forwarded to us for consideration. We will apply the following general criteria in considering whether the supplier will be designated an Approved Supplier: (i) ability to consistently make the manufactured product to our standards, requirements, and/or specifications; (ii) agreement to protect our confidential information from dissemination to others, through production of private label products for us; (iii) production, delivery, and service capability, whether local, regional, or national, to meet supply and service commitments; (iv) financial standing, business reputation, and credit rating; (v) prices charged; (vi) compliance with all federal, state, and local laws; and (vii) any other criterion that we deem as applicable in the particular circumstance.

We may modify these criteria and our specifications and will advise our franchisees as soon as possible of such modifications. We will give you notice of our approval or disapproval within two (2) to six (6) weeks depending on the nature of the product or service. We may elect not to accept a supplier as an Approved Supplier if we determine, in our sole judgment, that there are a sufficient number of Approved Suppliers at that time for the System. There may be cases in which suppliers cannot be approved because the nature of the product or service requires the use of one, or a limited number of, suppliers in order to realize efficiencies or protect the interests of the System overall. Termination of a supplier as an Approved Supplier may occur by written notice to or personal meeting with the supplier. We advise our franchisees as soon as possible when a supplier is disapproved. Any changes to the Approved Suppliers or other standards and specifications will be set forth in the Operations Manual or otherwise in writing from us.

Insurance services must be placed with a reputable insurance company licensed to do business in the state in which the Shop is located. The insurance company must have both a financial size category equal to or greater than IX and a rating of "A+" or "A" as determined by Alfred M. Best and Company, Inc. Insurance sources are approved upon submission of a policy meeting at least the minimum requirements of the Franchise Agreement. In some cases coverage requirements may be higher if so required by local law, landlords, property owners, or other third parties.

We require a standard point of sale system ("POS System"). The associated computer hardware and software programs are purchased by you through us or an Approved Supplier (as mentioned above) and is described in more detail in Item 11.

You must construct and develop the Millie's Location. We will give you specifications and layouts including requirements for dimensions, design, furnishings, signs, fixtures, image, interior layout, décor, accents, and color scheme. Due to the unique physical layout and construction of each potential Shop premises, variances to our specifications and layouts may be deemed practical and may be granted on a case-by-case basis by us at our sole discretion. The

specifications and layouts might not reflect the requirements of any federal, state, or local law, code, or regulation, including those arising under the American with Disabilities Act (“ADA”) or similar rules governing public accommodations for persons with disabilities. You must prepare a site survey and all required construction plans and specifications for the site and make sure they comply with the ADA and similar rules, other applicable ordinances, building codes, permit requirements, and lease requirements and restrictions. We must review and approve all final specifications and plans before you begin constructing the Shop and all revised plans during construction. Our review is only to ensure your compliance with our design requirements. We may inspect the Shop during its development.

You are required to obtain our written approval before entering into a lease for the Millie’s Location. Our approval does not in any way guarantee, represent, or warrant your success at that location or that you will generate any specific level of sales. We may require certain specific conditions prior to granting our approval, including provisions relating to subleasing, rental terms, signage, default notice, and our rights upon default and lease assumption.

You must send us for review samples of all advertising, promotional, social media, and marketing materials that we have not prepared or previously approved. If you do not receive written disapproval within fourteen (14) days after we receive the materials, they are deemed to be disapproved. You may not use any advertising, promotional, social media, or marketing materials that we have not approved.

There are no purchasing cooperatives in existence at this time. We do not provide any material benefits to a franchisee based on your use of Approved Suppliers.

Item 9 Franchisee’s Obligations

FRANCHISEE’S OBLIGATIONS

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

Obligation	Section in Agreement	Disclosure Document item
a. Site selection and acquisition/lease	Section 2(a), (b) Section 4	Item 11
b. Pre-opening purchases/leases	Section 4(c),(d)	Item 7 and 8
c. Site development and other pre-opening requirements	Section 4(d) Section 4(e)	Item 7 and 11
d. Initial and ongoing training	Section 6(c),(d)	Item 11
e. Opening	Section 4(e)	Item 11
f. Fees	Section 5	Item 5 and 6
g. Compliance with standards and policies/operating manual	Section 6(a),(b); Section 8; Section 9	Item 11
h. Trademarks and proprietary information	Section 9; Section 10	Item 13 and 14

Obligation	Section in Agreement	Disclosure Document item
i. Restrictions product/service purchases	Section 8(a),(c),(d)	Item 16
j. Warranty and customer service requirements	Section 8(a)(ix)(e)	Not applicable
k. Territorial development and sales quotas	Section 4(b)	Item 12
l. Ongoing product/service purchases	Section 8(a),(c),(d)	Item 8
m. Maintenance, appearance, and remodeling requirements	Section 4(b); Section 8	Item 11
n. Insurance	Section 14	Item 6, 7 and 8
o. Advertising	Section 7	Item 6, 7, 8 and 11
p. Indemnification	Section 20	Item 6
q. Owner's participation / management / staffing	Section 2(c); Section 8(a),(e)	Item 11 and 15
r. Records and reports	Section 5	Item 6
s. Inspections and audits	Section 5(j); Section 6(e)	Item 6 and 11
t. Transfer	Section 11	Item 6 and 17
u. Renewal	Section 12	Item 6 and 17
v. Post-termination obligations	Section 16	Item 17
w. Non-competition covenants	Section 10	Item 17
x. Dispute resolution	Section 19(b)	Item 17

Item 10 Financing

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

Item 11 Franchisor's Assistance, Advertising, Computer Systems and Training

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

Our Pre-Opening Obligations

1. Designate your Protected Territory. (Franchise Agreement, Section 4(a)).
2. Assist you in selecting a site. We do not own or lease premises to our franchisees. We will use reasonable efforts to assist you in analyzing your potential Protected Territory, determining site feasibility, and designating a premises. We will provide a list of zip codes within which a Franchisee may select the location for its Millie's Location with assistance from a real estate advisor. However, it is your sole responsibility to undertake site selection activities and otherwise secure premises for the Millie's Location. If you fail to either open the Millie's Location for business within twelve (12) months of executing the Franchise Agreement, we may, at our

sole option, terminate the Franchise Agreement. We estimate it will take approximately eight (8) months from the date of executing a Franchise Agreement to open a Shop for business.

- a. We will review your site selection proposal and provide you with written notice of approval or disapproval of the proposed site within fourteen (14) days of receiving your written proposal. Factors that we will consider in our review process include, but are not limited to, the following: amount of pedestrian traffic; restaurant density; median income; number of school-aged children in the population; visibility of and accessibility to the site; demographics of the market area surrounding the site; availability of parking; size and suitability of the site for use as a Shop; physical condition of the premises; and lease terms. (Franchise Agreement, Section 4(b)).
- b. We must receive a copy of the lease for the premises prior to your execution of the lease, and we may approve or reject the lease. (Franchise Agreement, Section 4(c)).

3. We will make available our standard plans and specifications for a typical Millie's Location and will have the opportunity to approve the final build-out of the Millie's Location. You are responsible for ensuring that the premises conforms to local ordinances and building codes, for the procurement of any required permits, for the construction, remodeling, and decorating of the premises, and for the hiring of employees. (Franchise Agreement, Section 6(a)).

4. We will provide detailed specifications for certain equipment, signs, and fixtures and make available to you our Approved Suppliers List. We do not sell or lease to you equipment, signs, or fixtures, nor do we deliver or install these items. We will provide detailed specifications for the Initial Inventory and other inventory items and supplies. We will provide you with our Approved Suppliers List for these items. (Franchise Agreement, Section 8(d)).

5. We will provide our training program to you. We do not charge for this initial training program, however, your expenses and the expenses of your employees in attending this program, including travel costs, room and board costs, and employees' salaries, are your responsibility. All training will occur at our affiliations location in Pittsburgh, Pennsylvania, your Shop, or at another location designated by us. (Franchise Agreement, Section 6(c),(d)).

6. Upon completion of your training, we will loan you or provide you with access to a copy of our Operations Manual, which is currently 125 pages. The table of contents to our Operations Manual is attached as Exhibit C. (Franchise Agreement, Section 6(b)).

We are not obligated to provide any other supervision, assistance or services to you prior to the opening of your Millie's Location, which, based on the experience of our affiliate in opening its Shop, will typically occur within eight (8) months after the execution of the Franchise Agreement, but may occur earlier or later depending on the actual time required for you to accomplish items including, but not limited to, the following: securing a site; obtaining financing; obtaining construction, zoning, health and other permits; completing construction; installing signs, fixtures, and equipment; hiring and training personnel.

Our Obligations to You during the Operation of Your Shop

1. Throughout the site-selection and construction process, we will consult with you on an ongoing basis to assist you in preparing your Millie's Location for operation. Such

consultations will include site visits and/or phone consultations as appropriate, kitchen and service area layout reviews and analysis, assistance with equipment procurement, and pre-opening training.

2. We will provide certain Approved Products (finished goods) as well as raw ingredients to make the Approved Products throughout your operations. We will also provide periodic updates to the menu and recipes as and when they occur.

3. We will provide to you any updates to the Operations Manual and any other manuals prepared by us for use by our franchisees in the operation of their Millie's Locations. (Franchise Agreement, Section 6(b)).

4. Periodically, and at other reasonable times upon your request, we will advise and consult with you regarding the ongoing operation of your Millie's Location. (Franchise Agreement, Section 6(e)).

5. In our discretion and as we deem necessary, we (or our designee) will periodically visit the Millie's Location to consult and provide guidance and to inspect the operation and condition of the Millie's Location, and we will provide written reports detailing any defaults in the operation or condition of the Millie's Location that we observe during our visits. (Franchise Agreement, Section 8(b)).

6. We will modify the System as we deem necessary, including, but not limited to, the adoption and use of new or modified recipes, techniques, supplies, equipment, products, trade names, trademarks, service marks, copyrighted materials, and information technology tools, and we will communicate to you any modifications to the System via printed material, newsletter, site visit, teleconference, or other medium as we deem appropriate. (Franchise Agreement, Section 9(d)).

Advertising

All advertising and promotion that you use in connection with your Millie's Location must be approved by us and conform to the standards and requirements that we specify. We will provide all advertising designs to be used by you, but you will be responsible for printing and installing, as necessary. We reserve the right to designate an Approved Supplier from which you must purchase advertising materials and/or services that we designate. We may make available to you, from time to time, at your expense, certain promotional materials, including coupons, merchandising materials, point-of-purchase materials, special promotions, and similar advertising and promotional materials. You must also participate in certain promotions and advertising programs that we establish as an integral part of our System, provided these activities do not contravene regulations and laws of appropriate governmental authorities. You will be required to purchase and display signage in certain parts of your Millie's Location that have high visibility for purposes of notifying customers and prospective customers of seasonal specials/promotions regarding our Approved Products and Services. (Franchise Agreement, Section 7).

If you wish to use any advertising or promotional materials other than those that we have previously approved or designated within the preceding 12 months, then you must submit the materials you wish to use to us for our prior written approval at least 30 days prior to publication. We will use commercially reasonable efforts to notify you of our approval or disapproval of your proposed materials within 14 days of the date we receive the materials from you. If you do not receive our written approval during that time period, however, the proposed materials are deemed

disapproved and you may not use such materials. Once approved, you may use the proposed materials for a period of 90 days, unless we: (i) prescribe a different time period for use; or (ii) require you to discontinue using the previously-approved materials in writing. We may require you to discontinue the use of any advertising or marketing material, including materials we previously approved, at any time. (Franchise Agreement, Section 7). Except as otherwise provided in this Item, we are not required to spend any amount on advertising in your Protected Territory.

Local Advertising. We require that franchisees spend up to two percent (2%) of Net Sales per month on local advertising and promotions (the "Local Advertising Requirement"). (Franchise Agreement, Section 7). We reserve the right to designate an Approved Supplier from which you must purchase advertising materials and/or services that we designate that you will use as part of your Local Advertising Requirement. We also reserve the right to request proof of such expenditures by providing you with notice of such request.

Opening Advertising. In addition to the Local Advertising Requirement, you will be required to expend a minimum of \$5,000 in connection with the opening of the Shop for the period between 60 days prior to opening and 90 days after opening. We must approve your plan for Opening Advertising prior to its use. (Franchise Agreement, Section 7).

Brand Fund. We reserve the right to establish a System-wide brand development fund (the "Fund") for the benefit of the System and the MILLIE'S brand generally. When established, you will be required to contribute to this Fund at the same time and same manner that we collect your Royalty Fee in an amount equal to up to two percent (2%) of the Net Sales of your Shop during the preceding month (the "Fund Contribution"). We will administer and use the Fund to meet certain costs related to maintaining, administering, directing, conducting and preparing advertising, marketing, public relations, and/or promotional programs and materials, and any other activities which we believe will enhance the image of the System.

We will designate all programs that the Fund finances, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation. The Fund may also be used to cover the costs and fees associated with: preparing and producing video, audio, and written materials and electronic media; website maintenance and development, internet advertising, administering regional and multi-regional marketing and advertising programs, including purchasing trade journal, direct mail, website, radio and other media advertising and using advertising, promotion, and marketing agencies and other advisors to provide assistance; and supporting public relations, market research, and other advertising, promotion, and marketing activities. The Fund may be used for advertising materials/campaigns in printed materials or on radio or television for local, regional or national circulation, internet regional or national advertising, as we deem appropriate in our discretion. We and/or a regional or national advertising agency may be used to produce all advertising and marketing. (Franchise Agreement, Section 7).

We will account for the Fund contributions separately from our other funds and not use the Fund for any of our general operating expenses, except to compensate us for the reasonable salaries, administrative costs, travel expenses and overhead we incur in administering the Fund and its programs, including conducting market research, preparing advertising, promotion, and marketing materials, and collecting and accounting for Fund contributions. The Fund will not be our asset or a trust, and we do not owe you fiduciary obligations because of our maintaining, directing or administering the Fund or any other reason. The Fund may spend in any fiscal year more or less than the total Fund contributions in that year, borrow from us or others (paying

reasonable interest) to cover deficits, or invest any surplus for future use. We will use interest earned on Fund contributions to pay costs before spending the Fund's other assets. We will not use Fund contributions for advertising that principally is a solicitation for the sale of franchises, except that we may use/display the phrase "Franchises Available" on any and all advertising/marketing that is covered by the Fund. We will prepare an unaudited, annual statement of Fund collections and costs and give it to you upon written request. We may incorporate the Fund or operate it through a separate entity if we deem appropriate. Our affiliate-owned Millie's Locations may, but are not required to, contribute to the Fund in the same manner that each franchised Millie's Location is required to contribute.

We are not required to spend any of your Fund Contributions in the Protected Territory you are granted under your Franchise Agreement. We are not required to have the Fund audited, but we may do so and use the Fund Contributions to pay for such an audit. If we do not spend all Fund Contributions in a given year, we may rollover any excess contributions into the Fund for use during the following year. We will have the right to modify or discontinue the Fund, as we deem appropriate in our sole discretion. (Franchise Agreement, Section 7). In the past fiscal year ending December 31, 2021, we did not collect any Fund Contributions.

Advertising Council. Currently, we have not established an advertising council (the "Advertising Council"), but we reserve the right to do so in the future. If we establish an Advertising Council, it will serve in an advisory capacity to us with respect to certain advertising expenditures, including providing advice/guidance on how to administer the Fund (if established in the future). At our discretion, the Advertising Council may be comprised of our management representatives, employees, you and/or other franchisees in the System. We will have the right to modify or dissolve an Advertising Council (if created) at any time. (Franchise Agreement, Section 7).

Regional Advertising Cooperatives ("Cooperatives"). We reserve the right to establish regional advertising cooperatives that are comprised of a geographical market area that contain two (2) or more Shops (whether a franchisee-owned or affiliate-owned) (each a "Cooperative"). If we assign your Shop to a Cooperative we establish, you must work with the other Millie's Location owners in your Cooperative and us to develop and implement regional advertising campaigns designed to benefit all the Millie's Locations within the geographical boundaries of the Cooperative. We have not established any Cooperatives as of the Issue Date of this Disclosure Document. (Franchise Agreement, Section 7).

Online Directories. As another means of advertising, you must ensure that the Millie's Location is listed in appropriate Internet-based telephone directories that we designate. You must ensure that your Shop has a dedicated telephone line that is not used for any other purpose.

Computer Systems

You must purchase from an Approved Supplier and use the POS System designated by us in your Millie's Location, which consist of a stand, an iPad, a printer, printer paper and a cash drawer. Your cost for the purchase and installation of the POS System is \$1,200 for the initial purchase. We will have access to your sales, financial, and inventory information through the POS System and there are no contractual limitations on our right to access the information. You are also required to purchase the associated software with the POS System from the Approved Supplier, which will cost \$250 per month. There are no additional costs to upgrade the software, but you may be required to update or replace the hardware of the POS System, which will cost up to \$1,200 per year (if a full replacement is necessary).

You are required to maintain your credit card processing hardware and software in compliance with the Payment Card Industry (PCI) Data Security Standard. You are required to accept credit and debit cards. You are also required to participate in our loyalty program and our online ordering service. You are required to maintain internet access and an electronic mail address.

Operations Manual

The Operations Manual is highly confidential and you must use your best efforts to maintain its absolute confidentiality. The Operations Manual remains our property, must be returned upon request and must be stored in a safe place. We reserve the right to revise or modify the Operations Manual to reflect new standards, specifications, and procedures. You must accept and comply with such revisions, modifications, and additions. You must maintain a current copy of each of the Operations Manual at all times. You are prohibited from copying the Operations Manual in any manner whatsoever, and you will sign a non-disclosure agreement prohibiting you from disclosing information contained within the Operations Manual, except as required for the operation of the Millie's Location.

Training Program

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Welcome, Overview, Tour of Facility	4	24	At our affiliate's location, your Millie's Location, or at another location that we designate
Operations, Bookkeeping, Inventory Management, POS System	16		At our affiliate's location, your Millie's Location, or at another location that we designate
Marketing, Social Media, Loyalty Program, Website	12		At our affiliate's location, your Millie's Location, or at another location that we designate
Recipes, Food Safety, ServeSafe Training	4	12	At our affiliate's location, your Millie's Location, or at another location that we designate
On-Site Training and Assistance During First Week of Operation	40	0 (you can request to purchase more hours)	Your Millie's Location
TOTALS	76	56	

You are required to attend and complete the training program to our satisfaction at our affiliate's location in Pittsburgh, Pennsylvania, your Millie's Location, or at another location designated by us, prior to opening your Shop. Training is provided free of charge for you and any other personnel that you bring with you, so long as they attend at the same time. Training programs will be provided as needed in accordance with our franchisee's opening schedules. The training program will be provided by Lauren Townsend, Chad Townsend, Melissa Horst, and other Millie's team members, and will consist of approximately 5 days in the Pittsburgh, PA area, 3 days of remote training, and 7 days at your location. Training consists of on-the-job training supplemented by classroom and / or remote instruction. You are responsible for all travel, lodging, salary, and other expenses incurred in connection with the attendance of training by yourself and by your employees. Our trainers have the following experience.

Trainer	Experience with Franchisor/ Affiliate	Experience in the Industry
Lauren Townsend	9 years	12 years
Chad Townsend	9 years	22 years
Melissa Horst	7 years	22 years

We may require that you attend additional or refresher training courses from time-to-time at a location of our designation or via teleconference. We will not charge any fee for these training programs. However, you will be responsible for travel, lodging, payroll, and other expenses incurred in connection with the attendance of these additional or refresher courses by yourself or by your employees. Such additional or refresher training courses will not exceed 24 hours of training time per calendar year.

The table above outlines the typical training program, but your actual training program may vary, as we will tailor the training program to your individual needs, depending on your prior experience.

Item 12 Territory

Protected Territory

Shops and CNC Shops

You will be granted the right to own and operate a Millie's Location at a specific site approved by us. Once your site is approved, you will receive a territory within which we will not establish a company-owned, affiliate-owned, or franchised Shop or CNC Shop within a certain zip codes designated in your Franchise Agreement (the "Protected Territory"). The Protected Territory for Shops and CNC Shops will be defined by zip codes and will be an area that encompasses approximately 75,000 to 125,000 residents. Population density, the character of the neighborhood, natural boundaries, and local competition may increase or decrease the size. We will designate your Protected Territory in your Franchise Agreement before you sign it. Continuation of your territorial exclusivity does not depend upon the achievement of a certain sales volume, market penetration or other contingency.

If you purchase a Shop or CNC Shop, and a Specialty Site exists within your Protected Territory, you will be granted a right of first refusal to develop the Specialty Shop or Specialty CNC Shop at such site. If you wish to develop the Specialty Site within your Protected Territory, the Initial Franchise Fee will be waived, if you are approved by Franchisor to open the Millie's Location. In order to exercise the right of first refusal, you must establish to us that you are properly capitalized and have the requisite experience to open a Millie's Location at the Specialty Site. You must exercise the right within thirty (30) days of presentment in writing. Approval shall be in our sole discretion. If we find you are not qualified to open a Millie's Location at the available Specialty Site, we may permit other franchisees to open a Millie's Location at the Specialty Site, or open a company-owned Millie's Location there.

If you purchase a Development Agreement to open several Shops or CNC Shops, you may apply for the right to operate a Food Truck. We grant the right to own and operate Food Trucks in our sole discretion, and only if territories are available at the time of your purchase. The Protected Territory for your Food Truck will be based on the population of your Development Area, which are typically between 225,000 to 375,000 residents, and will be designated in the Franchise Agreement ("Food Truck Territory"). We will not grant another Food Truck the ability to operate within your Food Truck Territory. Other Shops, CNC Shops, Specialty Shops and CNC Specialty Shops may operate within your Food Truck Territory, and we may also use Alternative Channels of Distribution to sell product within your Food Truck Territory.

Specialty Shops and CNC Specialty Shops

You may purchase the right to open a Specialty Shop or CNC Specialty Shop at Specialty Sites including, but not limited to, enclosed shopping malls, public parks, farmers' markets, amusement parks, military bases, college campuses, hospitals, airports, sports arenas and stadia, train stations, travel plazas, toll roads and casinos. The Protected Territory for a Specialty Shop or CNC Specialty Shop is the physical bounds of premises within the Specialty Site where Specialty Shop/CNC Specialty Shop is located. We may grant to others the right to open another Millie's Location within the same Specialty Site, in addition to all other reserved rights described below.

There are no territorial restrictions from accepting business from customers that reside/work or are otherwise based outside of your Protected Territory if these customers contact you and/or visit your Millie's Location. You may not solicit prospective customers outside of your Protected Territory and you may not use alternative channels of distribution, such as the Internet, pop-ups, mail order, grocery stores, restaurants, coffee shops, other retail establishments, catalog sales, toll-free numbers, wholesale stores and other opportunities, white-label manufacturing and distribution ("Alternative Channels of Distribution"), to make any sales inside or outside of your Protected Territory.

