

FRANCHISE DISCLOSURE DOCUMENT



PANERA, LLC

a Delaware limited liability company
1400 South Highway Drive, Suite 100
Fenton Missouri 63026
(314) 984-1000
www.panerabread.com

The franchise offered is for a Panera Bread Bakery-Cafe which will specialize in the retail sale of fresh bakery goods, sandwiches, soups, salads, custom roasted coffees and other cafe beverages, other menu items and merchandise related to the Panera Bread concept, as we may authorize from time to time.

The total investment necessary to begin operation of a Panera Bread Bakery-Cafe as a “Core” format ranges from \$1,434,566 to \$4,651,324 (excluding real estate and related costs, and landlord allowances), including an initial franchise fee of \$35,000 and various initial fees and payments of up to \$300,000 payable to us for certain optional development and construction services. The total investment necessary to begin operation of a Panera Bread Bakery-Cafe as a “Small Box” format ranges from \$1,266,805 to \$2,567,601 (excluding real estate and related costs, and landlord allowances), including an initial franchise fee of \$35,000 and various initial fees and payments of up to \$300,000 payable to us for certain optional development and construction services. If you sign an area development agreement to develop a number of Panera Bread Bakery-Cafes, you also will have to pay a development fee, the amount of which will vary, depending on the factors described in Item 5 of this Disclosure Document and maintain initial working capital of \$100,000.

This disclosure document summarizes certain provisions of your franchise agreement and other agreements and 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 franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact panerafranchiseadmin@panerabread.com.

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

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

Date of Issuance: April 29, 2025

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits H-1 and H-2.
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 I 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 Panera Bread Bakery-Cafe 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 Panera franchisee?	Item 20 or Exhibits H-1 and H-2 list 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 G.

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 arbitration only in the city where our headquarters are located, which as of the date of this disclosure document is St. Louis, Missouri. Out-of-state arbitration may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate with the franchisor in Missouri 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.

PANERA, LLC
FRANCHISE DISCLOSURE DOCUMENT TABLE OF CONTENTS

	<u>Page</u>
ITEM 1 THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES.....	1
ITEM 2 BUSINESS EXPERIENCE.....	6
ITEM 3 LITIGATION.....	7
ITEM 4 BANKRUPTCY.....	8
ITEM 5 INITIAL FEES.....	9
ITEM 6 OTHER FEES.....	11
ITEM 7 ESTIMATED INITIAL INVESTMENT.....	19
ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES.....	22
ITEM 9 FRANCHISEE'S OBLIGATIONS.....	27
ITEM 10 FINANCING.....	29
ITEM 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING	30
ITEM 12 TERRITORY	38
ITEM 13 TRADEMARKS	41
ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION.....	43
ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS	46
ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL.....	47
ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION	48
ITEM 18 PUBLIC FIGURES.....	54
ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS.....	55
ITEM 20 OUTLETS AND FRANCHISEE INFORMATION.....	58
ITEM 21 FINANCIAL STATEMENTS	68
ITEM 22 CONTRACTS.....	69
ITEM 23 RECEIPTS.....	70

EXHIBITS

A	AREA DEVELOPMENT AGREEMENT
B	FRANCHISE AGREEMENT
C-1	ADVERTISING ASSOCIATION MEMBERSHIP AGREEMENT
C-2	ADVERTISING ASSOCIATION BYLAWS
D-1	DEVELOPMENT SERVICES AGREEMENT
D-2	REAL ESTATE SELECTION AND CONSTRUCTION MANAGEMENT SERVICES AGREEMENT
E	FRANCHISEE MASTER AGREEMENT FOR SOFTWARE, HARDWARE AND SUPPORT SERVICES
F	PANERA POLICY MANUAL TABLE OF CONTENTS
G	LIST OF STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS
H-1	LIST OF CURRENT FRANCHISEES
H-2	LIST OF FORMER FRANCHISEES
I	FINANCIAL STATEMENTS / PANERA BRANDS, INC. GUARANTY
J	DISCLOSURE ADDENDA FOR REGISTRATION STATES
K	AGREEMENT RIDERS FOR CERTAIN REGISTRATION STATES

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

Unless the context otherwise requires, all references to “Panera,” “we,” “us,” or “our” refer to Panera, LLC and all references to “Franchisee,” “you,” or “your” refer to the person who is granted the right to operate a Panera Bread Bakery-Cafe under a Franchise Agreement. If you are a corporation, limited liability company, partnership or any other type of legal entity, the provisions of the Franchise Agreement (and, if applicable, the Area Development Agreement) also apply to your owners by virtue of the requirement that some or all your owners personally guarantee, and be personally bound by, your obligations under the Franchise Agreement (and, if applicable, the Area Development Agreement). All initially capitalized terms used but not defined in this Disclosure Document have the meanings ascribed to them in the Franchise Agreement and Area Development Agreement.

A. **PANERA, LLC**

Panera is a Delaware limited liability company, which was formed on December 31, 2001, when Panera, Inc., a Delaware corporation, was converted to a limited liability company. Panera was originally formed under the name of ABP Acquisition Corp. on November 10, 1993. Subsequently, it changed its name to “Saint Louis Bread Company, Inc.” in December 1993 and then to “Panera, Inc.” in July 1999. Panera is a wholly owned subsidiary of Panera Bread Company (referred to as “Panera Bread Company” or “PBC”), which was formerly known as Au Bon Pain Co., Inc. Our principal place of business is 1400 South Highway Drive, Suite 100, Fenton Missouri 63026. Our registered agents and agents for service of process are listed in Exhibit G. As of the date of this Disclosure Document, Panera does business under the name Panera Bread, Saint Louis Bread Company and Saint Louis Bread Co.

B. **PANERA'S BUSINESS**

Panera is in the business of operating and franchising Panera Bread Bakery-Cafes, using certain of the “Marks” and “System,” both as defined in the Franchise Agreement attached as Exhibit B, specializing in the retail sale of high quality food in a warm, inviting and comfortable environment. Panera has a menu highlighted by flavorful, wholesome offerings, including cage-free eggs. Our key menu groups are soups, salads, sandwiches, mac & cheese, and baked goods, including a variety of bagels, breads, muffins, scones, rolls and sweet goods, made-to-order sandwiches on freshly baked breads and side items, coffees and cafe beverages, such as hot or cold espresso and cappuccino drinks and smoothies, as well as other menu items and merchandise related to the Panera Bread concept (“Panera Bread Bakery-Cafe(s)” or “Bakery-Cafe(s)”). Our menu includes a wide variety of year-round favorites complemented by new items introduced seasonally. Panera is committed to providing great tasting, quality food people feel good about. In 2010, we became the first national restaurant company to post calorie information on menu boards, and in 2014 we began our journey of removing the artificial preservatives, sweeteners, flavors, and colors from artificial sources identified on our “No No List”. In neighborhoods across the United States, customers are drawn to our warm and welcoming environment which features comfortable gathering areas, relaxing decor and free internet access.

When we acquired our bakery cafe concept in 1993, which was then known as “Saint Louis Bread/Company,” we substantially improved the “Saint Louis Bread Company” Bakery-Cafe concept and, for strategic marketing reasons, chose a new name, “Panera Bread.” We also recognized that the “Saint Louis Bread Company” name had valuable name recognition in St. Louis, Missouri. Accordingly, all Bakery-Cafes throughout the U.S. currently operate under the “Panera Bread” name, except for those company-owned Bakery-Cafes located in the St. Louis, Missouri market area. For purposes of this Disclosure Document, we refer to all of these Bakery-Cafes as “Panera Bread Bakery-Cafes” even though some of them use the “Saint Louis Bread Company” name.

We have been franchising and operating company-owned Panera Bread Bakery-Cafes since December 1993. Panera has not offered franchises in any other lines of business.

C. **THE PARENT AND AFFILIATES OF PANERA**

Panera Brands

Panera Brands, Inc. (“Parent Company”), a Delaware corporation, indirectly owns substantially all of the equity interest in Panera and has the same principal place of business as ours. Our indirect ultimate parent company is JAB Holding Company S.à.r.l., a Luxembourg-based holding company (“JAB”) and has its principal place of business located at 4, Rue Jean Monnet, L-2180 Luxembourg, Grand Duchy of Luxembourg. In addition to owning Panera, our Parent Company owns Caribou Coffee Company, Inc., a Minnesota corporation (“Caribou”), which owns and franchises coffeehouses under the Caribou Coffee® name (“Caribou Coffeehouse”), Einstein Noah Restaurant Group, Inc., a Delaware corporation, which owns and franchises through its subsidiaries Einstein Bros.® Bagels, Manhattan Bagel®, and Bruegger's® Bagels restaurants.

Panera Canada

Panera Bread (BC) ULC, a British Columbia unlimited liability company (“PBULC”) is an affiliate of Panera with a principal business address at 5625 Timberlea Boulevard, Mississauga, Ontario Canada. PBULC and its predecessor have been operating and franchising Panera Bread Bakery-Cafes in Canada since 2007. As of December 31, 2024, PBULC has 10 franchised and no company-owned Panera Bread Bakery-Cafes located in Canada.

Caribou Coffee

As of December 26, 2024, there were 335 Caribou Coffeehouses operated by Caribou in the U.S. Caribou Coffee Development Company, Inc., a Minnesota corporation (“Caribou Development”), and wholly owned subsidiary of Caribou has offered franchises for Caribou Coffeehouses since 2006. As of December 26, 2024, there were 152 franchised or licensed Caribou Coffeehouses in the U.S. The principal business address for both Caribou and Caribou Development is 3900 Lakebreeze Avenue, Minneapolis, Minnesota 55429.

Einstein Noah Restaurant Group

Einstein Noah Restaurant Group, Inc., a Delaware corporation (“ENC”), owns and franchises through its subsidiaries Einstein Bros.® Bagel restaurants. ENC’s principal business address is 1720 S. Bellaire St., Suite Skybox, Denver, Colorado 80222. Einstein Bros.® Bagels Franchise Corporation, a Colorado corporation (“EBBFC”), a wholly owned subsidiary of ENC and its predecessors have offered Einstein Bros.® Bagels franchises since 2006. As of December 31, 2024, ENC had 352 company owned restaurants, and EBBFC and ENC together had 63 franchised restaurants and 274 licensed Einstein Bros.® Bagels restaurants in the U.S. It is anticipated that ENC will assign to EBBFC its rights in and to the existing franchise agreements in the near future. Since 2001, ENC also has owned and operated through its subsidiary, Noah’s New York Bagel Company, a Minnesota corporation, but has not franchised or licensed the right to operate, Noah’s New York Bagels® and Noah’s Bagels® restaurants, which sell bagels, coffee, tea, and other café and bakery products and beverages. As of December 31, 2024, it had 56 company owned Noah’s New York Bagels® and Noah’s Bagels® stores in the U.S.

Manhattan Bagel Company, a New Jersey corporation (“Manhattan”), is indirectly owned by Einstein Bros. Brands, Inc. and is a franchisor of Manhattan Bagel® restaurants. Its principal business address is 1720 S. Bellaire St., Suite Skybox, Denver, Colorado 80222. Manhattan has offered franchises for Manhattan Bagel® stores since 1987. As of December 31, 2024, Manhattan Bagel® had no company owned and 68 franchised Manhattan Bagel® stores in the U.S.

Bruegger’s Enterprises, Inc. (“BRU”), a Delaware corporation, is indirectly owned by Einstein Bros. Brands, Inc. and is an operator of Bruegger’s® brands and Bruegger’s® Bagels company stores since 2003. Bruegger’s Franchise Corporation (“BFC”), a subsidiary of BRU, has offered Bruegger’s® Bagels franchises since 2003. The principal business address for both BRU and BFC is 1720 S. Bellaire St., Suite Skybox, Denver, Colorado 80222. As of December 31, 2024, there were 130 company owned and 48 franchised stores in the U.S.

JAB

Our ultimate parent company, JAB, together with certain of its affiliates, are involved in a number of different lines of business, including the following restaurant companies:

Krispy Kreme Doughnut Corporation (“KKDC”), a North Carolina corporation, which is a franchisor and operator of Krispy Kreme® shops. KKDC, directly or through its predecessors, has offered Krispy Kreme® franchises since the 1950’s. KKDC’s principal business address is 370 Knollwood Street, Winston-Salem, North Carolina. In November 2018, KKDC opened an additional office located at 2116 Hawkins Street, Charlotte, North Carolina. As of December 31, 2024, KKDC had 263 company-owned shops and doughnut factories and 96 franchised shops in the U.S. KKDC or its affiliates may directly or indirectly sell products under the name Krispy Kreme or related marks in other channels such as supermarkets, warehouse stores, over the internet and through other channels of distribution. KKDC has not sold franchises in any other line of business. As of December 31, 2024, KKDC owned (a) 1 consolidated joint venture franchised outlet in Georgia of which it is a majority owner; and (b) 23 outlets in California through a wholly-owned subsidiary following an acquisition by KKDC of a franchise partner’s minority interest in a joint venture on August 20, 2024. As of December 31, 2024, KKDC owned through a joint venture a majority interest in 8 outlets in Arizona, 17 outlets in California, 4 outlets in Colorado, 1 outlet in Idaho, 4 outlets in Nevada, 3 outlets in New Mexico, 2 outlets in Oregon, 5 outlets in Utah, and 5 outlets in Washington.

Peet’s Coffee, Inc., a Virginia corporation (“Peet’s Coffee”), which owns and operates Peet’s Coffee & Tea® retail coffee stores in the U.S. Peet’s Coffee’s principal business address is 1400 Park Avenue, Emeryville, California 94608. Since 2001, it has licensed or franchised the use of the Peet’s Coffee & Tea® marks to third parties that sell its products through retail stores. As of December 31, 2024, Peet’s Coffee had 200 company or affiliate owned stores and 56 licensed or franchised stores in the U.S. In 2015, Peet’s Coffee acquired a

controlling interest in (i) Stumptown Coffee Corp., the owner and operator of 9 Stumptown Coffee Roasters® retail coffee stores and 2 licensed stores as of December 31, 2024, and (ii) Intelligentsia Coffee Inc., the owner and operator of 15 Intelligentsia® retail coffee stores and no licensed store as of December 31, 2022. The principal business address of Stumptown Coffee Corp. is 100 SE Salmon, Portland, Oregon 97214. The principal business address of Intelligentsia Coffee Inc. is 1850 West Fulton Street, Chicago, Illinois 60612.

Pret Intermediate Company, Inc. (“Pret”), a Delaware corporation, which is the parent company for the Pret group, for which Pret A Manger (Europe) Ltd, a UK company, is the main operating entity. Pret operates fresh food and coffee retail shops in several markets around the world, primarily under the “Pret A Manger” and “Pret” brands as well as limited numbers of Petit Pret shop formats. The business was founded in 1986 in the UK. In addition to company owned shops, Pret has franchised the use of the “Pret A Manger” marks to third parties that sell its products through retail stores. Pret’s principal place of business is 75B, 10 Bressenden Place, London, SW1E 5DH, United Kingdom. Pret operates in several markets, and as of December 31, 2024, Pret operated 408 company owned shops and had 309 franchised shops.

Jacobs Douwe Egberts BR Comercialização de Cafés Ltda., a Brazilian entity (“JDE Brazil”), franchises “Café do Ponto” and “Casa Pilao” retail coffee stores through a master franchise agreement in Brazil. These stores sell coffees, teas, baked goods, sandwiches, and other beverages and food products. The principal business address of JDE Brazil is Av. Tamboré, 267, Loja 14, Térreo, CEP. 06460-000, Barueri, Estado de São Paulo, Brazil. According to information publicly available online, as of December 31, 2024, there were approximately 44 subfranchised “Café do Ponto” locations and approximately 16 “Casa Pilao” subfranchised locations in operation in Brazil. JDE Brazil began operating and franchising “Café do Ponto” stores franchises in 1998, although it no longer operates any “Café do Ponto” and “Casa Pilao” coffee stores and only grants unit franchises through its sole master franchisee. JDE Brazil has not sold franchises in any other line of business.

None of the above affiliated companies provide products or services to you.

D. THE FRANCHISE

We offer to qualified persons the right to develop multiple Panera Bread Bakery-Cafes within a specific geographic area (the “Development Area”) under our standard form area development agreement (the “Area Development Agreement” or “ADA”). A copy of the Area Development Agreement is attached as Exhibit A. The Area Development Agreement requires you to open an agreed-upon number of Panera Bread Bakery-Cafes under a Development Schedule.

You must sign our then-current form of franchise agreement (the “Franchise Agreement”) for each Panera Bread Bakery-Cafe you open. Each Franchise Agreement will grant you the right to own and operate a single Panera Bread Bakery-Cafe at an agreed-upon location and will require you to sell to us, at our option, your Panera Bread Bakery-Cafe at a defined purchase price in the event that you fail to meet our established operational standards or upon the occurrence of certain other events as described in the Purchase Option Addendum to the Franchise Agreement. A copy of our current form of Franchise Agreement is attached as Exhibit B.

A franchisee of Panera will specialize in the retail sale of daily baked goods, including a variety of freshly baked bagels, muffins, scones, rolls and sweet goods, made-to-order sandwiches and flatbreads on freshly baked breads, hearty, unique soups, pasta dishes, freshly prepared and hand-tossed salads, and custom roasted coffees and cafe beverages, such as hot or cold espresso and cappuccino drinks and smoothies, as well as other menu items and merchandise related to the Panera Bread concept as we may authorize from time to time. Panera Bread Bakery-Cafes will normally provide carry-out service and seating, emphasizing a more special dining experience than that offered by traditional fast food restaurants. Panera Bread Bakery-Cafes may also be authorized to provide offsite catering services within a designated geographic area (See Item 12 for details). Panera Bread Bakery-Cafes compete in several segments of the restaurant business: breakfast, “AM chill”, lunch, “PM chill”, dinner, and take home, through both on-premise sales and offsite Panera Catering and offsite small order delivery. You must offer for sale all products and services Panera designates, unless you obtain our prior written approval not to carry certain items or provide certain services. To support its Bakery-Cafes in servicing catering markets, Panera operates catering-only units, referred to as delivery hubs. Panera may offer franchisees the opportunity to develop and operate delivery hubs in its discretion. We may grant you a non-exclusive right to provide offsite catering and/or delivery services for certain food products we may authorize from time to time within a geographical area around your Bakery-Cafe that we may designate from time to time.

We offer two types of Bakery-Cafes: a “Core” Bakery-Cafe and a “Small Box” Bakery-Cafe. A Core Bakery-Cafe is the larger of the two formats, targeting 3,200 to 3,500 sq ft. It provides the traditional Panera experience with approximately 50-60 seats, RPU shelving, a bakery case and can support all sales channels (retail, to go, delivery, catering and drive thru). Core Bakery-Cafes may be in a stand alone or endcap location as well as some larger settings such as in hospitals and universities. Small Box Bakery-Cafes are smaller than Core Bakery-Cafes, typically ranging from 2,400 to 2,800 sq ft., and seating approximately 40-50, but similar to Core Bakery-Cafes include RPU shelving, a bakery case and can support all sales channels (retail, to go, delivery, catering and drive thru). Small Box Bakery-Cafes may be at a stand

alone or endcap location, and is the likely format for settings such as hospitals, universities, airports, transportation centers. Unless otherwise indicated in this disclosure document, all references to a Bakery-Cafe will include both a Core Bakery-Cafe and a Small Box Bakery-Cafe.

For each Panera Bread Bakery-Cafe, you must construct a baking facility. This baking facility is necessary to complete the production of a baked product after delivery of partially prepared fresh and frozen ingredients.

We have developed technology platforms which are designed to make a difference to our customers by providing a greater degree of access and convenience for our guests. Specifically, we are concentrating efforts and resources on our strategic initiatives intended to enhance the experience for both our dine-in and to-go guests. Examples of this initiative include digital retail ordering, Rapid-Pickup, catering ordering, ordering kiosks, and technology tools to assist managers within the Bakery-Cafe. Franchisees interested in using these technology platforms are required to enter into our Franchisee Master Agreement for Software, Hardware and Support Services ("SHS Services Agreement"), which is attached as Exhibit E. Under the SHS Services Agreement, Panera supplies Panera owned or licensed software and other technologies and any required or requested related services. The specific software and services to be provided and the fees to be paid are outlined in the table in Item 6 Note 9. Fees for Panera technology products and services are generally structured as periodic subscription fees, percentage of sales fees, or a combination of each depending upon the nature of the products and services provided.

The products and services offered by a Panera Bread Bakery-Cafe are intended primarily for personal consumption by the general public. Panera has designed its concept to create an ambiance in our Bakery-Cafes that is warm, inviting, and embracing. For example, Bakery-Cafes are designed to provide distinctive environments, in many cases using fixtures and materials complementary to the neighborhood location of the Bakery-Cafe as a way to engage customers. The distinctive design and environment of our Bakery-Cafes are intended to offer an oasis from the rush of daily life, where our associates are trained to greet our customers by name and have the skills, expertise, and personalities to make each visit a delight. Many of our Bakery-Cafes incorporate the warmth of a fireplace and cozy seating areas or outdoor cafe seating, which facilitate the use of our Bakery-Cafes as a gathering spot. Our Bakery-Cafes are designed to visually reinforce the distinctive difference between our Bakery-Cafes and other bakery-cafes and restaurants.

You will have to compete with other businesses offering similar products, including specialty food, casual dining, and quick service cafes, bakeries and restaurant retailers, including national, regional and locally-owned restaurants and grocery stores offering products similar to those offered by Panera Bread Bakery-Cafes, as well as wholesale bakeries and distributors. Additionally, if you are authorized to offer small order delivery, you will compete with business in the highly competitive pizza delivery marketplace and with businesses who offer ordering and meal delivery services from unaffiliated restaurants.

The restaurant industry is a highly competitive and developed market, which can be affected significantly by many factors, including changes in local, regional or national economic conditions, changes in consumer tastes and spending patterns, consumer concerns about the nutritional quality of quick-service food, negative publicity about the ingredients we use or the occurrence of food-borne illnesses, dietary trends, and increases in the number of, and particular locations of, competing restaurants. Various factors can adversely affect the restaurant industry, including weather conditions; inflation; availability of and resulting increases in food and ingredient costs; labor and energy costs; the availability and cost of suitable sites; fluctuating interest and insurance rates; state and local regulations and licensing requirements; the availability of ingredients, particularly select proteins raised without antibiotics, food items and an adequate number of hourly-paid and salaried employees; and other factors that may affect restaurants or retailers in general.

You should consider that certain aspects of any bakery-cafe business are regulated by federal, state and local laws, rules and ordinances in addition to the laws, regulations and ordinances applicable to businesses generally, such as the Americans with Disabilities Act, Federal Wage and Hour Laws and state law equivalents, the Occupational Safety and Health Act, the Affordable Care Act, the National Labor Relations Act, data protection (such as credit card data protection under FACTA) and privacy laws. The Environmental Protection Agency, the U.S. Food and Drug Administration, the U.S. Department of Agriculture, as well as state and local environmental and health departments and other agencies have laws and regulations concerning the preparation and labeling of food and sanitary conditions of bakery-cafe facilities. State and local agencies routinely conduct inspections for compliance with these requirements. Under the Clean Air Act and state implementing laws, certain state and local areas are required to attain, by the applicable statutory guidelines, the national quality standards for ozone, carbon monoxide and particulate matters. Certain provisions of such laws impose limits on emissions resulting from commercial food preparation.

From time to time, we may sell and franchise one or more of our company-owned Panera Bread Bakery-Cafes. In these transactions, we negotiate with the prospective franchisee to reach mutually acceptable terms of a sale agreement and any lease or sublease of the real estate. If you purchase a company-owned Panera Bread Bakery-Cafe, you must sign a Franchise Agreement and, possibly, also an Area Development Agreement for the further development of Panera Bread Bakery-Cafes in the geographic area where the purchased Panera Bread Bakery-Cafe(s) is located. Depending on the circumstances, the financial and other terms may vary from the standard terms of our Franchise Agreement and Area Development Agreement.

We also may offer franchises or other arrangements for Panera Bread Bakery-Cafes to be located at non-traditional locations, such as transportation facilities (such as airport facilities, inter-MSA train and/or bus stations, turnpikes or other limited access highway rest stops); hospitals; colleges and universities; sports arenas and entertainment facilities; and retail outlets, grocery stores and supermarkets. Additionally, we operate alternative location formats, such as delivery and carryout and delivery only locations, and locations which utilize alternative baking systems and are not required to receive deliveries of fresh dough daily and may offer franchises or other arrangements for such locations in the future. The terms and conditions of a franchise or other arrangements for a non-traditional location or alternative format may vary considerably from the standard terms of our Franchise Agreement and Area Development Agreement.

We are in the process of evaluating a new Bakery-Cafe concept, called the “bakery of the future” or “BOF,” which contemplates delivery of baked or partially baked food products to Bakery-Cafes. The intent is to reduce labor costs, remove wholesale price ceilings on food products, and develop a more efficient Bakery-Cafe concept. This franchise disclosure document does not describe or apply to the BOF program.

We, or an affiliate, may offer franchises or enter into other types of relationships for Panera Bread Bakery-Cafes in foreign countries. This Disclosure Document does not describe the terms of any such international agreements or relationships, but we may deliver this Disclosure Document in connection with such transactions for general informational purposes.

[THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY]

ITEM 2 BUSINESS EXPERIENCE

Chief Executive Officer and Chief Financial Officer: Paul Carbone. Paul Carbone has served as Chief Executive Officer since March 2025 and Chief Financial Officer since August 2023. From November 2022 to July 2023, he served as Chief Financial Officer for SharkNinja in Needham Heights, MA. Before that, Mr. Carbone was Chief Financial Officer for YETI Coolers in Austin, TX from June 2018 to October 2022.

Executive Vice President, Chief Operating Officer: Debbie Roberts. Debbie Roberts has served as Executive Vice President, Chief Operating Officer in Newton, Massachusetts since September 2020. From March 2018 to September 2020, she was between positions. From March 2016 to March 2018, she served as President of McDonald's in Oak Brook, IL.

Senior Vice President, Chief Legal Officer and Secretary: Marlene Gordon. Marlene Gordon has served as Senior Vice President, Chief Legal Officer and Secretary in Newton, MA since May 2022. From June 2018 to April 2022, she served as Senior Vice President, Chief Administrative Officer, General Counsel and Secretary for Fresh Del Monte Produce Inc. in Coral Gables, FL.

Senior Vice President, Chief Marketing Officer: Mark Shambura. Mark Shambura has been our Senior Vice President, Chief Marketing Officer since August 2024. Before that, he was Chief Marketing Officer of Papa John's International, Inc. in Atlanta, GA from April 2023 to August 2024. He served as Chief Marketing Officer of MOD Pizza in Seattle, WA from December 2018 to March 2023.

Senior Vice President, Chief Manufacturing and Supply Chain Officer: Gregg Waterman. Gregg Waterman has served as Senior Vice President, Chief Manufacturing and Supply Chain Officer in Newton, MA since January 2020.

Senior Vice President, Chief Development Officer: Brian Krause. Brian Krause has been our Senior Vice President, Chief Development Officer since January 2025. Before that, he was Chief Development Officer of GoTo Foods in Atlanta, GA from July 2020 to January 2025. Mr. Krause was Chief Development Officer of Jimmy John's Gourmet Sandwiches in Champaign, IL from June 2019 to July 2020.

Senior Vice President, Development Innovation and Growth: Whitney Hewitt. Whitney Hewitt has served as Senior Vice President, Development Innovation and Growth in Newton, MA since October 2023. She served as Vice President, Development Innovation and Growth from February 2023 to October 2023. From March 2020 to February 2023, she was Vice President, Channel Growth.

Senior Vice President, Strategy, Innovation, and Franchise Operations: Jeffrey Wood. Jeff Wood has served as Senior Vice President, Strategy, Innovation, and Franchise Operations in St. Louis, MO since January 2025. He was Senior Vice President, Ops Strategy and Innovation from May 2022 to January 2025. From April 2016 to May 2022, he served as our Vice President, Operations Services.

Senior Vice President, Chief Information Officer: Santhosh Kumar. Santhosh Kumar has served as our Senior Vice President, Chief Information Officer since February 2025. Before that, he was Senior Vice President, Chief Technology Officer for United Natural Foods, Inc. in Providence, Rhode Island from January 2022 to January 2025. From January 2020 to November 2021, he was Senior Vice President, Global Information Technology for Dunkin' Brands in Canton, Massachusetts.

Vice President, Deputy General Counsel: Thomas Dolan. Thomas Dolan has served as Vice President, Deputy General Counsel in Newton, MA since November 2020. Mr. Dolan served as Vice President, Corporate Counsel from December 2018 to November 2020.

Vice President, Franchise Business Development and Administration: Martha Tomas Flynn. Martha Tomas Flynn has served as Vice President, Franchise Business Development and Administration in Newton, MA since May 2023. From June 2021 to April 2023, she was Senior Director, Franchise Development for Inspire Brands in Atlanta, GA. Martha was Senior Director, Global Franchise and Development Services for Dunkin' Brands in Canton, MA from September 2007 to June 2021.

[THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY]

ITEM 3 LITIGATION**Concluded.**

Settlement Agreement re non-solicit provisions. On or about March 22, 2019, we entered into a settlement agreement (“Settlement Agreement”) with the states of Massachusetts, California, Illinois, Iowa, Maryland, Minnesota, New Jersey, New York, North Carolina, Oregon, Pennsylvania, Rhode Island, Vermont and the District of Columbia (“Settling States”). In the Settlement Agreement (a) the Settling States allege that the employee non-solicitation provisions in Panera’s standard franchise agreement violate the Settling States’ antitrust laws, consumer protection laws and employment laws, (b) Panera denies that the employee non-solicitation provisions violate any law, and (c) the parties acknowledge that the Settlement Agreement is entered into without trial or adjudication of any issue of fact or law. In the Settlement Agreement, Panera agrees (a) to discontinue using and enforcing the employee non-solicitation provisions; (b) to amend its franchise agreements in the Settling States to remove the employee non-solicitation provisions and to post notices in bakery cafes to notify employees of the Settlement Agreement. The Settlement Agreement is intended to have the same effect as an Assurance of Discontinuance, Assurance of Voluntary Compliance or Stipulated Judgment and may be filed in court in each of the Settling States. As of the date of this franchise disclosure document, we are not aware of any such filings.

Other than these actions, no litigation is required to be disclosed in this Item.

[THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY]

ITEM 4 BANKRUPTCY

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

[THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY]

ITEM 5 INITIAL FEES

Area Development Agreement.

Under the Area Development Agreement, you must pay a development fee of five thousand dollars (\$5,000) (the “Development Fee”) for each Panera Bread Bakery-Cafe that may be opened under the Area Development Agreement. The number of Panera Bread Bakery-Cafes that you may develop under a particular Area Development Agreement is determined by mutual agreement. The number of Panera Bread Bakery-Cafes will vary depending upon a variety of factors, including: (1) existing population and anticipated population growth within the Development Area; (2) competition within the Development Area; (3) the availability of acceptable locations; and (4) the number of Panera Bread Bakery-Cafes we estimate can be developed within the Development Area.

The initial franchise fee payable for each Panera Bread Bakery-Cafe you are required to develop under an Area Development Agreement is thirty-five thousand dollars (\$35,000). We will apply five thousand dollars (\$5,000) of the Development Fee paid under the Area Development Agreement against the initial franchise fee payable under each Franchise Agreement entered into under the terms of the Area Development Agreement. No portion of the Development Fee is refundable if you fail to develop the cumulative number of Panera Bread Bakery-Cafes that may be developed in accordance with the terms of the Area Development Agreement.

Franchise Agreement.

The initial franchise fee is thirty-five thousand dollars (\$35,000), which is due and payable, less five thousand dollars (\$5,000) of the Development Fee paid pursuant to the Area Development Agreement as described above, at least thirty (30) days prior to the scheduled opening of a Panera Bread Bakery-Cafe. After a Franchise Agreement has been signed, the initial franchise fee is not refundable in whole or in part. Except as noted above with respect to the application of a portion of the Development Fee due and payable under an Area Development Agreement, and possibly in connection with the sale of company-owned Panera Bread Bakery-Cafes and/or non-traditional locations (See Item 1), the thirty-five thousand dollars (\$35,000) franchise fee is uniform to all franchisees currently purchasing a franchise. A franchise fee equal to fifty percent (50%) of the Panera’s then-current franchise fee is payable in connection with the renewal of a Franchise Agreement. A transfer fee of seven thousand five hundred dollars (\$7,500), plus costs, is payable in connection with the transfer of a Franchise Agreement. Before opening a Panera Bread Bakery-Cafe, you must purchase your initial inventory of certain frozen dough and fresh dough products from Panera, which you will purchase on a daily basis, at a cost of approximately three hundred dollars (\$300) to five hundred dollars (\$500), which amount is non-refundable.

Development Services Agreement

Panera may enter into Development Services Agreements (attached as Exhibit D-1) with franchisees, which provide that Panera may from time to time, at its discretion and on a nonexclusive basis, offer to sell to existing franchisees Panera Bread Bakery-Cafe locations to be developed by us. The purchase price for such proposed locations are the total development costs incurred by Panera, plus an additional Development Fee (currently one hundred and fifty thousand dollars (\$150,000) under existing contracts, however this fee may be modified based on location, services rendered, changes in actual costs and other factors Panera periodically determines). These costs are in addition to any franchise fees payable in connection with a franchisee’s acquisition of the location. The Development Services Agreement does not provide any exclusive rights or territory under the agreement and Panera is not required to make any offers under the agreement. Likewise, the franchisee is not required to accept any offers made by us. We may terminate the Development Services Agreement immediately upon notice for any reason or no reason. We will issue a Bill of Sale in connection with any items transferred to franchisees in connection with the Development Services Agreement, which will provide the extent to which such items shall be covered by any warranties. In most instances we would expect that such items will remain subject to any applicable manufacturer’s warranties but shall otherwise be transferred by us without any additional express or implied warranties.

Real Estate Selection and Construction Management Services Agreement

Panera may enter into Real Estate Selection and Construction Management Services Agreements (attached as Exhibit D-2) with franchisees, which provide that Panera may from time to time, at its discretion and on a nonexclusive basis, offer to provide real estate assistance services to franchisees (such as real estate selection and construction management services). The fees for these services are currently one hundred and fifty thousand dollars (\$150,000), however this fee may be modified based on location, services rendered, changes in actual costs and other factors Panera periodically determines. These costs are in addition to any franchise fees payable in connection with a franchisee’s acquisition of the location. The Real Estate Selection and Construction Management Services Agreement does not provide any exclusive rights or territory under the agreement and Panera is not required to make any offers under the agreement. Likewise, the franchisee is not required to accept any offers made by us. We may terminate the Real Estate Selection and Construction Management

Services Agreement immediately upon notice for any reason or no reason. Unlike the Development Services Agreement described above, Panera will provide consulting or advisory services only, rather than developing the Bakery-Cafe and transferring possession of the Bakery-Cafe assets to the franchisee.

[THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY]

ITEM 6 OTHER FEESFRANCHISE AGREEMENT

<u>Type of fee</u>	<u>Amount</u>	<u>Due Date</u>	<u>Remarks (See Note 1)</u>
Royalty	5% of Net Sales	Payable on 1st business day immediately following each “Reporting Period”	“Net Sales” is defined in <u>Note 2</u> below; payment made by automatic electronic withdrawal. “Reporting Period” is the period from Wednesday to Tuesday (or as determined by us).
Advertising - National Advertising Fund (“NAF”) - Local Advertising Funds (“LAF”) - Marketing Administration Fee (“MAF”) - Advertising Association	3.5% of Net Sales 2.0% of Net Sales 0.4% of Net Sales Determined by Advertising Association	NAF, MAF and LAF (to the extent collected by Panera) are payable on 1st business day immediately following each “Reporting Period”. Payable on 1st business day immediately following each “Reporting Period”	“Net Sales” is defined in <u>Note 2</u> below; to the extent collected by Panera, payment is made by automatic electronic withdrawal. “Reporting Period” is the period from Wednesday to Tuesday (or as determined by us). <u>See Note 3</u>
Miscellaneous Administrative Fees	To be reasonably determined by us from time to time.	Upon demand	Currently, miscellaneous fees include a special \$50 handling charge for each incomplete or non- electronically received order from your Bakery-Cafe for its bakery products (<u>See Note 4</u>), and a \$30 fee if you do not submit Periodic Reports timely.
Food Products	Prices are established by approved suppliers from time to time.	As ordered	<u>See Note 5</u>
Quality Control Program	Varies	Ongoing	Must contribute pro-rata share of costs of any program implemented, such as Interactive Voice Response (“IVR”) Customer Satisfaction Measurement, “customer intercept” or other programs we may implement. (<u>See Note 6</u>)
Re-Inspection Fee	\$3,500	Upon demand	If the inspection conducted by us or our designated agents reveals that your Bakery-Cafe fails to meet our minimum standards (as we determine from time to time), we may charge our then-current standard re-inspection fee for any follow-up inspection relating to such failure.
Interest on late payments	2% over prime rate	Immediately	The interest rate applies to any money you owe us, or any of our Affiliates (as defined in the Franchise Agreement), after the due date.
Fee for insufficient funds in bank account	Currently \$30 (bank fee plus administrative fee)	Within 14 days of notice from us of the insufficient funds	Applies to any insufficient fund payment made by electronic transfers or checks to us or our Affiliates.

Type of fee	Amount	Due Date	Remarks (See Note 1)
Fees to evaluate and approve alternative suppliers	Our reasonable costs and expenses, which currently are expected to range between \$2,500 and \$7,500, although costs could greatly exceed those amounts depending on the product and the proposed alternative supplier.	Upon receipt of our bill	We may impose reasonable inspections and supervision fees to cover our costs in evaluating and maintaining alternative brands or suppliers you propose in accordance with the Franchise Agreement.
Audit	Cost of audit, which is expected to range between \$30,000 and \$70,000 assuming you have maintained adequate books and records	Completion of audit	Payable if you fail to furnish required information or if we find an understatement of Net Sales greater than 2%. The estimated range is for an audit of a multi-unit franchisee, not for a single Panera Bread Bakery-Cafe.
Site Selection Costs	Panera's reasonable expenses, which are expected to range between \$1,500 and \$4,000	As incurred	Must reimburse us for our reasonable expenses, including the costs of travel, meals and lodging incurred in site evaluation for each visit after the initial visit. The expenses associated with site evaluation will not be refundable and will vary depending on various factors.
Insurance	Will vary under circumstances	As incurred	If you fail or refuse to obtain the required insurance coverage for the Panera Bread Bakery-Cafe, we may obtain coverage at your expense.
Maintenance costs	Will vary under circumstances	As incurred	If you fail or refuse to maintain the Panera Bread Bakery-Cafe as required, we have the right to do so on your behalf and at your expense.
Attorneys' fees and other costs	Will vary under circumstances	As incurred	Payable if we prevail in any legal dispute with you or in connection with an indemnification.
Indemnification	Will vary under circumstances	As incurred	You must reimburse us if we incur any expense, including attorneys' fees and other costs, or are held liable for claims arising out of your breach of the Franchise Agreement or the development and operation of your Bakery-Cafe.
Transfer	\$7,500, plus costs	Upon sale or transfer	Except in the case of a transfer to a legal entity formed solely for the convenience of ownership, you must pay us a transfer fee.
Renewal	Fifty (50%) of the then-current initial franchise fee	Upon signing successor franchise agreement	
Optional Technology Products & Services	See <u>Note 7</u> and <u>Item 7</u> (Note 4)	Payable on 1st business day of each calendar month, billed one month in advance	All payments to be made by automatic electronic withdrawal.