Reserved Rights

We and our affiliates reserve the exclusive right to conduct the following activities under the Franchise Agreement: (i) establish and operate, and license any third party the right to establish and operate, other Millie's Locations using the Marks and System at any location outside of your Protected Territory(ies); (ii) market, offer and sell products and services that are similar to the products and services offered by the Shop under a different trademark or trademarks at any location, within or outside the Protected Territory(ies); (iii) use the Marks and System, other such marks we designate, to distribute our Approved Products and/or Services in any Alternative Channel of Distribution, within or outside the Protected Territory(ies) etc.; (iv) to acquire, merge

with, or otherwise affiliate with, and after that own and operate, and franchise or license others to own and operate, any business of any kind, including, without limitation, any business that offers products or services the same as or similar to the Approved Products and Services (but under different marks), within or outside your Protected Territory(ies); (v) use the Marks and System, and license others to use the Marks and System, to engage in any other activities not expressly prohibited in your Franchise Agreement; and (vi) own and operate Shops in Specialty Sites, both within or outside your Protected Territory(ies), subject to the limitations above.

The Franchise Agreement does not grant you any right to engage in any of the activities outlined in the preceding paragraph, or to share in any of the proceeds received by us, our affiliate(s) or any third party from these activities, unless we otherwise agree in writing. Further, we have no obligation to provide you any compensation for soliciting or accepting orders (via alternate channels of distribution) within your Protected Territory.

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.

Relocation

We may approve the re-location of your business based on your Millie's Location's existing financial performance and the availability of a site where the re-location will occur, however, we do not have to accommodate any re-location.

Additional Disclosures



The Franchise Agreement does not provide you with any right or option to open and operate additional Millie's Locations.

We have not established other franchises or company-owned outlets or another distribution channel offering or selling similar products or services under a different trademark. Neither we nor our affiliate(s) have established, or presently intend to establish, other franchised or company-owned businesses that sell our Approved Products and Services under a different trade name or trademark, but we reserve the right to do so in the future without your consent.

Item 13 Trademarks


We sub-license you the right to use the marks "MILLIE'S," "MILLIE'S HOMEMADE," "REAL IS DELICIOUS," "MILLIE'S COFFEE N CREAMERY," and "MILLIE'S HOMEMADE ICE CREAM" and associated logos and other commercially valuable trademarks and trade names now or hereafter used in the operation of Shops (collectively, the "Marks") in connection with the operation of the Shop.

Our affiliate has obtained registration for the following Marks with the United States Patent and Trademark Office on the principal register, and the owner of the Mark has filed all required affidavits of use and applications for renewal and such affidavits have been accepted (if and as necessary).

Mark	Registration Number	Registration Date
MILLIE'S	5,152,265	February 28, 2017
	6,743,624	May 31, 2022
	6,952,170	January 17, 2023

Our affiliate has also filed for the following Marks with the United States Patent and Trademark Office on the principal register, and the owner of the Mark has filed all required affidavits of use and applications for renewal and such affidavits have been accepted (if and as necessary). These Marks are pending registration.

If you purchase a CNC Shop or CNC Specialty Shop, our affiliate will license to you its common-law right to the wordmark "MILLIE'S COFFEE N CREAMERY" and the following logo:

Mark	Serial Number	App. Date
	97535163	August 4, 2022

We do not have a federal registration for the principal trademark for MILLIE'S COFFEE N CREAMERY. Therefore, the trademarks do not have as many legal benefits and rights as a federally registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

The Marks are owned by our affiliate, Millie's Homemade, LLC. Pursuant to our license agreement dated January 1, 2021, our affiliate licensed us the use of the Marks in connection with our business of granting franchises to operate Millie's Locations in the United States ("License Agreement"). The License Agreement has a term of 15 years from the effective date, with automatic renewals, and may be terminated only in an event of default, or if regulations or regulatory agencies make it impractical for us to continue our obligations under the license agreement, or by the agreement of both parties. In any event of termination, we will be entitled to complete all of our obligations under any franchise agreement that has been entered into as of the termination date. The License Agreement does not limit our right to use or license the use of the Marks in any manner that is material to the franchise.

There currently are no determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, or any state trademark administrator or court which affect the ownership, use, or licensing of the trademark. There currently is no pending infringement, opposition, or cancellation proceeding which could affect the ownership, use, or licensing of the

Marks, nor is there any pending litigation involving the Marks. We are not aware of any superior prior rights or infringing uses of the Marks that could affect your use of the Marks.

Other than the License Agreement, there currently are no effective agreements that limit our rights to use or license the use of the Marks in a manner that is material to the franchise.

We have no obligation under the Franchise Agreement to protect you against, participate in your defense of, or reimburse you for, any damages for which you are held liable in any proceeding arising out of your use of the Marks.

You do not have the right to take any action to enforce or defend any rights associated with the Marks. However, you shall promptly notify us in writing of any use of, or claim of rights to, a trademark identical to, or confusingly similar to, any of the Marks. We shall then decide, in our sole discretion, what action, if any, should be taken. In the event that we engage in any litigation in the defense or prosecution of the Marks, we shall bear all costs and expenses incident to such litigation, unless the litigation involves your violation of the Franchise Agreement's restrictions on the use of the Marks. You agree to execute any and all documents and do such acts and things as may be necessary or desirable, in the sole opinion of our legal counsel, to carry out such defense or prosecution. You are not entitled to any compensation as a result of the discontinuation or modification of any of the Marks as a result of any proceeding or settlement. If you elect to be represented by personal legal counsel in connection with any proceeding involving the Marks, you will bear the fees, expenses, and other costs associated with such personal legal counsel.

You must comply with any and all rules prescribed and modified from time to time by us. You are prohibited from modifying the Marks in any way or using any of the Marks as part of any corporate name or as part of the name of any other entity, unless expressly authorized in writing by us. You may not use the Marks in connection with the sale of unauthorized product or service or in a manner not authorized in writing by us.

You are prohibited from using the Marks on the Internet, World Wide Web, or any other means of electronic communication now existing or developed in the future without our express written approval, which may be withheld at our sole discretion. We reserve the sole right to use the Marks on the Internet, World Wide Web, and any other means of electronic communication now existing or developed in the future.

Item 14

Patents, Copyright and Proprietary Information

Neither we nor our affiliates own the rights in, or licenses to, any patents.

We claim copyrights in our Operations Manual, other instructional materials, various menus, and various advertising and marketing materials. The copyrights in the foregoing materials have not been registered with the United States Copyright Office, nor are any applications pending for copyright registration. Currently, there are no agreements in effect that limit the use of the copyrighted materials, and we are not aware of any determinations of the United States Patent and Trademark Office, the United States Copyright Office, or a court regarding any of the copyrighted materials, nor are we aware of any infringement that could materially affect our rights to license, or your rights to use, the copyrighted materials.

We have no obligation under the Franchise Agreement to protect you against, participate in your defense of, or reimburse you for, any damages for which you are held liable in any proceeding arising out of your use of the copyrighted materials.

You do not have the right to take any action to enforce or defend any rights associated with the copyrighted materials. However, you shall promptly notify us in writing if you become aware of any infringement of our copyrights, or if any infringement claims are made against you in connection with your use of the copyrighted materials. We shall then decide, in our sole discretion, what action, if any, shall be taken. In the event that we engage in any litigation in the defense or prosecution of the copyrighted materials, we shall bear all costs and expenses incident to such litigation, unless the litigation involves your violation of the Franchise Agreement's restrictions on the use of the copyrighted materials. You agree to execute any and all documents and do such acts and things as may be necessary or desirable, in the sole opinion of our legal counsel, to carry out such defense or prosecution. You are not entitled to any compensation as a result of the discontinuation or modification of any of the copyrighted materials as a result of any proceeding or settlement. If you elect to be represented by personal legal counsel in connection with any proceeding involving the copyrighted materials, you will bear the fees, expenses, and other costs associated with such personal legal counsel.

The copyrighted materials contain trade secrets and other proprietary information, including but not limited to, the following: cooking methods, recipes, processes, procedures, standards, specifications for products and supplies, knowledge of suppliers, sales and marketing techniques, color schemes, layouts, equipment specifications and layouts, and any other information that we may designate as confidential and proprietary. We own all of the trade secrets and proprietary information concerning the System currently in existence, and we intend to own all trade secrets and proprietary information concerning the System that is created in the future. If you make any suggestions for improving any element of the System, or if you develop any recipe, process, advertising or other printed material, any copyrights to any such suggestion, recipe, process, or material shall become our exclusive property, whether or not adopted for use in the System. We shall have no obligation to use such suggestion, recipe, process, or materials and no obligation to provide compensation for any suggestion, recipe, process, or material.

We will loan you and/or provide you with access to copies of the Operations Manual solely for your use in the operation of your Millie's Location. You must keep them absolutely confidential at all times, and you must take reasonable steps to prevent improper disclosure to others. You may not reproduce any portion of the Operations Manual for any reason, except for any such portion which is designated in writing by us as suitable for reproduction. You may not divulge any of the information contained in the Operations Manual to any persons other than your employees, and only then to the extent necessary to operate your Shop in accordance with the Franchise Agreement. Upon the termination or expiration of your Franchise Agreement, you must immediately return to us the Operations Manual and all other materials containing trade secrets or other proprietary information.

We will require that you and all of your employees who have access to our trade secrets or other proprietary information sign non-disclosure agreements in a form acceptable to us, an example of which is attached as an exhibit to the Franchise Agreement. Failure to maintain the confidentiality and/or the unauthorized use or disclosure of this information may lead to civil or criminal prosecution as well as the termination of the Franchise Agreement.

Item 15

Obligation to Participate in the Actual Operation of the Business

While we recommend that you personally participate and manage the day-to-day operations of your Millie's Location, you may hire a Manager to manage daily operations with our approval while still maintaining your participation in the operation of the Millie's Location. Both you and your Manager will be required to complete the Initial Training Program to our satisfaction (prior to undertaking any management responsibilities). We will not unreasonably withhold our approval of any Manager that you propose, provided the Manager has completed our Initial Training Program and otherwise demonstrated that he/she has mastered the implementation of our System standards and specifications for daily operations of a Shop. If the franchisee is a business entity, we do not require the Manager to own an interest in the entity.

Your Shop must, at all times, be managed and staffed with at least one (1) individual who has successfully completed our Initial Training Program. In the event that you operate more than one Millie's Location, you must have a properly trained Manager at each Millie's Location that you own and operate. You must keep us informed at all times of the identity of any personnel acting as Manager, and obtain our approval before substituting a new Manager at any of your locations.

It is important to note that we are not your employer and that you will have the right to control all decisions related to recruiting, hiring or firing any personnel. Please note that nothing in this Disclosure Document or any agreement you enter into with us will create any type of employer or joint employer relationship between (a) you and/or your personnel, and (b) us.

If you are an individual, then your spouse will also be required to sign the Franchise Agreement or, in the alternative, form of personal guaranty attached to the Franchise Agreement as Exhibit C (the "Guaranty"). If you are a business entity (limited liability company, corporation, partnership, etc.), then (a) each of your shareholders/members/partners (the "Owners"), as applicable, must sign the Guaranty, and (b) at our option, the spouses of each such Owner must sign the Guaranty.

Each Manager and any person who completes our training courses must sign a covenant not-to-compete agreement in addition to a non-disclosure agreement in a form satisfactory to us. The current form of covenant not-to-compete and non-disclosure agreement is attached to the Franchise Agreement as Exhibit D.

Item 16

Restrictions on What Franchisee May Sell

You may sell only products authorized by us and you must offer all goods and services designated by us to be offered as part of the System, which we may modify from time to time and/or may be modified seasonally or based on your location. There are no limitations on our rights to modify the System. You may only use packaging, paper goods, and ingredients that meet the quality standards and specifications of the System. Only properly trained personnel may prepare the food items, and they must do so strictly in accordance with the recipes and methods of handling and production described in the Operations Manual. You are prohibited from using the premises for any purpose other than the operation of a Shop.

We do not impose any limitations on the customers to whom you may sell approved goods and services at your Millie's Location, other than the territorial limitations as explained in Item 12.

Item 17
Renewal, Termination, Transfer and Dispute Resolution

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 3	The length of the franchise term is ten years.
b. Renewal or extension of the term	Section 3	Two additional terms of five years each.
c. Requirements for franchisee to renew or extend	Section 12(a)	In order to renew your agreement with us you must: (i) notify us of your intent to renew prior to the expiration of original term, be in good standing; (ii) be in compliance with all terms of the franchise agreement; (iii) sign the then-current franchise agreement that may have materially different terms and conditions than your original franchise agreement; (iv) pay a renewal fee; (v) sign a general release in a form proscribed by us; (vi) complete any re-modeling required by us; and (vii) complete any required additional training course.
d. Termination by franchisee	Not Applicable	Not Applicable.
e. Termination by franchisor without cause	Not Applicable	We may not terminate the franchise agreement without cause.
f. Termination by franchisor with cause	Section 15	We may terminate the franchise agreement with cause as described in (g)-(h) of this Item 17 Chart.
g. "Cause" defined – curable defaults	Section 15(c)	We may terminate the franchise agreement for your: (i) failure to remit payment after a cure period of five days; (ii) failure to submit financial information, after a cure period of 10 days; (iii) failure to maintain required insurance, after a cure period of seven days; and (iv) any other breach of an obligation under franchise agreement, after a cure period of 15 days.
h. "Cause" defined – non-curable defaults	Section 15(b)	We may terminate the franchise agreement without providing you with a period to cure for your: (i) untrue franchise application; (ii) fraud; (iii) embezzlement; (iv) failure to maintain proper licenses; (v) failure to propose a location for the Millie's Location within the required time period; (vi) failure to commence operations within the required time period; (vii) repeated defaults of the franchise agreement; (viii)

Provision	Section in Franchise Agreement	Summary
		offering or selling unauthorized products or purchasing products for sale at the Millie's Location from an unauthorized supplier; (ix) actions, omissions or receiving online reviews that show you are harming the Marks, the Millie's Location and/or the System; (x) failure to comply with transfer restrictions; and (xi) violations of restrictive covenants.
i. Franchisee's obligations on termination/non-renewal	Section 16(d)	Upon termination or expiration you must: (i) pay all monies you owe to us, affiliates and third parties; (ii) stop using our Marks and other intellectual property; (iii) cancel any assumed name registrations that contain our Marks; (iv) deliver to us all confidential information, the Operations Manual and items with our names and Marks; (v) stop using telephone numbers, websites, networking organizations, lists, social networking websites, or other social vehicles under our Marks.
j. Assignment of contract by franchisor	Not Applicable	There are no restrictions on our right to assign.
k. "Transfer" by franchisee – defined	Section 11	Sale, assignment, or transfer of ownership interest in the franchisee entity or the franchise agreement.
l. Franchisor approval of transfer by franchisee	Section 11(c)	We have the right to approve all transfers in our sole discretion and will not unreasonably withhold our consent if you comply with the requirements of Section 11(c) of the Agreement.
m. Conditions for franchisor approval of transfer	Section 11(c)	In order to transfer the franchise agreement you must: (i) not in default under the franchise agreement; (ii) pay the transfer fee and all other monies owed to us; (iii) transferee completes training; (iv) transferee meets our requirements of new franchisees; and (v) you comply with all post-termination/expiration requirements.
n. Franchisor's right of first refusal to acquire franchisee's business	Section 11(d)	Purchase on same terms of offer. Thirty days to accept or reject offer.
o. Franchisor's option to purchase franchisee's business	Section 11(d)	Right to purchase upon your insolvency and/or bankruptcy.

Provision	Section in Franchise Agreement	Summary
p. Death or disability of franchisee	Section 11(a)	Millie's Location must be assigned by estate to approved buyer within 12 months.
q. Non-competition covenants during the term of the franchise	Section 10(a)(i)	No participation in any competing business.
r. Non-competition covenants after the franchise is terminated or expires	Section 10(a)(ii)	No participation in any competing business for two years after franchise is terminated or expires in any of our market areas or within ten mile radius of the Millie's Location or any other Millie's Location in the System.
s. Modification of the agreement	Section 22	Any modification must be in writing and signed by all parties.
t. Integration / merger clause	Section 22.	Only the terms of the Franchise Agreement are binding (subject to 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	Section 19(b)	Mediation, then arbitration administered by the American Arbitration Association in Pennsylvania.
v. Choice of forum	Section 19(c)	All claims and causes of action arising out of the franchise agreement must be brought in the state court of general jurisdiction that is closest to our then-current headquarters or, if appropriate, the United States District Court for the Western District of Pennsylvania (subject to state law).
w. Choice of law	Section 19(a)	The Franchise Agreement is governed by the laws of Pennsylvania, without reference to this state's conflict of laws principles (subject to state law).

Item 18

Public Figures

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

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 by, for example, providing information about possible performance at a particular location or under particular circumstances.

This Item 19 includes historical financial performance information from the two (2) company-owned Shops, three (3) franchised Shops and Food Truck, and two (2) company-owned Specialty Shops that operate in and around the Pittsburgh metropolitan area. These company-owned Shops are operated by our affiliates, Millie's Homemade, LLC, Millie's Shadyside, LLC, and Millie's Market Square, LLC. Excluded from this financial performance representation are any locations that were not open and operated at least twelve (12) months by December 31, 2022. The chart below shows the Gross Sales of each Shop in each of the years between 2018 and 2022 that each Shop was open.

Type	Location	2018	2019	2020 ¹⁰	2021	2022
Company Shop	Shadyside	\$748,406	\$838,500	\$419,119	\$573,345	\$590,375
Company Shop	Market Square	\$495,588	\$600,411	\$191,042	\$393,230	\$517,726
Franchisee Shop	Lawrenceville			\$213,748 ¹	\$308,780	\$347,593
Franchisee Shop	Wexford				\$106,097 ²	\$216,562
Company Shop	Cranberry				\$25,466 ³	\$146,939 ⁸
Company Specialty Shop	Kennywood Amusement Park				\$306,261 ⁴	\$274,511 ⁹
Company CNC Specialty Shop	Carnegie Mellon University				\$140,237 ⁵	\$532,381
Franchisee Food Truck	Millie's Truck	\$142,555	\$108,507	\$42,736	\$122,216 ⁶	\$264,264
Franchisee Shop	South Fayette				\$258,356 ⁷	\$301,575

1. This location opened February 14, 2020. This amount is for the partial year of 2020, starting on the opening date and ending on December 31, 2020
2. This location opened on July 21, 2021. This amount is for the partial year of 2021, starting on the opening date and ending December 31, 2021.
3. This location opened on September 24, 2021. This amount is for the partial year of 2021, starting on the opening date and ending December 31, 2021. This location is also only open on weekends.
4. This location opened on May 8, 2021. This location is open seasonally from May to October. This amount is for the partial year from the opening date through October 2021.
5. This location opened on October 21, 2021. This amount is for the partial year of 2021, starting on the opening date and ending December 31, 2021.
6. This location was owned by our affiliate in 2018 and 2019, and was sold to our South Fayette franchisee in 2021.
7. This location opened on May 1, 2021. This amount is for the partial year of 2021, starting on the opening date and ending December 31, 2021. This franchisee owns and operates the Millie's Truck.
8. This location opened on May 1, 2022 and closed on September 30, 2022. This amount is for the partial year of 2022 as this location only operates during the summer season.
This location opened on May 1, 2022 and closed on October 31, 2022. This amount is for the partial year of 2022, starting on the opening date and ending December 31, 2022 as this location only operates during the summer and early fall season.
9. Due to the COVID 19 pandemic, all locations were only open part of the year in 2020. All 3 Company-owned Shops closed on 3/15/20 due to COVID restrictions. Shadyside & Lawrenceville partially reopened with modified days/hours on 5/6/20. Market Square partially reopened with modified days/hours on 6/9/20. None of the 3 locations resumed normal hours & operations for the remainder of 2020.

Other than the above representations, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing Shop, 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 our management by contacting Lauren J. Townsend, Co-founder, Millie's Franchising, LLC, 235 East 7th Avenue, Homestead, Pennsylvania 15120 or 412-924-0040 x 205.

Item 20

Outlets and Franchisee Information

Table No. 1
System-wide Outlet Summary
For Years 2020-2022

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised Outlets	2020	0	0	0
	2021	0	2	+2
	2022	2	4	+2
Company-Owned*	2020	3	4	+1
	2021	4	7	+3
	2022	7	5	-2
Total Outlets	2020	3	4	+1
	2021	4	9	+5
	2022	9	9	0

* As stated in Item 1, these locations are owned by our affiliates.

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2020-2022

State	Year	Number of Transfers
TOTAL	2020	0
	2021	1
	2022	0

**Table No. 3
Status of Franchised Outlets
For Years 2020-2022**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Pennsylvania	2020	0	0	0	0	0	0	0
	2021	0	2	0	0	0	0	2
	2022	2	2	0	0	0	0	4
TOTAL	2020	0	0	0	0	0	0	0
	2021	0	2	0	0	0	0	2
	2022	2	2	0	0	0	0	4

**Table No. 4
Status of Company-Owned Outlets
For Years 2020-2022**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Pennsylvania	2020	3	1	0	0	0	4
	2021	4	4	0	0	1	7
	2022	7	0	0	0	2	5
TOTAL	2020	3	1	0	0	0	4
	2021	4	4	0	0	1	7
	2022	7	0	0	0	2	5

* As stated in Item 1, these locations are owned by our affiliates.

**Table No. 5
Projected Openings As Of December 31, 2022**

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets In The Next Fiscal Year	Projected New Company-Owned Outlets In the Next Fiscal Year
Pennsylvania	4	2	0
Totals	4	2	0

Attached to this Disclosure Document as Exhibit F is a list of all franchisees as of December 31, 2022. **If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

Also attached to this Disclosure Document as Exhibit F is a list of all franchisees who had their location terminated, cancelled, not renewed, or who otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the last fiscal year or who have not communicated with Franchisor within 10 weeks of the date of the Disclosure Document.

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experiences with us. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you. During the last three (3) years, no franchisees have signed confidentiality clauses.

Item 21

Financial Statements

Attached as Exhibit D is our audited balance sheet as of December 31, 2022, and our unaudited financial statements for the periods from (a) January 2023 to March 2023 and (b) April 2023 to June 2023. Our fiscal year end is December 31 of each year.

Item 22

Contracts

Copies of the agreements used by us regarding the offering of a franchise are attached to this Disclosure Document as follows:

- Exhibit B: Franchise Agreement
- Exhibit E: State Specific Addenda
- Exhibit G: Franchisee Compliance Questionnaire

Item 23

Receipts

Exhibit H contains a detachable document, in duplicate, acknowledging receipt of this Disclosure Document by a prospective franchisee. You should sign and date both copies of the receipt. You should retain one signed and dated copy for your records and return the other signed copy to us at 235 East 7th Avenue, Homestead, Pennsylvania 15120.