Note 1: Except as noted, all fees are payable to Panera and are uniform and non-refundable (however, in some instances that Panera considers appropriate, Panera may waive some or all of these fees). Costs of products and supplies are subject to change from time to time, except as otherwise provided in the Franchise Agreement.

Note 2: The term "Net Sales" means the aggregate amount, determined in accordance with Panera Standards, of all sales of food, beverages and other products and merchandise sold and services rendered at a Bakery-Cafe premises or otherwise rendered in connection with such

Panera Bread Bakery-Cafe or your use of the Marks, including monies derived from sales at or away from such Panera Bread Bakery-Cafe (e.g., catering or delivery), whether for cash or credit, but excluding (1) all federal, state or municipal sales or service taxes collected from customers and paid to the appropriate taxing authorities; and (2) all customer refunds and adjustments and promotional discounts made by such Panera Bread Bakery-Cafe.

The term “Panera Standards” means the accounting, audit and tax standards, methods, practices and procedures as may be established from time to time by us, in our sole discretion, with respect to, among other things, the maintenance of books and records, and the preparation and presentation of financial information and financial statements, but which shall not be materially inconsistent with generally accepted accounting principles and which are utilized by us in connection with our Panera Bread Bakery-Cafes. In absence of any particular standard, method, practice or procedure established by us, the term “Panera Standards” shall refer to generally accepted accounting principles.

Note 3: These items include amounts paid to a NAF, LAF, MAF and Advertising Association. We reserve the right to collect annual contributions to the NAF at any time of the year and may do so retroactively for periods of the calendar year that have already lapsed (if we change the contribution mid-year). The 2025 fiscal year NAF contribution rate is 3.5% (which is above the 2.6% cap) pursuant to an affirmative vote by existing franchisees. Additionally, you must pay the MAF of 0.4% of Net Sales and spend 2.0% of your Net Sales on LAF. However, through the 2025 fiscal year, we will permit franchisees to temporarily reduce the amount required to be spent on LAF to 0.5% of Net Sales. We may require you to participate in an Advertising Association. Decisions of Advertising Associations are made by majority vote based on one vote per Bakery-Cafe. Accordingly, we may control the Advertising Association in certain areas where company-owned Bakery-Cafes constitute the majority. If we require you to contribute to an Advertising Association, either this year or in the future, we will credit your contribution toward your required LAF expenditure requirements. If we provide you or your Advertising Association ninety (90) days’ notice of a special promotion, you must participate and also pay any special promotion advertising fees we assess. These fees will be in addition to your LAF requirements. We may increase the NAF, LAF or MAF contribution requirements above the current percentages of Net Sales with an affirmative vote by 66% of all then existing company and franchised Panera Bread Bakery-Cafes or by an affirmative vote by 51% of the then existing franchised Panera Bread Bakery-Cafes.

Note 4: In order to ensure fresh bread and bakery products, each Bakery-Cafe must generate an order for its bakery products (“pan up order”) and transmit its pan up order electronically to our fresh dough facilities by the close of business (no later than 11:00 PM CST) for delivery two (2) days later. In the event the pan up order is not electronically received by our fresh dough facilities by the close of business (no later than 11:00 PM CST), or is incomplete, the Bakery-Cafe may be charged for the additional costs and expenses we incur in order to deliver bread and bakery products to that Bakery-Cafe the next day. In addition, there may be a special handling charge of up to fifty dollars (\$50) for each incomplete or non-electronically received pan up order.

Note 5: You must purchase Food Products (including Key Food Products) from Approved Suppliers or Approved Distributors (See Item 8). The prices at which these Food Products are sold to you are determined pursuant to agreements between us and the suppliers. Distribution costs will vary depending on the proximity of your Bakery-Cafe to the production facility.

Note 6: We may publish or disclose to other franchisees, any information that is collected, produced or maintained under any “quality control” programs in any manner or format that we deem appropriate. We also reserve the right to publish or disclose to third parties in an aggregate anonymous format any information that we collect, produce or maintain in connection with such “quality control” programs. As part of our “quality control” programs, we, or our designated third-party agents, may conduct an announced or unannounced Bakery-Cafe Food Safety audit of Bakery-Cafes. All Bakery-Cafes are required to score a minimum score established by us (as of the date of this Disclosure Document 92%, and no more than three (3) critical violations) in order to avoid a re-audit within the same year. A re-audit will be conducted if a Bakery-Cafe fails to meet these minimum criteria. All Bakery-Cafes are required to complete corrective actions emanating from a food safety audit within three (3) days of the audit. Critical findings must be corrected immediately. You will be responsible for paying the third-party auditing agency directly for this service. As of the date of this Disclosure Document, the audit fee does not exceed three hundred dollars (\$300) for each audit and any follow-up re-audit. This audit fee may increase by a small increment each year.

Note 7: As noted in Item 11, we do not require Franchisees to use any proprietary systems (including proprietary eCommerce and iCafe systems), provided the systems used meet certain parameters. We offer franchisees the option to use standard Panera systems with their various components and associated fees, as described in the chart below. All fees listed below are per cafe except where otherwise noted and are subject to change with ninety (90) days advance notice.

Optional technology products and services:

Category	Service	SKU	Billing Frequency	Cost	Description
Customer Loyalty and Menu Management Fees	CORE	E844	Monthly	\$15	Access to Panera's Cafe Remote Order Management and Cafe Manager application
	Menu Management	E843	Monthly	\$25	Maintenance of menu, pricing, tax configuration, cafe attributes, and nutritional information to all customer ordering channels. Provision of Panera's pricing portal.
	MyPanera Loyalty	E842	Monthly	\$60	MyPanera Loyalty program integrated with all Panera supported customer ordering channels including Unlimited Sip Club. Excludes MyPanera Program rewards processing engine, which is billed directly from Paytronix (~65 per cafe per month).
	Payment Systems Integration	E846	Monthly	\$20	Integration and maintenance of eCommerce and POS systems with third party payment gateway to receive payments and maintain PCI compliance for off-premise ordering channels. Includes support and spare pool for on-premise card readers.
	Customer Hub	E845	Monthly	\$15	Customer Data Platform integrated with MyPanera Program, Sales, and CRM systems. Keeps customer past orders, favorites, and other information used to enhance customer experiences.
	CRM (Cafe Salesforce Lite licenses)	E847	Monthly	\$15	Cafe Salesforce Lite is a limited version for the full CRM tool used by above Cafe Catering Sales team. Entitlement includes 3 named user licenses per Cafe
eCommerce Fees	eCommerce	E900	Monthly	1.75% of all eComm Transactions excluding Kiosks	Development and maintenance of all eCommerce platforms, including web, app, and third party delivery orders (excludes Kiosk). Fees are assessed outside of normal billing process, and do not show up on monthly billing statements.
	Kiosk Application & Hardware Maintenance	E825	Monthly	\$54 / kiosk	Panera iOS App running on Kiosk hardware. Required to use Panera's Supply Chain, Enterprise Apple Care, Mobility Management and Maintenance programs for kiosk hardware components.
iCafe Bundle *	Cafe E-mail & OS as a Service	E817	Monthly	\$58	Cafe Email and Sharepoint access; multi-factor authentication to Panera systems; Up to 7 accounts per cafe.
	iBOH	E814	Monthly	\$135	iBOH modules including Sales Forecasting, Food Cost, Labor Scheduling, iHR
	iLearning	E816	Monthly	\$75	Access to Panera's Learning Management System and training content. Includes associate tracking of certifications
	iPortal (The Pantry)	E815	Monthly	\$20	Access to Panera's iPortal Pantry for Cafe reporting, communications, and single sign-on for 3rd party applications. Includes associate access to Pantry Mobile App.
	iPOS / iKDS	E813	Monthly	\$155	Monthly fee for iPOS and iKDS usage. Includes iPOS Front Counter, iKDS, iPOS Phone-In, and iOffice

	M365 F1	E869	Monthly	\$35	Microsoft license for retail hourly associates that enables two-factor authentication for accessing Panera platforms, provides SharePoint licenses, and covers Windows OS Support.
	MWS Application and Hardware Maintenance	E838	Monthly	\$50	Go Spot Check software running on Manager Work Slate hardware. Franchisee can buy or rent hardware components for the kiosk. Required to use Panera's Supply Chain, Enterprise Apple Care, Mobility Management and Maintenance programs for owned or rented hardware.
Cafe Support Services Bundle **	HelpDesk	E822	Monthly	\$195	Provision of Help Desk Services, including access to Emergency Line live agent for critical issues; Genie knowledgebase chat, videos, and content; direct access to Help Desk management team for escalations. Available 7 days/wk 363 days/yr (excluding Thanksgiving & Christmas).
	Network Operations	E823	Monthly	\$310	Network Operations Center (NOC) provides technical support for the Cafe Tech Stack and monitoring of the Cafe Internet Circuits, and Customer Wifi support. Services include 24 x 7 x 365 Network & Cafe Tech Stack Monitoring. Hardware and Software Support & Maintenance for Cafe Stack, including SD-WAN software.
	Polling & API Access	E824	Monthly	\$75	Thousands of data points updated to cloud based Data Lakes near-real time. Underlying data for operational reports and dynamic dashboards. Integration with API connectors available.
Other IT Fees	EVDO	E957	Monthly	\$7.14 / day	Daily usage fee for loaned cradle points used in the cafes. These are primarily used for NCOs that need to open without a T1 or Broadband service, or in emergency situations where all network connectivity is lost for extended timeframe.
	Facilities Maintenance	E853	Monthly	\$35	Nuvolo license hosting fee per café, not based on franchise group.
	Facilities Maintenance Program Set Up	E852	One-Time	\$1,500	One time set up charge at franchise group level. The Nuvolo system allows cafes can go in to the system to report a problem in their facility (HVAC system, lighting issues, facilities issues not related to IT issues).
	iPad Hardware Buyout	E958	Usage	Varies	The buyout amount depends on the quantity and type (Kiosk, MWS, or LWS) of DaaS iPad hardware not promptly returned when a café closes, as well as the remaining time for the lease. Fee is automatically refunded upon receipt of equipment.
	Kiosk Accessories	E985	Usage	Varies	Pass through expense related to purchase of Kiosk Accessories (e.g., power adapters, cables, barrel keys).
	LWS customer buys hardware	E841	Usage	\$15	12.9" iPad with Case is new standard hardware for E-learning. Required to use Panera's Supply Chain, Enterprise Apple Care, Mobility Management and Maintenance programs for hardware.

	Non Returned iPad Hardware	E861	Usage	Varies	A variable fee, depending on the quantity and type of iPad hardware that was lost, stolen, or not returned after replacement.
	Non Returned Network Hardware	E862	Usage	Varies	A variable fee, depending on the quantity and type of Network hardware that was lost, stolen, or not returned after replacement.
	Non Returned Verifone POS Hardware	E863	Usage	Varies	A variable fee, depending on the quantity and type of POS hardware that was lost, stolen, or not returned after replacement.
Campus Card for Non-Traditional	Campus Card Software	E806	One-Time	Varies	Vendor pass-through charges for campus card integration at non-traditional cafes
	Campus Card Integration Maintenance	E807	Annual	Varies	Vendor pass-through charges for campus credit card integration annual maintenance at non-traditional cafes
Above Cafe Fees	Data Extraction and Transfer Fees	E809	Event	\$255	Mailbox data extraction and transfer services.
	iBOH Group Onboarding 1x	E911	One-Time	\$5,500	Setup fee for iBOH systems for new franchisees (including Sales Forecasting, Food Cost, Labor Scheduling, Inventory, iHR)
	HR Integration	E966	One-Time	\$2,500	Setup fee for existing franchisee's HR systems (limited to iHR)
	Microsoft 365 EOA	E810	Event	\$3 / license	Add-on fee to existing license for Panera's provision of Microsoft 365 Exchange Online Archiving service.
	Microsoft 365 Level 2 Service - Above Cafe	E981	Monthly	\$3 / license	Monthly limited access and Sharepoint-only MS O365 above-Cafe subscription per user.
	Microsoft 365 Level 3 Service	E982	Monthly	\$5.00 / license	Monthly full access, above-cafe Microsoft 365 subscription per user.
Customer Service Fees	Guest Care Software Setup	E800	One-Time	\$20	Set up and change of business rules for the Guest Care software tool.
	Guest Care Self Service Gift Card Dollars Issued	E990	Monthly	Varies	Provision of gift cards to customers pursuant to cafe management request.
	Guest Care Self Service Variable Fee	E989	Monthly	\$1.62 / Request	GM's and Managers submit compensation requests after a guest contacts them through Cafe Health or in-person about a bad experience at the cafe.
	Csuite Gift Card	E998	Monthly	Varies	Gift cards sent to CSO supported franchise customers when they contact the Panera Customer Care team.
	Guest Care Support	E999	Monthly	\$3.25 / call	Customer contacts handled by the Panera Customer Care team. These are for franchisees that have opted in to the CSO Program.
	EZ Cater	E1001	Monthly	\$3.25 / call	Customer contacts handled by the Panera Customer Care team in regards to orders made through the third-party service, EZ Cater.
Coordination Fees	BOH PC Refresh Coordination	E872	One-Time	\$50	Coordination of refreshing BOH PC to upgrade the Windows 11 image
	Barista Label Printer Coordination	E871	One-Time	\$50	Coordination of removing the L-90 Barista Printer and replacing it with a L90ii printer

	Capacity Coordination Fee	E950	One-Time	\$150	Coordination of Capacity project
	Event Coordination	E992	One-Time	\$1,000	NCO Coordination Fee (standard POS)
	FOH Unmanaged Switch Removal Coordination	E870	One-Time	\$35	Coordination of removing the unmanaged switch and running new low voltage cables
	G6 Kiosk Refresh Coordination	E1003	One-Time	\$50	Coordination of refreshing G6 Kiosk hardware
	Hardware Refresh Coordination	E802	One-Time	\$150	Coordination of Cafe Hardware replacement projects
	KDS 15 OSM Coordination	E1002	One-Time	\$50	Coordination of rolling out KDS Order Status monitors
	Kiosk 1.0 Coordination	E857	One-Time	\$100	Coordination of Kiosk refreshes
	LWS Coordination	E858	One-Time	\$25	Coordination of Learning Work Slate (LWS) refreshes
	Remodel Coordination Fee	E855	One-Time	\$50	Coordination of Cafe Remodel project not requiring additional equipment
	Staging	E936	One-Time	\$500	POS database staging and configuration
	Verifone Refresh Coordination	E859	One-Time	\$100	Coordination of Credit Card Terminal refreshes
Non-IT Fees	Agilence	E975	Monthly	\$15	This is a third-party tool provides Loss Prevention exception Based Reporting on a per Cafe basis.
	CCA Customers Uploaded	E987	One-Time	\$7.50 / Customer Acct	Franchise Catering Customer Account fee per Franchise customer participating in Panera's CCA Program
	CCA Transition Set Up	E988	One-Time	\$50	Per Franchise Cafe, Panera's Catering Customer Application fee covering the installation and training of Panera's CCA application and invoice processor.
	Crime Data Reporting	E979	As needed	\$32.70 / report	A customized crime risk-related report provided upon Franchise request.
	MWS Software Reporting	E854	As needed	\$125 /monthly	A third-party real-time cafe data analytics and reporting tool provided upon Franchise request
	Onsite Support	E993	Event	\$700 / day	FTA on-site support; \$700 per day fee
	Travel Exp Amt	E995	Event	Varies	FTA on-site support; dollars are based on receipts associated with event

* Receive \$50 per month discount if using all services in iCafe bundle.

** Receive \$25 per month discount if using all services in Cafe Support Services bundle.

[THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY]

AREA DEVELOPMENT AGREEMENT

If you sign an Area Development Agreement, you should review both the above table of fees applicable to Franchise Agreements as well as the following table of fees:

<u>Type of fee</u>	<u>Amount</u>	<u>Due Date</u>	<u>Remarks (See Note 1)</u>
Transfer fee	\$7,500, plus costs, plus \$7,500 for each Bakery-Cafe for which you have signed a Franchise Agreement. This is in addition to any other transfer fees required under other agreements with us, or our Affiliates.	Upon transferring the Area Development Agreement	
Attorneys' fees and other costs	Will vary under circumstances	As incurred	Payable if we prevail in any legal dispute with you or in connection with an indemnification.
Indemnification	Will vary under circumstances	As incurred	You must reimburse us if we incur any expense, including attorneys' fees and other costs, or are held liable for claims arising out of your breach of the Area Development Agreement or the development and operation of your Bakery-Cafes.
Development Deficiency Initial Fees	The amount of the initial franchise fee for each Panera Bread Bakery-Cafe that you have failed to open in accordance with the ADA Development Schedule.	Upon demand	At our option, in lieu of termination of your ADA. This fee may be applied toward the initial franchise fee.
Development Deficiency Royalty Fees	Five percent (5%) of the Assumed Net Sales (as defined in the ADA) for each Panera Bread Bakery-Cafe that you have failed to open in accordance with the Development Schedule.	Upon demand and periodically thereafter until the deficiency is cured.	At our option, in lieu of termination of your ADA.

Note 1: All fees are imposed by and payable to Panera. All fees are nonrefundable.

[THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY]

ITEM 7 ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Franchise Agreement.

The following chart provides an estimate of your initial investment for both a Core Bakery-Cafe and a Small Box Bakery-Cafe, located in a non-urban market (single unit with a baking facility):

CATEGORY	ACTUAL OR ESTIMATED AMOUNT		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAID
	Small Box	Core			
Franchise Fee (See Note 1)	\$35,000		Lump Sum	At least 30 days prior to the scheduled opening of the Bakery-Cafe	Panera
Real Property (See Note 2)	(See Note 2)		(See Note 2)	(See Note 2)	(See Note 2)
Leasehold Improvements (See Note 2)	\$524,052 to \$1,119,491	\$643,300 to \$2,899,506	Lump Sum	As incurred before opening	Contractors
Equipment (See Note 3)	\$383,315 to \$477,761	\$375,459 to \$506,706	Lump Sum	Upon delivery before opening	Equipment Vendors, Panera
Optional Technology Systems (See Note 4)	\$100,000 to \$132,000		Lump Sum	Upon delivery before opening	Panera
Fixtures	\$41,471 to \$70,230	\$72,170 to \$124,254	Lump Sum	Upon delivery before opening	Vendors
Furniture	\$17,471 to \$67,929	\$25,643 to \$94,617	Lump Sum	Upon delivery before opening	Vendors
Consultant fees (See Note 5)	\$47,000 to \$328,000		Lump Sum	As incurred before opening	Architect, Engineer, Expeditor, etc.
Supplies & Inventory (See Note 6)	\$21,500 to \$29,500		Lump Sum	Upon delivery before opening	Panera, and other suppliers
Smallwares	\$9,600 to \$48,000		Lump Sum	Upon delivery before opening	Suppliers
Signage	\$20,891 to \$109,540	\$19,089 to \$101,856	Lump Sum	Upon delivery before opening	Suppliers
Additional Funds (3 months) (See Note 7)	\$66,505 to \$150,150	\$85,805 to \$351,885	Lump Sum	As incurred before opening	Vendors, Suppliers, Employees, Utilities, Landlord, etc.
TOTAL (excluding real estate and related costs, and landlord allowances) (See Note 8)	\$1,266,805 to \$2,567,601	\$1,434,566 to \$4,651,324			

Note 1: We will apply five thousand dollars (\$5,000) of the Development Fee paid under an Area Development Agreement toward the initial franchise fee for each Bakery-Cafe. (See Item 5)

Note 2: The total estimated initial investment does not include real estate. Panera Bread Bakery-Cafes are typically located in malls, strip centers and freestanding locations. The cost of purchasing or leasing and developing a site for a Panera Bread Bakery-Cafe will vary considerably depending on such factors as location, size, and the local real estate market. For a Core Bakery-Cafe you will need to purchase or lease a building of approximately 3,200 to 3,500 square feet (but potentially up to 5,200 sq. ft.) and pay the cost of site work and/or leasehold improvements. For a Small Box Bakery-Cafe you will need to purchase or lease a building of approximately 2,400 to 2,800 square feet and pay the cost of site work and/or leasehold improvements. During 2024, forty (40) US sites developed by Panera were leased with lease costs (as averaged throughout the initial term of the lease plus one option period) ranging from approximately five thousand six hundred dollars (\$5,600) to approximately forty six thousand dollars (\$46,000) per month base rent, triple net, and with an allowance for tenant improvements ranging from zero dollars (\$0) to two million dollars (\$2,000,000). Leases may also require percentage rent. If you, one of your Owners, or one of your Affiliates at any time owns the premises for your Bakery-Cafe, you must immediately notify us and we may require that you or such Owner or Affiliate (1) enter into an agreement with us in recordable form granting us the right and option, in the event of a termination (for whatever reason) of the Franchise Agreement, to lease the premises at fair market rental rates for a term coterminous (in absence of an early termination) with the term of the Franchise Agreement (with an option to extend for 10 years) for such premises; or (2) enter into a prime lease with us at fair market rental rates for a term coterminous with the term of the Franchise Agreement (with an option to extend for 10 years) for such premises and a sublease with us on the same terms as the prime lease. The prime lease and sublease referenced in the preceding sentence shall be on the then-current lease and sublease forms used by us.

Note 3: The cost of purchasing equipment for your Bakery-Cafe, including ovens, will differ based on the format you choose. This estimate includes a standard computerized POS cash register system, Bakery-Cafe computer hardware and proprietary software.

Note 4: This item covers: (i) thirty-two thousand dollars (\$32,000) in costs for the optional Panera technology products and services described in [Item 6](#), Note 9 for the first year of operation and (ii) Bakery-Cafe Hardware and installation costs billed directly by vendors which together total up to one hundred thirty-two thousand dollars (\$132,000). If you adopt the standard Panera systems configuration, you are eligible to request optional on-site system support for each Bakery-Cafe you open. The support usually takes three (3) or four (4) days and the fee for the support is seven hundred dollars (\$700) per day. You must reimburse Panera for the expenses (including travel, meals and lodging) incurred by the support person, which we estimate to average two thousand eight hundred dollars (\$2,800).

Note 5: The consultant fees include an estimated impact fee, which may be imposed by the municipality. We estimate that the average amount of impact fee, if such fee is imposed, will be approximately fifty thousand dollars (\$50,000). During 2024, impact fees ranged from zero dollars (\$0) to one-hundred seventy-five thousand dollars (\$175,000).

Note 6: Food Products must be purchased from Approved Distributors, Approved Suppliers or other suppliers we approve (See Item 8). Other items must meet our quality standards and/or be purchased from an approved supplier (See Item 8). The cost of purchasing point of purchase ("POP") materials, training materials and forms is estimated to range from three thousand five hundred dollars (\$3,500) to eight thousand five hundred dollars (\$8,500). We estimate the cost of the opening food, paper, chemicals and uniforms orders to range from eighteen thousand dollars (\$18,000) to twenty-one thousand dollars (\$21,000).

Note 7: This estimate includes working capital for the first three (3) months and includes general operating expenses, such as lease payments, inventory, payroll expenses, facility expenses, insurance, pest control, security, repairs and maintenance and complimentary sales and other costs. This estimate also includes your pre-opening expenses during the six months prior to opening and includes such items as professional fees, organizational expenses, utility deposits, and salaries and expenses during training of your Operating Partner (described in Item 15) and your other personnel whose training is required by the Franchise Agreement and/or the Area Development Agreement. Because you and/or your Operating Partner and your other personnel for your Bakery-Cafe, as well as personnel in management positions and personnel that will work in more than one Bakery-Cafe, are required to complete our training program prior to opening your first Bakery-Cafe (See Item 11), these expenses are included for your first Bakery-Cafe. Consequently, the additional funds necessary for your first Bakery-Cafe tend to be on the high end of the estimated range, while the additional funds required for subsequent Bakery-Cafes that you open will tend to fall on the lower end of the estimated range. These figures are estimates based upon our experience in opening and operating company-owned Bakery-Cafes, and we cannot assure you that you will not have additional expenses in starting your Panera Bread Bakery-Cafe.

Note 8: Except as otherwise noted, none of these payments are refundable. These payments are only estimates and your costs may be higher, depending on your particular circumstances. Panera relied on its experience regarding openings of both company-owned Panera Bread Bakery-Cafes and Franchisee-owned Panera Bread Bakery-Cafes to compile these estimates. In geographical areas where we have no Panera Bread Bakery-Cafes or have no significant experience regarding openings of either company-owned Bakery-Cafes or Franchisee-owned Bakery-Cafes, the foregoing estimated initial investment may be less reliable and you may have to make a greater investment, depending on the circumstances. You should review these figures carefully with a business advisor, accountant or attorney before making any decision to purchase a franchise. We do not offer any financing for your initial investment or any other items. The availability and terms of financing with third-party lenders will depend on factors such as the availability of financing generally, your credit-worthiness and policies of lending institutions concerning the type of business to be operated.

If you purchase an existing company-owned Panera Bread Bakery-Cafe, you may have to make a greater or smaller investment, depending on the circumstances, than the estimated initial investment shown above. The price and terms of payment for such Panera Bread Bakery-Cafes will be established by mutual agreement. We do not have sufficient experience with non-traditional locations to be able to estimate the initial investment for those locations.

If you sign an Area Development Agreement, you will be required to pay us a Development Fee (See Item 5) and also will need funds for working capital, in an estimated amount of one hundred thousand dollars (\$100,000), to pursue your development obligations. There is no other initial investment required upon execution of an Area Development Agreement. However, an initial investment will be required for each Panera Bread Bakery-Cafe at each location you open. Our current estimate of this investment is described above.

[THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY]

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Generally.

To ensure that high and uniform standards of quality and service are maintained, you must operate your Panera Bread Bakery-Cafe in strict conformity with our methods, standards and specifications and, as described below, you must purchase ingredients, goods, services, supplies, fixtures, equipment and inventory only from suppliers we have approved.

Purchase of Food Products.

You must purchase exclusively from Approved Distributors all those Food Products we periodically authorize to be manufactured, produced, and/or delivered solely and exclusively by one or more Approved Distributors ("Key Food Products"). "Food Products" are the finished or partially finished food products we authorize to be offered and sold at Panera Bread Bakery-Cafes, as well as dough and other ingredients and an "Approved Distributor" means any distributor that we authorize to distribute Food Products. In addition, you must purchase from Approved Suppliers all other Food Products we periodically authorize to be manufactured, produced, and/or delivered by Approved Suppliers ("Other Food Products"), subject to your right to purchase such Other Food Products from Alternative Approved Suppliers. An "Approved Supplier" is any supplier, including us, an Affiliate of ours, or an independent third party, whom we authorize to manufacture, produce, and/or supply Other Food Products (other than Key Food Products). An "Alternative Approved Supplier" is any supplier who has been proposed by you or by another franchisee to manufacture, produce, and/or supply Other Food Products (other than Key Food Products) and who has been approved by us to do so.

Approved Distributors and Approved Suppliers are not liable for any delay in the delivery of ingredients as a result of any force majeure. Approved Distributors and Approved Suppliers may establish policies and procedures from time to time for the allocation and distribution of Food Products among Panera Bread Bakery-Cafes.

You may purchase Other Food Products from any alternative supplier we approve. If you propose to purchase any such Other Food Products from any alternative supplier who is not then approved by us, you and the proposed supplier must submit to us all information that we may request in order to determine whether to approve the supplier. We will have the right to approve or disapprove any supplier, and we may approve a supplier conditionally. In evaluating any supplier you propose, we may, subject to restrictions and conditions to protect our trade secrets and confidential information, disclose to such proposed supplier applicable standards, specifications, ingredients, recipes, processes, equipment and procedures for the item in sufficient detail to enable the proposed supplier to demonstrate its capacity and capabilities to supply the items in accordance with our requirements. Within one hundred twenty (120) days after we receive all requested information, we will communicate to you in writing our decision to approve or disapprove your proposed supplier. We will evaluate proposed alternative suppliers on their ability to comply with applicable standards, specifications, ingredients, recipes, processes, and procedures, as well as their use of approved equipment, and we will only approve those proposed alternative suppliers that meet our high standards. You must notify us at least thirty (30) days in advance before you first start purchasing any Other Food Products manufactured, produced, or supplied by an Alternative Approved Supplier who is already approved by us. We may disapprove any supplier who we previously approved, and you may not, after receipt of notice of disapproval, reorder Food Products manufactured, produced, or supplied by any supplier we have disapproved.

We may prescribe procedures for the submission of requests for approval and impose obligations on Alternative Approved Suppliers, which will be incorporated in a written license agreement with the supplier. We may obtain from you and/or such Alternative Approved Suppliers reimbursement of our reasonable costs and expenses incurred in connection with the approval process and on-going monitoring of the supplier's compliance with our requirements, but we will not profit from the sale to you of Other Food Products manufactured, produced, or supplied by an Alternative Approved Supplier. We may impose limits on the number of Alternative Approved Suppliers we approve. We may monitor the quality of Food Products manufactured, produced, or supplied by Alternative Approved Suppliers in a manner we deem appropriate and may terminate any Alternative Approved Supplier who does not meet our quality standards and specifications. If you purchase one or more types of Other Food Products manufactured, produced, or supplied by an Alternative Approved Supplier, no Approved Supplier will have any obligation to sell you any Other Food Products while you are purchasing from any Alternative Approved Supplier. If, after commencing purchasing Other Food Products from an Alternative Approved Supplier, you want the Approved Supplier to resume supplying you with Other Food Products, we may require you to submit to us an application, in such form as we may determine, which we will normally process within thirty (30) days. The Approved Supplier has no obligation to resume supplying Other Food Products to you, and you may not place an order for such products with the Approved Supplier, until we have approved your application for resupply.

Other Products.

Your Panera Bread Bakery-Cafe must use and/or offer for sale only beverages, ingredients, merchandise, uniforms, packaging materials, POP materials, smallwares, menus, forms, labels and other supplies and other products and services, including third-party food delivery services, that conform to our specifications and quality standards and/or are purchased from suppliers we have approved (which may include us or any of our Affiliates). The list of brands, Approved Distributors and suppliers are contained in our Panera Policy Manual, and we may modify that list from time to time in our sole discretion. After notice of a modification, you may not order or reorder any brand or reorder from any Approved Distributor or supplier that is no longer approved.

If you propose to use any brand or supplier of products or equipment other than Food Products that are not then approved by us, you must first notify us and submit sufficient information, specifications and samples concerning the brand and/or supplier so that we can decide whether the brand complies with our specifications and standards and/or such supplier meets our approved equipment or approved supplier criteria. We have the right to charge reasonable fees to cover our costs of any such approval process. We will notify you of our decision within a reasonable period of time. We may prescribe procedures for the submission of requests for approval and impose obligations on suppliers, which we may require to be incorporated in a written agreement. We may impose limits on the number of suppliers and/or brands for any of the foregoing items. Subject to the foregoing, you do not have to purchase or lease anything from us, or any of our Affiliates; however, we, and our Affiliates, can be approved suppliers for any items. We formulate and modify, at our sole discretion, specifications and standards we impose on franchisees and suppliers. Specifications and standards are issued to franchisees through the Panera Policy Manual and to suppliers by written agreement.

Items We Supply or Derive Revenue From.

In the fiscal year ending December 31, 2024, revenues of Panera from the sale to franchisees of ingredients and food products, as well as revenues of Panera from rebates on ingredients and food products produced by third parties and sold to franchisees (described below), were two hundred seventy-four million five hundred eighty-three thousand eight hundred forty-nine dollars (\$274,583,849) or 7.6% of the total revenues of Panera of three billion six hundred and three million two hundred twenty-eight thousand six hundred eighty-three dollars (\$3,603,228,683). In addition, in the fiscal year ending December 31, 2024, Panera also received thirty-eight million nine hundred eighty-two thousand two hundred forty dollars (\$38,982,240) for technology services provided to Franchisee-owned Bakery-Cafes or 1.1% of the total revenues of Panera. The cost of ingredients and food products represents a de minimis (i.e., less than 1%) portion of your total purchases and leases in connection with the establishment of your Panera Bread Bakery-Cafe, and approximately eleven percent (11.0%) of your total expenses in connection with the continuing operation of your Panera Bread Bakery-Cafe.

We have entered into several bakery product supply agreements (“Supply Agreements”) with outside vendors (together “Bakery Suppliers”) under which they produce certain bakery products (“Bakery Products”). Under the Supply Agreements, the Bakery Suppliers supply Bakery Products to the Panera Bread Bakery-Cafe System through one or more distributors (“Distributors”) we designate. Distributors purchase the Bakery Products from the Bakery Suppliers at prices that we establish with the Bakery Suppliers (described below). Either the Distributor or the Bakery Supplier will pay us a rebate with respect to your purchase of Bakery Products from a Distributor equal to the difference between (a) the price you pay for Bakery Products, and (b) the agreed upon price charged to the Distributor by the Bakery Suppliers. This rebate arrangement may change or be eliminated on termination or renegotiation of the various Supply Agreements.

As noted above, we establish with the Bakery Suppliers the price at which Bakery Products will be sold to a Distributor (for resale to Company-owned and franchised Bakery-Cafes). This price is based on an estimate of certain direct costs of manufacture the Bakery Supplier expects to incur in producing the Bakery Products, plus a percentage mark-up, as specified in its supply agreements. At specified intervals during the year, the Bakery Supplier and Panera will compare the costs that were estimated and the actual costs incurred in producing the food products, and a payment will be made by the Bakery Supplier to us, or by us to the Bakery Supplier, to reflect actual costs incurred. As a result, the average per unit rebate paid to us by the Distributor or the Bakery Supplier is approximately nine percent (9%) of Retail for Bakery Products.

Acting solely as a distributor, we began offering additional items, such as produce, cream cheese, and potato chips, for delivery through our fresh dough facility system. We have expanded this program and, as of the date of this disclosure document, we collect a delivery and handling fee from franchisees who participate in the program.

From time to time, we enter into agreements or commitments with suppliers to purchase a certain volume of items used at all Panera Bread Bakery-Cafes (company-owned and franchised) in order to take advantage of favorable pricing or anticipate product availability, among other things. We review and attempt to project these supply needs, using internal pricing and sales projection models and commit to agreed upon volumes. If the agreed upon volume for a particular item does not materialize, we may request that the supplier increase the prices paid by us and franchisees for other items in order to cover the costs payable to the supplier for the excess volume. In addition, we have entered into contracts with companies to assist in improving the functioning of the supply chain, including by negotiating sourcing costs

for certain items, and assisting in quality management, assurance and control, pricing, product forecasting and selection, inventory and distribution logistics and efficiency, and supply chain engineering and redistribution. Panera expects to recover the compensation related to such services through an increase in the prices paid by both company-owned and Franchisee-owned Bakery-Cafes for products purchased through our distribution partners.

In addition to the rebate and cost reimbursement practices described above, we may receive occasional rebates from suppliers based on purchases of products by our company-owned and Franchisee-owned Bakery-Cafes, although neither we, nor our Affiliates, received any such rebates in our last fiscal year. Generally, we distribute these rebates pro rata to company-owned and Franchisee-owned Bakery-Cafes, contribute them to NAF, or otherwise use them for the benefit of the System.

Except as noted above, we do not negotiate purchase arrangements with suppliers, including price terms, for the benefit of franchisees. There are no purchasing or distribution cooperatives. We do not provide material benefits to a franchisee based on a franchisee's purchase of particular products or services or use of particular suppliers.

Except as described above, neither we nor any of our Affiliates derives revenues or other material consideration as a result of your purchases from other suppliers.

None of our officers own an interest in any privately-held suppliers, or a material interest in any publicly-held suppliers of our franchise system. From time to time, our officers may own non-material interests in publicly-held companies that are suppliers to our franchise system. Panera maintains written *Standards of Business Conduct* which governs our associates' ownership of stock or other financial interests in suppliers or potential suppliers.

Specifications, Standards and Procedures.

Each aspect of the interior and exterior appearance, layout, decor, services and operation of your Bakery-Cafe is subject to our specifications and standards. You must comply with all mandatory specifications, standards and operating procedures (whether contained in the Panera Policy Manual or any other written communication) relating to the appearance, function, cleanliness and operation of a Panera Bread Bakery-Cafe. You must periodically re-equip, upgrade and/or remodel your Bakery-Cafe pursuant to our plans and specifications, including equipment and production enhancements, provided, however, that, with the exception of signage, equipment and production enhancements, we will not require substantial remodeling more often than every five (5) years during the Term.

In order to ensure fresh bread and bakery products, each Bakery-Cafe must generate an order for its bakery products ("pan up order") and transmit its pan up order electronically to our fresh dough facilities by the close of business (no later than 11:00 PM CST) for delivery two (2) days later. In the event the pan up order is not electronically received by our fresh dough facilities by the close of business (no later than 11:00 PM CST), or is incomplete, the Bakery-Cafe could be charged for the additional costs and expenses we incur in order to deliver bread and bakery products to that Bakery-Cafe the next day. In addition, there could be a special handling charge of up to fifty dollars (\$50) for each incomplete or non-electronically received pan up order.

Real Estate Requirements.

If you, one of your Owners, or one of your Affiliates at any time owns the premises for your Bakery-Cafe, you must immediately notify us and we may require that you or such Owner or Affiliate (1) enter into an agreement with us in recordable form granting us the right and option, in the event of a termination (for whatever reason) of the Franchise Agreement, to lease the premises at fair market rental rates for a term coterminous (in absence of an early termination) with the term of the Franchise Agreement (with an option to extend for 10 years) for such premises; or (2) enter into a prime lease with us at fair market rental rates for a term coterminous with the term of the Franchise Agreement (with an option to extend for 10 years) for such premises and a sublease with us on the same terms as the prime lease. The prime lease and sublease referenced in the preceding sentence shall be on the then-current lease and sublease forms used by us.

Website.

You may not promote, offer or sell any products or services relating to your Bakery-Cafe, or use any of the Marks, through the Internet without our consent. In connection with any such consent, we may grant you the right to promote and market your Bakery-Cafes over the Internet through one (1) website ("Authorized Website") that meets all of our standards and requirements as we may establish and modify from time to time. The website shall be identified by a domain name which shall be designated and owned by us ("Authorized Domain Name"). As of the date of this Disclosure Document, such standards and requirements include (a) obtaining our prior written approval of any Internet domain name and home page addresses; (b) assignment to us of any Internet domain name(s) you have registered

in connection with the development, ownership or operation of your Bakery-Cafe; (c) submission for our approval of all website pages, materials and content; (d) obtaining our prior written approval for use of all hyperlinks and other links; (e) restrictions on use of any materials (including text, video clips, photographs, images, sound bites and the like) in which any third party has any ownership interest; and (f) obtaining our prior written approval of any modifications to the website. We may terminate your right to use the Authorized Domain Name, for any reason or no reason, which termination shall be effective immediately upon written notice to you.

Credit Cards.

It is your responsibility to maintain and report your PCI compliance, which encompasses operational policies and practices as well as networks and POS systems hardware/software used to process credit card transactions, as well as attesting that you are abiding by (i) the PCI Data Security Standards enacted by the applicable Card Associations (as they may be modified from time to time or as successor standards are adopted); and (ii) all other security standards and guidelines that may be published from time to time by payment card companies and/or enacted by law, and are applicable to customer credit card and debit card information. If you know or suspect a security breach, you must immediately notify both your credit card transaction acquirer and Panera. You assume all responsibility for providing notice of breach or compromise, along with duties and costs associated with fraudulent transactions, penalties, and ongoing fees for monitoring customer credit card histories and/or transactions for affected customers of your Bakery-Cafe.

Insurance.

You must maintain in force: (a) commercial general and product liability insurance; (b) all risk property insurance, including fire and extended coverage, vandalism and malicious mischief insurance, for the replacement value of your Panera Bread Bakery-Cafe and its contents with a minimum of six months of business interruption coverage; (c) commercial auto liability insurance covering owned, borrowed, hired and non-owned autos; (d) statutory workers' compensation/employer's liability insurance; and (e) such other insurance policies as we may determine from time to time. All insurance policies must: (1) be issued by carriers licensed to do business in the state with an AM Best rating of A-VIII or higher or otherwise approved by us; (2) contain such types and minimum amounts of coverage, exclusions and maximum deductibles as we prescribe from time to time; (3) name us and our Affiliates as additional insureds; (4) provide for thirty (30) days' prior written notice to us of any material modification, cancellation or expiration of such policy; (5) include a waiver of subrogation; and (6) include such other provisions as we may require from time to time. Your insurance must apply on a primary and non-contributory basis. Any assumption of risk not covered by a third-party insurance policy or a qualified self-insured program must also be approved by us.

Set forth below are the types and minimum coverage amounts that we require for each franchised Panera Bread Bakery-Cafe per location:

COMMERCIAL GENERAL LIABILITY:

General Aggregate Limit:	\$2,000,000
Products/Completed Operations Aggregate Limit:	\$2,000,000
Personal and Advertising Injury Limit:	\$1,000,000
Damage to Premises Rented to You:	\$1,000,000
Bodily Injury and Property Damage Per Occurrence Limit:	\$1,000,000

AUTOMOBILE LIABILITY: Bodily Injury and Property Damage

Combined Single Limit:	\$1,000,000
Hired and Non-Owned Liability Limit:	\$1,000,000

WORKERS' COMPENSATION:

Workers' Compensation:	STATUTORY
Employer's Liability:	\$1,000,000 per employee, bodily injury by disease
\$1,000,000 policy limit, bodily injury by disease	

\$1,000,000 per employee, bodily injury by accident

UMBRELLA LIABILITY

1 to 10 Bakery-Cafes:	\$10,000,000 each occurrence (minimum) \$10,000,000 aggregate (minimum)
11 to 25 Bakery-Cafes:	\$15,000,000 each occurrence (minimum) \$15,000,000 aggregate (minimum)
26 to 50 Bakery-Cafes:	\$20,000,000 each occurrence (minimum) \$20,000,000 aggregate (minimum)
51 to 100 Bakery-Cafes:	\$25,000,000 each occurrence (minimum) \$25,000,000 aggregate (minimum)
101 to 200 Bakery-Cafes:	\$35,000,000 each occurrence (minimum) \$35,000,000 aggregate (minimum)
More than 201 Bakery-Cafes	\$50,000,000 each occurrence (minimum) \$50,000,000 aggregate (minimum)

[THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY]

ITEM 9 FRANCHISEE'S OBLIGATIONS

THIS TABLE LISTS YOUR PRINCIPAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT 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.

<u>Obligation</u>		<u>Section in Agreement</u>	<u>Item in Disclosure Document</u>
a.	Site selection and acquisition/lease	Sections 3.01 and 3.02 of Franchise Agreement and Area Development Agreement	<u>Items 7, 8 and 11</u>
b.	Pre-opening purchases/leases	Sections 3.03, 3.04 and 3.05 of Franchise Agreement	<u>Items 6, 7, 8, and 11</u>
c.	Site development and other pre- opening requirements	Sections 3.03, 3.04 and 3.05 of Franchise Agreement	<u>Items 6, 7, 8, and 11</u>
d.	Initial and ongoing training	Section 4 of Franchise Agreement; Section 4.03 of Area Development Agreement	<u>Item 11</u>
e.	Opening	Section 3.03 of Franchise Agreement	<u>Item 11</u>
f.	Fees	Sections 6 and 10 of Franchise Agreement; Sections 2.01 and 3.04 of the Area Development Agreement; Section 2 of the SHS Services Agreement	<u>Items 5, 6, 7 and 11</u>
g.	Compliance with standards and policies/Panera Policy Manual	Sections 4.03 and 9 of Franchise Agreement	<u>Items 8 and 11</u>
h.	Trademarks and proprietary information	Sections 5, 7.01 and 7.03 of Franchise Agreement; Sections 5.03, 6.01 and 6.03 of the Area Development Agreement; Sections 4 and 15 of the SHS Services Agreement	<u>Items 13 and 14</u>
i.	Restrictions on products/services offered	Section 9 of Franchise Agreement	<u>Item 16</u>
j.	Warranty and customer service requirements	N/A	N/A
k.	Territorial development and sales quotas	Sections 2.02 and 2.03 of the Area Development Agreement	<u>Item 11</u>
l.	Ongoing product/service purchases	Sections 9.03, 9.04 and 9.05 of Franchise Agreement	<u>Item 8</u>
m.	Maintenance, appearance and remodeling requirements	Sections 9.01, 9.02 and 9.05 of Franchise Agreement	<u>Item 8</u>
n.	Insurance	Section 9.08 of Franchise Agreement	<u>Item 8</u>

<u>Obligation</u>		<u>Section in Agreement</u>	<u>Item in Disclosure Document</u>
o.	Marketing and Advertising	Section 10 of Franchise Agreement	<u>Items 6, 7, 8 and 11</u>
p.	Indemnification	Section 17.02 of Franchise Agreement; Section 5.02 of the Area Development Agreement; Section 17 of the SHS Services Agreement	<u>Item 6</u>
q.	Owner's participation, management and staffing	Sections 8 and 9.07 of Franchise Agreement; Section 4.03 of the Area Development Agreement	<u>Item 15</u>
r.	Records and reports	Section 11 of Franchise Agreement; Section 3.06 of the Area Development Agreement	<u>See Note 1 below</u>
s.	Inspections and audits	Section 12 of Franchise Agreement; Section 21 of the SHS Services Agreement	<u>Item 6</u>
t.	Transfer	Section 13 of Franchise Agreement; Section 7 of the Area Development Agreement; Section 25(f) of the SHS Services Agreement	<u>Items 6 and 17</u>
u.	Renewal	Section 15 of Franchise Agreement; Section 3.1 of the SHS Services Agreement	<u>Items 6 and 17</u>
v.	Post-termination obligations	Section 16 of Franchise Agreement; Section 9 of the Area Development Agreement; Section 3.3 of the SHS Services Agreement	<u>Item 17</u>
w.	Non-competition covenants	Section 7.02, 13.02 and 16.03 of Franchise Agreement; Sections 6.02, 7.02 and 9.02 of the Area Development Agreement	<u>Item 17</u>
x.	Dispute resolution	Section 18 of Franchise Agreement; Section 10 of the Area Development Agreement; Section 22 of the SHS Services Agreement	<u>Item 17</u>

Note 1: You are required to prepare and to maintain for three (3) years, or such longer time as required by applicable law, complete and accurate books, records and accounts for your Bakery-Cafe, copies of your sales tax returns and such portions of your state and federal income tax returns as relate to your Bakery-Cafe. You must furnish us such periodic reports and other reports and information as we may require from time to time. In addition to periodic sales reports, financial reports, and such other information as we request from time to time, you must provide us with a business plan, which must include the information we require, including your short and long term goals related to your mission statement, sales building, customer satisfaction, operations, quality of service, staffing, training certification, human resources, marketing, development and initiatives. The annual business plan must cover all Bakery-Cafes owned or operated by you and any of your Affiliates.

ITEM 10 FINANCING

We do not offer direct or indirect financing to franchisees. We do not guarantee your notes, leases or other obligations.

[THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY]

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

Except as listed below, we need not provide any assistance to you.

Pre-Opening Obligations.

We will provide the following pre-opening assistance:

1. We will provide area developers general guidance in selecting sites. (Area Development Agreement, Section 3.01).
2. We will provide you with an operational concept plan and specifications for your Panera Bread Bakery-Cafe. We will also provide guidance to you in developing your Panera Bread Bakery-Cafe. (Franchise Agreement, Section 3.03).
3. We will provide training to you and/or your Operating Partner and all of your personnel. However, as described in Item 6, you will be responsible for all compensation and expenses (including training materials, travel, meals and lodging) incurred in connection with any training programs. This training is described in detail later in this Item. (Franchise Agreement, Section 4.01).
4. We will provide to you the Policy Manual information, either by providing you with confidential hard copy or electronic materials or providing you temporary access to proprietary online resources (including The Pantry, CORC, Learning Center, or similar resources established by Panera), with respect to training, management, quality assurance, health, safety, recruitment, security, site selection, site approval processes, standards, customer services, approved suppliers, operating system documentation, cafe training materials, management training materials and onboarding resources (Franchise Agreement, Section 4.03). The table of contents of each of these manuals is attached to this Disclosure Document as Exhibit F. The Policy Manual is revised periodically.
5. If you have not previously owned or managed a Panera Bread Bakery-Cafe, we will provide you with opening operational assistance for your first Panera Bread Bakery-Cafe (Franchise Agreement, Section 3.05).
6. We periodically hold an “Owner’s Orientation” and a “Marketing Orientation”. The “Owner’s Orientation” is to acquaint your Operating Partner with Panera’s System. Your Operating Partner is required to attend an “Owner’s Orientation” as soon as possible after entering into an Area Development Agreement. Your marketing director, Operating Partner, or other designated member of your organization must also attend at least one “Marketing Orientation”. They should attend the next “Marketing Orientation” after you enter into an Area Development Agreement (Area Development Agreement, Section 4.04) or the next meeting after joining your organization.
7. In the event that we offer an existing Franchisee or Area Developer the opportunity to own and operate a Bakery-Cafe location approved by us for development, such Franchisee or Area Developer may enter into a Development Services Agreement, pursuant to which we may provide certain development, construction and related services not otherwise provided under the terms of any Franchise Agreement or Area Development Agreement (Development Services Agreement; Section 1; Section 5).
8. In the event that we offer to provide development related consulting services to an existing Franchisee or Area Developer with respect to a Bakery-Cafe location approved by us for development, such Franchisee or Area Developer may enter into a Real Estate Selection and Construction Management Services Agreement, pursuant to which we may provide certain site selection, construction and related services not otherwise provided under the terms of any Franchise Agreement or Area Development Agreement (Real Estate Selection and Construction Management Services Agreement, Section 1; Section 3; Section 5).

Continuing Obligations.

We will provide the following assistance during the operation of your Panera Bread Bakery-Cafe:

1. We will provide periodic guidance to you with regard to the System, including improvements and changes. (Franchise Agreement, Section 4.02);
2. We will periodically modify the Panera Policy Manual to reflect changes in standards, specifications and operating procedures. (Franchise Agreement, Section 4.03);
3. We will periodically issue specifications, standards, methods and operating procedures for Panera Bread Bakery-Cafes. (Franchise Agreement, Section 9);
4. We will sell (or cause our Affiliates, Approved Distributors or Approved Suppliers, as applicable, to sell) to you Food Products. (Franchise Agreement, Sections 9.03, Section 9.04 and Section 9.05);

5. We, at our discretion, may administer marketing and advertising funds for the development of advertising and related programs and materials. (Franchise Agreement, Section 10);
6. We will provide periodic and on-going training programs for you and/or your Operating Partner (See Item 15) and your other personnel. However, as described in Item 6, you will be responsible for all compensation and expenses (including training materials, travel, meals and lodging) incurred in connection with any training programs. This training is described in detail later in this Item. (Franchise Agreement, Section 4.01);
7. We, at your request or at our discretion, may provide you with guidance for establishing your own certified training programs for certain personnel. (Franchise Agreement, Section 4.04); and
8. We may offer guidance to you relating to prices for products and services offered and sold at your Bakery-Cafe that in our judgment constitute good business practice. You will not enter into any agreement or arrangement or engage in any concerted practice with competitors relating to prices at which products or services will be sold by you or by such competitors. (Franchise Agreement, Section 9.11).

Site Selection.

You select the site for your Panera Bread Bakery-Cafe, subject to our acceptance. If we do not accept a site you propose, you may select another site, subject to our acceptance. If you enter into an Area Development Agreement with us, you must select sites within your specified geographic area as set forth in your Area Development Agreement. We will provide you with our standard site selection criteria and/or on-site evaluations of sites, as we deem appropriate.

Before you acquire, by lease or purchase, any site for a Panera Bread Bakery-Cafe, you must submit a complete site information package to us. We will review each site information package and determine whether to accept or reject the site after considering factors we deem appropriate, including, without limitation, the general location and neighborhood, demographic information, traffic patterns, access, visibility, location of other restaurants and food establishments, size, configuration, appearance and other physical characteristics of the site. If we accept the site, we will deliver to you a signed Site Acceptance Letter. We will use reasonable efforts to make a site acceptance decision within thirty (30) days after we acknowledge receipt of a complete Site Information Package and any other materials we have requested. (Area Development Agreement, Section 3.02). If you, one of your Owners, or one of your Affiliates at any time owns the premises for your Bakery-Cafe, you must immediately notify us and we may require that you or such Owner or Affiliate (1) enter into an agreement with us in recordable form granting us the right and option, in the event of a termination (for whatever reason) of the Franchise Agreement, to lease the premises at fair market rental rates for a term coterminus (in absence of an early termination) with the term of the Franchise Agreement (with an option to extend for 10 years) for such premises; or (2) enter into a prime lease with us at fair market rental rates for a term coterminus with the term of the Franchise Agreement (with an option to extend for 10 years) for such premises and a sublease with us on the same terms as the prime lease. The prime lease and sublease referenced in the preceding sentence shall be on the then-current lease and sublease forms used by us.

Neither our acceptance of the premises nor any information communicated to you regarding our standard site selection criteria for Panera Bread Bakery-Cafes or the specific location of the premises will constitute a warranty or representation of any kind, express or implied, as to the suitability of the site for a Panera Bread Bakery-Cafe. Our acceptance of the proposed site merely signifies that we are willing to grant a franchise for a Panera Bread Bakery-Cafe at the site. Your Panera Bread Bakery-Cafe may not be relocated without first obtaining our written consent. Requests for our consent to any relocation should be made at least six (6) months prior to the intended closing date for the Bakery-Cafe to be relocated and identify a proposed relocation site. As part of the approval process, you will also be required to submit to us additional information that we may request relating to the proposed relocation, including the specific reasons for the relocation and details regarding the proposed relocation site. You will be required to pay a relocation fee of Seven Thousand Five Hundred Dollars (\$7,500.00) to defray some of Panera's administrative costs related to the closing of a Bakery-Cafe and relocating it to another location. (Franchise Agreement Section 6.03)

We estimate the time from the date you sign the Franchise Agreement to the date you open your Panera Bread Bakery-Cafe to be between one (1) and nine (9) months. However, this time estimate may vary depending on numerous factors including location, construction schedules and financing.

Under the Franchise Agreement, you must lease or purchase the premises for your Panera Bakery-Cafe within one hundred eighty (180) days after the date of our Site Acceptance Letter; must start construction of your Panera Bread Bakery-Cafe within sixty (60) days after the later of (a) delivery to you of the right of possession of the premises and (b) issuance of all permits and licenses required for construction and/or renovation of the premises; and finally, you must open your Panera Bread Bakery-Cafe within one hundred eighty (180) days after the start of construction. (Franchise Agreement, Sections 3.02 and 3.03.)

Training.

Before opening your Panera Bread Bakery-Cafe, your Operating Partner (described in Item 15) and all Bakery-Cafe general managers, assistant general managers, and team managers who have not previously graduated from our certified training programs must successfully complete the appropriate training program. A general manager or assistant general manager will become certified upon successful completion of subsets #1, #2, #3, #4, #5 and #6 listed on the Retail Training Program chart on the following pages.

Your Operating Partner must complete Retail Training which includes all applicable positions and consists of hands-on training and may include classroom training, covering all phases of Bakery-Cafe operations, including food preparation, equipment operation and maintenance, cost control, inventory control and basic techniques of baking. Certified Manager Program (CMP) is a ninety (90) to one hundred (100) day program taught by a general manager who has been certified to train. Any bakery-cafe training will be conducted at a certified Panera Bread training Bakery-Cafe. Current certification status from an ANSI Accredited Program, including ServSafe from National Restaurant Association, National Registry from Environmental Health Testing, Prometrics, 360 Training or equivalent, or a Panera-approved food safety course within the operating state, if offered by the state, is required for all active managers who run shifts. This includes all General Managers and Cafe Management roles. Generally, training begins one hundred twenty (120) days before opening your Bakery-Cafe.

As of the date of this Disclosure Document, training programs and processes are under the direction of Ashli Smyth who has ten (10) years of experience with training and over thirteen (13) years of experience in various roles within Retail Operations and Ops Services, and Stacie Spaunhorst who has seventeen (17) years of experience with training. Various members of our staff and Panera Bread Bakery-Cafe management personnel who have experience in the operation of Panera Bread Bakery-Cafes conduct the training classes.

We will not charge any fees for attending the training programs. However, as described in Item 6, you will be responsible for all compensation and expenses (including training materials, travel, meals and lodging) incurred in connection with any training programs. Neither you nor your employees will receive any compensation from us for services performed during training.

Instructional materials for the training programs, the subjects covered in training, approximate hours of classroom and on-the-job training, the instructors and the training locations are described below:

MANAGEMENT TRAINING

SUBJECT	INSTRUCTIONAL MATERIAL	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING	INSTRUCTOR	LOCATION
Retail Training (required for Operating Partner and all managers)	Certified Manager Program (CMP) Certified Manager Online Curriculum Team Member Training Workbook Shift Management Booklet Cafe Transition Workbook	Optional 2 days classroom (Manager Essentials)	90-100 days	Certified Training General Managers (TGM) with support of market trainers	(See below for all courses and information)

The following are subsets of the Retail Training Program:

SUBJECT	INSTRUCTIONAL MATERIAL	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING	INSTRUCTOR	LOCATION
1. New Hire Training	New Hire Leader's Guide & Welcome Handout	3 hours, 15 minutes	None	Cafe Management or Bakery Leader	Home Bakery-Cafe
2. CMP Orientation	Certified Manager Program: Orientation & Team Member Training CMP Team Member Workbook	None	1 shift	Conducted by TGM or market trainer.	Certified Training Bakery-Cafe (See Note 1)

SUBJECT	INSTRUCTIONAL MATERIAL	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING	INSTRUCTOR	LOCATION
3. Team Member Training for all positions	Certified Manager Program: Orientation & Team Member Training CMP Team Member Workbook	None	12-17 shifts depending on business channels (Delivery, Drive Thru, Catering)	TGM oversees, Team Leads	Certified Training Bakery Cafe (external hires) Home cafe for internal promotes
4. Shift Management	CMP Shift Management Booklet Online CMP: Shift Management	None	14 shifts	TGM, Cafe Management	Certified Training Bakery-Cafe (See Note 1)
5. Transition Training	CMP Cafe Transition Workbook CMP: Cafe Transition (Online)	None	7 weeks	GM and market trainer	Home Bakery-Cafe
6. Manager Essentials	ME Leaders Guide ME Participant Guide ME PPT - or - ME Online Learning courses, ME Debrief Discussion Leader's Guide, ME Debrief Discussion Participant Guide	Optional 2 days	None	Market Trainer or Multi-Unit Managers	Regional Location to be determined by Franchisee and market
7. Team Lead Certification	TLC Leader's Guide TLC Activity Workbook TLC Online Curriculum	None	5 hours (30-60 minutes spread over 5 shifts)	GM or People Specialist (AGM)	Home Bakery-Cafe
8. Team Lead Skill Builder	Leader's Guide Participant Guide Skill Builder Slides	3.5 Hours	None	Market Trainer	Centralized market location (café or meeting space)
9. Cafe Specialist Program	Online Curriculum: - People - Production Service Worksheets & delegation trackers by role	None	Self-paced (varies by participant)	General Manager or Market Trainer	Home Bakery-Cafe
10. GM Basics	Online development for new GMs: - Decision Making - Embracing Change - Coaching	9 hours of virtually instructor-led training	5 hours	Market Trainer	Online at Home or Home Bakery Cafe

Note 1: In the franchisee's market; if new market, arrangements made to conduct the training in a neighboring market.

In addition to the training program, we may require you and/or your Operating Partner and other personnel for your Bakery-Cafe to attend and successfully complete periodic or additional training programs. We may at our sole discretion require, or allow, you to establish a certified training program (that must continue to meet our high standards) for some or all of your personnel.

Advertising.**National Advertising Fund.**

We have established a National Advertising Fund (“NAF”) for the creation and development of marketing, advertising and related programs and materials, including electronic, print and Internet media as well as the planning and purchasing of national and/or regional network advertising. You must contribute to the NAF amounts that we establish from time to time as described in Item 6. We reserve the right to collect annual contributions to the NAF at any time of the year and may do so retroactively for periods of the calendar year that have already lapsed (if we change the contribution rate anytime during the year). At our discretion, the funds may be electronically drafted. We reserve the right to raise the NAF contribution (as well as the Local Advertising Funds, as described below, and the Marketing Administration Fee, as described below, contributions) above 2.6%, 2.0% and 0.4% of Net Sales, respectively, by gaining an approval vote by either (i) sixty six percent (66%) of all then existing company-owned and franchised Panera Bread Bakery-Cafes or (ii) fifty one percent (51%) of all then existing franchised Panera Bread Bakery-Cafes. Voting will be accomplished through a system of one (1) vote per eligible Panera Bread Bakery-Cafe. See Item 6, footnote 3 for rates as of the Effective Date. All Franchisee-owned Bakery-Cafes and all company-owned Bakery-Cafes will contribute the same percentage to the NAF. The NAF will not spend any money on advertising that is principally a solicitation for the sale of new franchises.

We will have sole discretion over all aspects of programs financed by the NAF, including national or regional media, creative concepts, materials, endorsements and agency relationships. Although the NAF is intended to maximize general recognition of the Marks and patronage of the Panera Bread Bakery-Cafes for the benefit of all Panera Bread Bakery-Cafes, we cannot assure you that any particular Panera Bread Bakery-Cafe will benefit directly or pro-rata from the placement of advertising. The NAF may be used to pay for the cost of preparing and producing materials and programs we select, including agency fees, market research and product testing, video, audio, electronic and written advertising materials, public relations programs, media planning and buying services and the cost of employing advertising agencies and supporting market research activities. We may furnish you with marketing, advertising and promotional materials at cost, plus any related administrative, shipping, handling and storage charges.

The NAF will be accounted for separately from our other funds. While our intent is to balance the NAF on an annual basis, from time to time the NAF may run at either a surplus or deficit. All disbursements from the NAF shall be made first from income and then from contributions. We may spend in any fiscal year an amount greater or less than the aggregate contributions of all Panera Bread Bakery-Cafes to the NAF in that year, and the NAF may borrow from us or other lenders to cover deficits in the NAF or cause the NAF to invest any surplus for future use by the NAF. We will prepare annually a statement of funds collected and costs incurred by the NAF and furnish you a copy upon your written request. Except as otherwise expressly provided in the Franchise Agreement, we assume no direct or indirect liability or obligation with respect to the maintenance, direction or administration of the NAF. We do not act as a trustee or in any other fiduciary capacity with respect to the NAF.

The funds collected in fiscal year 2024 were used as follows:

Direct Marketing/Promotion	44.94%
Media Placement	41.38%
Account Retainer	7.99%
Production and Creative	4.16%
Brand Research	1.53%
Administrative Expenses	0.0%

Account Retainer refers to compensation and expense reimbursement to third party service providers. Direct Marketing/Promotion refers to marketing outreach activities such as payments pertaining to database marketing, web communications and Internet, as well as media relations and includes costs associated with our MyPanera® Rewards Program and costs to fund certain promotions. Portions of the amounts in the categories above include allocations of salary and benefits of Panera employees involved in the development and/or execution of advertising Panera’s products and services.

We will seek the advice of owners of Panera Bread Bakery-Cafes by formal or informal means with respect to the creative concepts and media used for programs financed by the NAF. At our discretion, we may establish a Marketing Advisory Council (“MAC”). Members of the MAC are appointed by us and the MAC will serve only in an advisory capacity. The final authority on all programs funded by the NAF will rest with us, and we will have sole discretion over all aspects of such programs, including national or regional media, creative concepts, materials, endorsements, agencies and suppliers. We will have the right to change or dissolve the MAC.

Local Advertising Funds.

You agree to spend at least the amount specified in Item 6 for local advertising and promotion of each of your Bakery-Cafes. These amounts spent on local advertising and promotion will be designated as Local Advertising Funds (“LAF”). At our request, you shall furnish us with copies of invoices and other documentation evidencing your expenditure for LAF. We shall provide you with not less than thirty (30) days’ notice of any determination by us to change the minimum amount of the LAF you must spend. If we determine that you have spent an amount less than our prescribed minimum amount of Net Sales during each of our fiscal years for locally advertising and promoting your Bakery-Cafe, we may collect LAF contributions directly from you. LAF contributions will be payable on the first business day following each Reporting Period together with the Royalty Fees. The LAF monies will be used to pay for the cost of implementing local marketing plans developed by you and approved by us or, if we collect LAF contributions from you, to reimburse you (up to an amount not to exceed the LAF contributions so collected) for the costs incurred by you in implementing local marketing plans developed by you and approved by us. For these purposes, qualifying LAF expenditures include, but are not limited to: (a) amounts contributed to advertising associations; and (b) amounts spent by you for (i) grand opening advertising and promotional programs pursuant to the Franchise Agreement; (ii) advertising media, such as television, radio, Internet, magazine, newspaper, billboards, posters, direct mail, collateral and promotional items, advertising on public vehicles (transit and aerial) and, if not provided by us, the cost of producing approved materials necessary to participate in these media; (iii) seasonal campaign POP; and (iv) other qualifying community marketing expenses as outlined in the Marketing Standards. Non-qualifying LAF advertising expenditures include amounts spent for items which we, in our reasonable judgment, deem inappropriate for meeting the minimum advertising requirement, including permanent on-premises signs and menuboard hardware, lighting, administrative costs, Yellow Pages advertising, discounts/coupon offers, free offers and employee incentive programs. We may supplement the list of qualifying and non-qualifying LAF expenditures from time to time and revise such list periodically. The current list of qualifying and non-qualifying LAF expenditures is available in the Policy Manual (including Panera’s online resources, such as The Pantry or a similar or successor site established by Panera). All advertising programs and materials, including those that qualify for LAF, are subject to our approval.

In the event you are approved to participate in any operations or marketing tests, including, but not limited to, the testing of any product, program, media activity, you will be required to enter into a test agreement which will outline all requirements for the testing. All test requirements, processes and procedures must be adhered to as outlined by us, any applicable costs (smallwares, product, media or costs for any associated marketing activities) will be the franchisee’s responsibility, and you must provide, complete data statistics on the test for our review and evaluation. Because the testing phase involves evaluation and analysis of pricing in a test environment, in order to effectively evaluate the full scope of the test we will recommend pricing.

Marketing Administration Fee.

In addition to the advertising and promotion expenditures and/or contributions discussed above, you must pay a Marketing Administration Fee (“MAF”) described in Item 6. (At our discretion, the funds may be electronically drafted.) The MAF is our exclusive property and will be used by Panera to cover, among other things, the costs of supporting and conducting market research activities, concept development (food and customer experience, project development and testing), design development (design, store prototyping and testing), and maintenance, administration and direction of the foregoing activities. We do not have to separately account to you for the MAF or the expenditures from it.

Advertising Approvals and Initial Advertising Costs.

You must submit to us for our prior approval, a marketing plan annually for your market(s) and a marketing plan for each new Bakery-Cafe opening along with samples of all advertising and promotional materials not prepared by us or previously approved by us and which vary from our standard advertising and promotional materials by following the creative approval process, which may be updated from time to time. You must spend a minimum of ten thousand dollars (\$10,000) for grand opening advertising and promotional programs for your Bakery-Cafe pursuant to a grand opening marketing plan developed by us or developed by you and approved by us prior to implementation. The grand opening advertising and promotional programs costs will be applied toward the required LAF expenditures. You must use the types of advertising media specified in Section 10.02 of the Franchise Agreement and you must conduct your grand opening program within ninety (90) days after your Panera Bread Bakery-Cafe begins operation. If you elect to work with a marketing firm (including, but not limited to, an advertising agency or public relations firm) you must obtain our written approval of such marketing firm, and such marketing firm must execute a Panera approved confidentiality agreement before you sign any contracts or share any Confidential Information, as defined in your Franchise Agreement, with such marketing firm. Marketing or advertising firms employed by you will not be permitted access to any limited access online resources (including The Pantry or a similar or successor site established by Panera) or any other information regardless of a confidentiality agreement having been executed.

Creative Approval Process.

Any advertising and promotional materials not prepared by Panera must be approved by Panera prior to your use. The complete creative approval process, as it may be updated from time to time, can be found in the Policy Manual. We reserve the right to decline approval of any advertising or promotional materials if we believe a creative execution does not meet our brand standards. You may not use any advertising or promotional materials that we have not approved.

Wholesale Gift Card Program.

We participate in one or more wholesale gift card programs pursuant to which a third-party vendor sells gift cards through various distribution channels. As part of this program, when these gift cards are redeemed at both company-owned and Franchisee-owned Bakery-Cafes, the owner of such Bakery-Cafe receives less than the full purchase value of such transaction.

Social Media Sites.

We may maintain one or more social media sites, applications, and platforms (e.g., Panera App, X (fka Twitter), Facebook, Instagram, Blue Sky, Tik Tok, Pinterest, Four Square, MySpace or such other social media sites). You may not establish or maintain any social media sites, applications, and platforms utilizing any usernames, or otherwise associating with the Marks, without our advance written consent in our sole and absolute discretion. We may designate from time to time regional or territory-specific usernames/handles to be maintained by you. To the degree we establish a social media policy, you must adhere to the social media and internet policies that we establish from time to time and you will require all your owners to do so as well.

Advertising Associations.

We have the right to establish local and/or regional advertising associations (“Advertising Associations”) for Panera Bread Bakery-Cafes covering the geographic areas we may designate from time to time. We have the right to form, change, dissolve or merge Advertising Associations.

If we have established an Advertising Association in your market area, you must participate in the Advertising Association and its programs and abide by its bylaws. You must contribute the amounts to the Advertising Association(s) as determined by the Advertising Association members from time to time in accordance with their bylaws. All Panera Bread Bakery-Cafes, including those owned by Panera or an Affiliate, that are located in the designated local or regional area(s) will contribute to the Advertising Association(s) on the same basis. Contributions to the local and regional Advertising Associations are credited toward the 2% LAF advertising expenditures required by the Franchise Agreement; however, if we provide you and your local and/or regional Advertising Association ninety (90) days' notice of a special promotion, including but not limited to any regional promotions, you must participate in the promotion and also pay us any special promotion advertising fees assessed in connection with the program, beginning on the effective date of the notice and continuing until the special promotion is concluded. Any special promotion advertising fees will be in addition to, and not credited towards, the 2% LAF advertising expenditure required by the Franchise Agreement.

The Advertising Association bylaws are attached to this Disclosure Document as Exhibit C-2 and the Advertising Association membership agreement is attached hereto as Exhibit C-1. We will administer the Advertising Associations and collect your Advertising Association contributions by automatic electronic withdrawal. The financial statements of the Advertising Associations may be audited and the reports will be made available to you. Each Panera Bread Bakery-Cafe located within the local or regional area of the Advertising Association will be entitled to one (1) vote. Advertising conducted by the Advertising Associations may be in various media including television, radio, Internet, magazine, newspaper, billboards, posters, direct mail, collateral and promotional items, advertising on public vehicles (transit and aerial).

Computer Hardware and Software.

You are required to record all sales on a computer-based POS system capable of facilitating a fully integrated sales data information interface into Panera’s centralized computer system. You agree to purchase or lease, at your expense, POS/Computer hardware and software systems and install a data connection, power lines, modems, printers and other computer-related accessories and peripherals as may be required for a standard interface, for the purpose of, among other functions, the recording and transmission of information collected through the POS system (including, but not limited to, gross sales, Net Sales, discounts, product mix, sales by day part) to centralized data collection systems.

We may require you to use proprietary software and other computer systems which we may prescribe from time to time, and you agree to promptly execute such agreements and/or pay such fees as may be required to integrate enterprise tools and procedures. However, as of the date of this Disclosure Document, we do not require that you use any particular type or brand of POS System (including BOH), so long as the POS system software is PCI compliant with a Certified Payment Application and is capable of generating and outputting sales data in a machine readable format for collection within Panera's central processing environment. The estimated cost of purchasing hardware and software and associated training is described in Item 7, and costs of optional technology products and services are described in Item 6.

You must provide such assistance as may be required from time to time to ensure connectivity between your POS computer system with our computer systems. We shall have the right from time to time to retrieve such data and information from your computer system as deemed necessary or desirable, and you agree to fully cooperate with such efforts. In view of the contemplated interconnection of computer systems and the necessity that such systems be compatible with each other, you agree that you will comply strictly with all defined standards and specifications for items associated with your computer systems.

To ensure operational efficiency and optimum communication capability among computer systems installed at Panera Bread Bakery-Cafes, you agree, at your expense, to keep your computer systems in good maintenance and repair, and to promptly install such upgrades, additions, changes, modifications, substitutions and/or replacements of hardware, software, data connectivity, electrical power, and other computer-related facilities, as we direct. You acknowledge that information technology is constantly changing and that the technology the parties contemplate using as of the date of this Agreement may change during the Term. Accordingly, you agree to implement at your Bakery-Cafe such changes to your information technology as we may require from time to time to maintain competitive and state-of-the-art operations during the Term.

You must upgrade or replace financial and inventory data processing and communications systems whenever we require it, and we have no obligation to assist you in obtaining hardware, software or related services. There are no contractual limits on the frequency or cost of your obligation to obtain such upgrades.

[THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY]

ITEM 12 TERRITORY

Franchise Agreement.

The Franchise Agreement grants to you the right to own and operate a Panera Bread Bakery-Cafe at a specific location. You may not conduct the business of your Panera Bread Bakery-Cafe at any site other than the Premises, described in your Franchise Agreement, or relocate your Panera Bread Bakery-Cafe without our prior written consent. The Franchise Agreement does not provide you with any options, rights of first refusal or similar rights to acquire additional franchises. You may not develop a Panera Bread Bakery-Cafe within one (1) mile of another Panera Bread Bakery-Cafe (which is either open or has been approved by us for development) in a geographic area not included in your Area Development Agreement.

Except as noted in this Item 12, we will not operate a Panera Bread Bakery-Cafe or grant to a third party the right to operate a Panera Bread Bakery-Cafe within a geographic area (the “Protected Area”) consisting of a one (1) mile radius from the center of the Premises, unless the parties have identified a different Protected Area in the Site Acceptance Letter attached to the Franchise Agreement. It is anticipated that a Protected Area set forth in the Site Acceptance Letter generally will be used in connection with Bakery-Cafes located in geographical areas of two types, although it possibly could be used in other circumstances as well, such as non-traditional locations. The first type is defined as an “Urban Residential area” with residential population greater than 50,000 people within a 2-mile radius of a site; the second type is a “City Center area” which is defined as having daytime population of greater than 20,000 people within a ¼-mile radius of a site. If both of these types apply to a location, then a “City Center area” criteria will be used for the Protected Area.

In case of an “Urban Residential area,” we may, at our discretion, reduce the Protected Area to a .25 mile radius for areas with greater than 50,000 and less than 100,000 residential population within a 2-mile radius. When the residential population is greater than 100,000 people within a 2-mile radius, we may, at our discretion, reduce the Protected Area to a .25 mile radius.

In case of a “City Center area,” we may, at our discretion, reduce the Protected Area to a .2 mile radius for areas with greater than 20,000 and less than 40,000 daytime population within a ¼-mile radius. When the daytime population is greater than 40,000 in a ¼-mile radius, the Protected Area is reduced to a .1 mile radius.

Notwithstanding the territorial protection provided in the Protected Area, we have the right to operate (directly or through an Affiliate) and grant to others the right to operate within the Protected Area:

- (a) Panera Bread Bakery-Cafes or other retail food establishments (including restaurants, cafes and bakeries) using any part or all of the System and Marks that are (i) located within retail outlets, restaurants, grocery stores, supermarkets and other channels of distribution (including wholesale distribution of baked goods to restaurants, supermarkets, grocery stores, caterers and other outlets); or (ii) located at transportation facilities (such as airport facilities, inter-MSA train and/or bus stations, turnpikes or other limited access highway rest stops), hospitals, colleges, universities, sports arenas, military facilities and entertainment facilities, or where any locations or its food operations are controlled by a third party or in our judgment should be operated by a third party; and
- (b) retail food establishments (including restaurants, cafes and bakeries) that we purchase (or as to which we purchase the rights as franchisor) that are part of another franchise system or chain, regardless whether any or all of them are converted to use any or all of the Marks and the System or continue to be operated independently.

We have no obligation to compensate you for our soliciting or accepting orders from within your Protected Area.

We reserve all rights not expressly granted under the Franchise Agreement. Accordingly, except for rights expressly granted to you under the Franchise Agreement, we retain all of our rights and discretion with respect to the Marks, the System and Panera Bread Bakery-Cafes anywhere in the world, including the right to:

- (a) operate, and grant others the right to operate, Panera Bread Bakery-Cafes at locations and on terms and conditions we deem appropriate (you acknowledge that such Panera Bread Bakery-Cafes may be in direct competition with your Bakery-Cafe, without regard to any adverse effects of such activities on your Bakery-Cafe and without any obligation or liability to you);
- (b) sell any products or services under any tradenames, trademarks, service marks or trade dress, including the Marks, through other channels of distribution (including but not limited to wholesale distribution of baked goods to restaurants, supermarkets,

grocery stores, caterers and other outlets and using such media as deemed appropriate including the Internet, catalog sales, telemarketing or other direct marketing); and

(c) operate, and grant to others the right to operate, retail food establishments (including restaurants, cafes and bakeries) identified by trademarks, service marks or trade dress, other than the Marks, under terms and conditions we deem appropriate.

As discussed below under Competing Businesses, we distribute certain “Panera” branded products through other channels of distribution, and Paradise and Au Bon Pain, affiliates of ours, have the right, within the Protected Area and elsewhere: (a) to sell products and services under their respective principal marks, namely “Paradise Bakery & Café” (or “Paradise Bakery”) and “Au Bon Pain”, respectively, and their related marks and trade dress; (b) to sell their branded products and services through other channels of distribution; and (c) to operate, and grant others the right to operate, retail food establishments identified by the marks “Paradise” and “Au Bon Pain”, respectively, and their related trade names, trademarks, service marks, and trade dress.

Except as noted above, we do not grant exclusivity. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, and from other channels of distribution or competitive brands that we control. Continuation of your rights to the Protected Area is not dependent upon your achievement of a certain sales volume, market penetration or other contingency. After the Franchise Agreement has been executed, we may not alter the Protected Area without your consent. You may not, without our prior written consent, use other channels of distribution, such as the Internet, catalog sales, telemarketing or other direct marketing, to make sales outside the Protected Area.

Under the Franchise Agreement, we may grant you a non-exclusive right to provide offsite catering and/or small order delivery services for certain food products we may authorize from time to time within a geographical area around your Bakery-Cafe that we may designate from time to time (“Catering/Delivery Area”). You may not provide any such services to or at locations outside the Catering/Delivery Area without our prior consent, and under no circumstances may you provide any such services to or at locations within the designated Catering/Delivery Area for any Panera Bread Bakery-Cafes owned or operated by us or another franchisee. Any consent to provide such services beyond the Catering/Delivery Area may be revoked at any time. We have the right, in our sole discretion, at any time and from time to time, to revoke our authorization for your Bakery-Cafe to provide offsite catering and/or delivery services and to modify or reduce any Catering/Delivery Area. In such event, you agree to promptly discontinue offsite catering and/or delivery services in the affected geographical area, notwithstanding that you may have provided such services within such area prior thereto. You will not be entitled to any compensation for any elimination or reduction of the Catering/Delivery Area.