Exhibit A

List of State Administrators and Agents for Service of Process

List of State Administrators

California Department of Financial Protection
and Innovation
TOLL FREE 1-(866) 275-2677

LA Office

320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344
(213) 576-7500

Sacramento Office

1515 K Street, Suite 200
Sacramento, CA 95814-4052
(866) 275-2677

San Diego Office

1350 Front Street, Room 2034
San Diego, CA 92101-3697
(619) 525-4233

San Francisco Office

One Sansome St., Suite 600
San Francisco, CA 94104
(415) 972-8565

Florida Department of Agricultural
and Consumer Services
Division of Consumer Services
Mayo Building, Second Floor
Tallahassee, Florida 32399-0800
(904) 922-2770

Commissioner of Securities of the State of
Hawaii
Department of Commerce and Consumer
Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, HI 96813
(808) 586-2722

Illinois Attorney General
500 South Second Street
Springfield, IL 62706
(217) 782-4465

Indiana Secretary of State
Securities Division
302 West Washington Street, Room E-11
Indianapolis, IN 46204
(317) 232-6681

Kentucky Office of the Attorney General
Consumer Protection Division
P.O. Box 2000
Frankford, KY 40602
(502) 573-2200

Maryland Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, MD 21202
(410) 576-6360

Michigan Department of the Attorney General
Consumer Protection Division
Attn: Franchise Section
525 W. Ottawa Street
G. Mennen Williams Building, 1st Floor
Lansing, MI 48933
(517) 373-7117

Minnesota Department of Commerce
85 7th Place East, Suite 500
St. Paul, MN 55101-2198
(651) 296-6328

Nebraska Department of Banking and
Finance
1200 North Street, Suite 311
P.O. Box 95006
Lincoln, NE 68509-5006
(402) 471-3445

Office of the New York State Attorney General
Investor Protection Bureau
Franchise Section
Attention: Barbara Lasoff
120 Broadway, 23rd Floor
New York, NY 10271-0332
(212) 416-8236
North Dakota Securities Department

State Capital, 5th Floor
600 East Boulevard Avenue
Bismarck, ND 58505-0510
(701) 328-2910

Director, Department of Business Regulations
Rhode Island Division of Securities
233 Richmond Street, Suite 232
Providence, RI 02903-4232

South Dakota Department of Labor and
Regulation
124 S. Euclid, Suite 104
Pierre, SD 57501-2017
(605) 773-5953

Statutory Document Section
Texas Secretary of State
P.O. Box 12887
Austin, TX 78711
(512) 475-1769

State of Utah
Division of Consumer Protection
P.O. Box 45804
Salt Lake City, Utah 84145-0804
(801) 530-6601

State Corporation Commission
Division of Securities and Retail Franchising
1300 East Main Street, 9th Floor
Richmond, VA 23219
(804) 371-9051

State of Washington
Director, Department of Financial Institutions
Securities Division
150 Israel Road, SW
Olympia, WA 98501
(360) 902-8760

Wisconsin Commissioner of Securities
345 W Washington Ave., 4th Floor
Madison, WI 53703
(608) 266-8550

Agents for Service of Process

Ms. Lauren Townsend
Millie's Franchising, LLC
235 East 7th Avenue, Homestead, Pennsylvania 15120
412-924-0040 x205

California Commissioner of the Department
of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344

Minnesota Department of Commerce
Attention: Commissioner of Commerce
85 7th Place East, Suite 500
St. Paul, MN 55101-2198

Commissioner of the Department of
Business Oversight
One Sansome St., #600
San Francisco, California 94104

New York Department of State
Attention: UCC
One Commerce Plaza,
99 Washington Avenue, 6th Floor
Albany, NY 12231
(518) 473 2492

Commissioner of the Department of
Business Oversight
1515 K Street., Suite 200
Sacramento, CA 95814

North Dakota Securities Commissioner
State Capitol – 5th Floor
600 E. Boulevard Avenue
Bismarck, ND 58505

Commissioner of Securities of the State of
Hawaii
Department of Commerce and Consumer
Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, HI 96813

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Regulation
Division of Securities
Suite 232
233 Richmond Street
Providence, RI 02903-4232

Illinois Attorney General
500 South Second Street
Springfield, IL 62706

Department of Labor and Regulation
Division of Securities
124 S. Euclid, Suite 104
Pierre, SD 57501-3185

Indiana Secretary of State
Securities Division
302 West Washington Street, Room E-111
Indianapolis, IN 46204

Clerk of the State Corporation Commission
Tyler Building, 1st Floor
1300 East Main Street
Richmond, VA 23219

Maryland Securities Commissioner
Office of Attorney General
Securities Division
200 St. Paul Place
Baltimore, MD 21202-2020

Director, Department of Financial
Institutions
Securities Division
150 Israel Road, Southwest
Olympia, WA 98501

Michigan Department of Attorney General
Consumer Protection Division
Antitrust and Franchise Unit
P.O. Box 30054, 6546 Mercantile Way
Lansing, MI 48909

Wisconsin Commissioner of Securities
345 West Washington Avenue, 4th Floor
Madison, WI 53703
(608) 261-9555

Exhibit B

Franchise Agreement

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Exhibits

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- B. Shop Development Area if Shop Address Not Specified in Exhibit A
- C. Owner's Guaranty
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- E. General Release
- F. Electronic Funds Transfer (EFT) Authorization
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FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (this "Agreement") is executed as of the date stated in Exhibit A (the "Effective Date") by and between Millie's Franchising, LLC, a Pennsylvania limited liability company ("Franchisor") and the persons or entity listed on Exhibit A ("Franchisee") for the purpose of granting the Franchisee the rights necessary to operate the Shop.

In consideration of the mutual rights and obligations contained herein, Franchisor and Franchisee, intending to be legally bound, agree as follows:

1. Preambles and Statements of Underlying Facts.

(a) The System. As a result of the expenditure of time, effort, and money, Franchisor and its affiliates have developed a comprehensive system (the "System") for the operation of a "Shop" that offers a menu of super premium ice cream and dairy-free gelato, made with all-natural ingredients sourced from vendors focusing on fair trade and sustainability, to customers in a brick-and-mortar location, and off-site, non-Food Truck catering (the "Shop"), or a menu offering the same high quality ice cream products, plus coffee, specialty coffee drinks, affogato, and other approved coffee products, to customers in a brick-and-mortar location, and off-site, non-Food Truck catering (the "CNC Shop"). The System also allows franchises to be offered in or from specialty locations (a "Specialty Shop" or a "CNC Specialty Shop"), such as enclosed shopping malls, public parks, farmers' markets, amusement parks, military bases, college campuses, hospitals, airports, sports arenas and stadia, train stations, travel plazas, toll roads and casinos ("Specialty Sites"). Franchisees that open Shops or CNC Shops may also apply to operate a "Food Truck" that provides mobile food service and catering for special events, festivals, corporate events, fundraisers, weddings/parties, and similar events ("Food Truck Business"). Franchisor grants the right to operate Food Trucks to franchisees in its sole discretion, and only when territories are available. Shops, CNC Shops, Specialty Shop, CNC Specialty Shops, and Food Trucks may be referred to collectively as "Millie's Location(s)."

(b) The Intellectual Property. The distinguishing characteristics of the System include, but are not limited to, the names "MILLIE'S," "MILLIE'S HOMEMADE," "REAL IS DELICIOUS," "MILLIE'S COFFEE N CREAMERY," and "MILLIE'S HOMEMADE ICE CREAM" together with such other trade names, service marks, trademarks, copyrights, titles, symbols, logotypes, trade dresses, emblems, slogans, insignias, terms, recipes, know-how, methods, specifications, designations, designs, diagrams, anecdotes, artworks, worksheets, techniques, rules, ideas, course materials, advertising and promotional materials, and other audio, video and written materials developed and designated for use in connection with the System, or as Franchisor may hereafter acquire, develop or designate for use in connection with the System including the URL website "www.millieshomemade.com" (the "Intellectual Property").

(c) Franchisee's Application. Franchisee submitted an application to Franchisor, representing and warranting that all information, including financial information, provided to Franchisor is true, complete, correct, and not misleading in any material respects. Franchisor approved the application in reliance upon Franchisee's representations and warranties ("Franchise Application").

(d) Interpretation of this Agreement. The foundation of the System and the essence of this Agreement is the adherence by Franchisee to standards and policies of Franchisor providing for the uniform operation of all Shops within the System including, but not limited to, serving only designated food and beverage products; the use of only prescribed

equipment; strict adherence to designated food and beverage specifications and to Franchisor-prescribed standards of quality, service, and cleanliness in the Shop operation (the “Standards”). Compliance by Franchisee with the Standards and policies in conjunction with the Intellectual Property provides the basis for the valuable goodwill and public acceptance of the System. Franchisor may, from time to time, vary Standards as deemed necessary or desirable for the System. The provisions of this Agreement shall be interpreted to give effect to the intent of the parties stated in this Section 1 so that the Millie’s Location is operated in conformity with the System through strict adherence to the Standards as they exist now and as they may be modified from time to time.

2. Grant of Franchise.

(a) Franchise Grant. Franchisor grants and Franchisee accepts the right and obligation for the Term and any Renewal Term (as hereafter defined):

(i) to develop and open the Millie’s Location within the Protected Territory (defined below);

(ii) to adopt and use the System in the operation of the Millie’s Location;

(iii) to advertise to the public that Franchisee is a franchisee of Franchisor; and

(iv) to adopt and use the Intellectual Property, but only in connection with the sale of food and beverage products that have been designated by and in the manner required by Franchisor at the Millie’s Location.

(b) Protected Territory.

(i) Shops and CNC Shops

a) Franchisee is granted the right to own and operate a Millie’s Location at a specific site approved by us. Once the site is approved, Franchisee will receive a territory within which we will not establish a company-owned, affiliate-owned, or franchised Shop or CNC Shop within a certain zip codes designated on Exhibit A (the “Protected Territory”).

b) If Franchisee purchases a Shop or CNC Shop, and a Specialty Site exists within its Protected Territory, Franchisee shall be granted a right of first refusal to develop the Specialty Shop or Specialty CNC Shop at such site and the Initial Franchise Fee for the Specialty Shop/CNC Specialty Shop shall be waived, if Franchisee is approved by Franchisor to open the Millie’s Location at the Specialty Site. In order to exercise the right of first refusal, Franchisee must establish to Franchisor that it is properly capitalized and has the requisite experience to open a Millie’s Location at the Specialty Site. Franchisee must exercise the right within thirty (30) days of presentment in writing. Approval

shall be in Franchisor's sole discretion. If Franchisor determines that Franchisee is not qualified to open a Millie's Location at the available Specialty Site, Franchisor may permit other franchisees to open a Millie's Location at the Specialty Site, or open a company-owned Millie's Location there.

(ii) Food Truck. Franchisor grants the right to own and operate Food Trucks to franchisees entering into a Development Agreement, in our sole discretion, and only if territories are available at the time of your purchase. The Protected Territory for the Food Truck will be based on the Development Area population of approximately 225,000 to 375,000 residents, and will be designated on Exhibit A ("Food Truck Territory"). Franchisor will not grant another franchisee the ability to operate a Food Truck within your Food Truck Territory, although Franchisee may be granted the right to operate multiple Food Trucks within its Food Truck Territory. Other Shops, CNC Shops, Specialty Shops and CNC Specialty Shops may operate within your Food Truck Territory, and we may also use Alternative Channels of Distribution to sell product within your Food Truck Territory. Food Trucks may not operate within 0.5 miles of any Shops or CNC Shops that may exist within their Food Truck Territory, unless it receives written consent from the owner of the Shop/CNC Shop.

(iii) Specialty Shops and CNC Specialty Shops. Franchisee may purchase the right to open a Specialty Shop or CNC Specialty Shop at Specialty Sites. The Protected Territory for a Specialty Shop or CNC Specialty Shop is the physical bounds of premises within the Specialty Site where Specialty Shop/CNC Specialty Shop is located. Franchisor may grant to others the right to open another Millie's Location within the same Specialty Site, in addition to all other reserved rights described below.

(iv) Reservation of Rights. Franchisor and its affiliate(s) reserves and retains all rights that this Agreement does not expressly grant to Franchisee, including, but not limited to the right to: (i) establish and operate, and license any third party the right to establish and operate, other Millie's Locations using the Marks and System at any location outside of your Protected Territory(ies); (ii) market, offer and sell products and services that are similar to the products and services offered by the Shop under a different trademark or trademarks at any location, within or outside the Protected Territory(ies); (iii) use the Intellectual Property and System, other such marks Franchisor designates, to distribute our Approved Products and/or Services in any "Alternative Channel of Distribution," which include, without limitation, Internet, pop-ups, mail order, grocery stores, restaurants, coffee shops, other retail establishments, catalog sales, toll-free numbers, wholesale stores and other opportunities, white-label manufacturing and distribution, within or outside the Protected Territory(ies) etc.; (iv) to acquire, merge with, or otherwise affiliate with, and after that own and operate, and franchise or license others to own and operate, any business of any kind, including, without limitation, any business that offers products or services the same as or similar to the Approved Products and Services (but under different marks), within or outside your Protected Territory(ies); (v) use the Marks and System, and license others to use the Marks and System, to engage in any other activities not expressly prohibited in your Franchise Agreement; and (vi) own and operate Shops in

Specialty Sites, both within or outside your Protected Territory(ies), subject to the limitations set forth in this Agreement.

The Franchise Agreement does not grant Franchisee any right to engage in any of the activities outlined in the preceding paragraph, or to share in any of the proceeds received by Franchisor, its affiliate(s) or any third party from these activities. Franchisor has no obligation to provide Franchisee any compensation for soliciting or accepting orders (via alternate channels of distribution) within your Protected Territory.

There are no territorial restrictions from accepting business from customers that reside/work or are otherwise based outside of your Protected Territory if these customers contact you and/or visit Franchisee's Millie's Location. Franchisee may not solicit prospective customers outside of the Protected Territory and Franchisee may not use Alternative Channels of Distribution to make any sales inside or outside of the Protected Territory.

(c) Best Efforts. Franchisee shall diligently and fully exploit the rights granted in this Agreement by personally devoting full time and best efforts to the operation of the Millie's Location.

(d) Owner's Guaranty. Simultaneously with the execution of this Agreement, each individual owner of the Franchisee as designated on Exhibit A (each an "Owner") shall execute and deliver to Franchisor an Owner's Guaranty, in the form designated on Exhibit C attached hereto, which Owner's Guaranty shall be a condition precedent to the grant of the right to operate the Millie's Location hereunder.

3. Franchise Term. The initial term of this Agreement shall commence on the Effective Date and continue for a period of ten (10) years (the "Term"), unless sooner terminated pursuant to the provisions hereof. Franchisee may, at its option, renew this Agreement and the right to use the System and Intellectual Property in connection with the operation of the Millie's Location for two (2) additional terms of five (5) years each (each, a "Renewal Term"), provided that Franchisee pays the renewal fee and Franchisee complies with the requirements of Section 12 of this Agreement.

4. Development, Approval of Site, and Commencement of Operations.

(a) Millie's Location Site. This Franchise is exclusive for the purpose of operating the Millie's Location at an address which, if known at the time of execution of this Agreement, shall be set forth on Exhibit A (the "Site") or if not known at the execution of this Agreement, shall be located within the "Shop Development Area" defined on Exhibit B.

(b) Approval of Site. If the address of the Millie's Location is not known at the time of execution of this Agreement, Franchisee shall be responsible for purchasing or leasing a suitable site for the Millie's Location within the Shop Development Area within ninety (90) days of the Effective Date, subject to a thirty (30) day extension period which we may provide at our discretion. Prior to the acquisition by lease or purchase of any site for the Millie's Location, Franchisee shall submit a description of the proposed site to Franchisor that meets the site criteria set forth in the Operations Manual (as hereafter defined). Franchisor shall provide Franchisee written notice of approval or disapproval of the proposed site within thirty (30) days after receiving Franchisee's written proposal. Notwithstanding anything herein to the contrary, Franchisor and its affiliates shall have the right, but not the obligation, to lease or purchase the site of the Shop

and sublease the Shop to Franchisee upon commercially reasonable lease terms, including, but not limited to the terms set forth below.

If the Site is not designated, Franchisor shall use reasonable efforts to help analyze Franchisee's Shop Development Area, to determine site feasibility, and to assist in the designation of the location which must be approved by Franchisor; provided, however, that Franchisor will not conduct site selection activities on Franchisee's behalf.

While Franchisor shall utilize its experience in a designation of location, nothing contained herein shall be interpreted as a guarantee of success for said location nor shall any site recommendation or approval made by Franchisor be deemed a representation that any particular site is available for the Millie's Location. It shall be the sole responsibility of Franchisee to undertake site selection activities and otherwise secure premises for Franchisee's Site.

If Franchisee fails to open the Millie's Location for business within twelve (12) months of executing this Agreement, then Franchisor has the option to terminate this Agreement.

(c) Lease Terms. Franchisee is required to obtain Franchisor's written approval before entering into a lease or purchase agreement of the Shop Site. Franchisor's approval of any lease shall be conditioned upon inclusion in the lease of terms acceptable to Franchisor, and at Franchisor's option, the lease shall contain such provisions including, but not limited to:

(i) A provision reserving to Franchisor or its nominee the right, at Franchisor's election, to receive an assignment of the leasehold interest upon termination or expiration of this Agreement.

(ii) A provision acknowledging Franchisor's existence and requiring Franchisor's prior written approval of the lease and any subsequent renewals, extensions, modifications, and amendments.

(iii) A provision that expressly requires the lessor to provide Franchisor all sales and other information the lessor may have related to the operation of the Shop, as Franchisor may request.

(iv) A provision that requires the lessor concurrently to provide Franchisor with a copy of any written notice of deficiency under the lease sent to Franchisee and which grants to Franchisor, in its sole discretion, the right (but not the obligation) to cure any deficiency under the lease within fifteen (15) days after the expiration of the period in which Franchisee had to cure any such default should Franchisee fail to do so.

(v) A provision granting Franchisor or its nominee the right of first refusal to lease the location if the lease expires without renewal by Franchisee or terminates prior to expiration.

(vi) A provision which evidences the right of Franchisee to display System signage and to install and operate equipment in accordance with the specifications required by the System, subject only to the provisions of applicable law.

(vii) A provision that the site be used solely for the operation of the Shop.

(viii) A provision which expressly states that any default under the lease shall constitute a default under this Agreement.

(ix) A provision stating that Franchisee is a franchise of Franchisor, independently owned and operated.

(d) Improvements/Remodeling. Franchisor will provide Franchisee with its standard design and specifications for a typical Millie's Location. Franchisee will construct the its Millie's Location according to these designs and specifications and other specifications in the Operations Manual, in accordance with all applicable codes, ordinances, rules, and regulations, and pursuant to all required permits. Franchisee or its general contractor must provide Franchisor with a final design plan for the particular Site which must be approved by Franchisor (the "Shop Plan"). In addition to any remodeling required by Franchisor upon the renewal of this Agreement or upon assignment of this Agreement, Franchisee shall, upon written notice from Franchisor and at Franchisee's sole cost and expense, remodel and make improvements and alterations in and to the Millie's Location as reasonably determined by Franchisor from time to time to be necessary to reflect Franchisor's then-current specifications, standards, format, image, and appearance.

(e) Commencement of Operations. Franchisee must open the Millie's Location within twelve (12) months of signing this Agreement. If Franchisee is not able to open the Millie's Location within such timeframe, Franchisee may request in writing to Franchisor, an extension, and Franchisor shall not unreasonably withhold agreement to such extension, provided that Franchisee is making a good faith effort to open the Millie's Location in a timely manner. Upon the expiration of any such extension, Franchisor may, at its sole option, terminate the Agreement by providing written notification of such termination to Franchisee at the address specified in Section 18.

5. Fees.

(a) General. Franchisee agrees to pay Franchisor all required payments under this Agreement, including, without limitation, the payments set forth in this Section 5. All payments hereby required constitute a single financial arrangement between Franchisee and Franchisor which, taken as a whole and without regard to any designation or descriptions, reflect the value of the authorization being made available to Franchisee by Franchisor in this Agreement and the services rendered by Franchisor during the term hereof.

(b) Initial Franchise Fee. Franchisee acknowledges that the initial grant of the right to operate a Shop or a CNC Shop pursuant to this Agreement constitutes the sole consideration for the payment of an initial fee in the amount of Thirty Two Thousand Five Hundred Dollars (\$32,500 00) paid by Franchisee to Franchisor, simultaneously with the execution of this Agreement (the "Initial Fee"). The "Specialty Initial Fee" for Specialty Shops or CNC Specialty Shops is Seventeen Thousand Five Hundred Dollars (\$17,500). If Franchisee owns a Shop or CNC Shop, a Specialty Site is located within its Protected Territory, and Franchisee is approved to open Specialty Shop or CNC Specialty Shop by Franchisor at the Specialty Site, the Specialty Initial Fee shall be waived by Franchisor. If Franchisee enters into a Development Agreement to owns multiple Shops or CNC Shops and is approved to purchase a Food Truck(s), the initial fee is Fifteen Thousand Dollars (\$15,000) for the first Food Truck (the "Truck Initial Fee"). If Franchisee is approved to operate more than one Food Truck, Franchisee will not be obligated to pay an additional Truck Fee. Franchisee acknowledges that all initial fees are fully earned upon payment to Franchisor and is not refundable to Franchisee.

(c) Royalty. Franchisee agrees to pay Franchisor a royalty fee of five percent (5%) of Net Sales ("Royalties") for the use of the System. Royalties shall be paid weekly on the Tuesday of each week based upon Net Sales for the preceding week.

(d) Unapproved Supplier or Product Fee. If Franchisee either (a) offers or sells any unapproved product at the Shop or (b) purchases product to be sold at the Shop from an unapproved supplier, then Franchisee must pay to Franchisor a fee of \$500 per occurrence.

(e) Interest on Delinquencies. In the event that Franchisee is past due on the payment of any amount due to Franchisor under this Agreement, including accrued interest, Franchisee is required, to the extent permitted by law, to pay interest on the past due amount to Franchisor for the period beginning with the original due date for payment to the date of actual payment at an annual rate equal to, ten percent (10%) of the amount owed plus the lesser of fifteen percent (15%), or the highest rate available by law. Such interest will be calculated on the basis of monthly compounding and the actual number of days elapsed divided by 365.

(f) Method of Payment. Franchisor requires payment of Royalties by making direct weekly withdrawals in the form of an electronic or similar funds transfer in the appropriate amount(s) from Franchisee's bank account. Franchisee agrees to execute and deliver to its bank and to Franchisor those documents necessary to authorize such withdrawals and to make payment or deposit as directed by Franchisor, including the Electronic Fund Transfer Agreement attached to this Agreement as Exhibit F. Franchisee further agrees that it will not thereafter terminate such authorization so long as this Agreement is in effect. Franchisee agrees that it will not close such bank account without prior notice to Franchisor and the establishment of a substitute bank account permitting such withdrawals. Franchisee also agrees that in the event that a direct electronic funds transfer or other withdrawal program is not available at the bank at which it currently does its business, it will take all reasonable and necessary steps to establish an account at a bank which does have such a program.