Area Development Agreement.

The Area Development Agreement grants you the right to develop an agreed upon number of Panera Bread Bakery-Cafes within a geographic area described in Exhibit A to the Area Development Agreement (the “Development Area”). The size of the Development Area will depend on the number of Panera Bread Bakery-Cafes suitable for the Development Area, as you and we determine in light of factors such as population density and the residential or commercial character of the Development Area. The number of Panera Bread Bakery-Cafes and the dates they are to be open and operating will be set out in Exhibit A to the Area Development Agreement (the “Development Schedule”). The Area Development Agreement does not provide you with any options, rights of first refusal or similar rights to acquire or develop additional Panera Bread Bakery-Cafes in the Development Area or in any other geographic area. You may not develop a Panera Bread Bakery-Cafe within one (1) mile of another Panera Bread Bakery-Cafe (which is either open or operating or has been approved by us for development) in a geographic area not included in your Area Development Agreement.

During the term of the Area Development Agreement and provided you, your Owners and your Affiliates are in compliance with the Area Development Agreement and all other agreements with us or any of our Affiliates (including Franchise Agreements signed under the Area Development Agreement), we will: (a) grant to you, in accordance with Section 3 of the Area Development Agreement, that cumulative number of franchises for Panera Bread Bakery-Cafes in Exhibit A to the Area Development Agreement, all of which are to be located within the Development Area; and (b) not operate (directly or through an affiliate), nor grant others the right to operate, any Panera Bread Bakery-Cafe located within the Development Area, except for: (1) franchises granted under the Area Development Agreement; (2) Panera Bread Bakery-Cafes open (or under commitment to open) as of the date of the Area Development Agreement; (3) Panera Bread Bakery-Cafes or other retail food establishments using any part or all of the System and/or Marks that are: (i) located within retail outlets, restaurants, grocery stores, supermarkets or other channels of distribution (including wholesale distribution of baked goods to restaurants, supermarkets, grocery stores, caterers and other outlets); or (ii) located at transportation facilities (such as airport facilities, inter-MSA train and/or bus stations, turnpikes or other limited access highway rest stops), hospitals, colleges, universities, sports arenas, military facilities and entertainment facilities, or where any locations or its food operations are controlled by a third party or in our judgment should be operated by a third party; and (4) retail food establishments (including restaurants, cafes or bakeries) that we purchase (or as to which we purchase the

rights as franchisor) that are part of another franchise system or chain, regardless whether any or all of them are converted to use any or all of the Marks and the System or continue to be operated independently.

Except as otherwise expressly provided in the Area Development Agreement, we retain all of our rights and discretion with respect to the Marks, the System and Panera Bread Bakery-Cafes anywhere in the world, including the right to: (a) operate, and grant to others the right to operate, Panera Bread Bakery-Cafes at the locations and on the terms and conditions we deem appropriate; (b) sell any products or services under any trademarks, service marks or trade dress, including the Marks, through other channels of distribution, (including wholesale distribution of bread, baked goods or other products to restaurants, grocery stores, caterers and other outlets and using such media as deemed appropriate including the Internet, catalog sales, telemarketing or other direct marketing); and (c) operate, and grant to others the right to operate, retail food establishments (including restaurants, cafes or bakeries) identified by tradenames, trademarks, service marks or trade dress, other than the Marks, on the terms and conditions we deem appropriate.

In the Development Area you must have open and operating, on the dates they are to be open and operating, the cumulative number of Panera Bread Bakery-Cafes as set forth in the Development Schedule and we must have issued to you that number of Site Acceptance Letters by the dates set forth in the Site Acceptance Letter Schedule. We have no obligation under any circumstances to extend the Development Schedule or the Site Acceptance Letter Schedule. Your failure to develop and operate Panera Bread Bakery-Cafes in accordance with the Development Schedule or to have Site Acceptance Letters issued in accordance with the Site Acceptance Letter Schedule will be a material breach of the Area Development Agreement.

As a condition to entering into a new Area Development Agreement for additional development in a development area where you operate Panera Bread Bakery-Cafes (whether you developed the Bakery-Cafes or purchased the Bakery-Cafes) we may require a commitment from you to remodel the existing Bakery-Cafes you own. You must re-equip, upgrade and/or remodel your Bakery-Cafes, pursuant to our then-current policy, process, plans and specifications, including, but not limited to equipment and production enhancements. Your failure to remodel the Bakery-Cafes in accordance with the Remodel Schedule will be a material breach of the Area Development Agreement.

Competing Businesses.

As described in Item 1, we recognize that the “Saint Louis Bread” name has valuable name recognition in St. Louis, Missouri. Accordingly, some of our company-owned Bakery-Cafes in the St. Louis, Missouri market area will operate under the “Saint Louis Bread” name. All other company-owned and franchised Bakery-Cafes will operate under the “Panera Bread” name.

As of the date of this Disclosure Document, we distribute Panera branded soups through select retailers in selected United States markets using a third-party manufacturer distributor (the “Retail Soup Program”) and also distribute salad dressings, ground coffee products, bread, bagels, English muffins, macaroni and cheese, pastas, flatbreads, and rolls through similar retail channels of distribution. Generally, we refer to the distribution and sale of our branded items in other retail locations as Panera at Home, or our Consumer Packaged Goods Program (“CPG”). Currently we are exploring other potential retail opportunities.

As described in Item 1, we have, through common ownership by Parent Company and JAB, affiliates whose stores/restaurants sell goods and services that are similar to the goods and services that you will sell from your Panera Bread Bakery-Cafe. There will be no restrictions on any of the stores/restaurants operating, or soliciting or accepting orders, within the Development Areas under Area Development Agreements or Protected Areas under Franchise Agreements. As Panera operates independently, it is not anticipated that there will be any procedures to resolve any potential conflicts regarding territory, customers or franchisor support.

ITEM 13 TRADEMARKS

Status of Principal Mark.

Under the Franchise Agreement, we grant to you the right to operate a Panera Bread Bakery-Cafe under the name “Panera Bread” using the logo design shown in the upper left-hand corner of the Cover Page, and under any other trade names, trademarks, service marks, trade dress and logos used at this time or that may be used in the future for the operation of Panera Bread Bakery-Cafes using the System.

Pumpernickel Associates, LLC (“Pumpernickel”), an affiliate of Panera, is the owner of the following Principal Marks, which are registered on the Principal Register of the United States Patent and Trademark Office (“USPTO”) or for which an application based on actual use or an intent to use has been filed with the USPTO:

Marks	Registration/Application Number	Registration/Application Date
Panera Bread	Registration No. 2,288,311	10/19/1999
2021 Panera Bread and Mother Bread Design in Arch (in color)	Registration No. 7,502,721	09/10/2024
2021 Mother Bread Design (black & white)	Serial No. 90,628,608	04/07/2021
2021 Mother Bread Design (black & white)	Registration No. 7,214,023	11/07/2023
Panera	Registration No. 2,806,259	01/20/2004
MyPanera	Registration No. 4,038,347	10/11/2011
Panera	Registration No. 4,934,852	04/12/2016
Panera	Serial No. 97,251,429	02/03/2022
Panera	Registration No. 7,393,083	05/21/2024

All required affidavits in connection with the foregoing trademarks and service marks have been filed.

As of the date of this Disclosure Document, there are no effective material final determinations of the patent and trademark office, trademark trial and appeal board, the trademark administration of any state or court, and there are no pending infringement, opposition or cancellation proceedings, or any pending material litigation, involving the Principal Marks.

You must use all Marks in full compliance with rules prescribed from time to time by Panera. You may not use any name or Mark as part of any corporate, legal or other business name (other than in connection with any legally required fictitious or assumed name filings) or with any prefix, suffix or other modifying words, terms, designs or symbols, or with the name or other approved designation of the metropolitan area or city in which the Panera Bread Bakery-Cafe is located. In addition, you may not use any name or Mark in connection with the sale of any unauthorized product or service or in any other manner that we have not explicitly authorized in writing. In addition to all other rights we may have for unauthorized use of the Marks or the sale of unauthorized products or services, you must reimburse us for any damages, liability or expenses incurred by us arising out of your sale of any unauthorized product or service or for any damages, liability or expenses incurred by us arising out of your use of the Marks in an unauthorized manner.

Except for the Royalty and Licensing Agreement described in the next paragraph, as of the date of this Disclosure Document, there are no agreements in effect that significantly limit the rights of Panera to use or license the use of the mark “Saint Louis Bread,” “Panera Bread” or the logo design in any manner material to the franchise. Panera does not know of either superior prior rights or infringing uses of the name “Saint Louis Bread,” “Panera Bread” or the logo design that could materially affect your use of the Marks.

Pumpernickel owns the Marks and has granted us the exclusive right to use the Marks in connection with the business of owning and operating Bakery-Cafes and supporting franchise operations in the United States (including the right to sublicense the Marks to our franchisees) pursuant to a license agreement dated as of January 7, 2002, as amended, (the “Royalty and Licensing Agreement”). In consideration for the right to use and sublicense the Marks, we pay to Pumpernickel a royalty fee. The Royalty and Licensing Agreement is for an initial term of twenty two (22) years (the “Initial Term”) and renews automatically, in perpetuity, for additional one (1) -year terms (each, a “Renewal Period”) unless either party terminates the Royalty and Licensing Agreement by providing notice to the other party at least ninety (90) days prior to the end of the Initial Term or any of the Renewal Periods. Any sublicense granted by us in accordance with the terms of the Royalty and Licensing Agreement may extend beyond its termination. The Royalty and Licensing Agreement may be terminated immediately in the event of certain defaults or upon failure to cure certain other defaults within fifteen (15) days after notice.

Franchise Agreement.

If it becomes advisable at any time for us and/or you to modify or discontinue use of any Mark and/or use additional or substitute trademark, service mark or trade dress, you must comply with our directions within a reasonable time after notice. You must bear all costs and expenses applicable to your Panera Bread Bakery-Cafe should we decide to modify the Marks or use additional or substitute Marks. We will have no liability or obligation whatsoever with respect to any such required modification or discontinuance of any Mark or the promotion of an additional or substitute Intellectual Property.

You must immediately notify us of any apparent infringement of or challenge to your use of any Mark, or claim by any person of any rights to any Mark, and you must not communicate with any person other than your legal counsel, us, Pumpernickel and our respective legal counsel in connection with any infringement, challenge or claim. Pumpernickel will have sole discretion to take any action it deems appropriate and will have the right to control exclusively any litigation or USPTO or other administrative proceeding arising out of any infringement, challenge or claim or otherwise relating to any Mark. You must sign any and all instruments and documents, provide assistance and do all acts and things as, in the opinion of our or Pumpernickel's legal counsel, may be necessary or advisable to protect Pumpernickel's interests in any litigation or USPTO or other administrative proceeding or otherwise to protect its interests in the Marks.

We will indemnify you against, and reimburse you for, all damages for which you are held liable in any proceeding arising out of your authorized use of any Mark under the Franchise Agreement and, except as provided in the Franchise Agreement, for all costs you actually and reasonably incur in defending any claim brought against you, your Owners or Affiliates or any proceeding in which you are named as a party, if you have timely notified us of the claim or proceeding and you, your Owners and Affiliates are in compliance with the Franchise Agreement and all other agreements entered into with us and our Affiliates. At Pumpernickel's sole discretion, it will be entitled to prosecute, defend or settle any proceeding arising out of your use of any Mark, and, if Pumpernickel decides to prosecute, defend or settle any matter, it will have no obligation to indemnify or reimburse you for any fees or disbursements of counsel you retain. In addition to all other rights we may have for unauthorized use of the Marks or the sale of unauthorized products or services, you must reimburse us for any damages, liability or expenses incurred by us arising out of your sale of any unauthorized product or service or for any damages, liability or expenses incurred by us arising out of your use of the Marks in an unauthorized manner.

Area Development Agreement.

The Area Development Agreement does not grant you the right to use any of the Marks. Your right to use the Marks is derived solely from the Franchise Agreements you enter into with us. You may not use any Mark (or any abbreviation, modification or colorable imitation) as part of a corporate, legal or other business name (other than in connection with any legally required fictitious or assumed name filings), or with any prefix, suffix or other modifying words, terms, designs or symbols, or with the name or other designation of the metropolitan area or city in which the Panera Bread Bakery-Cafe is located, or in any other manner (including any Internet related use such as an electronic media identifier, for websites, web pages or domain names) not explicitly authorized in writing by us. You may not at any time during or after the term of the Area Development Agreement contest, or assist any other person or entity in contesting, the validity or ownership of any of the Marks.

[THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY]

ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Pumpnickel owns a number of issued U.S. utility patents relating to restaurant operations, as follows:

Patent	Description	Importance to Business	Patent Number	Issue Date
Method or Apparatus for Facilitation of Orders of Food Items	Systems and Method for Facilitating Customized Food Orders.	Improves restaurant processes by determining price changes as a result of a customization of food order. (related to our Panera 2.0 initiative)	9,070,175	06/30/2015
Systems and Methods for Detecting Employee Mis-Deployment	Systems and Methods for Video-Driven Analysis of Restaurant Employee Deployment.	Improves management performance by determining whether employees who have left assigned stations did so appropriately.	9,798,987	10/24/2017
Systems and Methods for Detecting Employee Mis-Deployment	Systems and Methods for Video-Driven Analysis of Restaurant Employee Deployment.	Improves management performance by determining whether employees who have left assigned stations did so appropriately.	9,965,734	05/08/2018
Techniques for Analyzing Operations of One or More Restaurants	Systems and Methods for Data- And Video-Driven Operational Analysis.	Improves management performance by providing robust data on potential operational issues.	10,019,686	07/10/2018
Method or Apparatus for Facilitation of Orders of Food Items	Systems and Method for Facilitating Customized Food Ordering.	Improves restaurant processes by providing imagery to reflect customization of food ordering. (related to our Panera 2.0 initiative)	10,032,201	07/24/2018
Method or Apparatus for Facilitation of Orders of Food Items	Systems and Method for Facilitating Customized Food Ordering.	Improves restaurant processes by providing imagery to reflect customization of food ordering. (related to our Panera 2.0 initiative)	10,089,669	10/02/2018

We claim copyright protection for our Panera Policy Manual, printed advertising and promotional materials and software programs. We have not registered all the materials to which we claim copyright protection. Pumpnickel has registered the following material copyrights:

Copyright	Registration Number	Registration Date	Copyright Duration	Country
Mother Bread Design	VA 1-156-057	03/07/2003	10/2091	United States
Dough for Funds Promotional Materials	TX 4-305-268	05/08/1996	03/25/2091	United States
Mother Bread Design in Black and White	VA 1-969-218	01/13/2015	10/2091	United States
Panera Primary Image with Mother Bread Design	VA-1-926-807	09/05/2014	11/01/2108	United States

We also consider certain information relating to the development and operations of Panera Bread Bakery-Cafes trade secrets and proprietary information. This information includes:

- i. Policy Manual;
- ii. ingredients, recipes, and methods of preparation and presentation of authorized food products;
- iii. site selection criteria for Panera Bread Bakery-Cafes and plans and specifications for the development of Panera Bread Bakery-Cafes;
- iv. sales, marketing and advertising programs and techniques for Panera Bread Bakery-Cafes;

- v. identity of suppliers and knowledge of specifications, processes, procedures and equipment, and pricing for authorized food products, materials, supplies and equipment;
- vi. knowledge of operating results and financial performance of Panera Bread Bakery-Cafes, other than Panera Bread Bakery-Cafes you own;
- vii. methods of inventory control, storage, product handling, training and management relating to Panera Bread Bakery-Cafes;
- viii. all recipes, processes, ideas, concepts, advertising and promotional materials, website pages and content, methods, techniques or materials used or useful to a restaurant, grocery store, bakery-cafe, bakery or dough production business, or other business offering bakery products;
- viii. computer systems and software programs used or useful in Panera Bread Bakery-Cafes; and
- ix. any and all other information that we provide you that is labeled proprietary or confidential or which by its nature is generally considered proprietary or confidential regardless of whether such information is specifically labeled as proprietary or confidential.

Without limitation, all recipes, processes, ideas, concepts, advertising and promotional materials, website pages and content, methods or techniques useful to Panera Bread Bakery-Cafes, whether or not constituting protectable intellectual property (collectively, the “Materials”), and whether created by you or on your behalf, must be promptly disclosed to us. If adopted as part of the System, or deemed to be sufficiently related to our business to be considered proprietary, the Materials will be considered our property and deemed to be Works-made-for-Hire for us, and to the extent the Materials may for any reason not be considered a Work-made-for-Hire, you irrevocably convey, grant, transfer and assign to us all right, title and interest which you may have now or in the future in and to the Materials. You must sign whatever documents we request to evidence our ownership or to assist us in securing intellectual property rights in the Materials, and you warrant that you will obtain all rights from any third party acting on your behalf.

You may not use our Confidential Information in an unauthorized manner and may not disclose our Confidential Information to others. Your restrictions on disclosure and use of Confidential Information do not apply to information or techniques which are or become generally known in the restaurant industry (other than through your own disclosure), provided you obtain our prior written consent to such disclosure or use.

As of the date of this Disclosure Document there are no effective material final determinations of the USPTO, Copyright Office (Library of Congress) or any court regarding the patent application or any of the copyrighted materials, and there are no pending infringement, opposition or cancellation proceedings, or any pending material litigation, involving any of the patents, patent applications or copyrighted materials. Nor are there any infringing uses or superior prior rights actually known to us that could materially affect your use of any of the patents, patent applications or the copyrighted materials in any state.

Except for the Royalty and Licensing Agreement described in this paragraph, as of the date of this Disclosure Document, there are no agreements in effect that significantly limit the rights of Panera to use or license the use of the patents, patent applications and copyrights in any manner material to the franchise. Pumpernickel owns the patents, patent applications and copyrighted materials, and all renewal rights in connection therewith, and has granted us the exclusive right to use the patents, patent applications and copyrighted materials in connection with the business of owning and operating Bakery-Cafes and supporting franchise operations (including the right to sublicense the patents, patent applications and the copyrighted materials to our franchisees) pursuant to a license agreement effective as of January 7, 2002, as amended, (the “Royalty and Licensing Agreement”). In consideration for the right to use and sublicense the patents, the copyrighted materials, and other intellectual property, we pay to Pumpernickel a royalty fee. The Royalty and Licensing Agreement is for an initial term of twenty two (22) years (the “Initial Term”) and renews automatically, in perpetuity, for additional one (1) -year terms (each, a “Renewal Period”) unless either party terminates the Royalty and Licensing Agreement by providing notice to the other party at least ninety (90) days prior to the end of the Initial Term or any of the Renewal Periods. Any sublicense granted by us in accordance with the terms of the Royalty and Licensing Agreement may extend beyond its termination. The Royalty and Licensing Agreement may be terminated immediately in the event of certain defaults or upon failure to cure certain other defaults within fifteen (15) days after notice.

Customer Data.

All information, mailing lists and data bases of Customer Data (as defined in the Franchise Agreement) from whatever source derived, shall, at our request, and in any event when provided by you to us, be our property. You agree not to use such information, except in connection with your Bakery-Cafe in accordance with the Franchise Agreement. You agree not to use, process, copy, display, publish, store or transfer the Customer Data without our approval. You agree to comply with all applicable laws with respect to Customer Data; in addition, you agree to comply with all data privacy and security requirements we may establish from time to time and to exert commercially reasonable efforts to prevent the unauthorized use, dissemination, or publication of Customer Data, subject in all instances to applicable laws. You shall promptly notify us if you become aware of or suspect any unauthorized access to the Customer Data, or if you become the subject of any governmental, regulatory, or other enforcement or private proceeding relating to your data handling practices of Customer Data. You agree to indemnify us for all third-party claims related to your use of Customer Data.

Franchise Agreement.

If it becomes advisable at any time for us and/or you to modify or discontinue use of any patent or copyright and/or use one or more additional or substitute patents or copyrights, you must comply with our directions within a reasonable time after notice. You must bear all costs and expenses applicable to your Panera Bread Bakery-Cafe should we decide to modify the patents or copyrights or use additional or substitute patents or copyrights. We will have no liability or obligation whatsoever with respect to any such required modification or discontinuance of any patent or copyright or the promotion of an additional or substitute patent or copyright.

You must immediately notify us of any apparent infringement of or challenge to your use of any patent or copyright, or claim by any person of any rights to any patent or copyright, and you must not communicate with any person other than your legal counsel, us, Pumpnickel and our respective legal counsel in connection with any infringement, challenge or claim. Pumpnickel will have sole discretion to take any action it deems appropriate and will have the right to control exclusively any litigation or USPTO or other administrative proceeding arising out of any infringement, challenge or claim or otherwise relating to any patent or copyright. You must sign any and all instruments and documents, provide assistance and do all acts and things as, in the opinion of our or Pumpnickel's legal counsel, may be necessary or advisable to protect Pumpnickel's interests in any litigation or USPTO or other administrative proceeding or otherwise to protect its interests in the patents and copyrights.

We are not obligated to indemnify you against, or reimburse you for, any damages for which you are held liable in any proceeding arising out of your authorized use of any patent or copyright under the Franchise Agreement. Neither are we obligated to reimburse you for any costs you incur in defending any claim brought against you, your Owners or Affiliates or any proceeding in which you are named as a party. In addition to all other rights we may have for unauthorized use of a patent or copyright, you must reimburse us for any damages, liability or expenses incurred by us arising out of your use of a patent or copyright in an unauthorized manner.

Area Development Agreement.

The Area Development Agreement does not grant you the right to use any of the patents or copyrights. Your right to use the patents and copyrights is derived solely from the Franchise Agreements you enter into with us.

SHS Services Agreement.

We will defend you against any claims arising from a third-party claim that the software, services or deliverables under the SHS Services Agreement infringe upon or misappropriates the intellectual property rights of any such third party. In such instance, we shall have the right to require that you cease all use of the affected software, services and/or deliverables and, if requested by us, return the same to us. Our obligations to defend you may be limited in several instances, including without limitation as further detailed in Section 17.1 of the Franchisee Master Agreement for Software, Hardware and Support Services attached as Exhibit E to this Disclosure Document, and also generally related to your failure to comply with the specifications for, or the misuse of, the software or deliverables. Our obligations extend only to the defense of claims and exclude any obligation to indemnify you or hold you harmless. We have no obligations with respect to claims relating to hardware.

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

You must designate in Exhibit A to the Franchise Agreement as the “Operating Partner” an individual approved by us who must: (a) own and control, or have the right to own and control (subject to conditions reasonably acceptable to us), not less than ten percent (10%) of your equity; (b) have the authority to bind you regarding all communications with us and operational decisions with respect to your Bakery-Cafe; and (c) have completed our training program to our satisfaction.

Your Operating Partner: (a) shall exert his/her full-time and best efforts to the development and operation of your Panera Bread Bakery-Cafe and all other Panera Bread Bakery-Cafes you own; and (b) may not engage in any other business or activity, directly or indirectly, that requires substantial management responsibility or time commitments or otherwise may conflict with your obligations under the Franchise Agreement. You agree to provide us with copies of any arrangement, agreement or contract, and all amendments thereto, relating to your relationship with your Operating Partner. We shall have no responsibility, liability or obligation to any party to any such arrangement, agreement or contract, or any amendments thereto, on account of our review thereof or otherwise, and you agree to indemnify and hold us harmless with respect thereto. Your Panera Bread Bakery-Cafe must, at all times, be managed by your Operating Partner or by an on-site general or assistant manager or a shift supervisor who has completed our training program to our satisfaction. Your manager need not have an equity interest in the franchise.

As more fully set forth in the Franchise Agreement and the Area Development Agreement, you must implement all reasonable procedures we prescribe from time to time to prevent unauthorized use or disclosure of Confidential Information. Such procedures may include the use of nondisclosure agreements with your owners, officers, directors, Operating Partners, managers, assistant managers, head bakers and the like. You and your owners must deliver such agreements to us. At the end of the term of a Franchise Agreement or Area Development Agreement, you must deliver to us all Confidential Information.

If you are a partnership, corporation, limited liability company or other legal entity, one, some or all of your owners as we deem necessary must undertake to be personally bound, jointly and severally, by your obligations under the Franchise Agreement and Area Development Agreement, if any. Copies of these guarantees are attached to the forms of Area Development Agreement and Franchise Agreement in Exhibit A and Exhibit B of this Disclosure Document.

[THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY]

ITEM 16**RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL****Franchise Agreement.**

You must sell all food, beverage, other products, merchandise and services that we determine from time to time to be appropriate for your Panera Bread Bakery-Cafe. We may, in our discretion, establish certain marketing programs, including limited time offers, with which you must participate. We will not refund or exchange any unused products shipped to you in connection with these marketing programs. You are not restricted as to the customers whom you may serve at the Panera Bread Bakery-Cafe.

Your Panera Bread Bakery-Cafe will not be permitted to offer any products or services (including promotional items) we have not authorized for Panera Bread Bakery-Cafes without our prior written approval. We have the right to change the types of authorized goods and services, and there are no limits on our right to make changes. You may not use your Panera Bread Bakery-Cafe for any purpose other than the operation of a Panera Bread Bakery-Cafe in compliance with the Franchise Agreement.

Panera-owned Bakery-Cafes participate in charitable endeavors, such as providing left over products to the homeless through homeless shelters and food banks, and you are encouraged to participate in charitable and community activities. Because of the importance of maintaining quality and freshness, you are to sell baked goods the same day they are baked.

You must at all times maintain an inventory of approved food products, beverages, ingredients and other products sufficient in quantity, quality and variety to realize your Panera Bread Bakery-Cafe's full potential.

We may conduct market research to determine consumer trends and salability of new food products and services. You must participate in our market research programs by test marketing new food products and services in your Bakery-Cafe and providing us with timely reports and other relevant information regarding such market research. You must purchase a reasonable quantity of such test products and make a reasonable effort to sell them. You may be required to enter into a test agreement, which will outline all requirements for the testing. All test requirements, processes and procedures must be adhered to as outlined by us. Any applicable costs (smallwares, product, media or costs for any associated marketing activities) will be your responsibility, and you must provide complete data statistics on the test for our review and evaluation.

Area Development Agreement.

The Area Development Agreement contains no provisions restricting the goods and services you may offer. However, with respect to each Panera Bread Bakery-Cafe developed under the Area Development Agreement, you will be subject to the restrictions on goods and services contained in our then-current standard Franchise Agreement. The restrictions in our current Franchise Agreement are set out above.

[THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY]

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION**THE FRANCHISE RELATIONSHIP****Franchise Agreement.**

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

<u>PROVISION</u>	<u>SECTION IN FRANCHISE AGREEMENT AND SHS SERVICES AGREEMENT</u>	<u>SUMMARY</u>
a. Term of the franchise	Section 2.01 of Franchise Agreement Section 3.1 of SHS Services Agreement	20 years. 2 years.
b. Renewal or extension of the term	Section 15 of Franchise Agreement Section 3.1 of SHS Services Agreement	An initial franchise may be granted a renewal of franchise under terms of then-current Franchise Agreement. The new agreement may have terms and conditions materially different from the original contract. A successor franchise has no renewal rights. Automatic 2-year renewals unless either party gives 60 days' notice.
c. Requirements for you to renew or extend	Section 15 of Franchise Agreement	If you are in compliance with all terms of all agreements, sign new agreement, pay fee, remodel, sign general release; 180-day prior notice; and if there is no adverse franchise legislation.
d. Termination by you	None in Franchise Agreement Section 3.2 of SHS Services Agreement	You may terminate if we breach and fail to cure within 30 days.
e. Termination by us without cause	None in Franchise Agreement Section 3.2 of SHS Services Agreement	We may terminate an Order without cause on 90 days' notice.
f. Termination by us with cause	Section 14 of Franchise Agreement Section 3.2 of SHS Services Agreement	We can terminate only for specified causes. We may terminate if you breach and fail to cure within 30 days.
g. "Cause" defined — defaults which can be cured	Section 14.02 of Franchise Agreement	You have 24 hours to cure health violations; 10 days to correct delinquent payments due us; 30 days to cure breaches of Franchise Agreement.

<u>PROVISION</u>	SECTION IN FRANCHISE AGREEMENT AND SHS SERVICES AGREEMENT	<u>SUMMARY</u>
h. “Cause” defined — defaults which cannot be cured	Section 14.01, Section 14.02 and Section 9.06 of Franchise Agreement	Includes insolvency, failure to open or abandonment of business, cancellation of lease, misrepresentations, conviction of a felony, violation of any anti-terrorism law, unauthorized transfer, unauthorized disclosure of Confidential Information, repeated breaches of the agreements; fail 3 or more times within a period of 12 months to submit reports and other data or to otherwise comply with the Franchise Agreement, whether or not such failure is corrected; violation of any antiterrorism law or if your assets, property or interest are “blocked” under such law; termination or expiration of Area Development Agreement before the construction of your Bakery-Cafe starts.
i. Your obligations on termination, nonrenewal	Section 16 of Franchise Agreement Section 3.3 of SHS Services Agreement	Discontinue use of Marks, Confidential Information, proprietary software and any mode of Internet communications; transfer to us the domain name for your Bakery-Cafe; de-identify your business; return Panera Policy Manual; notify telephone company; pay all monies owed us and provide evidence of your compliance within 30 days of termination. Return all software equipment and materials, and pay all accrued amounts
j. Assignment of contract by us	Section 19.07 of Franchise Agreement Section 25(f) of SHS Services Agreement	No restriction on our right to transfer or assign. No restriction on our right to assign or transfer.
k. “Transfer” by you — definition	Section 1.04 of Franchise Agreement	Includes sale, transfer, assignment or other disposition, whether voluntary or involuntary, by operation of law or otherwise, of the agreement rights, or any direct or indirect legal or beneficial ownership interest in Franchisee.
l. Our approval of transfer by you	Section 13.01 and Section 13.02 of Franchise Agreement Section 25(f) of SHS Services Agreement	We have the right to approve all transfers but will not unreasonably withhold approval if certain conditions satisfied. You may not transfer the agreement without our consent.
m. Conditions for our approval of transfer	Section 13.02 of Franchise Agreement	Bakery-Cafe must have opened; you must be in compliance with agreement; transferee must qualify, complete training and sign new or existing Franchise Agreement; transferee cannot be a public company; all your Bakery-Cafes must be transferred; transfer fee must be paid; you must subordinate debts and sign a general release and non-compete agreement; we must approve price and payment terms; there must be no adverse franchise legislation; you must do other things we request.

<u>PROVISION</u>	SECTION IN FRANCHISE AGREEMENT AND SHS SERVICES AGREEMENT	<u>SUMMARY</u>
n. Our right of first refusal	Section 13.06 of Franchise Agreement	We can match any bona fide offer for your business within 30 days from delivery of a complete and accurate copy of offer.
o. Our right to purchase your business	Sections 16.04, 16.05, 16.06, 16.07, 16.08, 16.09, 16.10 and Exhibit F of Franchise Agreement	We may acquire your Bakery-Cafe, at a defined purchase price, upon termination or expiration (without renewal) of the Franchise Agreement. If <u>Exhibit F</u> "Purchase Option Addendum" of the Franchise Agreement is applicable, we may acquire your Bakery-Cafe at a defined purchase price, in the event that you fail to meet our established operational standards or upon the occurrence of certain other events as described in the <u>Exhibit F</u> .
p. Your death or disability	Section 13.05 of Franchise Agreement	All rights in Franchise Agreement must be assigned to an approved transferee within a reasonable time period not to exceed nine months of death/disability.
q. Non-competition covenants during the term of the franchise	Section 7.02 of Franchise Agreement	No involvement in any competing business, regardless of its location.
r. Non-competition covenants after the franchise is terminated or expires	Section 16.03 of Franchise Agreement	You may not own or provide services/advice to any competing business or any entity which franchises or licenses a competing business for 2 years within your Protected Area or within 5 miles of any Panera Bread Bakery-Cafe.
s. Modification of the agreement	Section 10.01 and Section 19.09 of Franchise Agreement Section 25(e) of SHS Services Agreement	Generally, no modification except by written agreement signed by both parties. However, Panera Policy Manual is subject to change by us. We may also increase the NAF, LAF or MAF contributions beyond their maximum amounts with an affirmative vote by 66% of the then existing company and franchised Bakery-Cafes or 51% of then existing franchised Bakery-Cafes. No modification except by written agreement signed by both parties.
t. Integration/merger clause	Section 19.09 of Franchise Agreement Section 25(d) of SHS Services Agreement	Only the terms of the Franchise Agreement, including Panera Policy Manual, are binding (subject to state law); any other oral or written promises may not be enforceable; nothing is intended to disclaim any representation made in this disclosure document. The agreement constitutes the entire agreement as its subject matter.
u. Dispute resolution by arbitration or mediation	Section 18 of Franchise Agreement Section 22.1 of SHS Services Agreement	Arbitration required. Arbitration required.

<u>PROVISION</u>	<u>SECTION IN FRANCHISE AGREEMENT AND SHS SERVICES AGREEMENT</u>	<u>SUMMARY</u>
v. Choice of forum	Section 18 of Franchise Agreement Section 22.2 of SHS Services Agreement	Missouri state courts, and federal district court in St. Louis, Missouri (subject to state law) Missouri state courts and federal district court in Missouri (subject to state law).
w. Choice of law	Section 19.06 of Franchise Agreement Section 23 of SHS Services Agreement	Subject to state law, Missouri law applies generally, except for applicable franchise laws of other states. Subject to state law, Missouri law applies generally.

Area Development Agreement.

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

<u>PROVISION</u>	<u>SECTION IN AREA DEVELOPMENT AGREEMENT</u>	<u>SUMMARY</u>
a. Term of the Area Development Agreement	Section 2.01	Date set forth in <u>Exhibit A</u> or date upon which developer opens cumulative number of Bakery-Cafes set forth in <u>Exhibit A</u> .
b. Renewal or extension of the term	None	Upon request from developer, we will consider renewals and extensions on a case by case basis.
c. Requirements for you to renew or extend	None	See b. above.
d. Termination by you	None	
e. Termination by us without cause	None	
f. Termination by us with cause	Section 8	We can terminate only for specified causes.
g. “Cause” defined — defaults which can be cured	Section 8.01 and Section 8.02	30 days to cure a breach of Area Development Agreement, and 30 days to discharge any petition in bankruptcy, dissolution, reorganization, or appointment of receiver or custodian.
h. “Cause” defined — defaults which cannot be cured	Section 8.01, Section 8.02 and Section 9.06	Failure to meet Development Schedule or Site Acceptance Letter Schedule, Remodel Schedule, misrepresentations, conviction of a felony, violation of any anti-terrorism law, unauthorized transfer, unauthorized disclosure of Confidential Information, breach of any Franchise Agreement or any other agreement between you, your Owners or any of your Affiliates (as defined in the Area Development Agreement) and us; adverse franchise legislation.

<u>PROVISION</u>	<u>SECTION IN AREA DEVELOPMENT AGREEMENT</u>	<u>SUMMARY</u>
i. Your obligations on termination, nonrenewal	Section 9	Comply with covenant not-to-compete.
j. Assignment of contract by us	Section 11.07	No restriction on our right to transfer or assign.
k. “Transfer” by you definition	Section 1.04	Includes sale, transfer, assignment or other disposition, whether voluntary or involuntary, by operation of law or otherwise, of the agreement rights, or any direct or indirect legal or beneficial ownership interest in Developer.
l. Our approval of transfer by you	Sections 7.01 and 7.02	We have the right to approve all transfers but will not unreasonably withhold approval if certain conditions satisfied.
m. Conditions for Panera’s approval of transfer	Section 7.02	You must be in compliance with agreement; transferee must qualify, and sign existing agreement; all your Bakery-Cafes must be transferred; transfer fee must be paid; you must subordinate debts and sign a general release and non-compete agreement; there must be no adverse franchise legislation; and you must do other things we request.
n. Our right of first refusal	Section 7.06	We can match any bona fide offer for your business within 30 days from delivery of a complete and accurate copy of offer.
o. Your death or disability	Section 7.05	All rights in Area Development Agreement must be assigned to the approved buyer within a reasonable time period not to exceed nine months of death/disability.
p. Non-competition covenants during the term of the franchise	Section 6.02	No involvement in any competing business, regardless of its location; may not divert or attempt to divert business or customers to competing business.
q. Non-competition covenants after the franchise is terminated or expires	Section 9.02	You may not own or provide services/advice to any competing business or any entity which franchises or licenses a competing business for 2 years within your Development Area or within 5 miles of any Panera Bread Bakery-Cafe.
r. Modification of the agreement	Section 11.09	No modification except by written agreement signed by both parties.
s. Integration/merger clause	Section 11.09	Only the terms of the Area Development Agreement are binding (subject to state law); any other promises may not be enforceable; nothing is intended to disclaim any representation made in this disclosure document.
t. Dispute resolution by arbitration or mediation	Section 10	Arbitration required.
u. Choice of forum	Section 10	Missouri state courts, and federal district court in St. Louis, Missouri, subject to state law.

<u>PROVISION</u>	<u>SECTION IN AREA DEVELOPMENT AGREEMENT</u>	<u>SUMMARY</u>
v. Choice of law	Section 11.06	Subject to state law, Missouri law applies generally, except for applicable franchise laws of other states.

Some states may have statutes and other states may have court decisions that may supersede the Franchise Agreement and Area Development Agreement in your relationship with us, including the areas of termination and renewal of your franchise.

Provisions in the Franchise Agreement and the Area Development Agreement that provide for termination upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

[THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY]

ITEM 18 PUBLIC FIGURES

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

[THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY]

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

STATEMENT OF AVERAGE NET SALES OF PANERA BREAD BAKERY-CAFES FOR THE 52-WEEK FISCAL YEAR ENDING DECEMBER 31, 2024.

AVERAGE NET SALES

Company-owned Bakery-Cafes	\$2,825,385
Franchisee-owned Bakery-Cafes	\$2,595,936
Company-owned and Franchisee-owned Bakery-Cafes	\$2,708,833

SOME BAKERY-CAFES HAVE EARNED THIS AMOUNT. YOUR INDIVIDUAL RESULTS MAY DIFFER. THERE IS NO ASSURANCE YOU WILL EARN AS MUCH.

Information Regarding Statement of Average Net Sales.

The Statement of Average Net Sales consists of the mean averages of the reported annual Net Sales of 1,050 company-owned Bakery-Cafes and 1,084 Franchisee-owned Bakery-Cafes open during the entire fiscal year ending December 31, 2024. Substantiation of the information used in preparing the Statement of Average Net Sales will be made available to you upon reasonable request. However, we will not disclose the identity or sales data of any particular Panera Bread Bakery- Cafe without the consent of that owner, except to any applicable state registration authorities or except in connection with the sale of a particular existing Panera Bread Bakery-Cafe that we own.

Of the 2,134 Panera Bread Bakery-Cafes used for calculating the Average Net Sales for the fiscal year ending December 31, 2024, the median data is as follows: (i) the 1,050 company-owned Panera Bread Bakery-Cafes had Net Sales ranging between \$511,464 and \$5,649,165, of which 490 (46.7%) attained or surpassed \$2,825,385 in Net Sales (the average Net Sales of company- owned Panera Bread Bakery-Cafes), and (ii) the 1,084 Franchisee-owned Panera Bread Bakery-Cafes had Net Sales ranging between \$435,863 and \$6,133,228 of which 497 (45.8%) attained or surpassed \$2,595,936 in Net Sales (the average Net Sales of Franchisee-owned Panera Bread Bakery-Cafes).