(g) Gross Sales and Net Sales. For the purposes of this Agreement, the term "Gross Sales" shall mean all revenues from sales of the Franchisee based upon all business conducted at or from the Millie's Location, whether such sales be evidenced by check, cash, credit, charge account, exchange, or otherwise, and shall include, but not be limited to, the amounts received from the sale of goods, wares, and merchandise, including sales of food, beverages, and tangible property of every kind and nature, promotional or otherwise, and for services performed from or at the Shop, together with the amount of all orders taken or received at the Shop, whether such orders be filled from the Shop or elsewhere. For purposes of this Agreement, "Net Sales" includes Gross Sales less discounts and refunds and also excludes sales tax. Specifically, Net Sales shall not include sales of merchandise for which cash has been refunded, provided that such sales shall have previously been included in Gross Sales. There shall be deducted from Net Sales the price of merchandise returned by customers for exchange, provided that such returned merchandise shall have been previously included in Gross Sales, and provided that the sales price of merchandise delivered to the customer in exchange shall be included in Gross Sales. Net Sales shall not include the amount of any sales tax imposed by any federal, state, municipal, or other governmental authority directly on sales and collected from customers, provided that the amount thereof is added to the selling price or absorbed therein and actually paid by the Franchisee to such governmental authority. Each charge or sale upon credit shall be treated as a sale for the full price in the month during which such charge or sale shall be made, irrespective of the time when the Franchisee shall receive payment (whether full or partial). Royalties from gift card purchases are payable when a gift card is redeemed, not purchased. 100% of the sum received from the sale of gift cards is payable to Franchisor. When gift cards

are redeemed, that sum, minus the royalty fee for that transaction, is payable to you from Franchisor. In the instances of Franchisor-permitted employee discounts, Franchisee shall pay Royalties on the sum collected, after the discount has been applied

(h) Reports. On or before 11:00 a.m. Eastern Standard Time on the first (1st) of each month, Franchisee shall render, in a manner specified by Franchisor, a statement, in such form as Franchisor shall reasonably require from time to time, of all receipts from the operation of the Shop for the preceding month immediately ended. On or before the twenty-fifth (25th) day of each month Franchisee shall submit to Franchisor an operating statement and a statistical report for the previous month in a form satisfactory to Franchisor. Franchisee shall keep and preserve full and complete records of Gross Sales and Net Sales for at least three (3) years in a manner and form satisfactory to Franchisor and shall also deliver such additional financial and operating reports and other information as Franchisor may reasonably request. Franchisee agrees to purchase a point-of-sale system ("POS") designated by Franchisor and pay all applicable fees. Franchisee shall use the POS software to collect all of the sales, inventory, and financial data of the Shop which will provide Franchisor independent access to the information collected through the POS system. Franchisee agrees to maintain the POS, purchase all required software or hardware upgrades and updates, and not interfere, in any way, with Franchisor's ability to access the Shop's information through the POS system. Franchisor may require Franchisee to implement software or web-based applications to assist Franchisor and Franchisees with managing various aspects of the Shop's business. The Franchisor may require the use of Approved Suppliers/Vendors for such services or may charge Franchisee a Technology Fee to cover the cost of services. Currently, the Technology Fee is \$250.00 per month and includes the Square POS, Marketing, Scheduling, and Loyalty subscriptions

(i) Financial Statements. Franchisee further agrees to submit within ninety (90) days following the close of each fiscal year of the Millie's Location's operation, a profit and loss statement covering operations during such fiscal year and a balance sheet taken as of the close of such fiscal year, all prepared in accordance with generally accepted accounting principles. The profit and loss statement and the balance sheet shall be certified by a certified public accountant. Franchisee shall, at Franchisee's expense, cause Franchisee's certified public accountant, to consult with Franchisor concerning such required financial statements. The original of each such report required by this Section 5 shall be mailed to Franchisor at the address indicated in Section 18 herein.

(j) Audit. Franchisor shall have the right to inspect and/or audit Franchisee's accounts, books, records, and tax returns at all reasonable times to ensure that Franchisee is complying with the terms of this Franchise. If such inspection discloses that Gross Sales or Net Sales actually exceeded the amount reported by Franchisee by an amount equal to two percent (2%) or more of originally reported Gross Sales/Net Sales, Franchisee shall, in addition to repayment of monies owed with interest, bear the cost of such inspection and audit (including, without limitation, travel, lodging, wages, and reasonable accounting and legal costs).

(k) Set-Off. Franchisee shall not be entitled to set-off any payments required to be made under this Agreement against any monetary claim Franchisee may have against Franchisor.

6. Obligations of Franchisor.

(a) Plans and Specifications. Franchisor shall make available, at no charge to Franchisee, its standard plans and specifications for a prototypical Millie's Location, including

exterior and interior design and layout, fixtures, furnishing and signs. Franchisee acknowledges that such plans and specifications will not contain the requirements of any federal, state or local law, code or regulation (including those concerning the American with Disabilities Act (the "ADA") or similar rules governing public accommodations or commercial facilities with people with disabilities.

(b) Operations Manual. Franchisor shall lend to Franchisee the business manual prepared for use by franchisees (the "Operations Manual"). Franchisee agrees to promptly adopt and use exclusively the operating, accounting and reporting procedures as well as the formulas, methods, quality standards for services, cooking techniques, and recipes contained in the Operations Manual, now and as they may be modified from time to time. Franchisee acknowledges that Franchisor or its affiliates own all proprietary rights in and to the System and that the information revealed in the Operations Manual, in its entirety, constitute confidential trade secrets. Without the prior written consent of Franchisor, Franchisee shall not disclose the contents of the Operations Manual to any person, except employees of Franchisee for purposes related solely to the operation of the Millie's Location, nor shall Franchisee reprint or reproduce the Operations Manual in whole or in part for any purpose. Such Operations Manual, as modified from time to time, and the policies contained therein, is incorporated in this Agreement by reference. The Operations Manual and any additions, revisions, supplements, or modifications thereto may be provided in electronic format and supplied via e-mail, facsimile, through access to a private website, or other electronic manner, as Franchisor may determine in its discretion. In the event of a dispute relative to the contents of the Operations Manual, the master copy maintained by Franchisor at its principal office shall be controlling.

(c) Initial Training. Franchisor shall make available to Franchisee the training program for the System.

(i) Enrollees. Franchisee acknowledges the importance of quality of business operation among all Millie's Locations in the System and agrees to enroll Franchisee's Owner-Operator and all Managers, present and future, in Initial Training. All Owner-Operators and Managers must complete training to Franchisor's satisfaction. If an Owner-Operator or Manager fails to complete the training program to Franchisor's satisfaction, then such trainee must repeat training until Franchisor determines that the training has been successfully completed.

(ii) Costs. Franchisor shall bear the cost of maintaining the training program including the overhead costs of training, staff salaries, materials, and all technical training tools, and agrees to provide to Franchisee instruction for the operation of Millie's Location. Franchisor will provide the training program free of charge for the Owner-Operator and one (1) Manager and up to three (3) additional individuals. For trainees in addition to the first five (5) trainees, Franchisee must pay a fee of \$250 per trainee at the time of training. In addition, Franchisee shall pay all traveling, living, compensation, or other expenses incurred by Franchisee and Franchisee's Managers and other personnel in connection with attending the training program. Training is held in Pittsburgh, Pennsylvania, or at another location designated by Franchisor.

(iii) Confidentiality. All persons receiving training must sign the Confidentiality and Non-Compete Agreement in the form attached hereto as Exhibit D.

(d) Subsequent Training. Franchisor or its designee may provide and/or require additional, refresher, or follow-up training sessions and require Owner-Operators or

Managers and any other owners or employees to attend either by webinar, by videoconference, or on-site at a location designated by Franchisor ("Subsequent Training"). Arrangements must be made by Franchisee and any attendee prior to their participation in any training offered by Franchisor or its designee. Franchisor will not charge a tuition fee for Subsequent Training but any costs associated with the training including travel, airfare, food, lodging, any fees associated with accessing the teleconference or webinar, and any other expenses, shall be borne by Franchisee.

(e) Inspections. Franchisor may conduct from time to time such inspections of Franchisee's operations of the Shop as it deems advisable and Franchisee shall provide access to the Shop and any records at Franchisor's request.

7. Advertising.

(a) Franchisee shall use only advertising and promotional materials and programs provided by Franchisor or approved in advance, in writing, by Franchisor in accordance with the procedures set forth in the Operations Manual. Neither (a) the approval by Franchisor of Franchisee's advertising and promotional material nor (b) the providing of such material by Franchisor to Franchisee shall, directly or indirectly, require Franchisor to pay for such advertising or promotion.

(b) If Franchisee wishes to use any advertising, promotional or social media materials other than those that Franchisor has previously approved or designated within the preceding twelve (12) months, then Franchisee must submit the materials its wishes to use to Franchisor for Franchisor's prior written approval at least 30 days prior to publication. Franchisor will use commercially reasonable efforts to notify Franchisee of its approval or disapproval of the proposed materials within fourteen (14) days of the date Franchisor receives the materials. If Franchisor does not provides its written approval during that time period, however, the proposed materials are deemed disapproved and Franchisee may not use such materials. Once approved, Franchisee may use the proposed materials for a period of 90 days, unless Franchisor: (i) prescribes a different time period for use; or (ii) requires Franchisee to discontinue using the previously approved materials in writing. Franchisor may require Franchisee to discontinue the use of any advertising or marketing material, including materials Franchisor previously approved, at any time.

(c) Franchisor requires that franchisees spend up to two percent (2%) of Net Sales per month on local advertising and promotions (the "Local Advertising Requirement"). Franchisor reserve the right to designate an approved supplier from which Franchisee must purchase advertising materials and/or services that Franchisor designates that Franchisee will use as part of the Local Advertising Requirement. Franchisor also reserves the right to request proof of such expenditures by providing Franchisee with notice of such request.

(d) In addition to the Local Advertising Requirement, Franchisee will be required to expend a minimum of at least \$3,000 in connection with the opening of the Millie's Location for the period between 60 days prior to opening and 90 days after opening Franchisor must approve the plan for Opening Advertising prior to its use.

(e) Franchisor reserves the right to establish a System-wide brand development fund (the "Fund") for the benefit of the System and the MILLIE'S HOMEMADE brand generally. When established, Franchisee will be required to contribute to this Fund at the same

time and same manner as the Royalty Fee in an amount equal to up to two percent (2%) of the Net Sales of the Shop during the preceding week (the "Fund Contribution").

(i) Franchisor will administer and use the Fund to meet certain costs related to maintaining, administering, directing, conducting and preparing advertising, marketing, public relations, and/or promotional programs and materials, and any other activities that Franchisor believes will enhance the image of the System.

(ii) Franchisor will designate all programs that the Fund finances, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation. The Fund may also be used to cover the costs and fees associated with: preparing and producing video, audio, and written materials and electronic media; website maintenance and development, internet advertising, administering regional and multi-regional marketing and advertising programs, including purchasing trade journal, direct mail, website, radio and other media advertising and using advertising, promotion, and marketing agencies and other advisors to provide assistance; and supporting public relations, market research, and other advertising, promotion, and marketing activities. The Fund may be used for advertising materials/campaigns in printed materials or on radio or television for local, regional or national circulation, internet regional or national advertising, as Franchisor deems appropriate in its discretion. Franchisor and/or a regional or national advertising agency may be used to produce all advertising and marketing.

(iii) Franchisor will account for the Fund contributions separately from other funds and not use the Fund for any of its general operating expenses, except to compensate Franchisor for the reasonable salaries, administrative costs, travel expenses and overhead Franchisor incurs in administering the Fund and its programs, including conducting market research, preparing advertising, promotion, and marketing materials, and collecting and accounting for Fund contributions. The Fund will not be Franchisor's asset or a trust, and Franchisor does not owe Franchisee fiduciary obligations because of Franchisor's maintaining, directing or administering the Fund or any other reason. The Fund may spend in any fiscal year more or less than the total Fund contributions in that year, borrow from Franchisor or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. Franchisor will use interest earned on Fund contributions to pay costs before spending the Fund's other assets. Franchisor will not use Fund contributions for advertising that principally is a solicitation for the sale of franchises, except that Franchisor may use/display the phrase "Franchises Available" on any and all advertising/marketing that is covered by the Fund. Franchisor will prepare an unaudited, annual statement of Fund collections and costs and provide it to Franchisee upon written request. Franchisor may incorporate the Fund or operate it through a separate entity if Franchisor deems appropriate.

(iv) Franchisor is not required to spend any of the Fund Contributions in the Protected Territory. Franchisor is not required to have the Fund audited, but Franchisor may do so and use the Fund Contributions to pay for such an audit. If Franchisor does not spend all Fund Contributions in a given year, then Franchisor may rollover any excess contributions into the Fund for use during the following year. Franchisor will have the right to modify or discontinue the Fund, as it deems appropriate in its sole discretion.

(f) Franchisor reserves the right to establish an advertising council (the “Advertising Council”) to serve in an advisory capacity respect to certain advertising expenditures, including providing advice/guidance on how to administer the Fund.

(g) Franchisor reserves the right to establish regional advertising cooperatives (each, a “Cooperative”) that are comprised of a geographical market area that contain two (2) or more Millie’s Locations (whether a franchisee-owned or affiliate-owned). If Franchisor assigns the Millie’s Locations to a Cooperative, then Franchisee must work with the other Millie’s Location owners in such Cooperative and Franchisor to develop and implement regional advertising campaigns designed to benefit all the Shops within the geographical boundaries of the Cooperative.

(h) Franchisee must ensure that the Millie’s Location is listed in the appropriate Internet-based telephone directories that Franchisor designates. Franchisee must ensure that the Millie’s Location has a dedicated telephone line that is not used for any other purpose.

8. Operations.

(a) Compliance with System. Franchisee acknowledges that every component of the System is important to Franchisor and to the operation of the Millie’s Location as a System franchise, including a designated menu of food and beverage products; uniformity of food specifications, preparation methods, quality, and appearance; and uniformity of facilities and service. Franchisee shall comply with the entire System, including, but not limited to:

(i) Operating the Millie’s Location in a clean wholesome manner in compliance with Standards prescribed by Franchisor; complying with all business policies, practices, and procedures imposed by Franchisor; serving at the Millie’s Location only those food and beverage products now or hereafter designated by Franchisor; and maintaining the building, fixtures, equipment, signage, seating and decor, and parking area in a good, clean, wholesome and well-lighted condition, free from disrepair, and in compliance with designated Standards as may be prescribed from time to time by Franchisor;

(ii) Purchasing kitchen fixtures, lighting, seating, signs, and other equipment in accordance with equipment specifications and layout approved by Franchisor and, promptly after the Millie’s Location premises are ready for occupancy, cause the installation thereof;

(iii) Keeping the Millie’s Location constructed and equipped in accordance with the Millie’s Location Plan, and ensuring that the Millie’s Location conforms at all times to local ordinances, buildings codes, and laws;

(iv) Abstaining from, without the prior written consent of Franchisor, making any design conversion, alterations, or additions to the building, equipment, or parking area;

(v) Making repairs or replacements required: (a) because of damage or wear and tear or (b) in order to maintain the Millie’s Location building and parking area in good condition and in conformity to the Millie’s Location Plan;

(vi) Operating the Millie's Location during the days and at the hours set forth in the Operations Manual, or such other hours as may be approved, in writing, by Franchisor;

(vii) maintaining sufficient supplies of food and paper products and other inventory as prescribed in the Operations Manual and as is sufficient to meet reasonably anticipated customer demand;

(viii) employing adequate personnel so as to operate the Millie's Location at its maximum capacity and efficiency;

(ix) Causing all employees of the Millie's Location, while working in the Millie's Location, to: (a) wear uniforms of such color, design, and other specifications as Franchisor may designate from time to time; (b) present a neat and clean appearance; and (c) render competent and courteous service to customers;

(x) In the dispensing and sale of food products: (a) using only containers, cartons, bags, napkins, other paper goods, and packaging meeting those standards which meet the System Standards; (b) using only those flavorings, toppings, garnishments, and food and beverage ingredients which meet the System Standards; and (c) employing only those methods of food handling and preparation which meet System Standards;

(xi) Participating in Franchisor's loyalty card program for all Millie's Locations operating under the System, as prescribed by Franchisor in its Operations Manual or otherwise in writing from time to time, including but not limited to, offering loyalty cards that may be used at any Millie's Location for menu items or products; and

(xii) At Franchisee's own expense, complying with all federal, state, and local laws, ordinances, and regulations affecting the operation of the Millie's Location. Franchisee shall furnish to Franchisor, within five (5) days after receipt thereof, a copy of any violation or citation which indicates Franchisee's failure to maintain local health or safety standards.

(b) Evaluations and Analysis. Franchisor shall have the right to inspect the Millie's Location at all reasonable times to ensure that Franchisee's operation thereof is in compliance with the Standards of the System. This right shall include sampling and testing Franchisee's food, beverages and supplies, questioning Franchisee's landlord, customers, and employees, and conducting secret shopper evaluations from time to time and without prior notice. Franchisor representatives will use reasonable efforts to minimize interference with the operation of the Millie's Location. If Franchisor reasonably determines that the Millie's Location is not being operated in compliance with this Agreement or the Operations Manual or that the Millie's Location is otherwise not being operated efficiently and effectively, then Franchisor may, at its discretion, place one or multiple representatives at the Millie's Location to oversee the operation of the Millie's Location. Franchisee will be responsible for the reasonable daily wage of the representative plus all of representative's travel and living expenses.

(c) Menu and Food Preparation. Franchisee acknowledges the importance of the Franchisor products and services in the operation of the Millie's Location and agrees that the operation of the Millie's Location will be confined to the preparation, sale, and rendering only of such food, beverages, goods and services at retail (not wholesale) and not for resale or

distribution, as are from time to time required or authorized by Franchisor. Franchisor may add or delete menu items, products, merchandise, or services, from time to time, and Franchisee shall do the same upon notice from Franchisor unless its prior written consent to the contrary is obtained.

(d) Suppliers. So that Franchisor may control the quality and consistency of food, beverages, and other items sold or used in all Millie's Locations, all food, beverages, supplies, equipment, merchandise, uniforms, goods, fixtures, inventory, paper products, packaging, and other items used, served, or sold in the Millie's Location shall be purchased from only those suppliers and sources designated or approved by Franchisor. If Franchisee proposes to use any supplies or supplier which is not then approved, Franchisee must pay an evaluation fee of \$500 and notify Franchisor in writing and submit sufficient information, samples, and specifications to allow Franchisor to determine if the supplier meets the Franchisor approved supplier criteria. All criteria used by Franchisor in making its determination and any further procedures for obtaining approval of a new supplier are set forth in the Operations Manual.

(e) Millie's Location Supervision. The Millie's Location shall at all times be under the direct on-premises supervision of Franchisee, the Owner-Operator, or an approved Manager who has satisfactorily completed the Initial Training program. Franchisee shall be solely responsible for all employment decisions and functions of the Millie's Location, including, without limitation, those related to hiring, firing, training, wage and hour requirements, record-keeping, supervision, and discipline of employees.

(f) Refurbishing. At Franchisor's request, Franchisee shall refurbish, upgrade, and/or remodel the Millie's Location, at Franchisee's expense, to conform to the building design, trade dress, and color schemes in a manner consistent with the then current image for new System franchises and in accordance with any descriptions set forth in the Operations Manual. Such refurbishment may include, without limitation, structural changes, installation of new equipment, remodeling, redecoration, and modifications to existing improvements.

(g) Re-Location. If Franchisee desires to relocate the Millie's Location, Franchisee shall submit to Franchisor a written request to approve the proposed new location for the Millie's Location. Franchisor is not obligated to approve or consider any request for relocation and may, in its sole discretion, deny a request or require any of the conditions set forth below, as supplemented from time to time in the Operations Manual, prior to the consideration of such proposed locations:

- (i) Franchisee shall be in compliance with all terms of this Agreement;
- (ii) Franchisor may review Franchisee financials to assure Franchisee has funds to relocate the Millie's Location;
- (iii) Franchisee shall execute a general release as described in Subsection 11(c)(vii); and
- (iv) Franchisor may impose a fee for Franchisor's services in connection with such approval and relocation.

9. Limitations of Franchisee.

(a) Franchisor's Intellectual Property.

(i) Franchisee acknowledges that Franchisor and/or its affiliates or principals are the exclusive owners of the Intellectual Property and of the standards, specifications, operating procedures and other elements of the System. Franchisee further acknowledges that any modifications to the System or any substitutions or additions to the Intellectual Property suggested or developed by Franchisee and approved by Franchisor shall be owned exclusively by Franchisor and/or its affiliates or principals and may be incorporated by Franchisor and/or its affiliates or principals into the Intellectual Property without compensation to Franchisee.

(ii) Franchisee shall use the System and the Intellectual Property strictly in accordance with the terms of this Agreement and all policies set forth from time to time in the Operations Manual. Any unauthorized use of the System and/or the Intellectual Property is and shall be deemed an infringement of Franchisor and its affiliates' rights.

(iii) Except as expressly provided in this Agreement, Franchisee shall acquire no right, title, or interest to the System or the Intellectual Property; all goodwill associated with the System and the Intellectual Property used by Franchisee shall inure exclusively to Franchisor's and its affiliates benefit; and upon the termination of this Agreement, no monetary amount shall be assigned as attributable to any goodwill associated with the Franchisee's use of the System or the Intellectual Property.

(iv) Franchisee shall, at no time, take any action whatsoever to contest the validity, ownership, distinctiveness or enforceability of the Intellectual Property and the goodwill associated therewith. Franchisee agrees that any use by Franchisee of all or any part of the System or the Intellectual Property contrary to any provision of this Agreement, or any use by Franchisee of any confusingly similar method, format, procedure, recipe, cooking process, technique, system, name, trade dress, mark, symbol, emblem, slogan, insignia, term, designation, design, diagram, promotional material or course material, during or after the term of this Agreement, shall cause irreparable injury to Franchisor, shall constitute a material breach of this Agreement, and shall entitle Franchisor, its principals or its affiliates to obtain temporary, preliminary or permanent injunctive relief from a court or agency of competent jurisdiction, and to recover court costs, reasonable expenses of litigation, reasonable attorneys' fees, and any other appropriate remedies.

(b) Limitations on Marketing and Advertising. Franchisee shall exclusively operate and advertise the Millie's Location under the trade names "MILLIE'S," "MILLIE'S HOMEMADE," "MILLIE'S COFFEE N CREAMERY" and "REAL IS DELICIOUS" in accordance with Franchisor's requirements. Upon expiration or termination of this Agreement for any reason whatsoever, Franchisee shall immediately take all steps necessary to cease using Franchisor's trade names, trademarks and service marks, or any name or mark confusingly similar to any such trade names or service marks as described in Section 16(d). Franchisee acknowledges that the use of the words "Millie's," "Millie's Homemade," "Millie's Coffee N Creamery," "Millie's Homemade Ice Cream," and/or "Real is Delicious" within trade names or service marks shall be prohibited during and after the term of this Agreement, unless approved by Franchisor, which approval may be given in its sole discretion and may be limited to the term of this Agreement. Upon expiration or termination of this Agreement, Franchisee hereby designates Franchisor as its attorney-in-fact to execute and deliver documents terminating Franchisee's trade name or business name registrations that incorporate the names "MILLIE'S," "MILLIE'S HOMEMADE" and "REAL IS DELICIOUS" or any other trade names or marks used by Franchisor.