The Net Sales of Franchisee-owned Bakery-Cafes were derived from unaudited financial reports submitted by Franchisees for the purpose of computing royalties. Panera compiled the Net Sales of company-owned Bakery-Cafes on the basis of generally accepted accounting principles.

If you are purchasing the assets of existing company-owned Bakery-Cafes, you should not rely on the statement of average net sales, but should instead review the actual financial results of the Bakery-Cafe(s) being purchased. Similarly, prospective franchisees of non-traditional locations should not rely on the foregoing statement of average net sales, since it is not relevant to those types of locations. We make no claim regarding the actual or potential sales or profits of non-traditional locations. These results are averages of specific Panera Bread Bakery-Cafes.

[THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY]

STATEMENT OF AVERAGE NET PROFIT AND EBITDA OF COMPANY-OWNED BAKERY-CAFES FOR THE FISCAL YEAR ENDING DECEMBER 31, 2024.¹

	<u>Average Amount</u>	<u>% of Average Gross Revenues</u>	<u>No. Attaining or Surpassing the Respective Average Amount</u>	<u>% Attaining or Surpassing the Respective Average Amount</u>
Gross Revenues ²	\$2,997,048	100.0	490	46.7
Discounts ³	171,663	5.7	502	47.8
Net Sales ⁴	2,825,385	94.3	490	46.7
Cost of Sales ⁵	885,583	29.5	498	47.4
Gross Profit	1,939,802	64.7	485	46.2
Labor ⁶	880,006	29.4	461	43.9
Operating Expenses ⁷	247,034	8.2	485	46.2
Advertising Expenses	79,970	2.7	494	47.0
Fixed Expenses ⁸	134,361	4.5	443	42.2
Occupancy Expenses ⁹	216,728	7.2	472	45.0
Net Profit	381,703	12.7	512	48.8
Depreciation & Amortization	110,453	3.7	444	42.3
EBITDA ¹⁰	\$492,156	16.4	501	47.7

SOME BAKERY-CAFES HAVE EARNED THIS AMOUNT. YOUR INDIVIDUAL RESULTS MAY DIFFER. THERE IS NO ASSURANCE YOU WILL EARN AS MUCH.

Information Regarding Statement of Average Net Profit and EBITDA of Company-Owned Bakery-Cafes.

The Statement of Average Net Profit and EBITDA of company-owned Bakery-Cafes consists of the mean averages of 1,050 company-owned Bakery-Cafes open during the entire fiscal year ending December 31, 2024. Substantiation of the information used in

¹ The 1,050 company-owned Bakery-Cafes includes seventeen (17) delivery and carryout locations and excludes three (3) delivery only locations.

² Gross Revenues are comprised of the aggregate gross amount of all sales of food, beverages and other products and merchandise sold and services rendered but does not include sales or service taxes. The median Gross Revenue was \$2,933,366, the high amount was \$5,970,609 and the low amount was \$559,448.

³ Discounts consist of the dollar amount of coupons, MyPanera® Rewards Program, other promotional discounts, and employee meals.

⁴ Net Sales has the same meaning as set forth in the Franchise Agreement, i.e., the aggregate gross amount, determined in accordance with Panera Standards of all sales of food, beverages and other products and merchandise sold and services rendered in connection with the Panera Bread Bakery-Cafe, including monies derived from sales at or away from the Panera Bread Bakery-Cafe, whether for cash or credit, but excluding (1) all federal, state or municipal sales or service taxes collected from customers and paid to the appropriate taxing authorities; and (2) all customer refunds and adjustments and promotional discounts made by the Panera Bread Bakery-Cafe.

⁵ Cost of Sales includes the cost of food, paper and other products. (See Item 6 regarding pricing.) These figures are based on the cost of Panera Bread Bakery-Cafes within the distribution network areas. The cost of sales may vary considerably based on whether a Bakery-Cafe is located within the geographic area serviced by our fresh dough facilities, approved suppliers and distributors.

⁶ Labor includes wages paid to management (but does not include any wages or overhead above the store management level) and employees of the Bakery-Cafe, including shift supervisors, bakers and associates, management bonuses, payroll taxes, the cost of group insurance, workers compensation, vacation and other employee benefits.

⁷ Operating Expenses includes bank charges, the cost of utilities, repairs and maintenance, smallwares and hardwares, cleaning supplies, office supplies, telephone, trash removal, uniforms, point-of-sale maintenance, flowers, pest control, music, parking, employee advertising and other miscellaneous operating expenses.

⁸ Fixed Expenses includes taxes, depreciation and amortization, the cost of insurance, leased equipment and licenses and other miscellaneous fixed expenses.

⁹ Occupancy Expenses includes base rent, percentage rent, common area maintenance, real estate taxes, promotional and other miscellaneous lease expenses.

¹⁰ EBITDA means earnings (i.e. net profit) before interest, taxes, depreciation and amortization.

preparing the Statement of Net Profit and EBITDA will be made available to you upon reasonable request. However, we will not disclose the identity, revenue or other items of income or expense of any particular company-owned Panera Bread Bakery-Cafe, except to any applicable state registration authorities or except in connection with the sale of a particular existing Panera Bread Bakery-Cafe that we own. The Statement of Average Net Profit and EBITDA for company-owned Bakery-Cafes was prepared in accordance with generally accepted accounting principles and excludes inter-company adjustments made in consolidation. The footnotes are an integral part of the Statement of Average Net Profit and EBITDA and should be read in conjunction therewith. The Statement of Average Net Profit and EBITDA does not include, among other things, amortization of initial franchise fees or royalties, which a franchisee would have to pay to us, or bank financing charges, which can vary greatly.

Sales volumes of Panera Bread Bakery-Cafes vary considerably due to a variety of factors, such as: local popularity of Panera Bread Bakery-Cafes; hours of operation; size of the Bakery-Cafe; competition from other restaurants, especially fast food businesses in proximity to the Bakery-Cafe; weather conditions; traffic flow, accessibility and visibility of the Bakery-Cafe; the economic conditions in the locality of the Bakery-Cafe; and the business abilities and efforts of franchisees. In addition, sales volumes of individual Panera Bread Bakery-Cafes could be adversely impacted by certain conditions affecting the franchisor or the System as a whole, such as our inability to execute our growth strategy, including, among other things, variations in the number, timing, and successful nature of company-owned and franchisee-owned Bakery-Cafe openings; continued successful operation of Bakery-Cafes; failure or inability to protect our brand, trademarks, or other proprietary rights and health concerns about the consumption of certain products.

Operating costs and expenses for a Panera Bread Bakery-Cafe may vary considerably and be different than those disclosed in the foregoing statement, as a result of higher food and distribution costs, labor shortages, and competitive real estate markets, among other factors. Additionally, distribution costs in those areas of the country not currently serviced by our fresh dough facilities, approved suppliers or distributors may be higher.

If you are purchasing the assets of existing company-owned bakery-cafes, you should not rely on the average net profit and EBITDA information set forth above, but should instead review the actual financial results of the bakery-cafe(s) being purchased. Similarly, prospective franchisees of non-traditional locations should not rely on the foregoing statement of net profit and EBITDA since such statement is not relevant to those types of locations. We make no claim regarding the actual or potential revenues or profits of non-traditional locations.

* * *

Except for the above Statements, and except as otherwise expressly stated in this Item 19, no representations or statements of actual, average, projected or forecasted sales, expenses, profits or earnings of Panera Bread Bakery-Cafes are made to prospective franchisees. None of our officers or employees is authorized to make any claims or statements as to the earnings, expenses, sales or profits or prospects or chances of success that you can expect or that have been experienced by us or by present or past Panera Bread Bakery-Cafes. We have specifically instructed our officers and employees that they are not permitted to make claims or statements as to the earnings, expenses, sales or profits or the prospects or chances of success, nor are they authorized to represent or estimate dollar figures as to any particular Panera Bread Bakery-Cafe or any particular site for a Panera Bread Bakery-Cafe.

[THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY]

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

Our 2022, 2023 and 2024 fiscal years ended on December 27, December 26, and December 31 respectively.

Table No. 1

**System-wide Outlet Summary
For years 2022 to 2024**

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2022	1117	1089	-28
	2023	1089	1113	+24
	2024	1113	1105	-8
Company-Owned (1)	2022	993	1025	+32
	2023	1025	1058	+33
	2024	1058	1101	+43
Total Outlets	2022	2110	2114	+4
	2023	2114	2171	+57
	2024	2171	2206	+35

Note 1: Includes twenty-one (21) delivery and carryout locations and excludes three (3) catering only locations.

Table No. 2

**Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2022 to 2024**

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Alabama	2022	0
	2023	2
	2024	0
Georgia	2022	13
	2023	2
	2024	0
Louisiana	2022	7
	2023	10
	2024	0
New York	2022	0
	2023	11
	2024	0
North Carolina	2022	0

Column 1 State	Column 2 Year	Column 3 Number of Transfers
	2023	0
	2024	2
Ohio	2022	0
	2023	0
	2024	1
Oklahoma	2022	16
	2023	0
	2024	0
Tennessee	2022	0
	2023	10
	2024	0
Virginia	2022	0
	2023	0
	2024	11
West Virginia	2022	0
	2023	0
	2024	2
Total	2022	36
	2023	35
	2024	16

Table No. 3

**Status of Franchised Outlets
For years 2022 to 2024**

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

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Terminations	Col. 6 Non- Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations- Other Reasons	Col. 9 Outlets at End of the Year
	2024	1	0	0	0	0	0	1
California	2022	105	1	4	0	0	1	101
	2023	101	4 ⁽¹⁾	2	0	0	1 ⁽¹⁾	102
	2024	102	2	1	0	6 ⁽²⁾	0	97
Colorado	2022	38	2 ⁽¹⁾	0	0	0	1 ⁽¹⁾	39
	2023	39	2	0	0	0	0	41
	2024	41	0	2	0	0	0	39
Connecticut	2022	15	1	0	0	0	0	16
	2023	16	0	1	0	0	0	15
	2024	15	0	0	0	0	0	15
Delaware	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6
	2024	6	0	0	0	0	0	6
District of Columbia	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Florida	2022	105	0 ⁽¹⁾	2	0	0	1 ⁽¹⁾	102
	2023	102	3 ⁽¹⁾	1	0	0	1 ⁽¹⁾	103
	2024	103	1	2	0	0	0	102
Georgia	2022	55	1	0	0	0	0	56
	2023	56	3 ⁽²⁾	2 ⁽²⁾	0	0	0	57
	2024	57	1	0	0	0	0	58
Illinois	2022	39	0	2	0	0	0	37
	2023	37	3 ⁽¹⁾	0	0	0	1 ⁽¹⁾	39
	2024	39	0	1	0	0	0	38
Indiana	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Iowa	2022	19	0	0	0	0	0	19
	2023	19	0	0	0	0	0	19
	2024	19	0	0	0	0	0	19
Kansas	2022	23	0	0	0	0	0	23
	2023	23	1 ⁽¹⁾	0	0	0	1 ⁽¹⁾	23
	2024	23	1 ⁽¹⁾	0	0	0	1 ⁽¹⁾	23
Kentucky	2022	8	0	0	0	0	0	8
	2023	8	0	0	0	0	0	8
	2024	8	0	0	0	0	0	8

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Terminations	Col. 6 Non- Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations- Other Reasons	Col. 9 Outlets at End of the Year
Louisiana	2022	10	0	0	0	0	0	10
	2023	10	0	0	0	0	0	10
	2024	10	0	0	0	0	0	10
Maine	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6
	2024	6	0	0	0	0	0	6
Maryland	2022	54	0	2	0	0	0	52
	2023	52	2	0	0	0	0	54
	2024	54	2 ⁽¹⁾	2	0	0	1 ⁽¹⁾	53
Massachusetts	2022	61	0	0	0	0	0	61
	2023	61	2	0	0	0	0	63
	2024	63	4 ⁽¹⁾	1	0	0	1 ⁽¹⁾	65
Michigan	2022	22	0	0	0	0	0	22
	2023	22	0	0	0	0	0	22
	2024	22	0	0	0	0	0	22
Mississippi	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
Missouri	2022	22	1 ⁽¹⁾	1	0	0	1 ⁽¹⁾	21
	2023	21	2 ⁽¹⁾	1	0	0	2 ⁽¹⁾	20
	2024	20	0	1	0	0	0	19
Montana	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	1	0	0	0	0	4
Nevada	2022	12	2	0	0	0	0	14
	2023	14	3	0	0	0	0	17
	2024	17	0	1	0	0	0	16
New Hampshire	2022	13	0	0	0	0	0	13
	2023	13	1 ⁽¹⁾	0	0	0	1 ⁽¹⁾	13
	2024	13	0	0	0	0	0	13
New Jersey	2022	15	1	0	0	0	0	16
	2023	16	0	0	0	0	0	16
	2024	16	1	0	0	0	0	17
New York	2022	54	1	1	0	0	0	54
	2023	54	6 ⁽¹⁾	1	0	0	1 ⁽¹⁾	58
	2024	58	5	0	0	0	0	63
North Carolina	2022	24	0	0	0	0	0	24

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Terminations	Col. 6 Non- Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations- Other Reasons	Col. 9 Outlets at End of the Year
	2023	24	2	0	0	0	0	26
	2024	26	1	2	0	0	0	25
Ohio	2022	127	2 ⁽¹⁾	1	0	0	1 ⁽¹⁾	127
	2023	127	4 ⁽¹⁾	0	0	0	2 ⁽¹⁾	129
	2024	129	0	3	0	0	0	126
Oklahoma	2022	16	1 ⁽¹⁾	0	0	0	1 ⁽¹⁾	16
	2023	16	0	0	0	0	0	16
	2024	16	1	0	0	0	0	17
Oregon	2022	15	0	0	0	0	0	15
	2023	15	2	0	0	0	0	17
	2024	17	0	0	0	0	0	17
Pennsylvania	2022	69	0	0	0	0	0	69
	2023	69	3	1	0	0	0	71
	2024	71	0	0	0	0	0	71
Rhode Island	2022	8	1 ⁽¹⁾	1	0	0	1 ⁽¹⁾	7
	2023	7	0	0	0	0	0	7
	2024	7	0	0	0	0	0	7
South Carolina	2022	20	0	0	0	0	0	20
	2023	20	1 ⁽¹⁾	0	0	0	1 ⁽¹⁾	20
	2024	20	0	1	0	0	0	19
Tennessee	2022	19	0	0	0	0	0	19
	2023	19	0	1	0	0	0	18
	2024	18	0	1	0	0	0	17
Texas	2022	62	1	1	0	20 ⁽³⁾	0	42
	2023	42	0	1	0	0	0	41
	2024	41	2	0	0	5 ⁽⁴⁾	0	38
Utah	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	1	0	0	0	0	3
Virginia	2022	15	0	0	0	0	0	15
	2023	15	0	1	0	0	0	14
	2024	14	0	0	0	0	0	14
Washington	2022	26	0	0	0	0	0	26
	2023	26	1	0	0	0	0	27
	2024	27	0	0	0	0	0	27
West Virginia	2022	10	0	0	0	0	0	10
	2023	10	0	0	0	0	0	10

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Terminations	Col. 6 Non- Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations- Other Reasons	Col. 9 Outlets at End of the Year
	2024	10	0	0	0	0	0	10
Wyoming	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Totals	2022	1117	15	16	0	20	7	1089
	2023	1089	47	12	0	0	11	1113
	2024	1113	24	18	0	11	3	1105

Note 1: In this year a franchisee closed one or more Bakery-Cafes in the state and reopened (or will reopen) at a new location.

Note 2: In 2024, PBS Foods sold six (6) Bakery-Cafes in California to Panera.

Note 3: In 2022, Texas Restaurant Group, Inc. sold twenty (20) Bakery-Cafes in Texas to Panera.

Note 4: In 2024, EYM Group sold five (5) Bakery-Cafes in Texas to Panera.

Table No. 4

**Status of Company-Owned Outlets
For years 2022 to 2024**

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of the Year	Col. 4 Outlets Opened	Col. 5 Outlets Reacquired From Franchisee	Col. 6 Outlets Closed	Col. 7 Outlets Sold to Franchisee	Col. 8 Outlets at End of the Year
Alabama	2022	25	1	0	0	0	26
	2023	26	0	0	0	0	26
	2024	26	0	0	0	0	26
Arizona	2022	28	0	0	0	0	28
	2023	28	2	0	0	0	30
	2024	30	2	0	1	0	31
Arkansas	2022	6	0	0	0	0	6
	2023	6	0	0	0	0	6
	2024	6	2	0	0	0	8
California	2022	78	2	0	0	0	80
	2023	80	4	0	0	0	84
	2024	84	7	6 ⁽²⁾	1	0	97
Connecticut	2022	17	3 ⁽¹⁾	0	2 ⁽¹⁾	0	18
	2023	18	1	0	0	0	19
	2024	19	1	0	1	0	19
District of Columbia	2022	7	0	0	0	0	7
	2023	7	1	0	0	0	8
	2024	8	1	0	0	0	9

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of the Year	Col. 4 Outlets Opened	Col. 5 Outlets Reacquired From Franchisee	Col. 6 Outlets Closed	Col. 7 Outlets Sold to Franchisee	Col. 8 Outlets at End of the Year
Florida	2022	84	3 ⁽¹⁾	0	2 ⁽¹⁾	0	85
	2023	85	3	0	1	0	87
	2024	87	4	0	0	0	91
Georgia	2022	7	0	0	0	0	7
	2023	7	0	0	0	0	7
	2024	7	0	0	0	0	7
Idaho	2022	7	0	0	0	0	7
	2023	7	0	0	0	0	7
	2024	7	0	0	0	0	7
Illinois	2022	75	3 ⁽¹⁾	0	4 ⁽¹⁾	0	74
	2023	74	1	0	0	0	75
	2024	75	1	0	0	0	76
Indiana	2022	38	2 ⁽¹⁾	0	1 ⁽¹⁾	0	39
	2023	39	3	0	0	0	42
	2024	42	0	0	0	0	42
Iowa	2022	2	0	0	0	0	2
	2023	2	0	0	0	0	2
	2024	2	0	0	0	0	2
Kentucky	2022	24	0	0	0	0	24
	2023	24	0	0	0	0	24
	2024	24	1	0	0	0	25
Louisiana	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Michigan	2022	57	2 ⁽¹⁾	0	2 ⁽¹⁾	0	57
	2023	57	4 ⁽¹⁾	0	2 ⁽¹⁾	0	59
	2024	59	0	0	0	0	59
Minnesota	2022	32	0	0	1	0	31
	2023	31	1 ⁽¹⁾	0	1 ⁽¹⁾	0	31
	2024	31	0	0	0	0	31
Missouri	2022	45	2 ⁽¹⁾	0	1 ⁽¹⁾	0	46
	2023	46	3	0	0	0	49
	2024	49	0	0	0	0	49
Nebraska	2022	13	1	0	2	0	12
	2023	12	0	0	0	0	12
	2024	12	0	0	0	0	12
	2022	63	4	0	1	0	66

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of the Year	Col. 4 Outlets Opened	Col. 5 Outlets Reacquired From Franchisee	Col. 6 Outlets Closed	Col. 7 Outlets Sold to Franchisee	Col. 8 Outlets at End of the Year
New Jersey	2023	66	0	0	0	0	66
	2024	66	0	0	0	0	66
New Mexico	2022	7	0	0	0	0	7
	2023	7	0	0	0	0	7
	2024	7	0	0	0	0	7
New York	2022	56	3 ⁽¹⁾	0	2 ⁽¹⁾	0	57
	2023	57	8	0	1	0	64
	2024	64	2	0	0	0	66
North Carolina	2022	61	2	0	0	0	63
	2023	63	3	0	1	0	65
	2024	65	1	0	2	0	64
North Dakota	2022	4	0	0	0	0	4
	2023	4	0	0	0	0	4
	2024	4	0	0	0	0	4
Ohio	2022	8	0	0	0	0	8
	2023	8	1	0	0	0	9
	2024	9	0	0	0	0	9
Oklahoma	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Pennsylvania	2022	42	0	0	0	0	42
	2023	42	0	0	1	0	41
	2024	41	0	0	0	0	41
Rhode Island	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	1	0	0	0	1
South Carolina	2022	14	1	0	0	0	15
	2023	15	0	0	0	0	15
	2024	15	0	0	0	0	15
South Dakota	2022	3	0	0	0	0	3
	2023	3	0	0	0	0	3
	2024	3	0	0	0	0	3
Tennessee	2022	21	1	0	0	0	22
	2023	22	1	0	0	0	23
	2024	23	1	0	0	0	24
Texas	2022	50	3	20 ⁽³⁾	1	0	72
	2023	72	1	0	0	0	73

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of the Year	Col. 4 Outlets Opened	Col. 5 Outlets Reacquired From Franchisee	Col. 6 Outlets Closed	Col. 7 Outlets Sold to Franchisee	Col. 8 Outlets at End of the Year
	2024	73	5	5 ⁽⁴⁾	0	0	83
Vermont	2022	4	0	0	1	0	3
	2023	3	0	0	0	0	3
	2024	3	0	0	0	0	3
Virginia	2022	69	1	0	2	0	68
	2023	68	3	0	0	0	71
	2024	71	5	0	0	0	76
Washington	2022	4	0	0	0	0	4
	2023	4	0	0	0	0	4
	2024	4	0	0	0	0	4
Wisconsin	2022	40	3 ⁽⁴⁾	0	3 ⁽⁴⁾	0	40
	2023	40	0	0	0	0	40
	2024	40	2	0	0	0	42
Totals	2022	993	37	20	25	0	1025
	2023	1025	40	0	7	0	1058
	2024	1058	36	11	5	0	1101

Note 1: In this year Panera closed one or more Bakery-Cafes in the state and reopened at a new location.

Note 2: In 2024, Panera acquired six (6) Bakery-Cafes in California from a franchisee.

Note 3: In 2022, Panera acquired twenty (20) Bakery-Cafes in Texas from a franchisee.

Note 4: In 2024, Panera acquired five (5) Bakery-Cafes in Texas from a franchisee.

Table No. 5

Openings for Fiscal Year 2025 Projected As Of December 31, 2024

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlet In The Next Fiscal Year	Column 4 Projected New Company- Owned Outlet In the Next Fiscal Year
Arizona	0	0	1
California	2	1	5
Florida	0	0	7
Georgia	0	1	1
Idaho	0	0	1
Illinois	0	0	1
Kansas	0	2	0
Kentucky	0	0	1
Maryland	0	1	0
Massachusetts	1	0	0

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlet In The Next Fiscal Year	Column 4 Projected New Company- Owned Outlet In the Next Fiscal Year
Michigan	0	1	0
Minnesota	0	0	1
Missouri	0	0	1
Nevada	0	4	0
Nebraska	0	0	1
Nevada	0	1	0
New Jersey	0	1	2
New York	0	0	3
North Carolina	0	0	1
Oklahoma	0	1	0
Pennsylvania	1	1	0
South Carolina	0	1	1
Tennessee	0	0	2
Texas	0	2	6
Utah	0	3	0
Virginia	0	2	7
Washington	1	1	1
West Virginia	0	1	0
Wisconsin	0	0	1
Total	5	20	45

The names, addresses, and telephone numbers of our Area Developers and their Panera Bread Bakery-Cafes are listed in [Exhibit H-1](#).

The name, city and state, and current business telephone number (or if unknown, the last known home telephone number) of every Panera franchisee in the U.S. who has had a franchise terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under their franchise during the most recently completed fiscal year, or has not communicated with us within 10 weeks of the date of issuance of this Disclosure Document are listed in [Exhibit H-2](#). If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

If we offer to sell any previously-owned franchised Panera Bread Bakery-Cafe that we now own, specific information about that Bakery-Cafe will be provided to you in a separate supplement to this Disclosure Document.

In some instances, in connection with settling disputes, in the last three (3) fiscal years, former franchisees have signed provisions restricting their ability to speak openly about their experience with the Panera franchise system. 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.

The Franchise Advisory Council is an advisory committee that functions at Panera's discretion and includes Panera senior officers and franchisees. Inquiries about the Franchise Advisory Council may be directed to the current Chair, Mike Hamra, Hamra Enterprises LLC, 1855 S. Ingram Mill Road, Springfield, MO 65804 (417-887-7677) or the current co-Chair, Debbie Roberts, Executive Vice President, Chief Operating Officer of Panera, LLC.

ITEM 21 FINANCIAL STATEMENTS

Panera Brands, Inc. has agreed to absolutely and unconditionally guarantee and to assume the obligations or duties of Panera under the Franchise Agreement. Therefore, the consolidated financial statements of Panera Brands, Inc. listed below are attached to this Disclosure Document as Exhibit I:

1. Audited financial statements for the fiscal years ended December 31, 2024, December 31, 2023 and December 31, 2022.

[THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY]

ITEM 22 CONTRACTS

Attached as Exhibits to this Disclosure Document are the following contracts and their attachments:

1. Area Development Agreement (Exhibit A)
2. Franchise Agreement (Exhibit B)
3. Advertising Association Membership Agreement (Exhibit C-1)
4. Advertising Association Bylaws (Exhibit C-2)
5. Development Services Agreement (Exhibit D-1)
6. Real Estate Selection and Construction Management Services Agreement (Exhibit D-2)
7. Franchisee Master Agreement for Software, Hardware and Support Services (Exhibit E)

[THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY]

ITEM 23 RECEIPTS

The last two pages of the Disclosure Document are identical pages acknowledging receipt of this entire document (including the exhibits). Please sign and return to us one copy; please keep the other copy along with the Disclosure Document.

[THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY]

EXHIBIT A
AREA DEVELOPMENT AGREEMENT

PANERA, LLC
AREA DEVELOPMENT AGREEMENT

AREA DEVELOPER

AREA

DATE OF AGREEMENT

PANERA, LLC

AREA DEVELOPMENT AGREEMENT

TABLE OF CONTENTS

	<u>Page</u>
1. INTRODUCTION.....	1
1.01 Panera Bread Bakery-Cafes	1
1.02 Your Acknowledgments	1
1.03 Your Representations.....	1
1.04 Certain Definitions	1
2. DEVELOPMENT RIGHTS.....	4
2.01 Term and Development Fee	4
2.02 Development Rights	4
2.03 Development Obligations	4
2.04 Our Reservation of Rights.....	5
3. GRANT OF FRANCHISES.....	5
3.01 Site Selection Assistance	5
3.02 Site Evaluation and Acceptance	5
3.03 Financial Qualifications	6
3.04 Grant of Franchise	6
3.05 Restrictions on Debt.....	6
3.06 Annual Reports	7
4. YOUR ORGANIZATION AND MANAGEMENT.....	7
4.01 Organizational Documents	7
4.02 Disclosure of Ownership Interests	7
4.03 Operating Partner/Management of Business	8
4.04 Orientation Meetings	8
5. RELATIONSHIP OF THE PARTIES.....	8
5.01 Independent Contractors.....	8
5.02 Indemnification.....	9
5.03 Ownership of the Marks.....	9
6. RESTRICTIVE COVENANTS.....	9
6.01 Confidential Information.....	9
6.02 In-Term Covenants	10
6.03 Information Exchange.....	10
7. AREA DEVELOPER'S RIGHT TO TRANSFER.....	10
7.01 Franchisor's Approval.....	10
7.02 Conditions for Approval	10
7.03 Effect of Approval	11
7.04 Special Transfers	11
7.05 Death or Disability of Area Developer.....	11
7.06 Franchisor's Right of First Refusal.....	11
7.07 Securities Offerings	12
8. TERMINATION OF THE AGREEMENT.....	12
8.01 Immediate Termination.....	12
8.02 Termination Upon Notice.....	13
9. EFFECT OF TERMINATION AND EXPIRATION.....	13
9.01 Continuing Obligations.....	13
9.02 Post-Term Covenants	13
10. DISPUTE RESOLUTION.....	14
10.01 Arbitration	14
10.02 Jurisdiction.....	14
10.03 Survival.....	14
11. MISCELLANEOUS.....	14
11.01 Severability and Substitution of Provisions.....	14
11.02 Waiver of Obligations	15

11.03	Exercise of Rights.....	15
11.04	Injunctive Relief.....	15
11.05	Attorneys' Fees.....	15
11.06	Governing Law	15
11.07	Successors and Assigns.....	15
11.08	Limitations on Legal Actions.....	15
11.09	Construction.....	16
11.10	Approvals and Consents.....	16
11.11	Notices	16
11.12	No Waiver or Disclaimer of Reliance in Certain States	16
EXHIBIT A -	DEVELOPMENT AREA AND SCHEDULE	
EXHIBIT A-1 -	PLAN OF DEVELOPMENT AREA	
EXHIBIT B -	AREA DEVELOPER AND ITS OWNERS	
EXHIBIT C -	PRINCIPAL OWNERS' PERSONAL GUARANTY OF AREA DEVELOPER'S OBLIGATIONS	
EXHIBIT D -	INVESTOR PERSONAL COVENANTS REGARDING CONFIDENTIALITY AND NON-COMPETITION	

PANERA, LLC
AREA DEVELOPMENT AGREEMENT

This Area Development Agreement (this “Agreement”) is made as of the ____ day of _____, ____ between **PANERA, LLC** (“Franchisor,” “we,” “us” or “Panera Bread”), a Delaware limited liability company, with its principal place of business located at 1400 South Highway Drive, Suite 100, Fenton Missouri 63026, and _____ (“Area Developer” or “you”), a(n) _____, whose principal address is _____.

1. INTRODUCTION.

1.01 Panera Bread Bakery-Cafes. We own, operate and franchise Panera Bread Bakery-Cafes, specializing in the retail sale of high quality food in a warm, friendly and comfortable environment. Our key menu groups are daily baked goods, including a variety of freshly baked bagels, breads, muffins, scones, rolls and sweet goods, made-to-order sandwiches on freshly baked breads, hearty, unique soups, pasta dishes and side items, freshly prepared and hand-tossed salads, and custom roasted coffees and cafe beverages, such as hot or cold espresso and cappuccino drinks and smoothies, as well as other menu items and merchandise related to the Panera Bread concept as we may authorize from time to time. We, or our Affiliates, have developed and own a comprehensive system for developing and operating Panera Bread Bakery-Cafes, which includes trademarks, building designs and layouts, equipment, ingredients, specifications and recipes for authorized food products, methods of inventory control, training programs and certain operations and business standards and policies, all of which we may improve, further develop or otherwise modify from time to time.

1.02 Your Acknowledgments. You have read this Agreement and, by signing this Agreement, you acknowledge your understanding that the Panera Bread concept offers a high-quality quick casual dining experience. You accept the proposition that to deliver that experience requires a different approach to the quality of food products, level of design and environment and customer experience (impacted by the quality of people and training) not typically found in quick service food establishments. You understand the terms of this Agreement and accept them as being reasonably necessary to maintain the uniformity of our high quality standards at all Panera Bread Bakery-Cafes in order to protect and preserve the goodwill of the Marks and the integrity of the System. You have conducted an independent investigation of the business contemplated by this Agreement and recognize that the restaurant industry is highly competitive, with constantly changing market conditions. You recognize that the nature of Panera Bread Bakery-Cafes may change over time, that an investment in Panera Bread Bakery-Cafes involves business risks and that the success of the venture is largely dependent on your own business abilities, efforts and financial resources.

1.03 Your Representations. You and your Principal Owners jointly and severally represent and warrant to us that: (a) neither you nor any of your Principal Owners has made any untrue statement of any material fact or has omitted to state any material fact in the Franchise Candidate Qualification Packet or any other written information in obtaining the rights granted hereunder; (b) neither you nor any of your Owners has any direct or indirect legal or beneficial interest in any business that may be deemed a Competitive Business, except as otherwise completely and accurately disclosed in your Franchise Candidate Qualification Packet; and (c) the execution and performance of this Agreement will not violate any other agreement to which you or any of your Owners may be bound. You recognize that we have executed this Agreement in reliance on all of the statements you and your Owners have made in the Franchise Candidate Qualification Packet and any other written information.

1.04 Certain Definitions. The terms listed below have the meanings that follow them and include the plural as well as the singular. Other terms are defined elsewhere in this Agreement in the context in which they arise.

“**Affiliate**” – Any person or entity that directly or indirectly owns or controls the referenced party, that is directly or indirectly owned or controlled by the referenced party, or that is under common control with the referenced party. The term “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through ownership of voting securities, by contract or otherwise.

“**Assumed Net Sales**” – The mean average Net Sales of all Panera Bread Bakery-Cafes, if any, that you and your Affiliates own and/or operate pursuant to Franchise Agreements during the referenced Reporting Period (as defined in the Franchise Agreements); otherwise, the mean average Net Sales of all Panera Bread Bakery-Cafes that we and our Affiliates own and/or operate in the U.S during the referenced Reporting Period.

“Competitive Business” – Any retail food establishment (including any restaurant or bakery) in which any of the following categories constitutes more than twenty percent (20%) of its annual revenues: (i) bakery goods, breads and other food products for which dough is a significant ingredient or component; (ii) sandwiches of any kind or nature (including wraps and submarines), soups and/or salads, other than those ordered through a wait person taking orders at a table (the term “sandwiches” shall not include hamburgers); or (iii) coffee and coffee-based drinks; as well as any business (without regard to revenue) that manufactures, wholesales and/or distributes fresh or frozen dough or bakery products and any other business that is the same as, or similar to, the Panera Bread Bakery-Cafe concept as it evolves or changes over time. Restrictions in this Agreement on competitive activities do not apply to: (a) the ownership or operation of other Panera Bread Bakery-Cafes that are licensed or franchised by us or any of our Affiliates; or (b) the ownership of shares of a class of securities that are listed on a public stock exchange or traded on the over-the-counter market and that represent less than five percent (5%) of that class of securities.

“Confidential Information” – Our proprietary and confidential information relating to the development and operation of Panera Bread Bakery-Cafes, including: (1) all information contained in Policy Manual; (2) ingredients, recipes and methods of preparation and presentation of authorized food products; (3) site selection criteria for Panera Bread Bakery-Cafes and plans and specifications for the development of Panera Bread Bakery-Cafes; (4) sales, marketing and advertising programs and techniques for Panera Bread Bakery-Cafes; (5) identity of suppliers and knowledge of specifications, processes, procedures and equipment, and pricing for authorized food products, materials, supplies and equipment; (6) knowledge of operating results and financial performance of Panera Bread Bakery-Cafes, other than Panera Bread Bakery-Cafes you own; (7) methods of inventory control, storage, product handling, training and management relating to Panera Bread Bakery-Cafes; (8) computer systems and software programs used or useful in Panera Bread Bakery-Cafes; and (9) any and all other information which is provided to you that is designated orally or in writing as proprietary or confidential or by its nature would reasonably be understood to be proprietary or confidential regardless of whether such information is specifically designated as proprietary or confidential.

“Development Deficiency Initial Fees” – An amount equal to the initial franchise fee payable for each Panera Bread Bakery-Cafe that you have failed to open in accordance with the development requirements of Section 2.03 hereof.

“Development Deficiency Period” – The period of time starting on the date of a breach of the Development Schedule and ending on the earlier to occur of (a) the date that the breach of the Development Schedule is cured, and (b) the effective date of termination of this Agreement.

“Development Deficiency Royalty Fees” – An amount equal to five percent (5%) of the Assumed Net Sales for the Reporting Period (as defined in the Franchise Agreements) for each Panera Bread Bakery-Cafe that you have failed to open in accordance with the development requirements of Section 2.03 hereof.

“Digital Signature” – An electronic signature that can be used to authenticate the identity of the signer as well as the integrity of the signed document through the use of a public key cryptography and a digital certificate. Digital Signatures are sometimes referred to as ‘advanced electronic signatures’, ‘qualified electronic signatures’, or other terms in jurisdictions outside of the United States.

“Electronic Signature” – An electronic symbol, or process, attached to, or logically associated with, a contract or other record intended to serve as a signature. Examples of an electronic signature include checking the “Accept” button to accept the terms and be bound by an online “click-through” agreement, signing on an electronic signature pad, typing a name or symbol on a signature line, or applying a signature image.

“Franchise Candidate Qualification Packet” – The personal, financial, business and other information relating to you and your Owners set forth in the Franchise Candidate Qualification Packet which you and your Owners have completed and submitted to us.

“Immediate Family” – Spouse, parents, brothers, sisters and children, whether natural or adopted, of the referenced person.

“Marks” – The current and future trade names, trademarks, service marks and trade dress that are used to identify the services and/or products offered by Panera Bread Bakery-Cafes, including the mark “PANERA BREAD” and the distinctive building design and color scheme of Panera Bread Bakery-Cafes.

“MSA” – A metropolitan statistical area, as determined by the U.S. Census Bureau.

“Net Sales” – The aggregate amount, determined in accordance with Panera Standards, of all sales of food, beverages and other products and merchandise sold and services rendered at the Premises or otherwise rendered in connection with your Bakery-Cafe or your use of the Marks, including monies derived from sales at or away from your Bakery-Cafe (e.g., catering and delivery), whether for cash or credit, but excluding: (1) all federal, state or municipal sales or service taxes collected from customers and paid to the appropriate taxing authorities; and (2) all customer refunds and adjustments and promotional discounts made by your Bakery-Cafe.

“Operating Partner” – The individual you so designate in Exhibit B and any replacement thereof approved by us.

“Owner” – Each person or entity that has a direct or indirect legal or beneficial ownership interest in Area Developer.

“Panera Bread Bakery-Cafes” – Bakery-cafes which we or any of our Affiliates own, operate or franchise and which use the Marks and the System.

“Panera Standards” – The accounting, audit and tax standards, methods, practices and procedures as may be established from time to time by us, in our sole discretion, with respect to, among other things, the maintenance of books and records, and the preparation and presentation of financial information and financial statements, but which shall not be materially inconsistent with generally accepted accounting principles consistently applied and which are utilized by us in connection with our Panera Bread Bakery-Cafes. In absence of any particular standard, method, practice or procedure established by us, the term “Panera Standards” shall refer to generally accepted accounting principles, consistently applied.

“Principal Owner” – Each Owner with a ten percent (10%) or greater interest in Area Developer.

“System” – The business methods, designs and arrangements for developing and operating Panera Bread Bakery-Cafes, which include the Marks, building design and layouts, equipment, ingredients, recipes, methods of preparation and specifications for authorized food products, training, methods of inventory control and certain operating and business standards and policies, all of which we may improve, further develop or otherwise modify from time to time.

“Transfer the Development Rights” – or similar words – The direct or indirect sale, assignment, transfer, exchange, conversion, license, sublicense, lease, sublease, mortgage, pledge, collateral assignment, grant of a security, collateral or conditional interest or other encumbrance in or on, or other disposition, whether voluntary, involuntary, by operation of law or otherwise, of this Agreement, of any interest in or right under this Agreement, any form of legal or beneficial ownership interest in Area Developer, or any form of ownership interest or right to participate in or receive the benefits of the assets, revenues, income or profits of your business, or any one or more other acts or events not covered by the foregoing that we reasonably determine to be a form of direct or indirect transfer, including: (1) any transfer, redemption or issuance of a legal or beneficial ownership interest in the capital stock of, a membership interest in, or a partnership interest in, Area Developer or any interest convertible into or exchangeable for capital stock of, a membership interest in or a partnership interest in, Area Developer; (2) any merger or consolidation of Area Developer, whether or not Area Developer is the surviving entity, or any conversion of Area Developer from one form of legal entity into another form of legal entity, or any sale, exchange, encumbrance or other disposition of your assets; (3) any transfer in connection with or as a result of a divorce, dissolution of marriage or similar proceeding or a property settlement or legal separation agreement in the context of a divorce, dissolution of marriage or similar proceeding, an insolvency, bankruptcy or assignment for benefit of creditors, a judgment, a corporate, limited liability company or partnership dissolution or otherwise by operation of law; or (4) any transfer by gift, declaration of trust, transfer in trust, revocation of trust, trustee succession, trust termination, discretionary or mandatory trust distribution, occurrence of any event (e.g., death of a person) that affects or ripens the rights of contingent beneficiaries, exercise of a power of appointment, exercise of a withdrawal right, adjudication of any Principal Owner as legally disabled, or upon the death of any of your Principal Owners, by will or the laws of intestate succession or otherwise.