(c) Social and Business Networking Sites. Franchisee acknowledges that it may not establish any website, blog, Facebook page, LinkedIn account, Twitter account, email distribution list, or other Internet/social media account or presence, which exploits, utilizes, displays, or otherwise makes use of any of the Intellectual Property without Franchisor's prior written consent.

(d) Non-Exclusivity. This Agreement and the right to use the System and the Intellectual Property granted hereunder are non-exclusive, and Franchisor retains the right in its sole and unrestricted discretion to grant franchise and license rights to other persons outside the Protected Territory, subject to the terms and conditions of this Agreement.

(e) Franchisor's Further Reservation Rights. Because complete and detailed uniformity under many varying conditions may not be possible or practical, Franchisor specifically reserves the right and privilege, in its sole and unrestricted discretion and as it may deem to be in the best interests of all concerned in any specific instance, to vary standards for any franchisee or franchisees based upon the peculiarities of a particular territory, density of population, business potential, business practice or other condition important to the successful operation of such franchise owner's business. Franchisor may grant to one or more franchisees variations from standard specifications and practices as Franchisor determines in its sole and unrestricted discretion, and Franchisor shall have no obligation to grant Franchisee like or similar variations.

10. Restrictive Covenants. Franchisee acknowledges that as a franchisee, it will receive specialized training, including operations training, in the System and receive access to confidential and proprietary information. As a condition to training Franchisee, sharing Franchisor confidential and proprietary information, and granting Franchisee a license to operate the Millie's Location within the System and use Intellectual Property, Franchisor requires the following covenants in order to protect Franchisor's legitimate business interests and interests of other franchisees in the System.

(a) Non-Competition/Non-Solicitation. Franchisee, and persons controlling, controlled by or under common control with Franchisee, and each of Franchisee's shareholders, members, partners, officers, or any person who has a direct or indirect beneficial interest in the franchised business shall not, directly or indirectly:

(i) During the term of this Agreement, without the prior written consent of Franchisor, engage in, acquire any financial or beneficial interest (including interests in corporations, partnerships, trusts, unincorporated associations, or joint ventures) in, become a landlord for, perform any activities for, provide any assistance to, or receive any financial or other benefit from, any business or venture that sells products that are the same or similar to the Millie's Location;

(ii) For a period of two (2) years after termination, expiration, or transfer of this Agreement, engage in, acquire any financial or beneficial interest (including interests in corporations, partnerships, trusts, unincorporated associations, or joint ventures) in, become a landlord for, perform any activities for, provide any assistance to, or receive any financial or other benefit from any business or venture that sells products that are the same or substantially similar to the Millie's Location within a ten (10) mile radius of the Millie's Location or within a ten (10) mile radius of any other Millie's Location open or under development. The restrictions contained in Subsection 10(a)(i) and this 10(a)(ii) shall not apply to ownership of less than two percent (2%) of the shares of a

company whose shares are listed and traded on a national or regional securities exchange; or

(iii) During the term of this Agreement and for a period of two (2) years after termination, expiration, or transfer of this Agreement, solicit, contact, call upon, communicate with, or attempt to communicate with any customer for the purpose of providing or obtaining any business or services that are the same or similar in nature to the business of the Millie's Location or persuade any customer to cease to do business or to reduce the amount of business which any such customer has customarily done or is reasonably expected to do with Franchisor or any of its Millie's Locations.

(b) Intellectual Property. Franchisee, shall not, directly or indirectly, without Franchisor's prior written consent, during the term of this Agreement and at any time thereafter, use any of the Intellectual Property for any unauthorized purpose; use any confusingly similar method, format, procedure, technique, system, name, recipe, cooking process, trade dress, mark, symbol, emblem, slogan, insignia, term, designation, design, diagram, promotional material, or course material; or cause or permit any facility or program to look like, copy or imitate any facility or program operated or licensed by Franchisor.

(c) Confidential Information. Franchisee, and persons controlling, controlled by or under common control with Franchisee, and all owners, operators, and employees of Franchisee, shall at all times during and after this Agreement, treat as confidential all manuals and materials designated for use with the System (including without limitation the Operations Manual), and such other information as Franchisor may designate from time to time for confidential use with the System (as well as all trade secrets and confidential information, knowledge and know-how concerning the operation of the Millie's Location that may be imparted to, or acquired by, Franchisee from time to time in connection with this Agreement), and shall use all reasonable efforts to keep such information confidential. Franchisee acknowledges that the unauthorized use or disclosure of such confidential information (and trade secrets, if any) will cause incalculable and irreparable injury to Franchisor. Franchisee accordingly agrees that it shall not, at any time, without Franchisor's prior written consent, disclose, use or permit the use (except as may be required by applicable law or authorized by this Agreement) of such information, in whole or part, or otherwise make the same available to any unauthorized person or source. Any and all information, knowledge and know-how not generally known about Franchisor's Standards and such other information or material as Franchisor may designate as confidential, shall be deemed confidential for purposes of this Agreement, except information which Franchisee can demonstrate came to its attention prior to disclosure thereof by Franchisor without the breach of any obligation to any person, or which is or has become a part of the public domain through publication and communication by others, such others not to include parties to any franchise agreement with Franchisor.

(d) Goodwill. Franchisee and all persons controlling, controlled by, or under common control with Franchisee and all Owner-Operators, employees, and owners, during the term hereof and at any time thereafter shall not perform or contribute to any act injurious or prejudicial to the goodwill associated with Franchisor, the System or its Intellectual Property.

(e) Restrictive Covenants of Employees and Owners. Franchisee shall cause each of its owners, officers, directors, members, partners, and Managers to enter into the Non-Disclosure & Non-Compete Agreement attached hereto as Exhibit D with Franchisor. An executed copy of the Non-Disclosure and Non-Compete Agreement for each of the parties described above must be delivered to Franchisor prior to the Millie's Location opening.

11. Transfer/Assignment. Without the prior written consent of Franchisor, Franchisee's interest in this Agreement or the Millie's Location shall not be sold, pledged, assigned or otherwise transferred in whole or in part (whether voluntarily or by operation of law) directly, indirectly, or contingently, and then only in accordance with the terms of this Section. Any transfer lacking Franchisor's prior written consent or that otherwise violates the restrictions in this Section will be ineffective against Franchisor and will constitute a default under Section 15(b). Franchisee acknowledges and agrees that the restrictions on transfer imposed herein are reasonable and necessary to protect the System and the Intellectual Property, as well as Franchisor's reputation and image, and are for the protection of Franchisor, Franchisee and other franchisees.

(a) Death or Permanent Incapacity of Franchisee. Upon the death, disability or permanent incapacity of Franchisee, Franchisor shall not unreasonably withhold its consent to the transfer of all of the interest of Franchisee to a spouse, heirs or relatives, by blood or marriage, whether such transfer is made by will or by operation of law, provided that the requirements of this Section 11(c) have been satisfied; provided, however, that no transfer fee (as set forth in Section 11(e)(viii)) shall be required. In the event Franchisee's spouse, heirs or relatives do not obtain the consent of Franchisor as prescribed herein, the personal representatives of Franchisee shall have a reasonable time to dispose of Franchisee's interest hereunder, which disposition shall be subject to all the terms and conditions for transfers under this Agreement and which, in any event, must occur within twelve (12) months of such death, disability or permanent incapacity: Franchisor shall have an option to operate and/or manage the Millie's Location for the account of Franchisee or Franchisee's estate until the deceased or incapacitated Franchisee's interest is transferred to another party acceptable to Franchisor. In the event that Franchisor so operates and/or manages the Millie's Location, Franchisor shall make a complete account to and return the net income from such operation to the Franchisee or to Franchisee's estate, less a reasonable management fee, expenses, and any Royalties or fees otherwise due to Franchisor. If the disposition of the Millie's Location to a party acceptable to Franchisor has not taken place within twelve (12) months from the date that Franchisor has commenced the operation or management of the Millie's Location on behalf of the deceased or incapacitated Franchisee, then, in that event, Franchisor shall have the option to purchase the Millie's Location at its fair market value.

(b) Assignment to Franchisee's Corporation. Upon Franchisee's compliance with such requirements as may from time to time be prescribed by Franchisor, Franchisor shall consent to an assignment to a corporation. The name of the entity shall not include any of the names or trademarks, or portions thereof, granted by this Agreement. Any subsequent assignment or transfer, either voluntarily or by operation of law, of all or any part of said equity shall be made in compliance with the terms and conditions set forth in this Section.

(c) Voluntary Transfer. Franchisor's consent to a Transfer of Franchisee's interest in the Agreement or the Millie's Location will not be unreasonably withheld, provided that Franchisee files a written request for Franchisor's consent within thirty (30) days prior to the proposed transfer date and complies with all of the following conditions:

(i) Franchisee continues to operate the Millie's Location through the effective date of transfer and is not in default of this agreement or any Agreement with Franchisor;

(ii) All monies owed to Franchisor by Franchisee have been paid (including, but not limited to, Royalties);

(iii) The proposed transferee appoints an Owner-Operator who satisfactorily completes Initial Training prior to the date of transfer and pays the then current training fee for enrollees;

(iv) The proposed transferee meets with Franchisor, completes Franchisor's Franchise Application, provides a copy of the sale contract and satisfies Franchisor that it meets all of Franchisor's requirements for new franchisees, including, but not limited to, requirements relating to good reputation and character, business acumen, operational ability, financial strength and other business considerations, work experience and aptitude, ability to personally devote full time and best efforts to managing the Millie's Location, residence in the locality of the Millie's Location, equity interest in the Millie's Location, the absence of conflicting interests, and such other criteria and conditions as Franchisor shall then apply in the case of an application for a new franchise to operate a Millie's Location;

(v) Franchisee delivers to Franchisor all copies of the Operations Manual, as supplemented or amended, marketing materials and any and all copyrighted or confidential materials of Franchisor;

(vi) The transferee executes or, in appropriate circumstances, causes all necessary parties to execute, Franchisor's then current standard form of Franchise Agreement for the Millie's Location and such other then-current ancillary documents being required by Franchisor of new franchisees on the date of transfer, including the Owner's Guaranty;

(vii) Franchisee executes a general release, duly notarized, in the form attached to this Agreement as Exhibit E, of any and all claims against Franchisor and its officers, directors, shareholders and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances, except any claims arising under any applicable franchise registration and disclosure law; and

(viii) Franchisee or the transferee pays Franchisor a transfer fee equal to five thousand dollars (\$5,000) to cover Franchisor's reasonable costs in effecting the transfer and in providing other initial assistance to the transferee.

(d) First Option to Purchase. If any owner of the Franchisee or Millie's Location, at any time, determines to sell an interest in the Franchisee or Millie's Location, its assets, or any ownership in the Franchisee or Millie's Location whatsoever, or Franchisee obtains a bona fide, executed written offer from a potential purchaser, then Franchisee must submit a copy of such offer to Franchisor. Franchisor shall have the right to purchase such interest in the Millie's Location, its assets, or such ownership interest in the Franchisee, for the price and on the terms and conditions contained in the offer, provided that we may substitute cash for any form of payment proposed in such offer and shall have at least thirty (30) days to prepare for the closing. Franchisor shall exercise its right of first refusal by providing written notice to Franchisee within thirty (30) days from the date of delivery of an exact copy of the offer to Franchisor. If Franchisor does not exercise its right of first refusal, then Franchisee may complete the sale to such purchaser pursuant to and on the terms of such offer, subject to our approval as provided in Section 11(c) above, provided that, if the sale to such purchaser is not completed within one hundred and twenty (120) days after delivery of the offer to us, or there is a material change in the terms of the sale, Franchisor shall again have the right of first refusal provided in this section.

(e) Waiver of Interference Claims. Franchisee acknowledges that Franchisor has legitimate reasons to evaluate the qualifications of potential transferees and to analyze and critique the terms of their purchase contracts with Franchisee. Franchisee also acknowledges that Franchisor's contact with potential transferees for the purpose of protecting its business interests will not constitute wrongful conduct, including without limitation, unlawful interference with Franchisee's business or contracts. Franchisee expressly authorizes Franchisor to investigate any potential transferee's qualifications, to analyze and critique the proposed purchase terms with the transferee, and to withhold consent to economically questionable transactions. Without limitation of the foregoing, Franchisee waives any claim that any action Franchisor takes in relation to a proposed transfer to protect its business interests constitutes tortious interference with contractual or business relationships.

12. Renewal of Franchise.

(a) Franchisee's Right to Renew. Upon expiration of the Term, Franchisor will provide a right to renew this Agreement for the period set forth in Section 3, provided:

(i) Franchisee is in compliance with all terms of this Agreement, the Operations Manual, and any other agreements with Franchisor, including but not limited to, the payment of all Royalties and all other monetary obligations;

(ii) Franchisee executes the then-current form of standard franchise agreement and such agreement shall supersede this Agreement and the terms of which may differ from this Agreement, including higher Royalties;

(iii) Franchisee pays a renewal fee of five thousand dollars (\$5,000) upon execution of the new franchise agreement;

(iv) Franchisee complies with Franchisor's then-current qualification and training requirements;

(v) Each Owner executes a general release in the form attached to this Agreement as Exhibit E, of any and all claims against Franchisor and its affiliates, officers, directors, employees, and agents; and

(vi) Franchisee maintains ownership or possessory leasehold rights to the Millie's Location Site for a term co-extensive to the Renewal Term and agrees to replace or refurbish fixtures, signs, equipment, furniture and furnishings, and otherwise modify the Millie's Location's methods and operations in compliance with the specifications and then current Standards applicable for new Franchisor franchises.

(b) Notice of Renewal. Franchisee must give Franchisor written notice of its desire to exercise its option to renew at least one hundred and eighty (180) days prior to the expiration of the current franchise Term.

13. Franchisee Not an Agent of Franchisor. Franchisee shall have no authority, express or implied, to act as an agent of Franchisor or any of its affiliates for any purpose. Franchisee is, and shall remain, an independent contractor responsible for all obligations and liabilities of, and for all loss or damage to, the Millie's Location and its business, including any personal property, equipment, fixtures, or real property connected therewith, and for all claims or demands based on damage or destruction of property or based on injury, illness, or death of any

person or persons, directly or indirectly, resulting from the operation of the Millie's Location. Further, Franchisee and Franchisor are not and do not intend to be partners, associates, or joint employers in any way and Franchisor shall not be construed to be jointly liable for any acts or omissions of Franchisee under any circumstances. Franchisee agrees to post language summarizing this Section 13 in a portion of the Millie's Location visible by the public in such wording, font, size, color, and manner as set forth in the Operations Manual.

14. Insurance. Franchisee shall acquire and maintain in effect not less than the following insurance coverage in the following minimum amounts which may be supplemented from time to time as set forth in the Operations Manual:

(a) Worker's Compensation insurance prescribed by law in the state in which the Millie's Location is located and Employer's Liability Insurance with \$100,000/\$100,000/\$500,000 minimum limit.

(b) Commercial general liability insurance in a form approved by Franchisor with a minimum limit of \$2,000,000 per occurrence/\$4,000,000 aggregate.

(c) For any vehicle owned or leased by the Franchisee, business automobile liability coverage with a minimum combined single limit of bodily injury and property damage one \$1,000,000.

(d) Employment Practices Liability Coverage (EPLI) with minimum limits of \$1,000,000 and a maximum deductible of \$5,000 per claim, including claims arising from discrimination, harassment and wrongful termination related to employment.

(e) All such insurance as may be required under the Franchisee's lease.

All insurance policies required to be carried hereunder shall name Franchisor and any party designated by Franchisor as additional insureds. All policies shall be effective on or prior to the date Franchisee is given possession of the Millie's Location premises for the purpose of installing equipment or opening the Millie's Location, whichever occurs first, and evidence of payment of premiums and duplicate copies of policies of the insurance required herein shall be delivered to Franchisor at least thirty (30) days prior to the date that Franchisee opens for business and/or thirty (30) days prior to the expiration date of an existing policy of insurance. All policies of insurance shall include a provision prohibiting cancellations or material changes to the policy thereof until thirty (30) days prior written notice has been given to Franchisor. In the event Franchisee shall fail to obtain the insurance required herein, Franchisor may, but is not obligated to, purchase said insurance, adding the premiums paid to Franchisee's fees. (Franchisee may authorize Franchisor to purchase and to administer the required minimum insurance on Franchisee's behalf. However, Franchisor, by placement of the required minimum insurance, assumes no responsibility for premium expense nor guarantees payment for any losses sustained by Franchisee.) Franchisor may relieve itself of all obligations with respect to the purchase and administration of such required insurance coverage by giving ten (10) days written notice to Franchisee. All insurance shall be placed with a reputable insurance company licensed to do business in the state in which the Millie's Location is located and having a Financial Size Category equal to or greater than IX and Policyholders Rating of "A+" or "A", as assigned by Alfred M. Best and Company, Inc., unless otherwise approved by Franchisor.

15. Default; Termination.

(a) Event of Default. If any event or condition listed in this Section 15 (an “Event of Default”) occurs, Franchisee will be deemed to have committed a material breach of this Agreement. Franchisor’s failure to take prompt action with respect to a particular Event of Default will not constitute a waiver of that or any subsequent Event of Default.

(b) Non-Curable Defaults. The parties agree that the happening of any of the following events shall constitute a material non-curable breach of this Agreement and violate the essence of Franchisee’s obligations and, without prejudice to any of its other rights or remedies at law or in equity, Franchisor, at its election, may immediately terminate this Agreement:

(i) If Franchisee’s Franchise Application was untrue, incomplete, or misleading in any material respects when delivered to Franchisor or if Franchisee makes, or has made, any misrepresentation to Franchisor in connection with acquiring, operating the Millie’s Location or using the Intellectual Property hereunder;

(ii) If Franchisee either (A) fails to observe or comply with the requirements of Section 11 in connection with any sale, assignment or transfer, or (B) makes a material misrepresentation in any transfer request or document in support of a request for consent to the transfer of the Agreement or the Millie’s Location;

(iii) If Franchisee does not commence operations within the required time period;

(iv) If Franchisee fails to present a bona fide site proposal to Franchisor within sixty (60) days after execution of this Agreement, subject to any extension granted by Franchisor;

(v) If Franchisee, or any person controlling, controlled by or under common control with Franchisee, misuses the System or the Intellectual Property, or any other names, recipes, cooking processes, trade dress, marks, systems, insignia, symbols or rights provided by Franchisor to Franchisee, or otherwise materially impairs the goodwill associated therewith or Franchisor’s rights therein, or if Franchisee uses any names, recipes, cooking processes, trade dress, marks, systems, insignia or symbols not authorized by Franchisor, or otherwise breaches Section 9 of this Agreement;

(vi) If Franchisee abandons, surrenders, or fails to actively operate the Millie’s Location for a period of three (3) consecutive days, unless such failure to operate is due to fire, flood, earthquake or similar causes beyond Franchisee’s control;

(vii) If Franchisee violates any provision of Section 10 of this Agreement;

(viii) If Franchisee, any Owner-Operator, or any person controlling, controlled by or under common control with Franchisee, is convicted of a felony or violating any law providing for felony criminal penalties or any other crime that is reasonably likely to adversely affect the System, the Millie’s Location, or the goodwill associated with the Intellectual Property, including fraud, embezzlement, or any crime involving moral turpitude. In the event the Owner-Operator is charged or indicted with a felony, then Franchisor, at its option, may assume the management of the Millie’s Location under the

terms of Section 11(a)(i), to and until the time the felony charge has successfully been resolved by acquittal or dismissal;

(ix) Franchisee fails to obtain or to maintain any license required by applicable law to lawfully operate the Millie's Location or fails to comply with any federal, state, or local law or regulation applicable to the operation of the Millie's Location;

(x) If Franchisee operates the Millie's Location in a manner that presents a health or safety hazard to Franchisee's customers, employees, or the public;

(xi) If Franchisee defaults on two (2) or more separate occasions within any twelve-month period, or on three (3) or more separate occasions within any twenty-four-month period, in any obligation(s) (whether the same or different) under this Agreement, or any amendment or modification to this Agreement, or any other agreement with Franchisor, whether or not such defaults are timely cured;

(xii) Franchisee shall be adjudicated as bankrupt; become insolvent; or a receiver, whether permanent or temporary, for all or substantially all of Franchisee's property, shall be appointed by any court, or Franchisee shall make a general assignment for the benefit of creditors, or a voluntary or involuntary petition under any bankruptcy law shall be filed with respect to Franchisee and shall not be dismissed within thirty (30) days thereafter;

(xiii) Any judgment or judgments aggregating in excess of \$5,000.00 against Franchisee or any lien in excess of \$5,000.00 against Franchisee's property which remains unsatisfied or unbonded of record in excess of thirty (30) days;

(xiv) Franchisee causes, suffers, or permits (voluntarily or involuntarily) Franchisee's right of possession as lessee or sub lessee of the premises on which the Millie's Location is located to be terminated prematurely for any cause whatever;

(xv) Franchisee knowingly sells food or beverage products other than those designated by Franchisor or purchases such products from suppliers other than approved suppliers or which fails to conform to System specifications for those products, or which are not prepared in accordance with the methods prescribed by Franchisor, or fail to sell products designated by Franchisor;

(xvi) Franchisee denies Franchisor the right to inspect the Millie's Location at reasonable times;

(xvii) Franchisee fails to make or makes repeated delays in the prompt payment of undisputed invoices from suppliers or in the remittance of payments as required by this Agreement; or

(xviii) Franchisee makes a material misrepresentation to Franchisor, including understating Gross Sales or Net Sales reported to Franchisor or otherwise underreports any fees due to Franchisor.

(c) Curable Breaches. The occurrence of any of the following events shall constitute a curable default under this Agreement. Franchisee may cure such Event of Default by taking appropriate remedial action within a prescribed time after Franchisor demands remedial

action. Unless Franchisee cures such an Event of Default before the end of the indicated remedial period, Franchisor may terminate this Agreement or take any other actions as this Agreement permits.