“your Bakery-Cafe” – The Panera Bread Bakery-Cafe operated by you under a Franchise Agreement.

2. DEVELOPMENT RIGHTS.

2.01 Term and Development Fee. Unless sooner terminated in accordance with Section 8, the term of this Agreement (the “Term”) starts on the date hereof and expires on the earlier of the expiration date set forth in Exhibit A or the date upon which Area Developer opens for operation the cumulative number of Panera Bread Bakery-Cafes in the Development Area (as such term is defined in Section 2.02 hereof) set forth in Exhibit A. You have no right to renew or extend your rights under this Agreement. At the time you sign this Agreement, you must pay us the nonrefundable development fee set forth in Exhibit A.

2.02 Development Rights. During the Term and provided you and your Affiliates are in compliance with this Agreement and all other agreements with us or any of our Affiliates (including Franchise Agreements signed pursuant to this Agreement), we will: (a) grant to you, in accordance with Section 3, that cumulative number of franchises for Panera Bread Bakery-Cafes set forth in Exhibit A, all of which are to be located within the geographic area described in Exhibit A (“the Development Area”); and (b) not operate (directly or through an Affiliate), nor grant the right to operate, any Panera Bread Bakery-Cafe located within the Development Area, except for: (1) franchises granted pursuant to this Agreement; (2) Panera Bread Bakery-Cafes open (or under commitment to open) as of the date hereof; (3) Panera Bread Bakery-Cafes or other retail food establishments using any part or all of the System and/or Marks that are: (i) located within retail outlets, restaurants, grocery stores, supermarkets or other channels of distribution (including wholesale distribution of baked goods to restaurants, supermarkets, grocery stores, caterers and other outlets and using such media as deemed appropriate including the Internet, catalog sales, telemarketing or other direct marketing); or (ii) located at transportation facilities (such as airport facilities, inter-MSA train and/or bus stations, turnpikes or other limited access highway rest stops), hospitals, colleges, universities, sports arenas, entertainment facilities, and military facilities, or where any locations or its food operations are controlled by a third party or in our judgment should be operated by a third party (collectively “Special Locations”); and (4) retail food establishments (including restaurants, cafes and bakeries) that we purchase (or as to which we purchase the rights as franchisor) that are part of another franchise system or chain, regardless whether any or all of them are converted to use any or all of the Marks and/or System or continue to be operated independently. Notwithstanding any other term or condition of this Agreement to the contrary, you may not develop a Panera Bread Bakery-Cafe within one (1) mile of another Panera Bread Bakery-Cafe (which is either open or operating or has been approved by us for development) that is located outside of your Area Development Agreement.

2.03 Development Obligations. You must have open and operating in the Development Area in accordance with and pursuant to Franchise Agreements, that cumulative number of Panera Bread Bakery-Cafes set forth in Exhibit A by the corresponding dates set forth therein (“Development Schedule”); you must have timely submitted a sufficient number of Site Information Packages pursuant to Section 3.02 for bona fide sites resulting in a cumulative number of Site Acceptance Letters set forth in Exhibit A by the corresponding dates set forth therein (“Site Acceptance Letter Schedule”); and if applicable, you must have remodeled that cumulative number of Panera Bread Bakery-Cafes set forth in Exhibit A by the corresponding dates set forth therein (“Remodel Schedule”). Time is of the essence in this Agreement, and any requests by you to extend the Development Schedule, the Site Acceptance Letter Schedule or, if applicable, the Remodel Schedule may be granted or denied by us for any reason or no reason. Your failure to develop and operate Panera Bread Bakery-Cafes in accordance with the Development Schedule or your failure to have obtained Site Acceptance Letters in accordance with the Site Acceptance Letter Schedule is a material breach of this Agreement for which we have the right to exercise any and all rights and remedies conferred under this Agreement and applicable law, including the right, in our sole discretion, to: (a) terminate this Agreement immediately pursuant to Section 8.02 without prejudice to our recovery of damages; or (b) at our discretion, offer you the option of deferring the termination of the Agreement on the condition that you pay to us (i) on demand, a Development Deficiency Initial Fee for each Panera Bread Bakery-Cafe that you have so failed to open; and (ii) Development Deficiency Royalty Fees, payable concurrently with the royalty fees due under Franchise Agreements during the Development Deficiency Period. In the event termination of this Agreement is deferred in accordance with section (b) of the preceding sentence, and Area Developer fails to pay any Development Deficiency Initial Fee or Development Deficiency Royalty Fee when due, then we have the right to revoke the deferral of termination and terminate this Agreement immediately, effective on notice thereof, without prejudice to our recovery of damages. The Development Deficiency Initial Fees and the Development Deficiency Royalty Fees are not refundable under any circumstances, provided the Development Deficiency Initial Fees shall be creditable against the initial franchise fees payable under Franchise Agreements thereafter executed pursuant to this Agreement. The exercise of our rights under Section 2.03(b) does not preclude us from exercising any other rights and/or remedies, including the right to terminate as described in Section 2.03(a) any time after we first exercise our rights under Section 2.03(b). This Section 2.03 shall survive

the expiration or termination of this Agreement and shall continue in full force and effect for a period of two (2) years after such expiration or termination.

If your right to develop Panera Bread Bakery-Cafes expires or is terminated, we shall have the right thereafter to develop and operate, or to allow others to develop and operate, Panera Bread Bakery-Cafes in the Development Area, subject to such radius protection as may be granted pursuant to Franchise Agreements executed pursuant hereto. Notwithstanding any other term or condition of this Section 2.03, you shall not be deemed to be in breach of this Section 2.03 or the Development Schedule set forth in Exhibit A if your failure to timely open the requisite number of Panera Bread Bakery-Cafes results solely from windstorms, rains, floods, earthquakes, typhoons, mudslides, fires or other natural disasters. Any delay resulting from any of such causes shall extend performance accordingly, in whole or in part, as may be reasonable, except that no such cause, alone or in combination with other causes, shall extend performance more than ninety (90) days without our prior written consent, which consent may be withheld in our sole discretion.

2.04 Our Reservation of Rights. Except as otherwise expressly provided in this Agreement, we and all of our Affiliates (and our respective successors and assigns, by purchase, merger, consolidation or otherwise) retain all of our rights and discretion with respect to the Marks, the System and Panera Bread Bakery-Cafes anywhere in the world, and the right to engage in any business whatsoever, including the right to: (a) operate, and grant to others the right to operate, Panera Bread Bakery-Cafes at such locations and on such terms and conditions as we deem appropriate; (b) sell any products or services under any trade names, trademarks, service marks or trade dress, including the Marks, through other channels of distribution (including wholesale distribution of baked goods to restaurants, supermarkets, grocery stores, caterers and other outlets and using such media as deemed appropriate, including the Internet, catalog sales, telemarketing or other direct marketing); and (c) operate, and grant to others the right to operate, retail food establishments (including restaurants, cafes or bakeries) identified by trade names, trademarks, service marks or trade dress, other than the Marks, pursuant to such terms and conditions as we deem appropriate.

3. GRANT OF FRANCHISES.

3.01 Site Selection Assistance. We will furnish you with our standard site selection criteria and assistance for Panera Bread Bakery-Cafes, as we may establish from time to time. We also will provide such on-site evaluation of sites proposed pursuant hereto as we deem necessary or appropriate.

3.02 Site Evaluation and Acceptance. Subject to Section 2.02, we will accept sites for the cumulative number of Panera Bread Bakery-Cafes set forth in Exhibit A located within the Development Area in accordance with the following provisions:

(a) You must submit to us, in accordance with procedures we establish from time to time, a complete site information form, as we may establish from time to time (the "Site Information Package"), containing all information that we reasonably require for each site for a Panera Bread Bakery-Cafe that you propose to develop and operate and that you in good faith believe to conform to our then-current standard site selection criteria for Panera Bread Bakery-Cafes;

(b) We will accept or reject each site for which you submit to us a complete Site Information Package in accordance with Section 3.02(a) and, if we accept the site, we will do so by delivering our standard Site Acceptance Letter. Our Site Acceptance Letter, duly executed by us, is the exclusive means by which we accept a proposed site, and no other direct or indirect representation, approval or acceptance, whether in writing or verbally, by any of our officers, employees or agents, shall be effective or bind us. We will use all reasonable efforts to make a site acceptance decision and, if the site is accepted, deliver a Site Acceptance Letter to you within thirty (30) days after we receive the complete Site Information Package and any other materials we have requested. In deciding whether to accept or reject a site you propose, we may consider such factors as we, in our sole discretion, deem appropriate, including the general location and neighborhood, demographic information, traffic patterns, access, visibility, location of other retail food establishments (including other Panera Bread Bakery-Cafes) and size, condition, configuration, appearance and other physical characteristics of the site. Neither our acceptance of a proposed site, nor any information communicated to you regarding our standard site selection criteria or the proposed site, constitutes a warranty or representation of any kind, express or implied, as to the suitability of the proposed site for a Panera Bread Bakery-Cafe or for any other purpose. Our acceptance of a proposed site merely signifies that we are willing to grant a franchise for a Panera Bread Bakery-Cafe at that location in accordance with the terms of this Agreement. Your decision to develop and operate a Panera Bread Bakery-Cafe at any site is based solely on your own independent investigation of the suitability of the site for a Panera Bread Bakery-Cafe. In consideration of our acceptance of a proposed site, you and your Owners agree to release us,

and our Affiliates, shareholders, members, officers, directors, managers, employees, agents, successors and assigns from any and all loss, damages and liability arising from or in connection with the selection and/or acceptance of such site for the development of a Panera Bread Bakery-Cafe.

(c) If you, one of your Owners, or one of your Affiliates at any time owns the premises for your Bakery-Cafe, you must immediately notify us and we may require that you or such Owner or Affiliate (1) enter into an agreement with us in recordable form granting us the right and option, in the event of a termination (for whatever reason) of the Franchise Agreement, to lease the Premises at fair market rental rates for a term coterminous (in absence of an early termination) with the term of the Franchise Agreement (with an option to extend for 10 years) for such premises; or (2) enter into a prime lease with us at fair market rental rates for a term coterminous with the term of the Franchise Agreement (with an option to extend for 10 years) for such premises and a sublease with us on the same terms as the prime lease. The prime lease and sublease referenced in the preceding sentence shall be on the then current lease and sublease forms used by us.

3.03 Financial Qualifications. In conjunction with our decision whether to accept or reject a proposed site, we may require that you and your Principal Owners furnish us financial statements (historical and pro forma), statements of the sources and uses of capital funds, budgets and other information regarding yourself, your Principal Owners and each legal entity, if any, involved in the development, ownership and operation of any Panera Bread Bakery-Cafe you propose, as well as any then existing Panera Bread Bakery-Cafes you or your Affiliates own. All such information shall be verified by you and your Principal Owners as being complete and accurate in all respects, shall be submitted to us in accordance with our requirements and will be relied on by us in determining whether to grant a franchise for the proposed Panera Bread Bakery-Cafe. We may refuse to grant you a franchise for a Panera Bread Bakery-Cafe if you fail to demonstrate sufficient financial and management capabilities to properly develop and operate the proposed Panera Bread Bakery-Cafe and the then-existing Panera Bread Bakery-Cafes you and your Affiliates own. We will evaluate such financial and management capabilities in accordance with the then-current standards we use to establish Panera Bread Bakery-Cafes in other comparable market areas.

3.04 Grant of Franchise. If we accept a proposed site pursuant to [Section 3.02](#), and you demonstrate the requisite financial and management capabilities (if requested by us) pursuant to [Section 3.03](#), then we agree to offer you a franchise to operate a Panera Bread Bakery-Cafe at the proposed site by delivering to you our then-current form of standard franchise agreement, together with all standard ancillary documents (including exhibits, addenda, riders, collateral assignments of leases, Principal Owner guarantees and other related documents) and a purchase option addendum that we then customarily use in granting franchises for the operation of Panera Bread Bakery-Cafes in the state in which the Panera Bread Bakery-Cafe is to be located (“the Franchise Agreement”), as follows:

(a) The Franchise Agreement must be executed by you and your Owners and returned to us not earlier than five (5) business days and not later than fifteen (15) business days after we deliver it to you. If we do not receive the fully executed Franchise Agreement and payment of the initial franchise fee as required hereunder, we may revoke our offer to grant you a franchise to operate a Panera Bread Bakery-Cafe at the proposed site and may revoke our acceptance of the proposed site. Concurrently with your execution and delivery to us of each Franchise Agreement, you and your Owners and Affiliates must, except to the extent limited or prohibited by applicable law, execute and deliver to us a general release in form and substance satisfactory to us, of any and all claims against us, our Affiliates and shareholders, members, officers, directors, managers, employees, agents, successors and assigns; and

(b) The initial franchise fee payable for each Panera Bread Bakery-Cafe required to be developed by Area Developer pursuant to this Agreement shall be Thirty Five Thousand Dollars (\$35,000.00), payable at least thirty (30) days before the scheduled opening of your Bakery-Cafe, and the royalty fees shall not exceed the percentage set forth in our standard form franchise agreement being offered as of the date of this Agreement. Five Thousand Dollars (\$5,000.00) of the development fee paid in accordance with [Section 2.01](#) will be applied against the initial franchise fee payable under each Franchise Agreement entered into pursuant to the terms of this Agreement. You acknowledge and agree that no portion of the development fee shall be refundable for any Panera Bread Bakery-Cafes that you have failed to develop in accordance with the terms of this Agreement.

3.05 Restrictions on Debt. In connection with the development of Panera Bread Bakery Cafes in the Development Area, including payment to us of the development fee set forth in [Exhibit A](#), the payment of franchise fees and the costs and expenses to be incurred pursuant to Franchise Agreements, you and each Owner represent, warrant, covenant and agree that neither you nor any Owner borrowed any funds or otherwise incurred any debt to obtain any funds for the payment of any of such fees, costs and expenses, except as specifically permitted in this [Section 3.05](#). You

and each Owner shall not, without our prior written consent, which we may grant or deny in our sole discretion, directly or indirectly borrow any money or incur any debt or liability (other than lease obligations for the Panera Bread Bakery-Cafe's land and building and trade payables in the ordinary course of business) to develop the Development Area or to establish, operate and maintain the Panera Bread Bakery-Cafes to be established in the Development Area pursuant to this Agreement, in amounts in excess of seventy five percent (75%) of the actual aggregate undepreciated costs of the leasehold improvements, furniture, fixtures, kitchen equipment and signs for all of the Panera Bread Bakery-Cafes owned or operated by you, and/or any of your Owners or Affiliates, with repayment terms of no more than ten (10) years. You acknowledge any security interest in or pledge of assets or ownership interest in connection therewith constitutes a Transfer of the Development Rights subject to the terms of this Agreement, including obtaining our approval and executing such agreements and certificates as we may require. For purposes of this Section 3.05, any equity or other interest that we deem to be substantially similar to debt or borrowed funds (e.g., equity interests with preferences, dividends, etc.) shall be deemed debt or borrowed funds. You shall not extend, renew, refinance, modify or amend any debt or liability permitted by this Section 3.05 without our prior written consent, which consent we may grant or deny in our sole discretion.

3.06 Annual Reports. You must furnish us: (a) within ninety (90) days after the end of each calendar year, (i) a consolidated year-end balance sheet and income statement and statement of cash flow for you and all of your Affiliates that develop, own or operate Panera Bread Bakery-Cafes, all prepared in accordance with Panera Standards, and reflecting all year-end adjustments and accruals; (ii) similar information from all Principal Owners who have executed guarantees of this Agreement; and (iii) such summaries of financial information as we may require from time to time; and (b) within thirty (30) days of our request, such other information as we may require from time to time, including income tax statements. All such reports shall use our then-current standard chart of accounts. You must execute a verification that the information in each such report and financial statement is complete and accurate. We reserve the right to require that your annual financial statements be audited, at your expense, by an independent certified public accountant approved by us. We reserve the right to publish or disclose information that we obtain under this Section 3.06 in any data compilations, collections, or aggregations that we deem appropriate, in our sole discretion.

Additionally, and at our request, you must complete and submit to us a franchisee financial qualification summary in the form designated by us, as it may change from time to time, with your submission.

4. YOUR ORGANIZATION AND MANAGEMENT.

4.01 Organizational Documents. You and each of your Owners represent, warrant and agree that: (a) you are duly organized and validly existing under the laws of the state of your organization, and, if a foreign business corporation, partnership, limited liability company or other legal entity, you are duly qualified to transact business in the state(s) in which the Development Area is located; (b) you have the authority to execute and deliver this Agreement and to perform your obligations hereunder; (c) true and complete copies of the articles of incorporation, articles of organization, operating agreement or principles, partnership agreement, bylaws, subscription agreements, buy-sell agreements, voting trust agreements, trust agreements and all other documents relating to your ownership, organization, capitalization, management and control, and any amendments thereto ("Organizational Documents") shall be promptly delivered to us; (d) your activities are restricted to those necessary solely for the development, ownership and operation of Panera Bread Bakery-Cafes in accordance with this Agreement and in accordance with any other agreements entered into with us or any of our Affiliates; (e) the Organizational Documents recite that the issuance, transfer or pledge of any direct or indirect legal or beneficial ownership interest is restricted by the terms of this Agreement; (f) all certificates representing direct or indirect legal or beneficial ownership interests now or hereafter issued must bear a legend in conformity with applicable law reciting or referring to such restrictions; and (g) you will deliver to us a Secretary/Clerk's/Trustee's Certificate or other evidence satisfactory to us that the execution, delivery and performance of this Agreement, each Franchise Agreement and all other agreements and ancillary documents contemplated hereby or thereby have been duly authorized by all necessary action by Area Developer, if you are corporation, partnership, limited liability company or other legal entity, as applicable.

4.02 Disclosure of Ownership Interests. You and each of your Owners represent, warrant and agree that Exhibit B is current, complete and accurate. You agree that updated Exhibits B will be furnished promptly to us, so that Exhibit B (as so revised and signed by you) is at all times current, complete and accurate. Each person who is or becomes a Principal Owner must execute an agreement in the form we prescribe, undertaking to be bound jointly and severally by the terms of this Agreement, the current form of which is attached hereto as Exhibit C. Each person who is or becomes an Owner, but not a Principal Owner, must execute an agreement in the form we prescribe, undertaking to be bound by the confidentiality and non-competition covenants contained in the Agreement, the current form of which is attached

hereto as Exhibit D. Each Owner must be an individual acting in his/her individual capacity, except as otherwise approved by us.

4.03 Operating Partner/Management of Business. You must designate in Exhibit B as the “Operating Partner” an individual approved by us who must: (a) own and control, or have the right to own and control (subject to terms and conditions reasonably acceptable to us), not less than a 10% interest in your equity; (b) have the authority to bind you regarding all communications with us and operational decisions with respect to your Bakery-Cafes; and (c) have completed our training program to our satisfaction.

Your Operating Partner: (a) shall exert his/her full-time and best efforts to the development and operation of all Panera Bread Bakery-Cafes you own; and (b) may not engage in any other business or activity, directly or indirectly, that requires substantial management responsibility or time commitments or otherwise may conflict with your obligations hereunder. You agree to provide us with copies of any arrangement, agreement or contract, and all amendments thereto, relating to your relationship with your Operating Partner. We shall have no responsibility, liability or obligation to any party to any such arrangement, agreement or contract, or any amendments thereto, on account of our review thereof or otherwise, and you agree to indemnify and hold us harmless with respect thereto. Each of your Bakery-Cafes at all times must be managed by your Operating Partner or by an on-site general manager, assistant general manager, or shift supervisor who has completed our training program to our satisfaction.

Prior to opening your first Bakery-Cafe, your Operating Partner and any other personnel who are intended to have, or who actually have, responsibilities for more than one Panera Bread Bakery-Cafe must complete the appropriate training program to our satisfaction. Thereafter, subsequently hired personnel must complete the appropriate training program to our satisfaction before assuming their position.

4.04 Orientation Meetings. We periodically hold an “Owner’s Orientation” and a “Marketing Orientation”. The “Owner’s Orientation” is to acquaint your Operating Partner with Panera’s System. Your Operating Partner is required to attend an “Owner’s Orientation” as soon as possible after entering into this Agreement. Your marketing director, Operating Partner, or other designated member of your organization must also attend at least one “Marketing Orientation”. They should attend the next “Marketing Orientation” after you enter into this Agreement or the next meeting after joining your organization.

5. RELATIONSHIP OF THE PARTIES.

5.01 Independent Contractors. Neither this Agreement nor the dealings of the parties pursuant to this Agreement shall create any fiduciary relationship or any other relationship of trust or confidence. Franchisor and Area Developer, as between themselves, are and shall be independent contractors.

You understand and agree that we may operate and change the System and our business in any manner that is not expressly and specifically prohibited by this Agreement. Whenever we have expressly reserved in this Agreement or are deemed to have a right and/or discretion to take or withhold an action, or to grant or decline to grant you a right to take or withhold an action, except as otherwise expressly and specifically provided in this Agreement, we may make our decision or exercise our right and/or discretion on the basis of our judgment of what is in our best interests, including our judgment of what is in the best interests of our franchise network, at the time our decision is made or our right or discretion is exercised, without regard to whether: (a) other reasonable alternative decisions or actions could have been made by us; (b) our decision or the action we take promotes our financial or other individual interest; (c) our decision or the action we take applies differently to you and one or more other franchisees or our company-owned operations; or (d) our decision or the exercise of our right or discretion is adverse to your interests. In the absence of an applicable statute, we will have no liability to you for any such decision or action. We and you intend that the exercise of our right or discretion will not be subject to limitation or review. If applicable law implies a covenant of good faith and fair dealing in this Agreement, we and you agree that such covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement and that this Agreement grants us the right to make decisions, take actions and/or refrain from taking actions not inconsistent with your rights and obligations hereunder.

Nothing contained in this Agreement, or arising from the conduct of the parties hereunder, is intended to make either party a general or special agent, joint venturer, partner or employee of the other for any purpose whatsoever. You must conspicuously identify yourself in all dealings with customers, lessors, contractors, suppliers, public officials, employees and others as the owner of development rights granted hereunder and must place such other notices of independent ownership on such forms, business cards, stationery, advertising and other materials as we may require from time to time.

You may not make any express or implied agreements, warranties, guarantees or representations or incur any debt in our name or on our behalf or represent that the relationship of the parties hereto is anything other than that of independent contractors. We will not be obligated by or have any liability under any agreements made by you with any third party or for any representations made by you to any third party. We will not be obligated for any damages to any person or property arising directly or indirectly out of the operation of your business hereunder.

5.02 Indemnification. You agree to indemnify us, our Affiliates and our respective directors, officers, employees, shareholders, members, managers, agents, successors and assigns (collectively “indemnitees”), and to hold the indemnitees harmless to the fullest extent permitted by law, from any and all losses and expenses (as defined below) incurred in connection with any litigation or other form of adjudicatory procedure, claim, demand, investigation, formal or informal inquiry (regardless of whether it is reduced to judgment) or any settlement thereof which arises directly or indirectly from, or as a result of, a claim of a third party against any one or more of the indemnitees in connection with (i) your failure to perform or breach of any covenant, agreement, term or provision of this Agreement; (ii) your breach of any representation or warranty contained in this Agreement; (iii) your development, ownership, operation and/or closing of any of your Bakery-Cafes; and (iv) any allegedly unauthorized service or act rendered or performed in connection with this Agreement (collectively “event”), and regardless of whether it resulted from any strict or vicarious liability imposed by law on the indemnitees. The foregoing indemnity shall apply even if it is determined that the indemnitees’ negligence caused such loss, liability or expense, in whole or in part, provided, however, that this indemnity will not apply to any liability arising from a breach of this Agreement by the indemnitees or the gross negligence or willful acts of indemnitees (except to the extent that joint liability is involved, in which event the indemnification provided herein will extend to any finding of comparative or contributory negligence attributable to you). The term “losses and expenses” includes compensatory, exemplary and punitive damages; fines and penalties; attorneys’ fees; experts’ fees; court costs; costs associated with investigating and defending against claims; settlement amounts; judgments; compensation for damages to our reputation and goodwill; and all other costs associated with any of the foregoing losses and expenses. We agree to give you reasonable notice of any event of which we become aware for which indemnification may be required and we may elect (but are not obligated) to direct the defense thereof, provided that the selection of counsel shall be subject to your consent, which consent shall not be unreasonably withheld or delayed. We may, in our reasonable discretion, take such actions as we deem necessary and appropriate to investigate, defend or settle any event or take other remedial or corrective actions with respect thereto as may be necessary for the protection of indemnitees or Panera Bread Bakery-Cafes generally, provided however, that any settlement shall be subject to your consent, which consent shall not be unreasonably withheld or delayed. Further, notwithstanding the foregoing, if the insurer on a policy or policies obtained in compliance with your Franchise Agreement agrees to undertake the defense of an event (an “Insured Event”), we agree not to exercise our right to select counsel to defend the event if such would cause your insurer to deny coverage. We reserve the right to retain counsel to represent us with respect to an Insured Event at our sole cost and expense. This Section 5.02 shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

5.03 Ownership of the Marks. You acknowledge that our Affiliate, Pumpernickel Associates, LLC, owns the Marks and that you are not granted the right under this Agreement to use the Marks. Your right to use the Marks arises solely from, and is limited to, Franchise Agreements entered into between you and us. You may not use any Mark (or any abbreviation, modification or colorable imitation) as part of any corporate, legal or other business name (other than in connection with any legally required fictitious or assumed name filings), or with any prefix, suffix or other modifying words, terms, designs or symbols, or with the name or other designation of the metropolitan area or city in which the Panera Bread Bakery-Cafe is located, or in any other manner (including any Internet related use such as an electronic media identifier, for websites, web pages or domain names) not explicitly authorized in writing by us. You may not at any time during or after the Term contest, or assist any other person or entity in contesting, the validity or ownership of any of the Marks.

6. RESTRICTIVE COVENANTS.

6.01 Confidential Information. We will disclose (or will cause to be disclosed) parts of our Confidential Information to you solely for your use in connection with this Agreement. The Confidential Information is proprietary and includes our trade secrets. During the Term and thereafter: (a) you and your Owners may not use the Confidential Information in any other business or capacity (you acknowledge such use is an unfair method of competition); (b) you and your Owners must maintain the confidentiality of the Confidential Information; (c) you and your Owners may not make unauthorized copies, nor permit unauthorized access to, or any portion of the Confidential Information disclosed in written, electronic or other form; and (d) you and your Owners must implement all reasonable procedures we prescribe from time to time to prevent unauthorized use or disclosure of the Confidential Information, including the use of

nondisclosure agreements with your Owners, officers, directors, Operating Partner, managers, assistant managers, lead bakers and the like, and you and your Owners must deliver such agreements to us. At the end of the Term, you and your Owners must deliver to us all such Confidential Information in your possession or control, except for such information as you are permitted to retain pursuant to Franchise Agreements then in effect. Your restrictions on disclosure and use of Confidential Information do not apply to information or techniques which are or become generally known in the restaurant industry (other than through your own disclosure), provided you obtain our prior written consent to such disclosure or use.

6.02 In-Term Covenants. During the Term, neither you nor any of your Owners may, without our consent (which consent may be withheld at our discretion):

(a) directly or indirectly (such as through an Affiliate or a member of his/her or their Immediate Families) own any legal or beneficial interest in, or render services or give advice to: (1) any Competitive Business located anywhere; or (2) any entity located anywhere that grants franchises, licenses or other interests to others to operate any Competitive Business; or

(b) divert or attempt to divert any business or customer of Panera Bread Bakery-Cafes to any competitor or do anything injurious or prejudicial to the goodwill associated with the Marks or the System.

6.03 Information Exchange. All recipes, processes, ideas, concepts, advertising and promotional materials, website pages and content, methods, techniques or materials used or useful to a restaurant, grocery store, bakery-cafe, bakery or dough production business, or other business offering bakery products, whether or not constituting protectable intellectual property (collectively, the “Materials”), that you create, or that are created on your behalf, in connection with the development or operation of your Bakery-Cafes must be promptly disclosed to us. If we adopt any of such Materials as part of the System, or deem them to be sufficiently related to us and our business to be considered proprietary, they will be deemed to be our sole and exclusive property and deemed to be Works-made-for-Hire (as such term is defined under Section 101 of the Copyright Act) for us, and to the extent the Materials may for any reason not be considered a Work-made-for-Hire, you irrevocably convey, grant, transfer and assign to us all right, title and interest which you may have now or in the future in and to the Materials. You agree to sign whatever assignment or other documents we request, during and after the Term of this Agreement, to evidence our ownership or to assist us in securing intellectual property rights in the Materials, and you warrant that you will obtain all rights from any third party acting on your behalf to comply with this provision.

7. AREA DEVELOPER'S RIGHT TO TRANSFER.

7.01 Franchisor's Approval. Your rights and duties under this Agreement are personal to you and your Owners. Accordingly, neither you nor any of your Owners may Transfer the Development Rights without our prior approval and without complying with the terms and conditions of Section 7. Any such transfer without such approval or compliance constitutes a breach of this Agreement and is void and of no force or effect. You may not under any circumstances directly or indirectly subfranchise or sublicense any of your rights hereunder.

7.02 Conditions for Approval. If we have not exercised our right of first refusal under Section 7.06, we will not unreasonably withhold our approval of a Transfer of the Development Rights that meets all of the reasonable restrictions, requirements and conditions we impose on the transfer, the transferor(s) and/or the transferee(s), including the following:

(a) you and your Owners and Affiliates must be in compliance with the provisions of this Agreement, all Franchise Agreements executed pursuant hereto and all other agreements with us or any of our Affiliates;

(b) the proposed transferee and its owners must provide us on a timely basis all information we request; the transferee's owners must be individuals acting in their individual capacities who are of good character and reputation; and the transferee and its owners must have sufficient business experience, aptitude and financial resources to develop Panera Bread Bakery-Cafes pursuant to this Agreement, and must otherwise meet our then-current standards for approval;

(c) the proposed transferee may not be an entity, or be affiliated with an entity, that is an institutional or professional investor or is required to comply with the reporting and information requirements of the Securities Exchange Act of 1934, as amended;

(d) the transferee (and its owners) must agree to be bound by all of the provisions of this Agreement for the remainder of the Term;

(e) the transferee must acquire, in a concurrent transaction, all of your rights and the rights of your Owners and Affiliates under all agreements between you or your Affiliates and us or our Affiliates, including all Franchise Agreements for Panera Bread Bakery-Cafes executed by you or your Owners or Affiliates pursuant to this Agreement or pursuant to any other development or similar agreement with us;

(f) you or the transferee must pay us a transfer fee in an amount equal to Seven Thousand Five Hundred Dollars (\$7,500.00), plus costs, plus Seven Thousand Five Hundred Dollars (\$7,500.00) for each Panera Bread Bakery-Cafe for which a Franchise Agreement has been executed pursuant hereto (as required under the terms of such Franchise Agreements), plus any transfer fee required by any other agreement between you or your Affiliates and us or our Affiliates;

(g) you and your Owners and Affiliates must, except to the extent limited or prohibited by applicable law, execute a general release, in form and substance satisfactory to us, of any and all claims against us, our Affiliates and shareholders, members, managers, officers, directors, employees, agents, successors and assigns;

(h) we must not have disapproved the material terms and conditions of such transfer (including price, terms of payment and financing) on the basis that they are so burdensome as to be likely, in our reasonable judgment, to adversely affect the transferee's operation of Panera Bread Bakery-Cafes or its compliance with its franchise agreements, any area development agreements and any other agreements being transferred;

(i) if you (or any of your Owners or Affiliates) finance any part of the sale price of the transferred interest, you and/or your Owners or Affiliates must agree that all obligations of the transferee, and security interests reserved by any of them in the assets transferred, will be subordinate to the transferee's obligations to pay all amounts due us and our Affiliates and to otherwise comply with this Agreement, any Franchise Agreement being transferred or any franchise agreement to be executed by the transferee;

(j) you and your Owners must execute a noncompetition covenant, in form and substance satisfactory to us, in favor of us and the transferee agreeing that, for a period of two (2) years, starting on the effective date of the transfer, you and your Owners will not directly or indirectly (such as through an Affiliate or a member of his/her or their Immediate Families) own any legal or beneficial interest in, or render services or give advice to: (i) any Competitive Business that is operating within the Development Area; (ii) any Competitive Business that is operating within a five (5)-mile radius of any Panera Bread Bakery-Cafe in operation or under construction as of the effective date of such transfer; or (iii) any entity that grants franchises, licenses or other interests to others to operate any Competitive Business;

(k) you and your Owners and Affiliates must execute such other documents and do such other things as we reasonably require to protect our rights under this Agreement, any Franchise Agreements and any other agreements being transferred.

7.03 Effect of Approval. Our approval of a Transfer of the Development Rights does not constitute: (a) a representation as to the fairness of the terms of any agreement or arrangement between you or your Owners and the transferee or as to the prospects for success by the transferee; or (b) a release of you and your Owners, a waiver of any claims against you or your Owners or a waiver of our right to demand the transferee's compliance with this Agreement. Any approval shall apply only to the specific Transfer of the Development Rights being proposed and shall not constitute our approval of, or have any bearing on, any other proposed Transfer of the Development Rights.

7.04 Special Transfers. Section 7.02(f) shall not apply to any Transfer of the Development Rights among any of your then-current Owners or to any Transfer of the Development Rights to any member of your Immediate Family or the Immediate Family of a then-current Owner of Area Developer. None of the foregoing assignments shall relieve you or your Principal Owners of your obligations hereunder, and you and your Principal Owners shall remain jointly and severally liable for all obligations hereunder.

7.05 Death or Disability of Area Developer. Upon the death or permanent disability of your Operating Partner or an Owner of a controlling interest in Area Developer, the executor, administrator, or other personal representative of such person shall transfer his/her interest in Area Developer to a third party approved by us in accordance with all of the applicable provisions of Section 7 within a reasonable period of time, not to exceed nine (9) months from the date of death or permanent disability.

7.06 Franchisor's Right of First Refusal. If you or any of your Owners desires to Transfer the Development Rights for legal consideration (e.g., excluding gifts, testamentary dispositions, etc.), you or such Owner(s)

must obtain a *bona fide*, executed written offer from a responsible and fully disclosed purchaser (which must contain a confidentiality covenant by you and the prospective buyer to which we shall be an intended third party beneficiary) and must deliver immediately to us a complete and accurate copy of such offer as well as due diligence information we may request. If the offeror proposes to buy any other property or rights from you or any of your Owners or Affiliates (other than rights under area development and franchise agreements for Panera Bread Bakery-Cafes) as part of the *bona fide* offer, the proposal for such property or rights must be set forth in a separate, contemporaneous offer that is fully disclosed to us, and the price and terms of purchase offered to you or your Owners for the Transfer of the Development Rights must reflect the *bona fide* price offered therefor and not reflect any value for any other property or rights.

We have the option, exercisable by notice delivered to you or your Owners within thirty (30) days from the date of delivery of a complete and accurate copy of such offer to us (as well as having been provided the requested due diligence information), to purchase such interest for the price contained in such offer, provided that: (a) we may substitute cash for any form of payment proposed in such offer; (b) our credit shall be deemed equal to the credit of any proposed purchaser; (c) we shall have not less than ninety (90) days from the option exercise date to consummate the transaction; and (d) we shall not be required to pay deposits (such as earnest money) or to escrow funds prior to closing. We have the right to investigate and analyze the business, assets and liabilities and all other matters we deem necessary or desirable in order to make an informed investment decision with respect to the fairness of the terms of purchase. We may conduct such investigation and analysis in any manner we deem reasonably appropriate, and you and your Owners must cooperate fully with us in connection therewith.

If we exercise our option to purchase, we are entitled to purchase such interest subject to our form of asset purchase agreement with all representations and warranties, closing documents, releases, non-competition covenants and indemnities as we reasonably may require. If we do not exercise our option to purchase, you or your Owners may complete the sale to such offeror pursuant to and on the exact terms of such offer, subject to our approval of the transfer as provided in Sections 7.01 and 7.02, provided that if the sale to such offeror is not completed within ninety (90) days after delivery of such offer to us, or if there is a change in the price or any material terms of the offer, you must promptly notify us and we shall have an additional option to purchase (at the price of the revised offer, if any, and otherwise as set forth herein) during the thirty (30)-day period following your notification of the expiration of the ninety (90)-day period or the material change to the terms of the offer.

7.07 Securities Offerings. Neither you nor any of your Owners may issue or sell, or offer to issue or sell, any of your securities or any securities of any of your Affiliates, regardless of the means by which such sale is conducted, directly or indirectly, or by operation of law (including by merger, consolidation, reorganization or otherwise) without obtaining our prior consent and complying with all of our requirements and restrictions concerning use of information about us and our Affiliates. Notwithstanding the foregoing, neither you nor any of your Owners may issue or sell your securities or the securities of any of your Affiliates if: (1) such securities would be required to be registered pursuant to the Securities Act of 1933, as amended; or (2) after such issuance or sale, you or such Affiliate would be required to comply with the reporting and information requirements of the Securities Exchange Act of 1934, as amended. Any memorandum or other communications circulated in connection with any solicitation of offers to purchase that would require our consent to Transfer the Franchise (through whatever form of transaction, whether through direct or indirect sale of assets or securities, by operation of law or otherwise), and such offering, must be approved by us.

8. TERMINATION OF THE AGREEMENT.

8.01 Immediate Termination. You are in material breach of this Agreement, and this Agreement will automatically terminate without notice, at our discretion, if you become insolvent by reason of your inability to pay your debts as they mature; if you are adjudicated bankrupt or insolvent; if you file a petition in bankruptcy, reorganization or similar proceeding under the bankruptcy laws of the United States or have such a petition filed against you, which is not discharged within thirty (30) days; if a receiver or other custodian, permanent or temporary, is appointed for your business, assets or property; if you request the appointment of a receiver or make a general assignment for the benefit of creditors; if a final judgment against you in the amount of Twenty Five Thousand Dollars (\$25,000.00) or more remains unsatisfied of record for thirty (30) days or longer; if your bank accounts, property or accounts receivable are attached; if execution is levied against your business or property; if suit is filed to foreclose any lien or mortgage against any of your assets and such suit is not dismissed within thirty (30) days; or if you voluntarily dissolve or liquidate or have a petition filed for corporate or partnership dissolution and such petition is not dismissed within thirty (30) days; or if your assets, property or interest are “blocked” under any law, ordinance or regulation relating to terrorist activities or if you are otherwise in violation of any such law, ordinance or regulation.

8.02 Termination Upon Notice. In addition to our right to terminate pursuant to other provisions of this Agreement or under applicable law, we may terminate this Agreement, effective upon delivery of notice of termination to you if you or any of your Principal Owners or Affiliates:

- (a) fail to meet the Development Schedule, the Site Acceptance Letter Schedule, or, if applicable, the Remodel Schedule;
- (b) make an unauthorized Transfer of the Development Rights or fail to Transfer the Development Rights or the interest of a deceased or disabled Owner as required hereby;
- (c) make any material misstatement or omission in the Franchise Candidate Qualification Packet or in any other written information provided to us;
- (d) are convicted of, or plead no contest to, a felony or other crime or offense that we reasonably believe may adversely affect the System or the goodwill associated with the Marks;
- (e) make any unauthorized use or disclosure of the Confidential Information;
- (f) fail to comply with any other provision of this Agreement and do not correct such failure within thirty (30) days after written notice of such failure to comply is delivered to you;
- (g) are in breach of any Franchise Agreement such that we have the right to terminate the Franchise Agreement, whether or not we elect to exercise our right to terminate the Franchise Agreement;
- (h) are in breach of any other agreement between you or any of your Affiliates and us or any of our Affiliates such that we have a right to terminate any such agreement, whether or not we elect to exercise our right to terminate such agreement; or
- (i) if we determine that any applicable federal or state statute, regulation, rule or law, which is enacted, promulgated or amended after the date hereof, may have a material adverse effect on our rights, remedies or discretion in franchising Panera Bread Bakery-Cafes.

The development fee shall be fully earned by us upon execution of this Agreement for administrative and other expenses incurred by us and for the development opportunities lost or deferred as a result of the rights granted to you herein. We have no obligation whatsoever to refund any portion of the development fee upon any termination, except that we will refund the unapplied portion of the development fee in the event of a termination pursuant to Section 8.02(i).

9. EFFECT OF TERMINATION AND EXPIRATION.

9.01 Continuing Obligations. All obligations under this Agreement, which expressly or by their nature survive the expiration or termination of this Agreement, shall continue in full force and effect until they are satisfied in full or by their nature expire.

9.02 Post-Term Covenants. For a period of two (2) years, starting on the effective date of termination or expiration, neither you nor any of your Owners directly or indirectly (such as through an Affiliate or through your or their Immediate Families) shall own a legal or beneficial interest in, or render services or give advice to: (i) any Competitive Business operating within the Development Area; (ii) any Competitive Business operating within a radius of five (5) miles of any Panera Bread Bakery-Cafe in operation or under construction on the effective date of termination or expiration; or (iii) any entity that grants franchises or licenses interests to others to operate any Competitive Business.

You and each of your Owners expressly acknowledge the possession of skills and abilities of a general nature and other opportunities for exploiting such skills in other ways, so that enforcement of the covenants contained in this Section 9.02 will not deprive any of you of your personal goodwill or ability to earn a living. If you or any of your Owners fail or refuse to abide by any of the foregoing covenants and we obtain enforcement in a judicial or arbitration proceeding, the obligations under the breached covenant will be tolled during the period(s) of time that the covenant is breached and/or we seek to enforce it and will continue in effect for a period of time ending two (2) years after the date of the order enforcing the covenant.

10. DISPUTE RESOLUTION.

10.01 Arbitration. All controversies, disputes, or claims between the parties, including their respective Affiliates, owners, officers, directors, agents, and employees, arising from or relating to this Agreement, including the scope and validity of any provision of this Agreement (such as this Section 10.01), shall on demand of either party be submitted for arbitration to the American Arbitration Association (“AAA”). The arbitration shall be governed exclusively by the United States Arbitration Act (9 U.S.C. § 1, et seq.), without reference to any state arbitration statutes. The parties agree that, in connection with any such arbitration proceeding, each shall submit or file any claim that would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim that is not submitted or filed in such proceeding shall be barred. The arbitration proceedings shall be conducted in the city where we then have our principal place of business in accordance with the then-current commercial arbitration rules of the AAA, except the parties shall be entitled to limited discovery at the discretion of the arbitrator(s) who may, but are not required to, allow depositions. The parties acknowledge that the arbitrators’ subpoena power is not subject to geographic limitations. The arbitration proceedings shall be conducted on an individual basis and not on a multi-plaintiff, consolidated, collective or class-wide basis. The foregoing sentence is an integral provision of the arbitration procedures set forth in this paragraph, and may not be severed therefrom, notwithstanding Section 11.01 of this Agreement. If such sentence is determined to be invalid or unenforceable in connection with a particular controversy, dispute, or claim, then this Section 10.01 shall be stricken from this Agreement and neither party shall be deemed to have consented to arbitration of such controversy, dispute, or claim.

The arbitrator(s) shall have the right to award the relief that he or she deems proper, consistent with the terms of this Agreement, including compensatory damages (with interest on unpaid amounts from date due), specific performance, injunctive relief, legal fees and costs. The award and decision of the arbitrator(s) shall be conclusive and binding on all parties, and judgment upon the award may be entered in any court of competent jurisdiction. Any right to contest the validity or enforceability of the award shall be governed exclusively by the United States Arbitration Act.

10.02 Jurisdiction. Subject to Section 10.01, you and your Owners irrevocably submit to the jurisdiction of the courts of the State of Missouri in any suit, action or proceeding, arising out of or relating to this Agreement or any other dispute between you and us, and you irrevocably agree that all claims in respect of any such suit, action or proceeding must be brought and/or defended therein except with respect to matters that are under the jurisdiction of the Federal Courts of the United States, which shall be brought and/or defended in the Federal District Court sitting in St. Louis, Missouri. You irrevocably waive, to the fullest extent you may lawfully do so, the defense of an inconvenient forum to the maintenance of such suit, action or proceeding and agree that service of process for purposes of any such suit, action or proceeding need not be personally served or served within the State of Missouri but may be served with the same effect as if you were served within the State of Missouri, by certified mail or any other means permitted by law addressed to you at the address set forth herein. Nothing contained herein shall affect our rights to bring a suit, action or proceeding in any other appropriate jurisdiction, including any suit, action or proceeding brought by us to enforce any judgment against you entered by a State or Federal Court.

10.03 Survival. The provisions of this Section 10 shall continue in full force and effect subsequent to and notwithstanding expiration or termination of this Agreement.

11. MISCELLANEOUS.

11.01 Severability and Substitution of Provisions. Every part of this Agreement shall be considered severable. If for any reason any part of this Agreement is held to be invalid, that determination shall not impair the other parts of this Agreement. If any covenant herein, which restricts competitive activity, is deemed unenforceable by virtue of its scope or in terms of geographic area, type of business activity prohibited and/or length of time, but could be rendered enforceable by reducing any part or all of it, you and we agree that it will be enforced to the fullest extent permissible under applicable law and public policy.

If any applicable law requires a greater prior notice of the termination than is required hereunder, a different standard of “good cause” to terminate this Agreement or the taking of some other action not required hereunder, the prior notice, the “good cause” standard and/or the other action required by such law shall be substituted for the comparable provisions hereof. If any provision of this Agreement is invalid or unenforceable under applicable law, we have the right, in our sole discretion, to modify such invalid or unenforceable provision to the extent required to make it valid and enforceable.

11.02 Waiver of Obligations. You and we may by written instrument unilaterally waive or reduce any obligation of the other under this Agreement. Any such waiver granted shall be without prejudice to any other rights the waiving party may have, will be subject to continuing review by such party and may be revoked, in such party's sole discretion, at any time and for any reason, effective upon delivery to the other party of ten (10) days' prior notice. You and we shall not be deemed to have waived any right reserved by this Agreement or be deemed to have modified this Agreement by virtue of any custom or practice of the parties at variance with it.

11.03 Exercise of Rights. Except as otherwise expressly provided herein, the rights of Franchisor and Area Developer hereunder are cumulative and no exercise or enforcement by Franchisor or Area Developer of any right or remedy hereunder shall preclude the exercise or enforcement by Franchisor or Area Developer of any other right or remedy hereunder, which Franchisor or Area Developer is entitled to enforce by applicable law. Notwithstanding the foregoing, and except as otherwise prohibited or limited by applicable law, any failure, neglect, or delay of a party to assert any breach or violation of any legal or equitable right arising from or in connection with this Agreement, shall constitute a waiver of such right and shall preclude the exercise or enforcement of any legal or equitable remedy arising therefrom, unless written notice specifying such breach or violation is provided to the other party within twenty four (24) months after the later of: (a) the date of such breach or violation; or (b) the date of discovery of the facts (or the date the facts could have been discovered, using reasonable diligence) giving rise to such breach or violation.

11.04 Injunctive Relief. Notwithstanding the provisions of Section 10.01, we may obtain in any court of competent jurisdiction any preliminary relief, including temporary restraining orders and preliminary injunctions, against conduct or threatened conduct for which no adequate remedy at law may be available or which may cause us irreparable harm. Any such action for preliminary relief shall be in aid of arbitration and shall not be deemed incompatible with the agreement to arbitrate or constitute a waiver of our right to arbitrate under Section 10.01. We may have such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and your sole remedy in the event of the entry of such injunction, shall be its dissolution, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived). You and each of your Owners acknowledges that any violation of Sections 6, 7.02(j) or 9.02 would result in irreparable injury to us for which no adequate remedy at law may be available. Accordingly, you and each of your Owners consent to the issuance of an injunction at our request prohibiting any conduct in violation of any of those Sections and agree that the existence of any claim you or any of your Owners may have against us, whether arising from this Agreement, shall not constitute a defense to the enforcement of any of those Sections.

11.05 Attorneys' Fees. In a judicial or arbitration proceeding, the non-prevailing party agrees to reimburse the prevailing party for all of the prevailing party's costs and expenses, including reasonable accounting, paralegal, expert witness and attorneys' fees.

11.06 Governing Law. This Agreement shall be construed under the laws of the State of Missouri, provided the foregoing shall not constitute a waiver of your rights under any applicable franchise law of another state. Otherwise, in the event of any conflict of law Missouri law will prevail, without regard to its conflict of law principles. However, if any provision of this Agreement would not be enforceable under Missouri law, and if the Development Area is predominantly located outside of Missouri and such provision would be enforceable under the laws of the state in which the Development Area is predominantly located, then such provision shall be construed under the laws of that state. Nothing in this Section 11.06 is intended to subject this Agreement to any franchise or similar law, rule or regulation of the State of Missouri or any other state or political subdivision to which it otherwise would not be subject.

11.07 Successors and Assigns. This Agreement is binding on the parties hereto and their respective executors, administrators, heirs, assigns and successors in interest. This Agreement is fully transferable and assignable by us, whether by operation of law or otherwise (without notice to you, or approval by you), and shall inure to the benefit of any transferee or other legal successor to our interest herein.

11.08 Limitations on Legal Actions. Except with respect to your obligations regarding use of the Marks in Section 5 and the Confidential Information in Section 6.01, Franchisor and Area Developer (and its Owners) each waives, to the fullest extent permitted by law, any right to or claim for any punitive or exemplary damages against the other. You and each of your Owners waive, to the fullest extent permitted by applicable law, the right to recover consequential damages (including lost future profits) for any claim directly or indirectly arising from or relating to this Agreement.

You agree that, for our franchise system to function properly, we should not be burdened with the costs of litigating system-wide disputes. Accordingly, any disagreement between you (and your Owners) and us shall be considered unique as to its facts and shall not be brought as a class action, and you (and each of your Owners) waive any right to

proceed against us or any of our Affiliates, shareholders, members, managers, officers, directors, employees, agents, successors and assigns by way of class action, or by way of a multi-plaintiff, consolidated or collective action. In any legal action between the parties, the court shall not be precluded from making its own independent determination of the issues in question, notwithstanding the similarity of issues in any other legal action involving us and any other area developer, and each party waives the right to claim that a prior disposition of the same or similar issues precludes such independent determination.

Furthermore, the parties agree that in the event any legal action is filed in connection with this Agreement, such action shall be tried to the court sitting without a jury, and all parties hereto waive any right to have any action tried by jury.

11.09 Construction. The language of this Agreement shall be construed according to its fair meaning and not strictly against any party. The introduction, personal guarantees, exhibits and riders (if any) to this Agreement are a part of this Agreement, which constitutes the entire agreement of the parties with respect to the subject matter hereof. Except as otherwise expressly provided herein, there are no other oral or written agreements, understandings, representations or statements between us and you relating to the subject matter of this Agreement, other than our franchise disclosure document, that either party may or does rely on or that will have any force or effect. Nothing in this Agreement is intended or shall be deemed to confer any rights or remedies on any person or legal entity not a party hereto. This Agreement shall not be modified except by written agreement signed by both parties. Time is of the essence in this Agreement.

To facilitate the execution of this Agreement by geographically separated parties, it may be executed in two or more counterparts, all of which shall constitute one agreement. The execution by one party of any counterpart shall be sufficient execution by that party whether or not the same counterpart has been executed by any other party. This Agreement shall become effective when each party has signed at least one counterpart. All facsimile, scanned or electronic executions (e.g., DocuSign) shall be treated as originals for all purposes.

The headings of the Sections are for convenience only and do not limit or construe their contents. The term “including” shall be construed to include the words “without limitation.” The term “Area Developer” or “you” is applicable to one or more persons, a corporation, limited liability company or a partnership and its owners, as the case may be. If two or more persons are at any time Area Developer hereunder, whether as partners, joint venturers or otherwise, their obligations and liabilities to us shall be joint and several. References to a controlling interest in an entity shall mean more than fifty percent (50%) of the equity or voting control of such entity.

11.10 Approvals and Consents. Whenever this Agreement requires the approval or consent of either party, the other party shall make written request therefor, and such approval or consent shall be obtained in writing; provided however, unless specified otherwise in this Agreement, such party may withhold approval or consent, for any good faith reason. Furthermore, unless specified otherwise in this Agreement, no such approval or consent shall be deemed to constitute a warranty or representation of any kind, express or implied, and the approving or consenting party shall have no responsibility, liability or obligation arising therefrom.

11.11 Notices. All notices, requests and reports permitted or required to be made by the provisions of this Agreement shall be in writing and shall be deemed delivered: (a) at the time delivered by hand to the recipient party or any officer, director or partner of the recipient party; (b) one (1) business day after transmission by facsimile, or other electronic system, if the sender has confirmation of successful transmission, or the same day it is sent by facsimile or email if the sender has a confirmation of receipt on that same day; (c) one (1) business day after being placed in the hands of a commercial courier service for guaranteed overnight delivery; or (d) five (5) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid. All notices to us must include a copy to our General Counsel and our Chief Financial Officer to be effective. Such notices, requests and reports shall be sent to the addresses identified in this Agreement unless and until a different address has been designated by appropriate written notice to the other party.

11.12 No Waiver or Disclaimer of Reliance in Certain States. The following provision applies only to franchisees and franchises that are subject to the state franchise disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington or Wisconsin:

No statement, questionnaire or acknowledgment signed or agreed by you in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including

fraud in the inducement, or (ii) disclaiming reliance on any statement made by us, any franchise seller, or any other person acting on behalf of us. This provision supersedes any other term of any document executed in connection with the franchise.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement on the day and year first above written.

THIS CONTRACT CONTAINS A BINDING ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES.

FRANCHISOR

PANERA, LLC,
a Delaware limited liability company

By: _____
Print Name: _____
Title: _____

AREA DEVELOPER

a _____

By: _____
Print Name: _____
Title: _____

EXHIBIT A
TO THE AREA DEVELOPMENT AGREEMENT
BETWEEN PANERA, LLC
AND

DATED _____, ____

1. The Term expires on _____, ____.
2. Development Area. The Development Area is the geographic area described as follows and shown on the map attached hereto as Exhibit A-1:

Political boundaries described above shall be considered fixed as of the date of this Agreement and shall not change for the purpose hereof, notwithstanding a political reorganization or change to such boundaries or regions. All street boundaries shall be deemed to end at the street center line unless otherwise specified above.

- 3.1 Development Schedule. You and your Affiliates must have open and in operation in the Development Area, pursuant to Franchise Agreements, that cumulative number of Panera Bread Bakery-Cafes set forth below as of each of the following dates:

<u>Cumulative Number of Panera Bread Bakery-Cafes</u>	<u>Date</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

For purposes hereof, no Panera Bread Bakery-Cafes that are open and operating as of the date of this Agreement shall be counted for purposes of the Development Schedule. In addition, a Panera Bread Bakery-Cafe that is permanently closed after having been opened, other than as a result of noncompliance by you with the terms of the applicable Franchise Agreement, shall be deemed open for a period of six (6) months after the last day it was open for business, provided that: (i) during such period of time, you continuously and diligently take such actions as may be required to develop and open a substitute Panera Bread Bakery-Cafe within the Development Area pursuant to a new Franchise Agreement therefor; and (ii) by the end of such period you have the substitute Panera Bread Bakery-Cafe open and operating in compliance with the Franchise Agreement therefor.

- 3.2 Site Acceptance Letter Schedule. We must have issued to you Site Acceptance Letters for sites within the Development Area in accordance with that cumulative number of Site Acceptance Letters set forth below as of each of the following dates:

<u>Cumulative Number of Sites issued Site Acceptance Letters</u>	<u>Date</u>
_____	_____
_____	_____
_____	_____

The Site Acceptance Letter Schedule shall be in addition to and independent of the Development Schedule. As of the date first listed above, there are no Site Acceptance Letters issued that shall be counted for purposes of the above

EXHIBIT A

(continued)

Site Acceptance Letter Schedule. If Area Developer fails to develop a site that has been issued a Site Acceptance Letter, Franchisor shall send notice that the Site Acceptance Letter is rescinded and such site shall not be counted for purposes of the above Site Acceptance Letter Schedule.

3.3 Bakery-Cafe Remodel Schedule (If Applicable). You must re-equip, upgrade and/or remodel your Panera Bread Bakery-Cafes, pursuant to Franchisor's then-current policy, process, plans and specifications, including, but not limited to equipment and production enhancements, that cumulative number of Panera Bread Bakery-Cafes set forth below as of each of the following dates:

<u>Cumulative Number of Bakery-Cafes to be Remodeled</u>	<u>Date</u>
_____	_____
_____	_____
_____	_____

The Bakery-Cafe Remodel Schedule, if applicable, shall be in addition to and independent of the Development Schedule and the Site Acceptance Letter Schedule. As of the date first listed above, there are no Panera Bread Bakery-Cafes that have been remodeled that shall be counted for purposes of the above Bakery-Cafe Remodel Schedule.

4. The development fee shall be \$_____ and is determined by multiplying Five Thousand Dollars (\$5,000.00) by the total number of Franchise Agreements to be entered into pursuant to this Agreement.

FRANCHISOR**PANERA, LLC,**

a Delaware limited liability company

By:_____

Print Name:_____

Title:_____

AREA DEVELOPER

a _____

By:_____

Print Name:_____

Title:_____

EXHIBIT A-1

MAP OF DEVELOPMENT AREA

(attach)

EXHIBIT B

**TO THE AREA DEVELOPMENT AGREEMENT BETWEEN
PANERA, LLC
AND**

DATED _____, _____

1. Operating Partner. The name and home address of the Operating Partner is as follows:

2. Form of Entity of Area Developer.

(a) Corporation or Limited Liability Company. Area Developer was organized on _____, _____ under the laws of the State of _____. Its Federal Identification Number is _____. It has not conducted business under any name other than its corporate or company name. The following is a list of all of Area Developer's directors and officers or managing members as of _____, ____ 201____.

Name of Each Director/Officer/Managing Member

Position(s) Held

_____	_____
_____	_____
_____	_____
_____	_____

(b) Partnership. Area Developer is a [general] [limited] partnership formed on _____, _____ under the laws of the State of _____. Its Federal Identification Number is _____. It has not conducted business under any name other than its partnership name. The following is a list of all of Area Developer's general partners as of the date of the Agreement.

Name of Each General Partner

3. Owners. Area Developer and each of its Owners represents and warrants that the following is a complete and accurate list of all Owners of Area Developer, including the full name and mailing address of each Owner, and fully describes the nature and extent of each Owner's interest in Area Developer. Area Developer and each Owner as to his/her ownership interest, represents and warrants that each Owner is the sole and exclusive legal and beneficial owner of his/her ownership interest in Area Developer, free and clear of all liens, restrictions, agreements and encumbrances of any kind or nature, other than those required or permitted by this Agreement.

EXHIBIT B
(continued)

<u>Owner's Name and Address</u>	<u>Percentage and Nature of Ownership Interest</u>

Submitted by Area Developer
Accepted by Franchisor and
made a part of the Area Development
Agreement as of _____, _____.

Accepted by Franchisor and
Submitted by Area Developer
on _____, _____.

PANERA, LLC,
a Delaware limited liability company

a _____

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

EXHIBIT C

**PRINCIPAL OWNERS' PERSONAL GUARANTY
OF AREA DEVELOPER'S OBLIGATIONS ("Guaranty")**

In consideration of, and as an inducement to, the execution of the Panera, LLC Area Development Agreement dated as of _____, ____ (the "Agreement") by and between PANERA, LLC ("Franchisor"), and _____ ("Area Developer"), each of the undersigned Principal Owners of a ten percent (10%) or greater interest in Area Developer hereby personally and unconditionally: (1) guarantees to Franchisor and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that Area Developer shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement (and any amendments) and that each and every representation of Area Developer made in connection with the Agreement (and any amendments) are true, correct and complete in all respects at and as of the time given; and (2) agrees personally to be bound by each and every provision in the Agreement (and any amendments).

Each of the undersigned waives: (a) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (d) any right that the undersigned may have to require that an action be brought against Area Developer or any other person as a condition of liability; (e) notice of any amendment to the Agreement; and (f) any and all other notices and legal or equitable defenses to which that the undersigned may be entitled.

Each of the undersigned consents and agrees that: (i) that the undersigned's direct and immediate liability under this guaranty shall be joint and several; (ii) that the undersigned shall render any payment or performance required under the Agreement upon demand if Area Developer fails or refuses to do so punctually; (iii) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Area Developer or any other person; and (iv) such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may from time to time grant to Area Developer or to any other person including the acceptance of any partial payment or performance or the compromise or release of any claims, none of which shall in any way modify or amend this guaranty, which shall be continuing and irrevocable until satisfied in full.

All controversies, disputes, or claims between the parties, including their respective Affiliates, owners, officers, directors, agents and employees, arising from or relating to this Guaranty, including the scope and validity of any provision of this Guaranty (such as this paragraph), shall on demand of either party be submitted for arbitration to the American Arbitration Association ("AAA"). The arbitration shall be governed exclusively by the United States Arbitration Act (9 U.S.C. § 1, et seq.), without reference to any state arbitration statutes. The parties agree that, in connection with any such arbitration proceeding, each shall submit or file any claim that would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim that is not submitted or filed in such proceeding shall be barred. The arbitration proceedings shall be conducted in the city where Franchisor then has its principal place of business in accordance with the then-current commercial arbitration rules of the AAA, except the parties shall be entitled to limited discovery at the discretion of the arbitrator(s) who may, but are not required to, allow depositions. The parties acknowledge that the arbitrators' subpoena power is not subject to geographic limitations. The arbitration proceedings shall be conducted on an individual basis and not on a multi-plaintiff, consolidated, collective or class-wide basis. The foregoing sentence is an integral provision of the arbitration procedures set forth in this paragraph, and may not be severed therefrom. If such sentence is determined to be invalid or unenforceable in connection with a particular controversy, dispute, or claim, then this entire paragraph of the Guaranty shall be stricken from this Guaranty and neither party shall be deemed to have consented to arbitration of such controversy, dispute, or claim. The arbitrator(s) shall have the right to award the relief that he or she deems proper, consistent with the terms of this Guaranty, including compensatory damages (with interest on unpaid amounts from date due), specific performance, injunctive relief, legal fees and costs. The award and decision of the arbitrator(s) shall be conclusive and binding on all parties, and judgment upon the award may be entered in any court of competent jurisdiction. Any right to contest the validity or enforceability of the award shall be governed exclusively by the United States Arbitration Act.

EXHIBIT C
(continued)

Subject to the foregoing, the undersigned irrevocably submits to the jurisdiction of the courts of the State of Missouri in any suit, action or proceeding, arising out of or relating to this Guaranty or any other dispute between the undersigned and Franchisor, and the undersigned irrevocably agrees that all claims in respect of any such suit, action or proceeding must be brought and/or defended therein except with respect to matters that are under the jurisdiction of the Federal Courts of the United States, which shall be brought and/or defended in the Federal District Court sitting in St. Louis, Missouri. The undersigned irrevocably waives, to the fullest extent he/she may lawfully do so, the defense of an inconvenient forum to the maintenance of such suit, action or proceeding and agree that service of process for purposes of any such suit, action or proceeding need not be personally served or served within the State of Missouri but may be served with the same effect as if the undersigned were served within the State of Missouri, by certified mail or any other means permitted by law addressed to the undersigned at the address set forth herein. Nothing contained herein shall affect Franchisor's rights to bring a suit, action or proceeding in any other appropriate jurisdiction, including any suit, action or proceeding brought by Franchisor to enforce any judgment against the undersigned entered by a State or Federal Court. In a judicial or arbitration proceeding, the non-prevailing party agrees to reimburse the prevailing party for all of the prevailing party's costs and expenses, including reasonable accounting, paralegal, expert witness and attorneys' fees.

Notwithstanding the provisions above relating to arbitration, the undersigned acknowledges and agrees that Franchisor may obtain in any court of competent jurisdiction any preliminary relief, including temporary restraining orders and preliminary injunctions, against conduct or threatened conduct for which no adequate remedy at law may be available or which may cause irreparable harm. Any such action for preliminary relief shall be in aid of arbitration and shall not be deemed incompatible with the agreement to arbitrate or constitute a waiver of its right to arbitrate. Such injunctive relief may be obtained without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy in the event of the entry of such injunction, shall be its dissolution, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived). The undersigned acknowledges that any violation of Sections 6, 7.02(i) or 9.02 of the Agreement would result in irreparable injury for which no adequate remedy at law may be available. Accordingly, the undersigned consents to the issuance of an injunction prohibiting any conduct in violation of any of those Sections and agrees that the existence of any claim shall not constitute a defense to the enforcement of any of those Sections.

EXHIBIT C
(continued)

Furthermore, the undersigned agree that any legal action in connection with this Agreement shall be tried to the court sitting without a jury, and all parties hereto waive any right to have any action tried by jury.

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed his/her signature as of the _____ day of _____, _____.

**PERCENTAGE OF OWNERSHIP
INTERESTS IN AREA DEVELOPER**

GUARANTOR(S)

(Signature)

(Print Name)

(Signature)

(Print Name)

(Signature)

(Print Name)

(Signature)

(Print Name)

Subscribed and sworn to before me
this __ day of _____, ____.

Notary Public
My Commission expires:_____

EXHIBIT D
(continued)

EXHIBIT D

**INVESTOR PERSONAL COVENANTS REGARDING
CONFIDENTIALITY, NON-COMPETITION AND NON-SOLICIT**

In conjunction with your investment in _____ ("Area Developer") a _____, you ("Investor" or "you"), acknowledge and agree as follows:

1. Area Developer owns and operates, or is developing, Panera Bread Bakery-Cafes pursuant to an area development agreement dated _____, _____ ("Area Development Agreement") with Panera, LLC ("Franchisor"), which Area Development Agreement requires persons with legal or beneficial ownership interests in Area Developer under certain circumstances to be personally bound by the confidentiality and noncompetition covenants contained in the Area Development Agreement. All capitalized terms contained herein shall have the same meaning set forth in the Area Development Agreement.
2. You own or intend to own a legal or beneficial ownership interest in Area Developer and acknowledge and agree that your execution of this Agreement is a condition to such ownership interest and that you have received good and valuable consideration for executing this Agreement. Franchisor may enforce this Agreement directly against you and your Owners (as defined below).
3. If you are a corporation, partnership, limited liability company or other entity, all persons who have a legal or beneficial interest in you ("Owners") must also execute this Agreement.
4. You and your Owners, if any, may gain access to parts of Franchisor's Confidential Information as a result of investing in Area Developer. The Confidential Information is proprietary and includes Franchisor's trade secrets. You and your Owners hereby agree that while you and they have a legal or beneficial ownership interest in Area Developer and thereafter you and they: (a) will not use the Confidential Information in any other business or capacity (such as being an unfair method of competition); (b) will maintain the confidentiality of the Confidential Information; and (c) will not make unauthorized copies of any portion of the Confidential Information disclosed in written, electronic or other form. If you or your Owners cease to have an interest in Area Developer, you and your Owners, if any, must deliver to Franchisor any such Confidential Information in your or their possession or control.
5. During the term of the Area Development Agreement and during such time as you and your Owners, if any, have any legal or beneficial ownership interest in Area Developer, you and your Owners, if any, agree that you and they will not, without Franchisor's consent (which consent may be withheld at Franchisor's discretion) directly or indirectly (such as through an Affiliate or through your or their Immediate Families) own any legal or beneficial interest in, or render services or give advice in connection with: (a) any Competitive Business located anywhere; or (b) any entity located anywhere that grants franchises or licenses interests to others to operate any Competitive Business.
6. For a period of two (2) years, starting on the earlier to occur of the date you or your Owners cease to have any legal or beneficial ownership interest in Area Developer and the effective date of termination or expiration of the Area Development Agreement, neither you nor any of your Owners directly or indirectly (such as through an Affiliate or through your or their Immediate Families) shall own a legal or beneficial interest in, or render services or give advice to: (a) any Competitive Business operating within a radius of five (5) miles of any Panera Bread Bakery-Cafe then in operation or under construction; or (b) any entity that grants franchises or licenses other interests to others to operate any Competitive Business. If you or any of your Owners fail to or refuse to abide by any of the foregoing covenants and Franchisor obtains enforcement in a judicial or arbitration proceeding, the obligations under the breached covenant will be tolled during the period(s) of time that the covenant is breached and/or we seek to enforce it and will continue in effect for a period of time ending two (2) years after the date of the order enforcing the covenant.
7. You and each of your Owners expressly acknowledge the possession of skills and abilities of a general nature and the opportunity to exploit such skills in other ways, so that enforcement of the covenants contained in Sections 5 and 6 will not deprive any of you of your personal goodwill or ability to earn a living. If any covenant herein, which restricts competitive activity, is deemed unenforceable by virtue of its scope or in terms of geographic area, type of business activity prohibited and/or length of time, but could be rendered enforceable by reducing any part or all of it, you and Franchisor agree that it will be enforced to the fullest extent permissible under applicable law and public policy. Franchisor may obtain in any court of competent jurisdiction any injunctive relief, including temporary restraining orders and preliminary injunctions, against conduct or threatened conduct for which no adequate remedy at law may be available or which may

EXHIBIT D
(continued)

cause it irreparable harm. You and each of your Owners acknowledges that any violation of Sections 4, 5, or 6 hereof would result in irreparable injury for which no adequate remedy at law may be available. If Franchisor files a claim to enforce this Agreement and prevails in such proceeding, you agree to reimburse Franchisor for all its costs and expenses, including reasonable attorneys' fees.

IN WITNESS WHEREOF, the undersigned have executed and delivered this Agreement on the ____ day of _____, _____.

INVESTOR

If an Individual:

(Signature)

(Print Name)

If a corporation, partnership, limited liability company or other legal entity:

(Name of corporation, partnership, limited liability company or other legal entity)

By: _____
Print Name: _____
Title: _____

OWNERS

By: _____
Print Name: _____

By: _____
Print Name: _____

By: _____
Print Name: _____

By: _____
Print Name: _____

EXHIBIT B
FRANCHISE AGREEMENT

PANERA, LLC
FRANCHISE AGREEMENT

PANERA, LLC
FRANCHISE AGREEMENT

	<u>Page</u>
1. INTRODUCTION.....	1
1.01. Panera Bread Bakery-Cafes	1
1.02. Your Acknowledgments	1
1.03. Your Representations.....	1
1.04. Certain Definitions	1
2. GRANT OF RIGHTS.....	4
2.01. Grant of Franchise	4
2.02. Your Protected Area	4
2.03. Our Reservation of Rights.....	5
2.04. Catering/Delivery Services.....	5
3. DEVELOPMENT OF YOUR BAKERY-CAFE	5
3.01. Site Acceptance	5
3.02. Purchase or Lease of Premises	5
3.03. Development of the Premises.....	6
3.04. Equipment, Furniture, Fixtures and Signs	7
3.05. Opening Assistance	7
4. TRAINING AND GUIDANCE	7
4.01. Our Training Programs.....	7
4.02. On-Going Guidance	7
4.03. Policy Manual.....	8
4.04. Your Certified Training Programs.....	8
5. INTELLECTUAL PROPERTY.....	8
5.01. Ownership of the Intellectual Property	8
5.02. Use of the Intellectual Property.....	8
5.03. Discontinuance of Use of Intellectual Property	8
5.04. Notification of Infringements and Claims for Intellectual Property	9
5.05. Indemnification of Franchisee Regarding Marks	9
6. FEES	9
6.01. Franchise Fees.....	9
6.02. Royalty Fees.....	9
6.03. Miscellaneous Administrative Fees	9
6.04. Designated Account	9
6.05. Interest On Late Payments.....	9
6.06. Application of Payments	10
7. RESTRICTIVE COVENANTS.....	10
7.01. Confidential Information.....	10
7.02. In-Term Covenants	10
7.03. Information Exchange.....	10
8. YOUR ORGANIZATION AND MANAGEMENT.....	11
8.01. Organizational Documents	11
8.02. Disclosure of Ownership Interests	11
8.03. Operating Partner/Management of Business	11
8.04. Baker(s)	11
8.05. Baking.....	11
8.06. Store Organization	12
8.07. Restrictions on Debt.....	12
9. PANERA BREAD BAKERY-CAFE OPERATING STANDARDS.....	12
9.01. Condition of Your Bakery-Cafe	12
9.02. Uniform Image	12
9.03. Purchase of Food Products.....	13
9.04. Purchase of Other Products and Services.....	14
9.05. Specifications and Standards.....	14
9.06. Compliance With Laws.....	14

9.07.	Personnel	15
9.08.	Insurance.....	15
9.09.	Quality Control	15
9.10.	Test Marketing	15
9.11.	Retail Pricing	15
9.12.	Customer Data	16
9.13.	Credit Cards.....	16
10.	MARKETING AND ADVERTISING	16
10.01.	National Advertising Fund (NAF)	16
10.02.	Local Advertising Funds (LAF).....	17
10.03.	Marketing Administration Fee (MAF).....	17
10.04.	Advertising Approvals and Initial Advertising Costs	17
10.05.	Advertising Associations	18
10.06.	Franchisee Websites	18
10.07.	Social Media Sites	19
11.	RECORDS AND REPORTS.	19
11.01.	Records	19
11.02.	Periodic Reports	19
11.03.	Business Plans	20
12.	INSPECTIONS OF YOUR BAKERY-CAFE; AUDITS.....	20
12.01.	Inspections	20
12.02.	Audits	20
13.	FRANCHISEE'S RIGHT TO TRANSFER.....	20
13.01.	Franchisor's Approval.....	20
13.02.	Conditions for Approval	20
13.03.	Effect of Approval	22
13.04.	Special Transfers	22
13.05.	Death or Disability of Franchisee	22
13.06.	Franchisor's Right of First Refusal.....	22
13.07.	Securities Offerings	22
14.	TERMINATION OF AGREEMENT.....	23
14.01.	Immediate Termination.....	23
14.02.	Termination Upon Notice.....	23
15.	RENEWAL RIGHTS.....	24
15.01.	Your Right To Acquire a Successor Franchise.....	24
15.02.	Notices	24
15.03.	Agreements.....	24
16.	EFFECT OF TERMINATION OR EXPIRATION.....	24
16.01.	Payment of Amounts Owed to Us.....	24
16.02.	Discontinue Use of Marks and Confidential Information.....	24
16.03.	Post-Term Covenants	25
16.04.	Our Option to Purchase Your Bakery-Cafe	25
16.05.	Purchase Price.....	26
16.06.	Right to Assign.....	26
16.07.	Purchase Notice.....	26
16.08.	Pre-Closing Conduct.....	27
16.09.	Closing of Purchase Option Exercise.....	27
16.10.	Purchase Option Definitions	28
16.11.	Continuing Obligations.....	30
17.	RELATIONSHIP OF THE PARTIES.....	30
17.01.	Independent Contractors.....	30
17.02.	Indemnification.....	30
17.03.	Taxes	31
18.	DISPUTE RESOLUTION.....	31
18.01.	Arbitration	31
18.02.	Jurisdiction.....	31
18.03.	Survival.....	32

19.	MISCELLANEOUS.....	32
19.01.	Severability and Substitution of Provisions.....	32
19.02.	Waiver of Obligations.....	32
19.03.	Exercise of Rights.....	32
19.04.	Injunctive Relief.....	32
19.05.	Attorneys' Fees.....	33
19.06.	Governing Law	33
19.07.	Successors and Assigns.....	33
19.08.	Limitations on Legal Actions.....	33
19.09.	Construction.....	33
19.10.	Approvals and Consents.....	34
19.11.	Notices and Payments.....	34
19.12.	Large Franchisee.....	34
EXHIBIT A -	DISCLOSURE OF OWNERSHIP INTERESTS	
EXHIBIT B -	PRINCIPAL OWNERS' PERSONAL GUARANTY OF FRANCHISEE'S OBLIGATIONS	
EXHIBIT C -	ADDENDUM TO LEASE	
EXHIBIT D -	INFORMATION SHEET	
EXHIBIT E -	INVESTOR PERSONAL COVENANTS REGARDING CONFIDENTIALITY AND NON-COMPETITION	
EXHIBIT F -	LISTING OF BAKERY-CAFE OPERATING EXPENSES	
EXHIBIT G -	SITE ACCEPTANCE LETTER	

PANERA, LLC FRANCHISE AGREEMENT

This Franchise Agreement (this “Agreement”) is made as of this _____ day of _____, _____, between **PANERA, LLC** (“Franchisor”, “we”, “us” or “Panera Bread”), a Delaware limited liability company, with its principal place of business located at 1400 South Highway Drive, Suite 100, Fenton Missouri 63026, and _____ (“Franchisee” or “you”), a(n) _____, whose principal address is _____.

1. INTRODUCTION.

1.01. Panera Bread Bakery-Cafes. We own, operate and franchise Panera Bread Bakery-Cafes, specializing in the retail sale of high quality food in a warm, friendly and comfortable environment. Our key menu groups are daily baked goods, including a variety of freshly baked bagels, breads, muffins, scones, rolls and sweet goods, made-to-order sandwiches on freshly baked breads, hearty, unique soups, pasta dishes and side items, freshly prepared and hand-tossed salads, and custom roasted coffees and cafe beverages, such as hot or cold espresso and cappuccino drinks and smoothies, as well as other menu items and merchandise related to the Panera Bread concept, as we may authorize from time to time. We, or our Affiliates, have developed and own a comprehensive system for developing and operating Panera Bread Bakery-Cafes, which includes trademarks, building designs and layouts, equipment, ingredients, specifications and recipes for authorized food products, methods of inventory control, training programs and certain operational and business standards and policies, all of which we may improve, further develop or otherwise modify from time to time.

1.02. Your Acknowledgments. You have read this Agreement and acknowledge and agree that by signing this Agreement, you acknowledge your understanding that the Panera Bread concept offers a high quality quick casual dining experience. You accept the proposition that to deliver that experience requires a different approach to the quality of food products, level of design and environment and customer experience (impacted by the quality of people and training) not typically found in quick service food establishments. You understand the terms of this Agreement and accept them as being reasonably necessary to maintain the uniformity of our high quality standards at all Panera Bread Bakery-Cafes in order to protect and preserve the goodwill of the Marks and the integrity of the System. You have conducted an independent investigation of the business contemplated by this Agreement and recognize that the restaurant industry is highly competitive, with constantly changing market conditions. You recognize that the nature of Panera Bread Bakery-Cafes may change over time, that an investment in a Panera Bread Bakery-Cafe involves business risks and that the success of the venture is largely dependent on your own business abilities, efforts and financial resources.