(i) Franchisee submits a financial report or other data, information or supporting records which understate by more than two percent (2%) the Gross Sales or Net Sales, or other fees due for any reporting period, and Franchisee is unable to demonstrate that such understatements resulted from an inadvertent error;

(ii) Franchisee fails to maintain and operate the Millie's Location in a good, clean, wholesome manner and in compliance with the standards prescribed by the System, and fails to cure such breach within five (5) business days after written notice from Franchisor;

(iii) If Franchisee fails to remit any payments immediately when due to Franchisor and fails to cure such breach within five (5) business days after written notice from Franchisor;

(iv) If Franchisee shall fail to submit to Franchisor any financial or other information required under this Agreement and fails to cure such breach within ten (10) business days after written notice from Franchisor;

(v) If Franchisee fails to operate the Millie's Location in accordance with the Operations Manual and/or other manuals, or fails to conform to the specifications and standards of Franchisor or fails in any other way to maintain Franchisor's standards of quality in the operation of the Millie's Location and fails to cure such breach within thirty (30) business days after written notice from Franchisor;

(vi) If Franchisee fails to obtain Franchisor's prior written approval or consent as expressly required by this Agreement and fails to cure such breach within five (5) business days after written notice from Franchisor, except for the written approval or consent required for a transfer under Section 11 which shall constitute a non-curable default;

(vii) If Franchisee fails to maintain the required insurance and fails to cure such breach within seven (7) business days after written notice from Franchisor;

(viii) If Franchisee breaches any other obligation undertaken by it under this Agreement (other than the non-curable defaults described in Section 15(b)) and fails to remedy such breach within fifteen (15) days after written notice from Franchisor specifying the breach alleged to have occurred and the action to be taken by Franchisee curing the same; or

(ix) If Franchisee interferes with Franchisor's ability to access information on the POS system or if Franchisee closes or interferes with Franchisor's ability to access the account used to electronically transfer Royalties and other payments, and fails to cure such breach within five (5) business days after written notice from Franchisor.

(d) Cross Default. An Event of Default by the Franchisee under this Agreement shall constitute an Event of Default under any other Agreement between the parties.

16. Rights and Obligations of Franchisor and Franchisee upon Termination or Expiration of this Agreement.

(a) In the event of any breach of this Agreement under Section 15(b), Franchisor shall have an immediate right to enter and take possession of the Millie's Location in order to maintain continuous operation of the Millie's Location, to provide for orderly change of management and disposition of personal property, and otherwise protect Franchisor's interest.

(b) Upon termination of this Agreement due to any breach or breaches, Franchisee shall not, without the prior written consent of Franchisor, remove any furniture, fixtures, signs, equipment, other property, or leasehold improvements from the premises either prior to or for a period of thirty (30) days following such termination. Franchisor shall have the option for thirty (30) days following any such termination to purchase Franchisee's furniture, fixtures, signs, equipment, other property, and leasehold improvements or any portion thereof for a sum equal to the fair market value of such property as determined by an independent appraiser appointed by Franchisor. In the event of such a termination, there shall be no payment by Franchisor for intangible assets of Franchisee.

(c) Upon termination of this Agreement due to the expiration of its term or as a result of any eminent domain proceedings affecting the premises upon which the Millie's Location is situated, Franchisee shall not remove any furniture, fixtures, signs, equipment, other property, or leasehold improvements within sixty (60) days prior to the date specified for termination or the date specified for takeover by any public authority. Franchisor shall, upon written notice of its intention to purchase said property at least thirty (30) days prior to such date of termination, have the option to purchase Franchisee's furniture, fixtures, signs, equipment, other property, and leasehold improvements or any portion thereof for a sum equal to the fair market value of such property as determined by an independent appraiser appointed by Franchisor. In the event of such a termination, there shall be no payment by Franchisor for intangible assets of Franchisee.

(d) Upon termination or expiration of this Franchise, Franchisee shall:

(i) pay within fifteen (15) days after the effective date of termination or expiration of this Agreement, such Royalties and other fees, amounts or interest due to Franchisor which are then unpaid;

(ii) return to Franchisor the Operations Manual furnished to Franchisee, together with all other material containing trade secrets, operating instructions, drawings or business practices and all handbooks, records, samples, designs, recipes, or other manuals;

(iii) discontinue the use of the System and its associated trade names, service marks, and trademarks or the use of any and all signs and printed goods bearing such names and marks, or any reference to them, and take such action as may be required to cancel all fictitious or assumed names or equivalent registrations relating to Franchisee's use of any Intellectual Property;

(iv) not disclose, reveal, or publish all or any portion of the System and not thereafter use any trade name, service mark, or trademark similar to or likely to be confused with any trade name, service mark, or trademark used at any time in the System; and

(v) notify the telephone company and all listing agencies of the termination or expiration of the Agreement and of Franchisee's right to use the existing Millie's Location telephone number(s) and any regular, classified or other telephone directory listing associated with any Intellectual Property, and authorize transfer of same to or at Franchisor's direction.

17. Effect of Waivers. No waiver by Franchisor of any breach or a series of breaches of this Agreement shall constitute a waiver of any subsequent breach or waiver of the terms of this Agreement.

18. Notices. Any notice, consents, or other communications required hereunder shall be in writing and shall be delivered by personal service or by United States certified or registered mail, with postage prepaid, return receipt requested, or sent by telecommunication with confirmed delivery, including electronic mail, facsimile and telegraphic communications, addressed to Franchisee at the Millie's Location or, prior to identification of the Millie's Location's physical address, to the Franchisee at the address set forth on Exhibit A and to Franchisor at:

Millie's Franchising, LLC
Attn: Lauren Townsend, Co-President
235 East 7th Avenue
Homestead, Pennsylvania 15120
Phone: 412-924-0040 x205
Email: lauren@millieshomemade.com

With a copy to:
Amanda D. Dempsey
Saxton & Stump
100 Deerfield Lane, Suite 240
Malvern, PA 19355
484-219-9202 (office)
add@saxtonstump.com

Either party, by a similar written notice, may change the address to which notices shall be sent. Each such notice shall be deemed delivered (a) on the date delivered, if by personal delivery; (b) on the date delivered, if by overnight express type service; (c) on the date of transmission by telecommunication with confirmed delivery, if by electronic mail, facsimile or other electronic method; and (d) on the first occurring of (i) three (3) business days after mailing, postage prepaid, or (ii) the date upon which the return receipt is signed or delivery is refused or the notice is designated by the postal authorities as not deliverable, as the case may be, if mailed.

19. Governing Law; Jurisdiction; venue; remedies; Waivers.

(a) Governing Law. The terms and provisions of this Agreement shall be interpreted in accordance with and governed by the laws of the Commonwealth of Pennsylvania.

(b) Mediation and Arbitration. The parties have reached this Agreement in good faith and in the belief that it is mutually advantageous to them. In the same spirit of cooperation, both parties agree to try to resolve any dispute with mediation. If a dispute arises between the parties, then before beginning any legal action to interpret or enforce this Agreement, Franchisor, in its sole and absolute discretion, may request and Franchisee shall then agree to enter into formal non-binding mediation in accordance with laws and regulations of the

Commonwealth of Pennsylvania. Mediation will be held in the Commonwealth of Pennsylvania in the county of Allegheny. Upon initiation of mediation, the mediation procedures will be mutually agreed between the parties and a mediator selected by Franchisor. If requested by Franchisor, good faith participation in the mediation process is a precondition to entering into any arbitration to interpret or enforce this Agreement. Nothing in this section shall prevent Franchisor from seeking to obtain an interim, interlocutory and final injunctive or mandatory relief and/or other emergency relief available to safeguard and protect its interests without the requirement of an undertaking in damages or the posting security therefore. Costs for the mediator shall be shared equally. If mediation is not successful then prior to the institution of litigation and after mediation, the parties agree to submit to binding arbitration in Allegheny County, Pennsylvania before a single, independent arbitrator, using the facilities and commercial arbitration rules of the American Arbitration Association ("AAA"). Franchisor and Franchisee waive the application of all rules of discovery and evidence. The arbitrator must be either a retired judge or an attorney with a minimum of 10 years' experience in the practice of franchise law who agrees to follow and apply the express provisions of this Agreement in determining his or her award. The parties will jointly share the costs of the arbitrators' fees and the fees payable to the AAA, but each party shall bear its own legal fees and other legal expenses. The award of the arbitrator will be final and binding except to the extent an arbitration award is appealable under the Federal Arbitration Act and may be enforced in any court of competent jurisdiction. The provisions of the Federal Arbitration Act will govern arbitration under this Section 19(b) except to the extent it is inconsistent with any provision of this Agreement including this Section 19(b). Notwithstanding the above: (i) Franchisor will have the right, at its option, to seek injunctive and other equitable relief against Franchisee from any court of competent jurisdiction including without limitation of the provisions of Section 10 hereof; and Franchisor will not be obligated to mediate or arbitrate any claim arising from Franchisee's alleged infringement of the Intellectual Property, or other alleged misappropriation of Intellectual Property, but may pursue its remedies for copyright and/or trademark infringement by Franchisee in any court having jurisdiction over the matter and the parties.

(c) Jurisdiction. For any action that may be brought in court arising out of or relating to this Agreement, such action shall be commenced in any state or federal court of general jurisdiction in the Commonwealth of Pennsylvania. Franchisee irrevocably submits to the jurisdiction of such court and waives any objection it may have to the jurisdiction or venue of such court.

(d) Attorneys' Fees/Costs. If Franchisor institutes any action at law or in equity against Franchisee to secure or protect Franchisor's rights under or to enforce the terms of this Agreement, in addition to any judgment entered in its favor, Franchisor shall be entitled to recover such reasonable attorneys' fees as may be allowed by the court together with court costs and expenses of litigation.

(e) Punitive Damages. In no event shall Franchisor be liable to Franchisee for punitive damages in any action arising out of or related to this Agreement or the Millie's Location granted hereunder or any breach, termination, cancellation, or non-renewal thereof.

(f) Waiver of Jury Trial. Franchisor and Franchisee agree to waive trial by jury in any action, proceeding or counterclaim, whether at law or at equity, brought by either of them, or in any action, proceeding or counterclaim whatsoever which arises out of or is connected in any way with this agreement or the operation of the Millie's Location.

(g) Waiver of Class Actions. Each of the parties hereby irrevocably waives the right to litigate on a class action basis, in any action, proceeding or counterclaim, whether at law or in equity, brought by any party.

(h) Limitation of Claims. Any claim concerning the franchise or this Agreement or any related agreement brought by the franchisee will be barred unless an action for a claim is commenced within one (1) year from the date on which the Franchisee knew or should have known, in the exercise of reasonable diligence of the facts giving rise to the claim.

20. Indemnification. If Franchisor shall be subject to any claim, demand, or penalty or become a party to any suit or other judicial or administrative proceeding by reason of any claimed act or omission by Franchisee or Franchisee's employees or agents, or by reason of any act occurring on Millie's Location premises, or by reason of an omission with respect to the business or operation of the Millie's Location, Franchisee shall indemnify and hold Franchisor harmless against all judgments, settlements, penalties, and expenses, including attorneys' fees, court costs, and other expenses of litigation or administrative proceeding, incurred by or imposed on Franchisor in connection with the investigation or defense relating to such claim, litigation, or administrative proceeding and, at the election of Franchisor, Franchisee shall also defend Franchisor.

21. Counterparts; Construction and Severability. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. The Section headings in the Agreement are for convenience of reference only and shall not be deemed to alter or affect any provision hereof. Each pronoun used herein shall be deemed to include the other number and genders. If any part of this Agreement for any reason shall be declared invalid, such decision shall not affect the validity of any remaining portion, which shall remain in full force and effect. In the event that any material provision of this Agreement shall be stricken or declared invalid, Franchisor reserves the right to terminate this Agreement.

22. Scope and Modification of Agreement. This Agreement (including Exhibits and any riders hereto) constitutes the entire agreement between the parties and supersedes all prior and contemporaneous, oral or written, agreements or understandings of the parties. Nothing in this Agreement or in any related agreement, however, is intended to disclaim the representations made in the Franchise Disclosure Document furnished to Franchisee. No interpretation, change, termination, or waiver of any of the provisions hereof shall be binding upon Franchisor unless in writing signed by an officer of Franchisor, and which is specifically identified as an amendment hereto. No modification, waiver, termination, rescission, discharge, or cancellation of this Agreement shall affect the right of any party hereto to enforce any claim or right hereunder, whether or not liquidated, which occurred prior to the date of such modification, waiver, termination, rescission, discharge, or cancellation.

23. Survival. Notwithstanding the termination or non-renewal of the Term in accordance with this Agreement, all terms, provisions and obligations of either party contained herein, which, in order to give them effect and accomplish their intent and purpose need to survive such termination, shall survive and continue until they have been fully satisfied or performed.

24. Acknowledgment. Franchisee acknowledges that:

(a) The term of this Agreement is set forth in Section 3 hereof with no promise or representation as to the renewal of this Agreement or the grant of a new franchise;

(b) Franchisee hereby represents that Franchisee has received a copy of this Agreement, has read and understands all obligations being undertaken, and has had an opportunity to consult with Franchisee's attorney with respect thereto at least fourteen (14) calendar days prior to execution;

(c) No representation has been made by Franchisor as to the future profitability of the Millie's Location;

(d) This Agreement supersedes any and all other agreements and representations respecting the Millie's Location and contains all the terms, conditions, and obligations of the parties with respect to the grant described herein; however, nothing in this Agreement or in any related agreement is intended to disclaim the representations made in the Franchise Disclosure Document furnished to Franchisee;

(e) Franchisor or its affiliates are the sole owner(s) of the trademarks, trade names, service marks, and goodwill associated therewith, respectively, and Franchisee acquires no right, title, or interest in those names and marks other than the right to use them only in the manner and to the extent prescribed and approved by Franchisor;

(f) No future franchise or offers of franchises for additional Millie's Locations have been promised to Franchisee and any other franchise offer shall only be in writing, executed by an officer or franchising director of Franchisor;

(g) Neither Franchisor nor anyone acting on its behalf has made any representations, inducements, promises, or agreements, orally or otherwise, respecting the subject matter of this Agreement, which is not embodied herein or set forth in the Franchise Disclosure Document; and

(h) This Agreement is offered to Franchisee and to no others, and may not be accepted by any other person, partnership, or corporation, or transferred by assignment, will, or operation of law.

IN WITNESS WHEREOF, the parties hereto set their hands and seals, in duplicate, the day and year in this instrument first above written.

FRANCHISEE

Signature: _____

Name: _____

Title: _____

Name of Entity: _____

Millie's Franchising, LLC

Signature: _____

Name: _____

Title: _____

Exhibit A to Franchise Agreement

Franchise Description

Effective Date of Franchise Agreement: _____

Name of Franchisee entity: _____

FEIN: _____

Mailing Address: _____

Names of all Franchisee entity shareholders, owners, partners or members:

Name: _____

Name: _____

Name: _____

Name: _____

Name: _____

Name: _____

Type of Millie's Location Purchased: _____

Total Initial Franchise Fee: _____

Millie's Location Site: _____

Territory: _____

Exhibit B to Franchise Agreement

Shop Development Area if Shop Address Not Specified in Exhibit A

Shop Development Area: _____

Exhibit C to Franchise Agreement

Owners' Guaranty

This Owners' Guaranty is made and executed by the undersigned as of the ____ day of _____, _____.

You, the undersigned (and each of you, if more than one) (hereinafter referred to as "you" or "Guarantor") have an interest in _____, a _____ limited liability company (hereinafter referred to as "Franchisee"). Franchisee is the franchisee under a franchise agreement dated _____, _____ (the "Agreement") with Millie's Franchising, LLC, a Pennsylvania limited liability company (hereinafter referred to as "Franchisor"). This Owner's Guaranty is incorporated and made a part of the Agreement and will be attached thereto.

1. Acknowledgments. You acknowledge and agree that Franchisor has entered into the Agreement with Franchisee on the condition that each Owner be personally obligated and jointly and severally liable with Franchisee (and with each other Owner) for the performance of each and every obligation of Franchisee (and its Owners) under the Agreement, and amendments or modifications to the Agreement, any extensions or renewals of the Agreement that has been or hereafter may be entered into by Franchisee with Franchisor (all such agreements are collectively referred to as the "Franchise Agreements").

2. Guarantor's Covenants, Representations and Guaranty. In consideration of and as an inducement to the execution of the Agreement by Franchisor, you hereby personally, irrevocably and unconditionally:

(1) Represent and warrant to Franchisor Exhibit A to the Agreement is accurate and complete;

(2) Agree to guarantee the prompt payment and performance of all Obligations (as hereinafter defined) of Franchisee to Franchisor and its successors and assigns; and

(3) Agree to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement and each and every provision of the Franchise Agreements, as if you were the Franchisee.

"Obligations" means the payment of all debts, liabilities and obligations of Franchisee to Franchisor arising under the Franchise Agreements, whether direct, indirect, absolute, contingent, matured or unmatured, extended or renewed, wherever and however incurred, together with all costs of collection, compromise and enforcement, including reasonable attorneys' fees, and the prompt performance of each and every covenant agreement and condition set forth in any of the Franchise Agreements.

3. Waivers by Guarantor. You hereby waive:

(a) Acceptance and notice of acceptance by Franchisor of the foregoing guaranty;

(b) Notice of demand for payment of any indebtedness or non-performance by Franchisee of any of the Obligations;

(c) Presentment or protest of any instrument and notice thereof; and notice of default or intent to accelerate with respect to the indebtedness or nonperformance of any of the Obligations;

(d) Any right you may have to require that an action be brought against Franchisee or any other person as a condition of liability;

(e) Any and all rights to payments, indemnities and claims for reimbursement or subrogation that you may have against Franchisee arising from your execution of and performance under this Guaranty;

(f) Any defense based on any irregularity or defect in the creation of any of the Obligations or modification of the terms and conditions of performance thereof;

(g) Any defense based on the failure of Franchisor or any other party to take, protect, perfect or preserve any right against and/or security granted by the Franchisee or any other party;

(h) Any and all other notices and equitable defenses to which you may be entitled; and/or

(i) The right to trial by jury in respect of any litigation based on, or arising out of, under or in connection with this Guaranty.

4. Further Agreements and Understandings. You hereby consent and agree that:

(a) Your direct and immediate liability under this Guaranty will be joint and several with Franchisee and each other Guarantor of Franchisee;

(b) The death or incapacity of any Guarantor will not modify, amend or terminate this Guaranty;

(c) If you should die, become incapacitated, become insolvent or make a general assignment for the benefit of creditors, or if a proceeding under the United States Bankruptcy Code or any similar law affecting the rights of creditors generally shall be filed or commenced by, against or in respect of you or any other Guarantor hereunder, any and all obligations of that Guarantor shall, at Franchisor's option, immediately become due and payable without notice;

(d) If any payment or transfer to Franchisor that has been credited against any Obligation is voided or rescinded or required to be returned by Franchisor, whether or not in connection with any event or proceeding described in Section 4(c), this Guaranty will continue in effect or be reinstated as though such payment, transfer or recovery had not been made;

(e) You will render any payment or performance required under this Agreement or any other franchise agreement upon demand if Franchisee fails or refuses punctually to do so;

(f) Your liability hereunder will be construed as an absolute, unconditional, continuing and unlimited obligation without regard to the regularity, validity or enforceability of any of the Obligations, and without regard to whether any Obligation is limited, modified, voided,

released or discharged in any proceeding under the United States Bankruptcy Code or any similar law affecting the rights of creditors generally;

(g) Your liability hereunder will not be contingent or conditioned upon Franchisor's pursuit of any remedies against Franchisee or any other person;

(h) This Guaranty will continue in full force and effect for and as to any extension of or modification or amendment to the Agreement or any other Franchise Agreement and you waive notice of any and all such extensions, modifications or amendments;

(i) Your liability hereunder will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence, or any waiver that Franchisor may from time to time grant to Franchisee or to any other person, including without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims (including the release of other Owners or guarantors), or the taking of any action by Franchisor that may have the effect of increasing your obligations, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement and so long as any performance is or may be owed under any of the Franchise Agreements by Franchisee or its Owners and so long as Franchisor may have cause of action against Franchisee or its Owners, subject to paragraph (k) below;

(j) Any and all present and future debts and obligations of Franchisee to you or any other Guarantors are hereby subordinated to the full payment and performance of the Obligations; and

(k) If you transfer, in compliance with the Agreement, any interest in the Agreement or Franchisee in an installment sale, your liability for the Obligations under the Agreement will terminate upon the later of (i) one year from the date of transfer or (ii) the date of payment of the final installment of any purchase money debt; provided that, after the first anniversary of such transfer, your liability will be limited to the original amount of the purchase money debt. If you transfer, in compliance with the Agreement, any interest in the Agreement or Franchisee for payment in cash, your liability for the Obligations under the Agreement will terminate one year from the date of the transfer, and your liability will be limited to the amount of accrued but unpaid Royalty fees due and payable under the Agreement during such period. Notwithstanding the foregoing, your liability hereunder for Obligations under the other Franchise Agreements will continue in full force and effect until Franchisee has fully paid and performed all obligations thereunder.

5. Choice of Law; Jurisdiction and Venue. This Guaranty shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania. You hereby irrevocably submit to the jurisdiction of the courts or record in the Commonwealth of Pennsylvania in Allegheny County and any appellate court thereof in any action or proceeding arising out of or relating to this Guaranty. You hereby irrevocably waive, to the fullest extent you may effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding and any right to jurisdiction on account of your place of residence or domicile. You agree that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

6. Severability. If one or more provisions shall be invalid, illegal or unenforceable, in any respect under the laws of any jurisdiction, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

You now execute this Guaranty effective on the date shown above.

GUARANTORS

Signature: _____ Printed Name: _____

Signature: _____ Printed Name: _____

Signature: _____ Printed Name: _____

Signature: _____ Printed Name: _____

Exhibit D to Franchise Agreement

Non-Disclosure and Covenant Not-to-Compete Agreement

I, _____ agree that during my association with _____ (“Franchisee”) and Millie’s Franchising, LLC and its affiliates (collectively referred to as “Franchisor”) and for two (2) years immediately thereafter, I will not:

(a) Divert, solicit, interfere with, misappropriate, take away or attempt to divert or take away any source of business or revenue of Franchisee, Franchisor, or any of Franchisor’s franchisees.

(b) Within the Non-Compete Area (defined below), perform any services for, engage in or acquire, become an employee of, have any financial, beneficial, or equitable interest in, or have any interest whatsoever in any business which:

(i) prepares, offers, or sells, directly or indirectly (including through licensing or franchising) ice cream, frozen desserts or other related bakery/dessert items, goods, or services, or other products that are the same as, similar to or competitive with Franchisor and/or its franchisees; or

(ii) owns or operates a business offering a menu of ice cream and/or frozen desserts.

(c) Induce any person to leave his or her employment with Franchisee, Franchisor or any of Franchisor’s franchisee.

(d) Perform or contribute to any other act injurious or prejudicial to the goodwill associated with Franchisor or its trademarks, trade names or other intellectual property.

In addition to the above, I agree to at all times during and after this Agreement, treat as confidential all manuals and materials designated for use with the System (including without limitation the Operations Manual), and such other information as Franchisor may designate from time to time for confidential use with the System (as well as all trade secrets and confidential information, knowledge and know-how concerning the operation of the Millie’s Location that may be imparted to, or acquired by, me from time to time in connection with my relationship with Franchisor), and shall use all reasonable efforts to keep such information confidential. I acknowledge that the unauthorized use or disclosure of such confidential information (and trade secrets, if any) will cause incalculable and irreparable injury to Franchisor. I accordingly agree that I shall not, at any time, without Franchisor’s prior written consent, disclose, use or permit the use (except as may be required by applicable law or authorized by this Agreement) of such information, in whole or part, or otherwise make the same available to any unauthorized person or source. Any and all information, knowledge and know-how not generally known about Franchisor Standards and such other information or material as Franchisor may designate as confidential, shall be deemed confidential for purposes of this Agreement.

The “Non-Complete Area” means: (1) in Franchisee’s Protected Territory and within ten (10) miles of the Millie’s Location Site and (2) within any other franchisee’s exclusive area, any franchisee or other business which is franchised, owned, operated or managed by or under the direction or

auspices of Franchisor or any of its affiliates which is within ten (10) miles of the Franchisee's Millie's Location Site.

Because of my significant responsibilities and access to proprietary information of the Franchisee, I acknowledge that each of my obligations in this Agreement is reasonable and necessary to protect Franchisor and its franchisees legitimate business interests. I understand that breaking any of my promises or obligations will irreparably and continually damage Franchisee, Franchisor, and Franchisor's franchisees for which money damages may not be adequate.

Consequently, if I violate any of my promises in this Agreement, or Franchisor and/or Franchisee has reason to believe that I am about to violate this Agreement, Franchisor and Franchisee will be entitled to both: (1) a preliminary or permanent injunction to prevent the continuing harm to Franchisor (and/or any of its franchisees) and/or Franchisee, and (2) money damages insofar as they can be determined. An injunction ordering me to stop any activities that may violate this Agreement will not prevent me from earning a living. I will pay Franchisor and/or Franchisee its costs and expenses resulting from any enforcement of this Agreement resulting from my violation of the terms hereof, including reasonable attorney fees.

Signature: _____

Name: _____

Title: _____

AGREED AND ACKNOWLEDGED:

Millie's Franchising, LLC

Signature: _____

Name: _____

Title: _____

Exhibit E to Franchise Agreement

General Release

This General Release ("Release") is made by the undersigned, _____ (hereinafter "Releasor") for the benefit of Millie's Franchising, LLC a Pennsylvania limited liability corporation, (hereinafter "Franchisor"), on this ___ day of _____, 20__.

RECITALS

WHEREAS, Releasor desires to execute a franchise agreement (hereinafter, the "Franchise Agreement") for a Millie's Homemade franchise to be located at _____;

WHEREAS, in consideration for the execution of the Franchise Agreement and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Releasor has agreed to execute a general release of Franchisor;

NOW, THEREFORE, Releasor hereby covenants and promises as follows:

(a) Releasor hereby absolutely and forever releases and discharges Franchisor from any and all claims, demands, damages, debts, liabilities, accounts, costs, expenses, liens, losses, charges, actions, suits, proceedings and causes of action of every kind and nature whatsoever (hereinafter "Released Matters"), whether now known or unknown, suspected or unsuspected, which Releasor now has, owns or holds, or at any time heretofore ever had, owned or held, or could, shall or may hereafter have, own or hold, pertaining to, arising out of or in connection with the Franchise Agreement, any related agreements or the franchisor-franchisee relationship between Releasor and Franchisor.

(b) Releasor hereby understands and agrees that this General Release shall extend to and be binding upon any and all of Releasor's attorneys, officers, directors, employees, agents, heirs, estate executors, administrators, successors, affiliates, associates and assigns, and their respective insurers and underwriters. If more than one party shall execute this Release, the term "Releasor" shall mean all parties executing this General Release, and all parties shall be bound by its terms.

(c) Releasor hereby understands and agrees that this General Release shall extend to and inure to the benefit of any and all of Franchisor's attorneys, officers, directors, employees, agents, authorized representatives, estate, legal representatives, successors, affiliates, associates and assigns, and its and their respective insurers and underwriters.

(d) Releasor hereby understands and agrees that this General Release supersedes any prior agreement, oral or written, with respect to its subject matter. Releasor understands and agrees that no representations, warranties, agreements or covenants have been made with respect to this General Release, other than those set forth herein, and that in executing this General Release, Releasor is not relying upon any representations, warranty, agreement or covenant not set forth herein.

(e) This General Release and all acts and transactions under it shall in all respects be interpreted, enforced and governed by the internal laws of the Commonwealth of Pennsylvania.

(f) Releasor hereby certifies that he has read all of this General Release and fully understands all of the same and that he has executed this General Release only after having received full legal advice and disclosure as to his rights from legal counsel of his choice.

IN WITNESS WHEREOF, the party hereto has executed this General Release effective as of the date first set forth above.

RELEASOR

Signature: _____
Name: _____
Title: _____
Date: _____

FRANCHISOR

Signature: _____
Name: _____
Title: _____
Date: _____

Exhibit F to Franchise Agreement

Electronic Funds Transfer (EFT) Authorization

Franchisee Information:

Franchisee Name	Shop#
-----------------	-------

Franchisee Mailing Address (street)

Franchisee Phone No.

Franchisee Mailing Address (city, state, zip)

Contact Name, Address and Phone number (if different than above)

Bank Account Information:

Bank Name

Bank Account No.

Bank Mailing Address (street)

Bank Routing No.

Bank Mailing Address (city, state, zip)

Bank Phone No.

Payee Information:

Millie's Franchising, LLC

Authorization:

The Franchisee hereby authorizes the Bank to honor and charge the Bank Account for electronic funds transfers or drafts drawn on the Bank Account and payable to the Payee. The amount of such charge shall be set forth in a notice from the Payee presented to the Bank on the Tuesday of each week. Franchisor reserves the right to change the timing of the payments. The Franchisee agrees to execute such additional documents as may be reasonably requested by the Payee or the Bank to evidence the interest of this EFT Authorization. This authority shall remain in full force and effect until the Payee has received written notification from the Franchisee in such time and manner as to afford the Payee and the Bank to act on such notice. The Franchisee understands that the termination of this authorization does not relieve the Franchisee of its obligations to make payments to the Payee.

Signature:

Date:

INDEMNIFICATION OF BANK

In consideration of the Bank's compliance with the foregoing request and authorization, the Payee agrees with respect to any action by the Bank in compliance with the foregoing request and authorization to indemnify the Bank and hold the Bank harmless for, from and against any loss the Bank may suffer as a consequence of the Bank's actions from or in connection with the execution and issuance of any electronic fund transfer or draft, whether or not genuine, purporting to be executed by the Payee and received by the Bank in the regular course of business for the purpose of payment, except to the extent such loss caused by the negligence or willful misconduct of the Bank.

NOTE: FRANCHISEE MUST ATTACH A VOIDED CHECK RELATING TO THE BANK ACCOUNT.

Exhibit F to Franchise Agreement

State Specific Addenda

**ADDENDUM TO THE FRANCHISE AGREEMENT REQUIRED BY
THE STATE OF MARYLAND**

The following provisions of the Maryland Franchise Registration and Disclosure Law ("Maryland Franchise Law") shall apply to any franchises sold or offered for sale within the State of Maryland, operated in this State or to a Maryland resident, which amends the Franchise Agreement:

Section 15(b) of the Franchise Agreement: Section 15(b) of the Franchise Agreement is amended to add: "The provision in this Franchise Agreement which terminates the franchise upon the bankruptcy of the Franchisee may not be enforceable under federal bankruptcy law, Title 11, United States Code Section 101 et seq."

Section 19(h) of the Franchise Agreement. Section 19(h) of the Franchise Agreement is amended to add: "Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise."

Franchise Agreement and the Franchise Disclosure Questionnaire: "Notwithstanding anything in the Franchise Agreement or the Franchise Disclosure Questionnaire to the contrary, all representations requiring prospective franchisee to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."

Sections 11(c) and 12(a) of the Franchise Agreement: Sections 11(c) and 12(a) of the Franchise Agreement are amended to state:

"The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law."

Section 19 of the Franchise Agreement. Section 18 of the Franchise Agreement is amended to state:

"This Franchise Agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable."

Signatures on the following page.

FRANCHISOR

MILLIE'S FRANCHISING, INC.

By: _____

Name: _____

Title: _____

FRANCHISEE

[NAME]

By: _____

Name: _____

Title: _____

ADDENDUM TO THE FRANCHISE AGREEMENT
REQUIRED FOR THE STATE OF VIRGINIA

Notwithstanding anything contained in the foregoing Franchise Agreement and Franchise Disclosure Document ("FDD") to the contrary, the following provisions of the Virginia Retail Franchising Act shall apply to any franchise or franchisee located in the State of Virginia, which shall control to the extent of any inconsistency:

The following is added to Item 17.h. of the FDD, and corresponding provisions in the Franchise Agreement:

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.

FRANCHISOR

MILLIE'S FRANCHISING, INC.

By: _____

Name: _____

Title: _____

FRANCHISEE

[NAME]

By: _____

Name: _____

Title: _____

Exhibit C

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OPERATIONS MANUAL TABLE OF CONTENTS

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Financial Statements

Millies Franchising LLC

**Financial Statements with Report of Independent Auditors
December 31, 2022 and 2021 (Balance Sheet only for 2021)**

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Report of Independent Auditors

To the Shareholders of
Millies Franchising LLC:

Report on the Financial Statements

We have audited the accompanying financial statements of Millies Franchising LLC, a Pennsylvania limited liability company, which comprise the balance sheet (“financial statements”) as of December 31, 2022 and 2021 and the related statements of operations and shareholders’ equity and cash flows for the year ended December 31, 2022 and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements

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

Auditors’ Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Millies Franchising LLC as of December 31, 2022 and 2021 and the results of its operations and its cash flows for the year ended December 31, 2022 in accordance with accounting principles generally accepted in the United States of America.

DA Advisory Group

Troy, MI
June 26, 2023

Millies Franchising LLC
BALANCE SHEET
As of December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Current assets:		
Cash	\$ 75,575	\$ -
Related-party receivable	44,140	19,056
Other current assets	1,123	-
	<hr/>	<hr/>
Total current assets	120,838	19,056
Total assets	<u>\$ 120,838</u>	<u>\$ 19,056</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Customer deposits for inventory	\$ 10,000	\$ -
Deferred franchise fees - current	14,000	-
	<hr/>	<hr/>
Total current liabilities	24,000	-
Noncurrent liabilities:		
Deferred franchise fees - noncurrent	36,000	-
	<hr/>	<hr/>
Total noncurrent liabilities	36,000	-
Total liabilities	<hr/>	<hr/>
	60,000	-
Shareholders' equity	<hr/>	<hr/>
	60,838	19,056
Total liabilities and shareholders' equity	<u>\$ 120,838</u>	<u>\$ 19,056</u>

see accompanying notes

Millies Franchising LLC
STATEMENTS OF OPERATIONS
For the Year Ended December 31, 2022

	<u>2022</u>
REVENUE	
Royalty income	\$ 30,900
Franchise fees	45,000
Other franchise-related revenue	<u>4,822</u>
Total revenue	80,723
OPERATING EXPENSES	
Selling and administrative expenses	<u>19,884</u>
Net income	<u><u>\$ 60,838</u></u>

see accompanying notes

Millies Franchising LLC
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the Year Ended December 31, 2022

	Shareholders' Equity
	<u> </u>
BALANCE, December 31, 2021	\$ 19,056
Net income	<u>60,838</u>
BALANCE, DECEMBER 31, 2022	<u><u>\$ 60,838</u></u>

see accompanying notes

Millies Franchising LLC
STATEMENTS OF CASH FLOWS
For the Year Ended December 31, 2022

	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Net income	\$ 60,838
Change in:	
Related party receivable	(44,140)
Other current assets	(1,123)
Deferred franchise fees	50,000
Other deposits from customers	10,000
Net cash used in operating activities	<u>75,575</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Partner's Equity	\$ -
Net cash provided by financing activities	<u>-</u>
Net change in cash and cash equivalents	\$ 75,575
Cash and cash equivalents at beginning of year	<u>-</u>
Cash and cash equivalents at end of year	<u><u>\$ 75,575</u></u>
Total cash and cash equivalents	<u><u>\$ 75,575</u></u>

see accompanying notes

Millies Franchising LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

1. Organization

Millies Franchising LLC (the “Company”) is a limited liability company owned by five individuals (“Shareholders”). The Company was formed for the purpose of franchising ice cream stores nationally in the United States.

Pursuant to the Company interest agreements, profits and losses are allocated to each of the Shareholders based on their respective ownership percentages. The Company did not commence operations until 2021.

2. Summary of significant accounting policies and nature of operations

Basis of accounting

The Company prepares its financial statements on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Revenue and expenses

Operating income consists of contractual franchise royalties based on a percentage of monthly sales which are recognized as revenue in the month earned. For the years ended December 31, 2022 and 2021, royalty revenues were \$30,900 and \$13,006, respectively.

Initial franchise fees are recognized as revenue once substantially all of the initial services of the Company required by franchise agreement have been performed and no other material conditions or obligations related to the determination of substantial performance exist, which typically aligns with the date a location is opened. For the years ended December 31, 2022 and 2021, initial franchise fees earned were \$45,000 and \$5,000, respectively.

Income taxes

Income taxes on Company income are levied on the Shareholders at the individual level. Accordingly, all profits and losses of the Company are recognized by each Shareholder on their respective tax return.

Subsequent events

Management has evaluated subsequent events through June 26, 2023, the date at which the financial statements were available for issue and does not believe that there are any subsequent events that require adjustment or disclosure in the accompanying financial statements.

The Company did go through a reorganization bringing on new members and reorganizing current ownership interests in March of 2023. The results of this transaction do not have impact on the financials in 2022 nor do they change the operational goals of the Company in 2023.

Millies Franchising LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

3. Related-party transactions

The Company works with other entities with common ownership. As the entity was new in 2021 and did not yet have a bank account, a related-party entity collected the revenue related to the Company. As of December 31, 2021, the balance of the related-party receivable was \$19,056. In 2022, the Company became fully operational, and opened its own account to operate out of, but there were some additional transactions that resulted in a balance owed to Millies Franchising LLC. As of December 31, 2022, the balance of the related-party receivable was \$44,140.

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

Millies Franchising LLC
Balance Sheet
As of March 31, 2023

	<u>Total</u>
ASSETS	
Current Assets	
Total Bank Accounts	\$ 46,570.21
Total Accounts Receivable	\$ 128,640.30
Total Other Current Assets	-\$ 97.07
Total Current Assets	<u>\$ 175,113.44</u>
TOTAL ASSETS	<u><u>\$ 175,113.44</u></u>
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Total Accounts Payable	\$ 59,377.75
Total Other Current Liabilities	\$ 16,197.33
Total Current Liabilities	\$ 75,575.08
Total Long-Term Liabilities	\$ 36,000.00
Total Liabilities	<u>\$ 111,575.08</u>
Total Equity	<u>\$ 63,538.36</u>
TOTAL LIABILITIES AND EQUITY	<u><u>\$ 175,113.44</u></u>

Monday, Aug 14, 2023 08:59:38 AM GMT-7 - Accrual Basis

Millies Franchising LLC
Balance Sheet
As of March 31, 2023

	<u>Total</u>
ASSETS	
Current Assets	
Bank Accounts	
12000 Cash & Cash Equivalents	46,570.21
Total Bank Accounts	\$ 46,570.21
Accounts Receivable	
13100 Intercompany Accounts Receivable (A/R)	128,640.30
Total Accounts Receivable	\$ 128,640.30
Other Current Assets	
13400 Undeposited Funds - Franchising	-97.07
Total Other Current Assets	-\$ 97.07
Total Current Assets	\$ 175,113.44
TOTAL ASSETS	\$ 175,113.44
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
18000 Accounts Payable (A/P)	9,377.75
18100 Intercompany Accounts Payable (A/P)	50,000.00
Total Accounts Payable	\$ 59,377.75
Other Current Liabilities	
20500 Deferred Revenue	6,197.33
22000 Other Current Liabilities	10,000.00
Total Other Current Liabilities	\$ 16,197.33
Total Current Liabilities	\$ 75,575.08
Long-Term Liabilities	
25000 Other Long Term Liabilities	36,000.00
Total Long-Term Liabilities	\$ 36,000.00
Total Liabilities	\$ 111,575.08
Equity	
26400 Retained Earnings	59,766.11
Net Income	3,772.25
Total Equity	\$ 63,538.36
TOTAL LIABILITIES AND EQUITY	\$ 175,113.44

Millies Franchising LLC
Profit and Loss
January - March, 2023

	Total	
Income		
Total 40000 Sales	\$	19,839.04
Total 45000 Deductions	-\$	539.75
Total Income	\$	19,299.29
Gross Profit	\$	19,299.29
Expenses		
Total Expenses	\$	15,527.04
Net Operating Income	\$	3,772.25
Net Income	\$	3,772.25

Monday, Aug 14, 2023 09:01:57 AM GMT-7 - Accrual Basis

Millies Franchising LLC

Statement of Cash Flows

January - March, 2023

	Total
OPERATING ACTIVITIES	
Net Income	3,772.25
Adjustments to reconcile Net Income to Net Cash provided by operations:	
13130 Intercompany Accounts Receivable (A/R):Intercompany Receivable - Corporate Stores	-84,500.00
13400 Undeposited Funds - Franchising	1,219.63
18000 Accounts Payable (A/P)	9,377.75
18120 Intercompany Accounts Payable (A/P):Intercompany Payable - Frozen Assets	50,000.00
20520 Deferred Revenue:Franchisee Gift Cards	125.19
20530 Deferred Revenue:Deferred Franchise Fees	-9,000.00
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	-\$ 32,777.43
Net cash provided by operating activities	-\$ 29,005.18
Net cash increase for period	-\$ 29,005.18
Cash at beginning of period	75,575.39
Cash at end of period	\$ 46,570.21

Monday, Aug 14, 2023 09:04:21 AM GMT-7

Millies Franchising LLC

Balance Sheet

As of June 30, 2023

	Total
ASSETS	
Current Assets	
Total Bank Accounts	\$ 38,856.99
Total Accounts Receivable	\$ 128,640.30
Total Other Current Assets	-\$ 3,000.45
Total Current Assets	\$ 164,496.84
TOTAL ASSETS	\$ 164,496.84
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Total Accounts Payable	\$ 129,566.00
Total Credit Cards	-\$ 9,894.69
Other Current Liabilities	
Total Other Current Liabilities	\$ 57,271.30
Total Current Liabilities	\$ 176,942.61
Total Long-Term Liabilities	\$ 36,000.00
Total Liabilities	\$ 212,942.61
Total Equity	-\$ 48,445.77
TOTAL LIABILITIES AND EQUITY	\$ 164,496.84

Monday, Aug 14, 2023 09:08:03 AM GMT-7 - Accrual Basis

Millies Franchising LLC

Balance Sheet

As of June 30, 2023

	Total
ASSETS	
Current Assets	
Bank Accounts	
12000 Cash & Cash Equivalents	
12550 S&T Bank Millies Franchising LLC	38,856.99
Total 12000 Cash & Cash Equivalents	\$ 38,856.99
Total Bank Accounts	\$ 38,856.99
Accounts Receivable	
13000 Accounts Receivable (A/R)	0.00
13100 Intercompany Accounts Receivable (A/R)	
13130 Intercompany Receivable - Corporate Stores	128,640.30
Total 13100 Intercompany Accounts Receivable (A/R)	\$ 128,640.30
Total Accounts Receivable	\$ 128,640.30
Other Current Assets	
13400 Undeposited Funds - Franchising	903.42
15000 Prepaid expenses	-3,903.87
Payments to deposit	0.00
Total Other Current Assets	-\$ 3,000.45
Total Current Assets	\$ 164,496.84
TOTAL ASSETS	\$ 164,496.84
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
18000 Accounts Payable (A/P)	14,566.00
18100 Intercompany Accounts Payable (A/P)	
18120 Intercompany Payable - Frozen Assets	115,000.00
Total 18100 Intercompany Accounts Payable (A/P)	\$ 115,000.00
Total Accounts Payable	\$ 129,566.00
Credit Cards	
21000 Credit Cards / LOC	
21300 Credit Card - Capital One (7945)	-9,894.69
Total 21000 Credit Cards / LOC	-\$ 9,894.69
Total Credit Cards	-\$ 9,894.69
Other Current Liabilities	
20000 Accrued Expenses	
20100 Accrued Payroll	43,637.13
Total 20000 Accrued Expenses	\$ 43,637.13
20500 Deferred Revenue	
20520 Franchisee Gift Cards	2,824.44
20530 Deferred Franchise Fees	0.00
Total 20500 Deferred Revenue	\$ 2,824.44

22000 Other Current Liabilities	
22500 Payable to John Hancock	809.73
22700 Customer Deposits for Inventory	10,000.00
Total 22000 Other Current Liabilities	\$ 10,809.73
Total Other Current Liabilities	\$ 57,271.30
Total Current Liabilities	\$ 176,942.61
Long-Term Liabilities	
25000 Other Long Term Liabilities	
25100 Deferred Franchise Fees	36,000.00
Total 25000 Other Long Term Liabilities	\$ 36,000.00
Total Long-Term Liabilities	\$ 36,000.00
Total Liabilities	\$ 212,942.61
Equity	
26400 Retained Earnings	59,766.11
Net Income	-108,211.88
Total Equity	-\$ 48,445.77
TOTAL LIABILITIES AND EQUITY	\$ 164,496.84

Monday, Aug 14, 2023 09:08:03 AM GMT-7 - Accrual Basis

Millies Franchising LLC

Profit and Loss

April - June, 2023

	Total
Income	
Total 40000 Sales	\$ 44,520.63
Total 45000 Deductions	-\$ 877.75
Services	290.00
Total Income	\$ 43,932.88
Total Cost of Goods Sold	\$ 142.25
Gross Profit	\$ 43,790.63
Expenses	
Total Expenses	\$ 154,660.46
Net Operating Income	-\$ 110,869.83
Other Expenses	
Total Other Expenses	\$ 1,114.30
Net Other Income	-\$ 1,114.30
Net Income	-\$ 111,984.13

Monday, Aug 14, 2023 09:12:08 AM GMT-7 - Accrual Basis

Millies Franchising LLC

Statement of Cash Flows

April - June, 2023

	<u>Total</u>
OPERATING ACTIVITIES	
Net Income	-111,984.13
Adjustments to reconcile Net Income to Net Cash provided by operations:	
13000 Accounts Receivable (A/R)	0.00
13400 Undeposited Funds - Franchising	-1,000.49
15000 Prepaid expenses	3,903.87
18000 Accounts Payable (A/P)	5,188.25
18120 Intercompany Accounts Payable (A/P):Intercompany Payable - Frozen Assets	65,000.00
21300 Credit Cards / LOC:Credit Card - Capital One (7945)	-9,894.69
20100 Accrued Expenses:Accrued Payroll	43,637.13
20520 Deferred Revenue:Franchisee Gift Cards	1,627.11
20530 Deferred Revenue:Deferred Franchise Fees	-5,000.00
22500 Other Current Liabilities:Payable to John Hancock	809.73
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	<u>\$ 104,270.91</u>
Net cash provided by operating activities	<u>-\$ 7,713.22</u>
Net cash increase for period	<u>-\$ 7,713.22</u>
Cash at beginning of period	46,570.21
Cash at end of period	<u>\$ 38,856.99</u>

Monday, Aug 14, 2023 09:07:13 AM GMT-7

Exhibit E

State Specific Addenda

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

REQUIRED FOR THE STATE OF MARYLAND

The following provisions of the Maryland Franchise Registration and Disclosure Law ("Maryland Franchise Law") shall apply to any franchises sold or offered for sale within the State of Maryland, operated in this State or to a Maryland resident, which amends the Franchise Agreement:

Section 15(b) of the Franchise Agreement: Section 15(b) of the Franchise Agreement is amended to add: "The provision in this Franchise Agreement which terminates the franchise upon the bankruptcy of the Franchisee may not be enforceable under federal bankruptcy law, Title 11, United States Code Section 101 et seq."

Section 19(h) of the Franchise Agreement. Section 19(h) of the Franchise Agreement is amended to add: "Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise."

Franchise Agreement and the Franchise Disclosure Questionnaire: "Notwithstanding anything in the Franchise Agreement or the Franchise Disclosure Questionnaire to the contrary, all representations requiring prospective franchisee to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."

Sections 11(c) and 12(a) of the Franchise Agreement: Sections 11(c) and 12(a) of the Franchise Agreement are amended to state:

"The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law."

Section 19 of the Franchise Agreement. Section 18 of the Franchise Agreement is amended to state:

"This Franchise Agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable."

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

REQUIRED FOR THE STATE OF VIRGINIA

Notwithstanding anything contained in the foregoing Franchise Agreement and Franchise Disclosure Document ("FDD") to the contrary, the following provisions of the Virginia Retail Franchising Act shall apply to any franchise or franchisee located in the State of Virginia, which shall control to the extent of any inconsistency:

The following is added to Item 17.h. of the FDD, and corresponding provisions in the Franchise Agreement:

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.

Exhibit F

List of Franchisees and List of Former Franchisees

Current Franchisees

Frosty Flamingo, LLC
160 Millers Run Rd, Bridgeville, PA 15017
412-874-5069
Attn: Kayleigh Lucas
(South Fayette and Millie's Food Truck)

Red High Heels LLC
11978 Perry Hwy
Wexford, PA 15090
(724) 730-9961
Attn.: Nicole Caravella
(Millie's Wexford)

JACO Builders LLC
3803 Butler Street
Pittsburgh, PA 15201
(412) 621-1699
Attn.: Jason Horowitz
(Millie's Lawrenceville)

Signed by Not Open

M&S DiPaolo LLC
2328 Cassidy Drive
Bethel Park, PA 15102
(412) 648-2146
Attn.: Michael and Stephanie DiPaolo
(Millie's Oakland)

Pink Bubblegum LLC
Attn.: Brian & Lori McBarron
3021 Meadow View Court
Harrison City, PA 15636
(724) 382-8010
(Millie's Westmoreland)
Area Development, 3 Shops plus Food Truck

Exhibit G

Franchisee Compliance Questionnaire

As you know, Millie's Franchising, LLC ("we", "us"), and you are preparing to enter into a Franchise Agreement for the right to open and operate one (1) Millie's Homemade franchise (a "Franchised Business"). The purpose of this Questionnaire is to: (i) determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading; (ii) be certain that you have been properly represented in this transaction; and (iii) be certain that you understand the limitations on claims you may make by reason of the purchase and operation of your franchise. **You cannot sign or date this Questionnaire the same day as the Receipt for the Franchise Disclosure Document but you must sign and date it the same day you sign the Franchise Agreement, and pay us the appropriate franchise or development fee.** Please review each of the following questions carefully and provide honest responses to each question. If you answer "No" to any of the questions below, please explain your answer on the back of this sheet.

- Yes____ No ____ 1. Have you received the Franchise Agreement, as well as each exhibit or schedule attached to the agreement that you intend to enter into with us?
- Yes____ No ____ 2. Have you received the Franchise Disclosure Document we provided?
- Yes____ No ____ 3. Did you sign a receipt for the Disclosure Document indicating the date you received it?
- Yes____ No ____ 4. Have you reviewed the Disclosure Document and Franchise Agreement with a lawyer, accountant or other professional advisor?
- Yes____ No ____ 5. Do you understand the success or failure of your Franchised Business(es) will depend on many factors beyond your control such as demographics of your premises competition, interest rates, the economy, inflation, labor and supply costs, lease terms and the marketplace?
- Yes____ No ____ 6. Did anyone from our team explain that we and our affiliates retain the exclusive unrestricted right to engage, directly or through others, in the providing of services under the "MILLIE'S," "MILLIE'S HOMEMADE," "REAL IS DELICIOUS," "MILLIE'S COFFEE N CREAMERY," and "MILLIE'S HOMEMADE ICE CREAM" marks or any other mark at any location outside your Protected Territory under the Franchise Agreement without regard to the proximity of these activities to you're the premises of your Franchised Business(es)?
- Yes____ No ____ 7. Is it true that no broker, employee or other person speaking on our behalf made any statement or promise regarding the costs involved in operating a Franchised Business that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document?
- Yes____ No ____ 8. Is it true that no broker, employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the

total amount of revenue a Franchised Business will generate, that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document?

Yes____ No ____ 9. Is it true that no broker, employee or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement concerning advertising, marketing, media support, marketing penetration, training, support service or assistance that is contrary to, or different from, the information contained in the Disclosure Document?

Yes____ No ____ 10. Is it true that no broker, employee or other person providing services to you on our behalf has solicited or accepted any loan, gratuity, bribe, gift or any other payment in money, property or services from you in connection with a Franchised Business purchase with exception of those payments or loans provided in the Disclosure Document?

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

Signature of Franchise Applicant

Signature of Franchise Applicant

Name (please print)

Name (please print)

Dated: _____, 20____

Dated: _____, 20____

Signature of Franchise Applicant

Signature of Franchise Applicant

Name (please print)

Name (please print)

Dated: _____, 20____

Dated: _____, 20____

GIVE A COMPLETE EXPLANATION OF ANY NEGATIVE RESPONSES ON BACK OF THIS PAGE (REFER TO QUESTION NUMBER)

EXHIBIT H

DEVELOPMENT AGREEMENT

This Development Agreement ("Agreement") entered into this ___ day of ___, 20___ (the "Effective Date"), between: (i) Millie's Franchising, LLC, a Pennsylvania limited liability company, with its principal business address at 235 East 7th Avenue, Homestead, PA 15120 (the "Franchisor"); and (ii) _____, a _____ with an address at _____ (the "Developer").

Background

- A. Franchisor and its affiliates/principals own and have developed a proprietary system for the operation of a franchise business that offers a menu of super premium ice cream and dairy-free gelato, various coffee products, made with all-natural ingredients sourced from vendors focusing on fair trade and sustainability, to customers, and other services and products (each location a "Franchised Business").
- B. Each Franchised Business operates pursuant to our proprietary system (the "System").
- C. Franchisor identifies the System by means of various trademarks and design marks, including the "Millie's®" trademark and design mark, and our trade dress, as well any other trademarks, trade names, logos, emblems, and indicia of origin Franchisor may now or in the future designate in connection with the system (the "Marks").
- D. Franchisor grants qualified third parties the right to develop up to three (3) Franchised Businesses within a defined geographical area (the "Designated Marketing Area") in accordance with a mandatory development schedule that must be strictly adhered to, with each Franchised Business within the Designated Marketing Area being opened and operating utilizing the Marks and System pursuant to the terms and conditions set forth in a separate form of Franchisor's then-current franchise agreement (each, a "Franchise Agreement").
- E. Developer has applied for the right to open and operate a certain number of Franchised Business within a Designated Marketing Area set forth in this Agreement below, and Franchisor has approved such application in reliance on Developer's representations made therein.
- F. Developer hereby acknowledges that adherence to the terms of this Agreement, including Franchisor's operations manual and other System standards and specifications are essential to the operation of all Franchised Businesses and our System as a whole.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

Agreement

1. Designated Marketing Area. Subject to the terms and conditions set forth herein, Franchisor grants Developer the right, and Developer undertakes the obligation, to develop and establish _____ Franchised Businesses within the Designated Marketing Area described in the data sheet attached hereto as Exhibit "A" (the "Data Sheet"), provided Developer opens and commences operations of such Franchised Businesses in strict accordance with the mandatory development schedule also set forth in the Data Sheet (the "Development Schedule").

2. Development Fee. Developer agrees to pay Franchisor the development fee set forth in the Data Sheet immediately upon execution of this Agreement. The parties agree and acknowledge that, upon payment of the Development Fee required by this Section: (i) Developer will not be required to pay Franchisor an additional "Initial Franchise Fee" pursuant to any Franchise Agreement that Developer enters into to fulfill its development obligations under this Agreement within the Designated Marketing Area; and (ii) the Development Fee will be deemed fully earned by Franchisor and not refundable under any circumstances.

3. Initial Franchise Agreement. Contemporaneous with the execution of this Agreement, Developer must enter into Franchisor's current form of Franchise Agreement for the first Franchised Business that Developer is required to open within the Designated Marketing Area.

4. Additional Franchise Agreements. Developer agrees and acknowledges that it must: (i) enter into Franchisor's then-current form of Franchise Agreement for each additional Franchised Business that Developer is required to open under this Agreement; and (ii) enter into such Franchise Agreements at such times that are required for Developer to timely meet, and strictly adhere to, its obligations under the Development Schedule.

5. Development Obligations. Developer must ensure that, at a minimum, Developer: (i) opens and commences operations of the required number of new Franchised Businesses during each 12-month period from the Effective Date of this Agreement set forth in the Development Schedule described in the Data Sheet (each, a "Development Period"); and (ii) has the minimum cumulative number of Franchised Businesses open and operating at the expiration of each Development Period. The parties agree and acknowledge that time is of the essence with respect to the foregoing development obligations, and that Developer's failure to comply with the Development Schedule is grounds for immediate termination of this Agreement (and any future development rights granted hereunder).

6. Term and Termination.

6.1 This Agreement will commence as of the date it is fully-executed and, unless earlier terminated by Franchisor, will end on the last day of the calendar month that the final Franchised Business is required to be opened and operating under the Development Schedule. Upon expiration or termination of this Agreement for any reason, Developer will not have any rights within the Designated Marketing Area other than the rights granted in connection with any Franchised Businesses that Developer has opened and commenced operating as of the date this Agreement is terminated or expires.

6.2 Franchisor will have the right, at its option, to terminate this Agreement and all rights granted to Developer hereunder, without affording Developer any opportunity to cure such default, effective upon written notice to Developer, upon the occurrence of any of the following events: (i) if Developer ceases to actively engage in development activities in the Designated Marketing

Area or otherwise abandons its development business for three (3) consecutive months, or any shorter period that indicates an intent by Developer to discontinue development of the Franchised Businesses within the Designated Marketing Area; (ii) if Developer becomes insolvent or is adjudicated bankrupt, or if any action is taken by Franchisee, or by others against the Developer, under any insolvency, bankruptcy or reorganization act, or if Developer makes an assignment for the benefit of creditors or a receiver is appointed by the Developer; (iii) if Developer fails to meet its development obligations under the Development Schedule for any one Development Period, and fails to cure such default within 30 days of receiving notice thereof; and (iv) if any Franchise Agreement that is entered into in order to fulfill Developer's development obligations under this Agreement is terminated or subject to termination by Franchisor, pursuant to the terms of that Franchise Agreement.

7. Reservation of Rights. The parties agree and acknowledge that the rights granted in this Agreement are non-exclusive and that Franchisor and its affiliates reserve all other rights not expressly granted to Developer herein, including the right to open and operate, or license third parties the right to open and operate, Franchised Businesses at any location within or outside the Designated Marketing Area; provided, however, that Franchisor will not open or operate, or license a third party the right to open or operate, any Millie's Business (franchised or otherwise) within any "Exclusive Territory" that is granted to Developer under each Franchise Agreement that Developer enters into pursuant to this Agreement during the term of that Franchise Agreement.

8. Sale or Assignment. Developer's rights under this Agreement are personal and Developer may not sell, transfer, or assign any right granted herein without Franchisor's prior written consent, which may be withheld in its sole discretion. Notwithstanding, if Developer is an individual or a partnership, Developer has the right to assign its rights under this Agreement to a corporation or limited liability company that is wholly owned by Developer according to the same terms and conditions as provided in Developer's initial Franchise Agreement. Franchisor has the right to assign this Agreement in whole or in part in its sole discretion.

9. Acknowledgment. Developer acknowledges that this Agreement is not a Franchise Agreement and does not confer upon Developer any rights to use the Franchisor's Marks or System.

10. Notices. All notices, requests and reports to be given under this Agreement are to be in writing, and delivered by either hand, overnight mail, or certified mail, return receipt requested, prepaid, to the addresses set forth above (which may be changed by written notice).

11. Choice of Law. This Agreement will be governed by the laws of the Commonwealth of Pennsylvania (without reference to its conflict of laws principals).

12. Internal Dispute Resolution. Developer must first bring any claim or dispute between Developer and Franchisor to Franchisor's President and Chief Executive Officer, after providing Franchisor with notice of and a reasonable opportunity to cure and alleged breach hereunder. Developer must exhaust this internal dispute resolution procedure before bringing a dispute before a third party. This agreement to first attempt resolution of disputes internally will survive termination or expiration of this Agreement.

13. Mediation. At Franchisor's option, all claims or disputes between Franchisor and Developer or its affiliates arising out of, or in any way relating to, this Agreement or any other agreement by and between Franchisor and Developer or its affiliates, or any of the parties' respective rights and

obligations arising from such agreement, which are not first resolved through the internal dispute resolution procedure set forth in Section 12 above, must be submitted first to mediation, in Pittsburgh, Pennsylvania under the auspices of the American Arbitration Association ("AAA"), in accordance with AAA's Commercial Mediation Rules then in effect. Before commencing any legal action against Franchisor or its affiliates with respect to any such claim or dispute, Developer must submit a notice to Franchisor, which specifies, in detail, the precise nature and grounds of such claim or dispute. Franchisor will have a period of thirty (30) days following receipt of such notice within which to notify Developer as to whether Franchisor or its affiliates elects to exercise its option to submit such claim or dispute to mediation. Developer may not commence any action against Franchisor or its affiliates with respect to any such claim or dispute in any court unless Franchisor fails to exercise its option to submit such claim or dispute to mediation, or such mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by Franchisor. Franchisor's rights to mediation, as set forth herein, may be specifically enforced by Franchisor. This agreement to mediate will survive any termination or expiration of this Agreement. The parties agree that there will be no class action mediation.

14. Injunctive Relief. Nothing contained in this Agreement herein will prevent Franchisor from applying to or obtaining from any court having jurisdiction, without bond, a writ of attachment, temporary injunction, preliminary injunction and/or other emergency relief available to safeguard and protect Franchisor's interests prior to the filing of any mediation proceeding or pending the trial or handing down of a decision or award pursuant to any mediation proceeding conducted hereunder.

15. Jurisdiction and Venue. This Agreement is made in, and shall be substantially performed in, the Commonwealth of Pennsylvania. Any claims, controversies, disputes or actions arising out of this Agreement shall be governed, enforced and interpreted pursuant to the laws of the Commonwealth of Pennsylvania. Developer, except where specifically prohibited by law, hereby irrevocably submit itself to the sole and exclusive jurisdiction of the state and federal courts serving Allegheny County, Pennsylvania. Developer hereby waives all questions of personal jurisdiction for the purpose of carrying out this provision.

16. Third Party Beneficiaries. Franchisor's officers, directors, shareholders, agents and/or employees are express third party beneficiaries of this Agreement and the dispute resolution procedures contained herein, each having authority to specifically enforce the right to mediate claims asserted against such person(s) by Developer.

17. Jury Trial Waiver. With respect to any proceeding not subject to mediation, the parties hereby agree to waive trial by jury in any action, proceeding or counterclaim, whether at law or equity, regardless of which party brings suit. This waiver will apply to any matter whatsoever between the parties hereto which arises out of or is related in any way to this Agreement, the performance of either party, and/or Developer's purchase from Franchisor of the development rights described herein.

18. Waiver of Punitive Damages. Developer waives to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) which Developer may have against Franchisor arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agree that in the event of a dispute, Developer's recovery will be limited to actual damages. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions will continue in full force

and effect, including, without limitation, the waiver of any right to claim any consequential damages.

19. Attorneys' Fees. If either party institutes any judicial or mediation proceeding to enforce any monetary or nonmonetary obligation or interpret the terms of this Agreement and Franchisor prevails in the action or proceeding, Developer will be liable to Franchisor for all costs, including reasonable attorneys' fees, incurred in connection with such proceeding.

20. Nonwaiver. Franchisor's failure to insist upon strict compliance with any provision of this Agreement will not be a waiver of Franchisor's right to do so, any law, custom, usage or rule to the contrary notwithstanding. Delay or omission by Franchisor respecting any breach or default will not affect Franchisor's rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Agreement will be cumulative. Franchisor's election to exercise any remedy available by law or contract will not be deemed a waiver or preclude exercise of any other remedy.

21. Severability. The parties agree that if any provisions of this Agreement may be construed in two ways, one of which would render the provision illegal or otherwise voidable or unenforceable and the other which would render it valid and enforceable, such provision will have the meaning, which renders it valid and enforceable. The provisions of this Agreement are severable, and this Agreement will be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein, and partially valid and enforceable provisions will be enforced to the extent that they are valid and enforceable. If any material provision of this Agreement will be stricken or declared invalid, the parties agree to negotiate mutually acceptable substitute provisions. In the event that the parties are unable to agree upon such provisions, Franchisor reserves the right to terminate this Agreement.

22. Construction of Language. The language of this Agreement will be construed according to its fair meaning, and not strictly for or against either party. All words in this Agreement refer to whatever number or gender the context requires. If more than one party or person is referred to as Developer, their obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation.

23. Successors. References to "Franchisor" or "Developer" include the respective parties' successors, assigns or transferees, subject to the limitations of Section 8 of this Agreement.

24. Additional Documentation. You must from time to time, subsequent to the date first set forth above, at Franchisor's request and without further consideration, execute and deliver such other documentation or agreements and take such other action as Franchisor may reasonably require in order to effectuate the transactions contemplated in this Agreement. In the event that Developer fails to comply with the provisions of this Section, Developer hereby appoints Franchisor as Developer's attorney-in-fact to execute any and all documents on Developer's behalf, as reasonably necessary to effectuate the transactions contemplated herein.

25. No Right to Offset. Developer may not withhold all or any part of any payment to Franchisor or any of its affiliates on the grounds of the alleged nonperformance of Franchisor or any of its affiliates or as an offset against any amount Franchisor or any of its affiliates may owe or allegedly owe Developer under this Agreement or any related agreements.

26. Entire Agreement. This Agreement contains the entire agreement between the parties concerning Developers' development rights within the Designated Marketing Area; no promises,

inducements or representations (other than those in the Franchise Disclosure Document) not contained in this Agreement have been made, nor will any be of any force or effect, or binding on the parties. Modifications of this Agreement must be in writing and signed by both parties. Franchisor reserves the right to change Franchisor's policies, procedures, standards, specifications or manuals at Franchisor's discretion. In the event of a conflict between this Agreement and any Franchise Agreement(s), the terms, conditions and intent of this Agreement will control. Nothing in this Agreement, or any related agreement, is intended to disclaim any of the representations Franchisor made to Developer in the Franchise Disclosure Document that Franchisor provided to Developer.

IN WITNESS WHEREOF, AND INTENDING TO BE LEGALLY BOUND HEREBY, THE PARTIES HERETO HAVE CAUSED THIS AGREEMENT TO BE EXECUTED EFFECTIVE THE DATE FIRST SET FORTH ABOVE.

DEVELOPER

By: _____
Name: _____
Title: _____

MILLIE'S FRANCHISING, LLC

By: _____
Lauren Townsend, Co-President

EXHIBIT A to DEVELOPMENT AGREEMENT

DATA SHEET

1. **Development Area.** The Development Area, as referred to in Section 1 of the Development Agreement, is described below (or an attached map) by geographic boundaries and will consist of the following areas:

2. **Development Fee.** Immediately upon execution of this Agreement, Developer must pay Franchisor the Development Fee amounting to \$ [INSERT DEVELOPMENT FEE], which will be deemed fully earned and non-refundable upon execution of the Development Agreement.

3. **Development Schedule.** The Development Schedule referred to in Section 1 of the Development Agreement is as follows:

Development Period	Expiration Date	Number of New Franchised Businesses Developer Must Open in Development Area	Cumulative Number of Franchised Businesses Developer Must Have Open Within Development Area
First	___ Months from Effective Date	1	1
Second	___ Months from Effective Date	1	2
Third	___ Months from Effective Date	1	3

APPROVED AND AGREED TO BY:

FRANCHISOR
MILLIE'S FRANCHISING, LLC

By: _____
Lauren Townsend, Co- President

FRANCHISEE
[INSERT NAME]

By: _____
Name: _____
Title: _____

EXHIBIT I

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Not Registered
Florida	Pending
Hawaii	Not Registered
Illinois	Not Registered
Indiana	Not Registered
Maryland	Pending
Michigan	Not Registered
Minnesota	Not Registered
New York	Not Registered
North Dakota	Not Registered
Rhode Island	Not Registered
South Dakota	Not Registered
Utah	Not Registered
Virginia	Pending
Washington	Not Registered
Wisconsin	Not Registered

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

Exhibit J
Receipt
(OUR COPY)

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

If Millie's Franchising, LLC offers you a franchise it must provide this Disclosure Document to you within 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 and Rhode Island require that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreements or payment of any consideration that relates the franchise relationship. Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement, or the payment of any consideration, whichever occurs first.

If Millie's Franchising, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state administrator identified in Exhibit A of this Franchise Disclosure Document. A list of our agents registered to receive service of process is listed as Exhibit A to this Franchise Disclosure Document.

I received a Disclosure Document with an issuance date of August 14, 2023 that included the following Exhibits:

- | | |
|---|---|
| A. List of State Administrators and Agents for Service of Process | E. State Specific Addenda |
| B. Franchise Agreement | F. List of Franchisees and Former Franchisees |
| C. Operations Manual Table of Contents | G. Franchisee Compliance Questionnaire |
| D. Financial Statements | H. Receipt |

The franchise seller is: Lauren Townsend, 235 East 7th Avenue, Homestead, PA 15120 or 412-924-0040 x 205

Any additional individual franchise sellers involved in offering the franchise are:

If an individual:

By: _____
Name: _____
Address: _____
Date: _____

If an Entity:

By: _____
Name and Title: _____
Name of Entity: _____
Address: _____
Date: _____

Mail signed and dated Receipt to: Millie's Franchising, LLC, 235 East 7th Avenue, Homestead, Pennsylvania 15120, or email to Lauren Townsend at lauren@millieshomemade.com.

**Receipt
(YOUR COPY)**

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

If Millie's Franchising, LLC offers you a franchise it must provide this Disclosure Document to you within 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.

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If an individual:

By: _____
Name: _____
Address: _____
Date: _____

If an Entity:

By: _____
Name and Title: _____
Name of Entity: _____
Address: _____
Date: _____

KEEP THIS COPY FOR YOUR RECORDS.