1.03. Your Representations. You and your Principal Owners, jointly and severally, represent and warrant to us that: (a) neither you nor any of your Principal Owners has made any untrue statement of any material fact or has omitted to state any material fact in the written information you have submitted in obtaining the rights granted hereunder; (b) neither you nor any of your Owners has any direct or indirect legal or beneficial interest in any business that may be deemed a Competitive Business, except as you have otherwise completely and accurately disclosed in writing to us in connection with obtaining the rights granted hereunder; and (c) the execution and performance of this Agreement will not violate any other agreement to which you or any of your Owners may be bound. You recognize that we have executed this Agreement in reliance on all of the statements you and your Owners have made in writing in connection with this Agreement.

1.04. Certain Definitions. The terms listed below have the meanings which follow them and include the plural as well as the singular. Other terms are defined elsewhere in this Agreement in the context in which they arise.

“Affiliate” – Any person or entity that directly or indirectly owns or controls the referenced party, that is directly or indirectly owned or controlled by the referenced party, or that is under common control with the referenced party. The term “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through ownership of voting securities, by contract or otherwise.

“Alternative Approved Supplier” – Any supplier who has been proposed by you or by another franchisee to manufacture, produce, and/or supply Other Food Products (other than Key Food Products) and who has been approved by us to do so in accordance with the terms of this Agreement.

“Approved Distributor” – Any distributor that we authorize to distribute Food Products.

“Approved Supplier” – Any supplier, including us, an Affiliate of ours, or an independent third party, whom we authorize to manufacture, produce, and/or supply Other Food Products (other than Key Food Products).

“Competitive Business” – Any retail food establishment (including any restaurant or bakery) in which any of the following categories constitutes more than twenty percent (20%) of its annual revenues: (i) bakery goods, breads and other food products for which dough is a significant ingredient or component; (ii) sandwiches of any kind or nature (including wraps and submarines), soups and/or salads, other than those ordered through a wait person taking orders at a table (the term “sandwiches” shall not include hamburgers); or (iii) coffee and coffee-based drinks; as well as any business (without regard to revenue) that manufactures, wholesales and/or distributes fresh or frozen dough or bakery products and any other business that is the same as, or similar to, the Panera Bread Bakery-Cafe concept as it evolves or changes over time. Restrictions in this Agreement on competitive activities do not apply to: (a) the ownership or operation of other Panera Bread Bakery-Cafes that are licensed or franchised by us or any of our Affiliates; or (b) the ownership of shares of a class of securities that are listed on a public stock exchange or traded on the over-the-counter market and that represent less than five percent (5%) of that class of securities.

“Confidential Information” – Our proprietary and confidential information relating to the development and operation of Panera Bread Bakery-Cafes, including: (1) all information contained in the Policy Manual; (2) ingredients, recipes, and methods of preparation and presentation of authorized food products; (3) site selection criteria for Panera Bread Bakery-Cafes and plans and specifications for the development of Panera Bread Bakery-Cafes; (4) sales, marketing and advertising programs and techniques for Panera Bread Bakery-Cafes; (5) identity of suppliers and knowledge of specifications, processes, procedures and equipment, and pricing for authorized food products, materials, supplies and equipment; (6) knowledge of operating results and financial performance of Panera Bread Bakery-Cafes, other than Panera Bread Bakery-Cafes you own; (7) methods of inventory control, storage, product handling, training and management relating to Panera Bread Bakery-Cafes; (8) computer systems and software programs used or useful in Panera Bread Bakery-Cafes; and (9) any and all other information which is provided to you that is designated orally or in writing as proprietary or confidential or by its nature would reasonably be understood to be proprietary or confidential regardless of whether such information is specifically designated as proprietary or confidential.

“Copyrights” – Works of authorship and other categories of work entitled to copyright protection that we license for use in connection with the operation of Panera Bread Bakery-Cafes and for which we or any of our Affiliates claims copyright protection.

“Customer Data” – any information of customers of your Bakery-Cafe that identifies or can be used to identify, contact, locate, or be traced back to the specific person to whom such information pertains, or from which identification or contact information of an individual person can be derived. Customer Data includes any personally identifiable information, such as a person’s name, address, phone number, fax number and e-mail address.

“Designated Supplier” – Any supplier, including us, an Affiliate of ours or an independent third party, whom we authorize to manufacture, produce, and/or supply Key Food Products.

“Food Products” – the finished or partially finished food products we authorize to be offered and sold at Panera Bread Bakery-Cafes, as well as dough and other ingredients.

“Force Majeure” – Any of the following: (i) casualty or condemnation; (ii) storm, earthquake, hurricane, tornado, flood or other act of God; (iii) war, insurrection, epidemics, pandemics, quarantine restrictions, civil commotion or act of terrorism; (iv) strikes or lockouts; (v) embargoes, tariffs, lack of water, materials, power or telephone transmissions specified or reasonably necessary in connection with the production, storage, shipment or sale of Food Products; or (vi) failure of any applicable governmental authority to issue any approvals, or the suspension, termination or revocation of any material approvals, required for the production, storage, shipment or sale of Food Products.

“Immediate Family” – Spouse, parents, brothers, sisters and children, whether natural or adopted of the referenced person.

“Intellectual Property” – The Copyrights, Marks, Patents and any of our trade secrets and know-how.

“Internet” – All communications between computers and between computers and television, telephone, facsimile and similar communications devices, including the World Wide Web, proprietary online services, e-mail, news groups and electronic bulletin boards.

“Key Food Products” – As defined in Section 9.03(a).

“LAF” – Local Advertising Funds, as defined in Section 10.02.

“MAC” – The Marketing Advisory Committee.

“MAF” – The Marketing Administration Fee.

“Marks” – The current and future trade names, trademarks, service marks and trade dress that are used to identify the services and/or products offered by Panera Bread Bakery-Cafes, including the mark “PANERA BREAD” and the distinctive building design and color scheme of Panera Bread Bakery-Cafes.

“MSA” – A metropolitan statistical area, as determined by the U.S. Census Bureau.

“NAF” – Our National Advertising Fund.

“Net Sales” – The aggregate amount, determined in accordance with Panera Standards, of all sales of food, beverages and other products and merchandise sold and services rendered at the Premises or otherwise rendered in connection with your Bakery-Cafe or your use of the Marks, including monies derived from sales at or away from your Bakery-Cafe (e.g., catering or delivery), whether for cash or credit, but excluding: (1) all federal, state or municipal sales or service taxes collected from customers and paid to the appropriate taxing authorities; and (2) all customer refunds and adjustments and promotional discounts made by your Bakery-Cafe.

“Operating Partner” – The individual you so designate in Exhibit A and any replacement thereof approved by us.

“Other Food Products” – As defined in Section 9.03(a).

“Owner” – Each person or entity that has a direct or indirect legal or beneficial ownership interest in Franchisee.

“Panera Bread Bakery-Cafes” – Bakery-cafes which we, or any of our Affiliates, own, operate or franchise and which use the Marks and the System.

“Panera Standards” – The accounting, audit and tax standards, methods, practices and procedures as may be established from time to time by us, in our sole discretion, with respect to, among other things, the maintenance of books and records, and the preparation and presentation of financial information and financial statements, but which shall not be materially inconsistent with generally accepted accounting principles consistently applied and which are utilized by us in connection with our Panera Bread Bakery-Cafes. In absence of any particular standard, method, practice or procedure established by us, the term “Panera Standards” shall refer to generally accepted accounting principles, consistently applied.

“Patents” – The current and future patents and patent applications, if any, that cover business methods, processes, products, structures, equipment and designs that we license for use in connection with the operation of Panera Bread Bakery-Cafes.

“Personnel” – All persons employed by you in connection with the development, management or operation of your Bakery-Cafe, including persons in general and district management positions for your Bakery-Cafes, bakers, crew trainers, unit general and assistant managers, shift supervisors, bakers, hourly associates and all other persons who work in or for your Bakery-Cafe.

“Policy Manual” – All information for the development, establishment and operation of a Panera Bread Bakery-Cafe which contains any mandatory or suggested standards, specifications or operating procedures, whether such information is communicated in writing, electronically (such as in bulletins, updates, guidelines, newsletters, e-mails, presentations, limited access online resources), and alternative or supplemental means of communicating information by other media, all as supplemented and amended from time to time, including information with

respect to training, management, quality assurance, health, safety, recruitment, security, site selection, site acceptance processes, standards, customer services, approved suppliers, operating system manuals, cafe training manuals, management training manuals, onboarding materials and the menu policy.

“Premises” – The location identified in Section 2.01.

“Principal Owner” – Each Owner with a ten percent (10%) or greater interest in Franchisee.

“System” – The business methods, designs and arrangements for developing and operating Panera Bread Bakery-Cafes, which include the Intellectual Property, building design and layouts, equipment, ingredients, recipes, methods of preparation and specifications for authorized food products, training, methods of inventory control and certain operating and business standards and policies, all of which we may improve, further develop or otherwise modify from time to time.

“Transfer the Franchise” – or similar words – The direct or indirect sale, assignment, transfer, exchange, conversion, license, sublicense, lease, sublease, mortgage, pledge, collateral assignment, grant of a security, collateral or conditional interest or other encumbrance in or on, or other disposition, whether voluntary, involuntary, by operation of law or otherwise, of this Agreement, any interest in or right under this Agreement, any form of legal or beneficial ownership interest in you, or any form of ownership interest or right to participate in or receive the benefit of the assets, revenues, income or profits of your Bakery-Cafe, or any one or more other acts or events not covered by the foregoing that we reasonably determine to be a form of direct or indirect transfer, including: (1) any transfer, redemption or issuance of a legal or beneficial ownership interest in the capital stock of, a membership interest in, or a partnership interest in, you or of any interest convertible into or exchangeable for capital stock of, a membership interest in or a partnership interest in, Franchisee; (2) any merger or consolidation between you and another entity, whether or not you are the surviving entity, or any conversion of Franchisee from one form of legal entity into another form of legal entity, or any sale, exchange, encumbrance or other disposition of your assets; (3) any transfer in connection with or as a result of a divorce, dissolution of marriage or similar proceeding or a property settlement or legal separation agreement in the context of a divorce, dissolution of marriage or similar proceeding, an insolvency, bankruptcy or assignment for benefit of creditors, a judgment, a corporate, limited liability company or partnership dissolution or otherwise by operation of law; (4) any transfer by gift, declaration of trust, transfer in trust, revocation of trust, trustee succession, trust termination, discretionary or mandatory trust distribution, occurrence of any event (e.g., death of a person) that affects or ripens the rights of contingent beneficiaries, exercise of a power of appointment, exercise of a withdrawal right, adjudication of any Principal Owner as legally disabled, or upon or after the death of any of your Principal Owners by will or the laws of intestate succession or otherwise; or (5) any foreclosure upon your Bakery-Cafe or the transfer, surrender or loss by you of possession, control or management of your Bakery-Cafe.

“your Bakery-Cafe” – The Panera Bread Bakery-Cafe operated by you at the Premises.

2. GRANT OF RIGHTS.

2.01. Grant of Franchise. Subject to the terms of this Agreement, we grant to you the right, and you assume the obligation, to operate a Panera Bread Bakery-Cafe and to use the System solely in connection therewith, for a term starting from and after the date hereof and expiring on the twentieth (20th) anniversary of (a) the opening of your Bakery-Cafe, if an initial franchise, or (b) the date of this Agreement, if this is a successor or transfer franchise (in either case, the “Term”). The location details and opening date, as applicable, are provided in Exhibit D. You may not conduct the business of your Bakery-Cafe or use the System at any site other than the Premises, as defined in Exhibit D, without our consent. You may not relocate your Bakery-Cafe, without our consent and paying our standard relocation fee, which currently is Seven Thousand Five Hundred Dollars (\$7,500).

2.02. Your Protected Area. During the Term, we will not operate (directly or through an Affiliate), nor grant to another person the right to operate, any Panera Bread Bakery-Cafes located within a geographic area (the “Protected Area”) consisting of a one (1)-mile radius from the center of the Premises, unless the parties have identified a different geographic area in the Site Acceptance Letter, attached as Exhibit G, in which case the Protected Area shall consist of the geographical area identified in Exhibit G.

Notwithstanding the foregoing, we have the right to operate (directly or through an Affiliate), and to grant to others the right to operate, within the Protected Area and elsewhere: (a) Panera Bread Bakery-Cafes or other retail food

establishments using any part or all of the System and/or Marks that are: (i) located within retail outlets, restaurants, grocery stores, supermarkets and other channels of distribution (including wholesale distribution of baked goods to restaurants, supermarkets, grocery stores, caterers and other outlets and using such media as deemed appropriate, including the Internet, catalog sales, telemarketing, and direct marketing); or (ii) located at transportation facilities (such as airport facilities, inter-MSA train and/or bus stations, turnpikes or other limited access highway rest stops), hospitals, colleges, universities, sports arenas, entertainment facilities, and military facilities, or where any locations or its food operations are controlled by a third party or in our judgment should be operated by a third party (collectively “Special Locations”); and (b) retail food establishments (including restaurants, cafes and bakeries) that we purchase (or as to which we purchase the rights as franchisor) that are part of another franchise system or chain, regardless whether any or all of them are converted to use any or all of the Marks and/or System or continue to be operated independently.

2.03. Our Reservation of Rights. Except as otherwise expressly provided in this Agreement, we and all of our Affiliates (and our respective successors and assigns, by purchase, merger, consolidation or otherwise) retain all of our rights and discretion with respect to the Marks, the System and Panera Bread Bakery-Cafes anywhere in the world, and the right to engage in any business whatsoever, including the right to: (a) operate, and grant to others the right to operate, Panera Bread Bakery-Cafes at such locations outside the Protected Area and on such terms and conditions as we deem appropriate (you acknowledge that such Panera Bread Bakery-Cafes may be in direct competition with your Bakery-Cafe, without regard to any adverse effects of such activities on your Bakery-Cafe and without any obligation or liability to you); (b) sell any products or services under any trade names, trademarks, service marks or trade dress, including the Marks, through other channels of distribution (including wholesale distribution of baked goods to restaurants, supermarkets, grocery stores, caterers and other outlets and using such media as deemed appropriate, including the Internet, catalog sales, telemarketing, and direct marketing); and (c) operate, and grant to others the right to operate, retail food establishments (including restaurants, cafes, or bakeries) identified by tradenames, trademarks, service marks or trade dress, other than the Marks, pursuant to such terms and conditions as we deem appropriate. You acknowledge and agree that, except as expressly provided to the contrary in Section 2.02 hereof, your rights hereunder shall be non-exclusive. You waive, to the fullest extent permitted under law, all claims, demands or causes of action arising from or related to any of the foregoing activities by us or any of our Affiliates.

2.04. Catering/Delivery Services. We may grant you a non-exclusive right to provide offsite catering and/or delivery services for certain food products we may authorize from time to time within a geographical area around your Bakery-Cafe that we may designate from time to time (“Catering/Delivery Area”). You may not provide any such services to or at locations outside the Catering/Delivery Area without our prior consent, and under no circumstances may you provide any such services to or at locations within the designated Catering/Delivery Area for any Panera Bread Bakery-Cafes owned or operated by us or another franchisee. Any consent to provide such services beyond the Catering/Delivery Area may be revoked at any time.

You acknowledge and agree that we have the right, in our sole discretion, at any time and from time to time, to revoke our authorization for your Bakery-Cafe to provide offsite catering and/or delivery services and to modify or reduce any Catering/Delivery Area. In such event, you agree to promptly discontinue offsite catering and/or delivery services in the affected geographical area, notwithstanding that you may have provided such services within such area prior thereto. You will not be entitled to any compensation for any elimination or reduction of the Catering/Delivery Area.

3. DEVELOPMENT OF YOUR BAKERY-CAFE.

3.01. Site Acceptance. Neither our acceptance of the Premises nor any information communicated to you regarding our standard site selection criteria for Panera Bread Bakery-Cafes or the specific location of the Premises constitutes a warranty or representation of any kind, express or implied, as to the suitability of the Premises for a Panera Bread Bakery-Cafe or for any other purpose. Our acceptance of the Premises merely signifies that we are willing to grant a franchise for a Panera Bread Bakery-Cafe at that location. Your decision to develop and operate a Panera Bread Bakery-Cafe at the Premises is based solely on your own independent investigation of the suitability of the Premises for a Panera Bread Bakery-Cafe.

In consideration of our acceptance of the Premises, you and your Owners release us, and our Affiliates, officers, directors, employees and agents from any and all loss, damages and liability arising from or in connection with the selection and/or acceptance of the Premises for development as a Panera Bread Bakery-Cafe.

3.02. Purchase or Lease of Premises. You must lease, sublease or purchase the Premises within one hundred and eighty (180) days after the date of our Site Acceptance Letter attached hereto as Exhibit G. We have the

right to approve the terms of any lease, sublease or purchase contract for the Premises, and you agree to deliver a copy to us for our approval before you sign it. You agree that any lease or sublease for the Premises must, in form and substance satisfactory to us, include all of the provisions set forth on Exhibit C hereto. You may not execute a lease, sublease or purchase contract or any modification thereof without our approval. Our approval of the lease, sublease or purchase contract does not constitute a warranty or representation of any kind, express or implied, as to its fairness or suitability or as to your ability to comply with its terms. We do not, by virtue of approving the lease, sublease or purchase contract, assume any liability or responsibility to you or to any third parties. You must deliver a copy of the fully signed lease, sublease or purchase contract to us within five (5) days after its execution. If you, one of your Owners, or one of your Affiliates at any time owns the Premises, you must immediately notify us and we may require that you or such Owner or Affiliate (1) enter into an agreement with us in recordable form granting us the right and option, in the event of a termination (for whatever reason) of this Agreement, to lease the Premises at fair market rental rates for a term coterminous (in absence of an early termination) with the term of this Agreement (with an option to extend for 10 years) for such Premises; or (2) enter into a prime lease with us at fair market rental rates for a term coterminous with the term of this Agreement (with an option to extend for 10 years) for such Premises and a sublease with us on the same terms as the prime lease. The prime lease and sublease referenced in the preceding sentence shall be on the then-current lease and sublease forms used by us.

3.03. Development of the Premises. You are solely responsible for developing your Bakery-Cafe, for all expenses associated with it and for compliance with the requirements of any applicable federal, state or local law, code or regulation, including those concerning the Americans with Disabilities Act (“ADA”) or similar rules governing public accommodations for persons with disabilities. We will furnish you with an operational concept plan and specifications for your Bakery-Cafe. The operational concept plan and specifications will not contain the requirements of any such federal, state or local laws, codes or regulations. You shall review and modify (if necessary) the operational concept plan and specifications to ensure that they comply with all applicable ordinances, building codes and permit requirements and any lease requirements and restrictions. You acknowledge that design quality is important to us and that we have the right to review and approve all plans and specifications and to confirm that construction is completed in conformance with the plans and specifications we have approved. You must employ an architect and/or engineer acceptable to us. You must submit all such modified plans and specifications, including design specifications, to us for our approval before starting to construct and/or improve the Premises. All final plans, including any changes required by any laws, codes or regulations, are subject to our approval. You must submit any revised plans and specifications to us for our approval. Our review and approval of your plans is not designed to assess compliance with federal, state or local laws and regulations, including the ADA, as compliance with such laws is your sole responsibility. All construction and/or improvements and any signage must comply with all applicable laws, ordinances and local rules and regulations and must be in accordance with the plans and specifications we have approved.

We will furnish such guidance to you in developing the Premises as we deem appropriate. We may periodically inspect the Premises during its development. We do not, by approving your plans or specifications or inspecting the Premises, assume any liability or responsibility to you or to any third parties. Such approvals and inspections shall be solely for the purpose of assuring compliance with our standards and shall not be construed as any express or implied representation or warranty that your Bakery-Cafe complies with any applicable laws, codes or regulations (including the ADA or any other federal, state, or local law or ordinance regulating standards for the access to, use of, or modifications of buildings for any by persons whose disabilities are protected by law) or that the construction thereof is sound or free from defects. All prototype and modified plans and specifications for your Bakery-Cafe remain our sole and exclusive property, and you may claim no interest therein. You shall execute such work-for-hire or intellectual property assignment agreements as we require to confirm our ownership of all such plans and specifications, and shall cause appropriate third parties (e.g., architect) to execute similar agreements, as well as confidentiality agreements.

You agree to obtain all required permits and licenses as soon as reasonably possible to commence construction of your Bakery-Cafe. You must start construction of your Bakery-Cafe within sixty (60) days after the later to occur of (a) delivery to you of the right of possession of the Premises; and (b) issuance of all permits and licenses required for construction and/or renovation of the Premises. You must employ a general contractor acceptable to us. You must procure all applicable construction insurance in amounts and coverages acceptable to us. You must complete construction of your Bakery-Cafe within one hundred eighty (180) days after the start of construction. You must open your Bakery-Cafe within twenty-one (21) days after the date construction is completed and all necessary approvals have been obtained. Any extensions of time are subject to our approval, which we may withhold at our discretion. You must provide us with weekly progress reports during construction in a format acceptable to us. We have the right to visit and inspect, at our

sole discretion, the site during the construction phase. Such visits shall be at our expense, except for visits made upon your request, which shall be at your expense.

The requirement to complete construction of your Bakery-Cafe includes obtaining all required construction and occupancy licenses and permits, developing the Premises (including all outdoor features and landscaping of the Premises), installing all required fixtures, furnishings, equipment and signs, and doing all other things as may be required pursuant to this Agreement or by practical necessity to have your Bakery-Cafe ready to open for business. Your Bakery-Cafe may not be opened for business until we have notified you that your Bakery-Cafe meets our requirements for opening, including written confirmation that construction has been completed in accordance with the approved plans and specifications. You acknowledge and agree that we have the right to withhold and/or defer our notice authorizing you to open your Bakery-Cafe for business to the public if we determine, at our discretion, that any Panera Bread Bakery-Cafe owned by you, and/or any of your Owners or Affiliates fails to meet our benchmark operational standards we establish from time to time for those Panera Bread Bakery-Cafes. You agree not to open your Bakery-Cafe to the public without such notice and you acknowledge and agree that we will not be liable for exercising our rights under the foregoing sentence, including any claims that the exercise of such rights have caused your Bakery-Cafe not to open or have delayed its opening.

Following the opening of your Bakery-Cafe, you have sixty (60) days to provide us with a final set of “as built” plans and specifications and a complete and full detailed statement of construction costs in a format prescribed by us. You must execute a verification that the information in the construction cost statement is complete and accurate.

Notwithstanding anything to the contrary contained in this Section 3.03, you shall not be deemed to be in breach of this Section 3.03 if your failure to start construction, finish construction or open your Bakery-Cafe as above provided results solely from windstorms, rains, floods, earthquakes, typhoons, mudslides, fires or other natural disasters. Any delay resulting from any of such causes shall extend performance accordingly, in whole or in part, as may be reasonable, except that no such cause, alone or in combination with other causes, shall extend performance more than ninety (90) days without our prior written consent, which consent may be withheld in our sole discretion.

3.04. Equipment, Furniture, Fixtures and Signs. You agree to purchase or lease all required equipment, furnishings, fixtures and signs for your Bakery-Cafe. You agree to purchase or lease only such types, brands and models of fixtures, furniture, equipment, signs and supplies which we approve for Panera Bread Bakery-Cafes as meeting our standards and specifications, including standards and specifications for quality, design, warranties, appearance, function and performance. You may purchase or lease approved types, brands or models of fixtures, furniture, equipment, signs and supplies only from suppliers approved by us (including us and any of our Affiliates). From time to time, we may modify the list of approved types, brands, models and/or suppliers, and you may not, after receipt of notice of such modification, reorder any type, brand or model from any supplier, which is no longer approved. If you propose to purchase any fixtures, furniture, equipment, signs or supplies of a type, brand or model, or propose to purchase from a supplier, that we have not previously approved, you must notify us and submit to us such information as we may request. We may impose reasonable inspection and supervision fees on approved suppliers to cover our costs.

3.05. Opening Assistance. If you (or any of your Affiliates) have not previously owned or managed a Panera Bread Bakery-Cafe, we will provide you with such opening operational assistance as we deem appropriate to assist you in starting your operations, including on-site opening assistance for not more than four (4) days, as scheduled by us.

4. TRAINING AND GUIDANCE.

4.01. Our Training Programs. If you (or your Operating Partner) or any of your Personnel have not completed the appropriate certified training programs, then prior to you opening or operating your Bakery-Cafe, you (or your Operating Partner) and all such Personnel must attend and successfully complete the appropriate certified training programs, conducted at such time(s) and place(s) as we designate. Thereafter, any person who replaces your Operating Partner or any other Personnel must successfully complete the appropriate certified training program before assuming the particular position. We may require you (or your Operating Partner) and other Personnel to attend and successfully complete periodic or additional training programs. We will not charge any fees for attendance at any such pre-opening training programs, but may charge fees for any training programs conducted thereafter. You will be responsible for all compensation and expenses (including training materials, travel, meals and lodging) incurred by you and your Personnel in attending any training programs.

4.02. On-Going Guidance. We will furnish you periodic guidance with respect to the System, including improvements and changes to the System. Such guidance, at our discretion, will be furnished in the form of the Policy

Manual, bulletins and other written materials, consultations by telephone or in person at our offices or at your Bakery-Cafe, or by any other means of communications. At your request, we may provide special assistance for which you will be required to pay the per diem fees and charges we may establish from time to time.

4.03. Policy Manual. We will provide you access to the Policy Manual. You agree to comply fully with all mandatory standards, specifications and operating procedures and other obligations contained in the Policy Manual. We may modify the Policy Manual from time to time to reflect changes in standards, specifications and operating procedures, provided no addition or modification may alter your fundamental status and rights under this Agreement. You must keep current with the Policy Manual. If a dispute develops relating to the contents of the Policy Manual, our master Policy Manual will be controlling. The Policy Manual contains Confidential Information, and you agree not to copy any part of the Policy Manual or allow unauthorized persons access to the Panera's online resources, including the The Pantry or a similar or successor site established by Panera.

4.04. Your Certified Training Programs. We may, from time to time, require or permit you to implement, at your expense, programs for the training of all or some of your Personnel. Prior to training any of your Personnel, your training programs must be certified by us as meeting our high standards. You will be required to obtain re-certification of your training programs from time to time, and we may withhold certification if we determine, in our sole discretion, that your training programs do not meet our high standards.

5. INTELLECTUAL PROPERTY.

5.01. Ownership of the Intellectual Property. You acknowledge that our Affiliate, Pumpernickel Associates, LLC ("Pumpernickel"), owns the Intellectual Property. Your right to use the Intellectual Property is derived solely from this Agreement and is limited to conducting business pursuant to and in compliance with this Agreement. Your unauthorized use of any of the Intellectual Property constitutes a breach of this Agreement and an infringement of Pumpernickel's rights to the Intellectual Property. This Agreement does not confer on you any goodwill or other interests in the Intellectual Property. Your use of the Intellectual Property and any goodwill established thereby inures to the exclusive benefit of Pumpernickel. All provisions of this Agreement applicable to the Intellectual Property apply to any additional or substitute Intellectual Property we authorize you to use. You may not at any time during or after the Term contest, or assist any other person or entity in contesting, the validity or ownership of any of the Intellectual Property.

5.02. Use of the Intellectual Property. You agree to use the Marks as the sole identification of your Bakery-Cafe, provided you identify yourself as the independent owner thereof in the manner we prescribe. You agree to use the Intellectual Property only in full compliance with rules prescribed by us from time to time in connection with your Bakery-Cafe and the sale of authorized food products, beverages and services. You may not use any Intellectual Property in connection with the sale of any unauthorized product or service or in any other manner that we have not explicitly authorized in writing. You shall ensure that all Copyrights used hereunder shall bear an appropriate copyright notice under the Universal Copyright Convention or other copyright laws prescribed by us. Any unauthorized use, adaptation, publication, reproduction, preparation of derivative works, distribution of copies (whether by sale or other transfer of ownership, or by rental, lease or lending), or attempts to recreate all or a portion of such Copyrights shall constitute a breach of this Agreement and an infringement of the rights of Pumpernickel and us in and to the Copyrights. You may not use the subject matter of any of the Patents in any other manner not expressly authorized by us in writing. You must agree to mark all products and equipment as directed by us in a legible manner in some conspicuous place with patent markings in compliance with the requirements of the United States patent laws. You may not use any Mark (or any abbreviation, modification or colorable imitation) as part of any corporate, legal or other business name (other than in connection with any legally required fictitious or assumed name filings), or with any prefix, suffix or other modifying words, terms, designs or symbols, or with the name or other designation of the metropolitan area or city in which your Bakery-Cafe is located, or in any other manner (including any Internet related use such as an electronic media identifier, for websites, web pages or domain names) not expressly authorized by us in writing. In addition to all other rights and remedies we may have for unauthorized use of the Intellectual Property or the sale of unauthorized products or services, you must reimburse us for any damages, liability or expenses incurred by us arising out of your sale of any unauthorized product or service or for any damages, liability or expenses incurred by us arising out of your use of the Intellectual Property in an unauthorized manner. To the extent that any of the fees payable pursuant to Section 6 are for the right to use the System, such fees are all-inclusive and are not allocated among any of the various rights, including the Intellectual Property or any components of the Intellectual Property, that comprise the System.

5.03. Discontinuance of Use of Intellectual Property. If it becomes advisable at any time for us and/or you to modify or discontinue use of any Intellectual Property and/or use additional or substitute Intellectual Property, you

agree to comply with our directions within fourteen (14) days after notice. You will bear all costs and expenses applicable to your Bakery-Cafe should we decide to modify any Intellectual Property or use additional or substitute Intellectual Property. Neither we nor Pumpnickel shall have any liability or obligation whatsoever with respect to any such required modification or discontinuance of use of any Intellectual Property or the promotion or use of additional or substitute Intellectual Property, except as otherwise provided in Section 5.05 hereof.

5.04. Notification of Infringements and Claims for Intellectual Property. You must notify us immediately of any apparent infringement of or challenge to your use of any Intellectual Property, or any claim by another person of any rights in any Intellectual Property. You may not communicate with any person, other than your legal counsel, us, Pumpnickel and our respective legal counsel, in connection with any such infringement, challenge or claim. Pumpnickel will have sole discretion to take such action as it deems appropriate and will have the right to control exclusively any litigation or U.S. Patent and Trademark Office or other administrative proceeding arising out of any such infringement, challenge or claim or otherwise relating to any Intellectual Property. You must sign any and all instruments and documents, render such assistance and do such acts and things as may be necessary or advisable in the opinion of our or Pumpnickel's legal counsel to protect Pumpnickel's interests in any litigation or U.S. Patent and Trademark Office proceeding or other administrative proceeding or otherwise to protect its interests in the Intellectual Property.

5.05. Indemnification of Franchisee Regarding Marks. We agree to indemnify you against, and to reimburse you for, all damages for which you are held liable in any proceeding arising out of your authorized use of any Mark pursuant to and in compliance with this Agreement and, except as provided herein, for all costs you actually and reasonably incur in defending any such claim brought against you, provided you have timely notified us of such claim and provided further that you and your Owners and Affiliates are in compliance with this Agreement and all other agreements entered into with us or any of our Affiliates. Pumpnickel, at its sole discretion, is entitled to prosecute, defend and/or settle any proceeding arising out of your use of any Mark pursuant to this Agreement, and, if Pumpnickel undertakes to prosecute, defend and/or settle any such matter, we have no obligation to indemnify or reimburse you for any fees or disbursements of any legal counsel retained by you.

6. FEES.

6.01. Franchise Fees. You agree to pay us a nonrefundable franchise fee, shown on Exhibit D, as follows: (a) if this Agreement is for a new franchise or executed pursuant to an Area Development Agreement, the initial franchise fee is subject to any applicable credit of the area development fee, and is payable at least thirty (30) days before the scheduled opening of your Bakery-Cafe; and (b) if this Agreement is executed as a successor or transfer franchise, the successor franchise fee or transfer fee is fifty percent (50%) of our then-current standard initial franchise fee or Seven Thousand Five Hundred Dollars (\$7,500) (plus costs), respectively, and is payable on execution of this Agreement.

6.02. Royalty Fees. You agree to pay us a continuing royalty fee of five percent (5%) of Net Sales (the "Royalty Fee") for each Reporting Period (as defined below). There shall be fifty-two (52) or fifty-three (53) reporting periods (Wednesday through following Tuesday, subject to change by us, each a "Reporting Period") in each of our fiscal years.

6.03. Miscellaneous Administrative Fees. You agree to pay us such miscellaneous administrative fees in such amounts as we may establish from time to time. The amounts of such fees shall be reasonably determined by us and may include recovery of our direct costs as well as reasonable allocations of overhead and indirect costs, and shall be charged on the same basis as for substantially all other franchised Panera Bread Bakery-Cafes in the U.S. or the applicable geographical area.

6.04. Designated Account. Prior to the opening of your Bakery-Cafe, and as a condition thereof, you shall establish a designated bank account from which we shall be authorized to withdraw in any manner which we prescribe, which may include electronic transfer of funds, any amounts due to us or our Affiliates from you under this Agreement, including Royalty Fees. We have the right to review your sales numbers on a daily basis. On the first business day following a Reporting Period, we shall calculate the Royalty Fee due for that Reporting Period and withdraw such amount and any other amounts due under this Agreement, including any advertising and marketing fees set forth under Section 10 directly from the designated account. All costs and expenses of establishing and maintaining such designated account, including transaction fees and wire transfer fees, shall be paid by you.

6.05. Interest On Late Payments. All payments of the continuing Royalty Fees due us from you and other periodic fees payable based on Reporting Periods shall be due and payable on, and must be received by us, by the first

business day immediately following the end of each Reporting Period. Any payment or report not actually received by us on or before such date shall be deemed overdue. If any payment is overdue, you shall pay to us, in addition to the overdue amount, interest on such amount from the date it was due until paid, at a rate which is the lesser of two (2) percentage points above the prime interest rate as reported by the Wall Street Journal on the day the payment was due or the maximum rate permitted by law. You also agree to maintain at all times sufficient funds in the designated bank accounts for such withdrawals as provided in Section 6.04. If sufficient funds are not available in the designated bank account at the time of an electronic transfer to pay fees that are due us or our Affiliates, we have the right to collect a service fee, subject to applicable law. Entitlement to such interest and service fee shall be in addition to any other remedies we may have. Your failure to have sufficient funds available in the designated account in an amount equal to any amount then due or your failure to pay all amounts when due, constitutes grounds for termination of this Agreement, as provided in Section 14.

6.06. Application of Payments. We may apply any payments by you to any of your past due indebtedness for Royalty Fees, advertising fund contributions or any other indebtedness to us or any of our Affiliates, notwithstanding any designation by you.

7. RESTRICTIVE COVENANTS.

7.01. Confidential Information. We will disclose (or cause to be disclosed) parts of our Confidential Information to you solely for your use in the operation of your Bakery-Cafe. The Confidential Information is proprietary and includes our trade secrets. During the Term and thereafter: (a) you and your Owners may not use the Confidential Information in any other business or capacity (you and your Owners acknowledge such use is an unfair method of competition); (b) you and your Owners must maintain the confidentiality of the Confidential Information; (c) you and your Owners may not make unauthorized copies of, nor permit unauthorized access to, any portion of the Confidential Information disclosed in written, electronic or other form; and (d) you and your Owners must implement all reasonable procedures we prescribe from time to time to prevent unauthorized use or disclosure of the Confidential Information, including the use of nondisclosure agreements with your Owners, officers, directors, Operating Partners, managers, assistant managers, bakers and the like, and you and your Owners must deliver such agreements to us. At the end of the Term, you and your Owners must deliver to us all such Confidential Information in your possession or control. Your restrictions on disclosure and use of Confidential Information do not apply to information or techniques which are or become generally known in the restaurant industry (other than through your own disclosure), provided you obtain our prior written consent to such disclosure or use.

7.02. In-Term Covenants. During the Term, neither you nor any of your Owners may, without our prior consent (which consent may be withheld at our discretion):

(a) directly or indirectly (such as through an Affiliate or a member of his/her or their Immediate Families) own any legal or beneficial interest in, or render services or give advice to: (1) any Competitive Business located anywhere; or (2) any entity located anywhere which grants franchises, licenses or other interests to others to operate any Competitive Business; or

(b) divert or attempt to divert any business or customer of Panera Bread Bakery-Cafes to any competitor or do anything injurious or prejudicial to the goodwill associated with the Marks or the System.

7.03. Information Exchange. All recipes, processes, ideas, concepts, advertising and promotional materials, website pages and content, methods, techniques or materials used or useful to a restaurant, grocery store, bakery-cafe, bakery or dough production business, or other business offering bakery products, whether or not constituting protectable intellectual property (collectively, the “Materials”), that you create, or that are created on your behalf, in connection with the development or operation of your Bakery-Cafe must be promptly disclosed to us. If we adopt any of such Materials as part of the System, or deem them to be sufficiently related to us and our business to be considered proprietary, they will be deemed to be our sole and exclusive property and deemed to be Works-made-for-Hire (as such term is defined under Section 101 of the Copyright Act) for us, and to the extent the Materials may for any reason not be considered a Work-made-for-Hire, you irrevocably convey, grant, transfer and assign to us all right, title and interest which you may have now or in the future in and to the Materials. You agree to sign whatever assignment or other documents we request, during and after the Term, to evidence our ownership or to assist us in securing intellectual property rights in the Materials, and you warrant that you will obtain all rights from any third party acting on your behalf to comply with this provision.

8. YOUR ORGANIZATION AND MANAGEMENT.

8.01. Organizational Documents. You and each of your Principal Owners represent, warrant and agree that: (a) you are duly organized and validly existing under the laws of the state of your organization, and, if a foreign business corporation, partnership, limited liability company or other legal entity, you are duly qualified to transact business in the state in which your Bakery-Cafe is located; (b) you have the authority to execute and deliver this Agreement and to perform your obligations hereunder; (c) true and complete copies of the articles or certificate of incorporation, articles of organization, operating agreement or principles, partnership agreement, bylaws, subscription agreements, buy-sell agreements, voting trust agreements, trust agreements and all other documents relating to your ownership, organization, capitalization, management and control, and any amendments thereto (“Organizational Documents”) shall be promptly delivered to us; (d) your activities are restricted to those necessary solely for the development, ownership and operation of Panera Bread Bakery-Cafes in accordance with this Agreement and in accordance with any other agreements entered into with us or any of our Affiliates; (e) the Organizational Documents recite that the issuance, transfer or pledge of any direct or indirect legal or beneficial ownership interest is restricted by the terms of this Agreement; (f) all certificates representing direct or indirect legal or beneficial ownership interests now or hereafter issued must bear a legend in conformity with applicable law reciting or referring to such restrictions; and (g) you will deliver to us a Secretary/Clerk's/Trustee's Certificate or other evidence satisfactory to us, that the execution, delivery and performance of this Agreement and all other agreements and ancillary documents contemplated hereby or thereby have been duly authorized by all necessary action by Franchisee, if you are a corporation, partnership, limited liability company or other legal entity, as applicable.

8.02. Disclosure of Ownership Interests. You and each of your Principal Owners represent, warrant and agree that Exhibit A is current, complete and accurate. You agree that updated Exhibits A will be furnished promptly to us, so that Exhibit A (as so revised and signed by you) is at all times current, complete and accurate. Each person who is or becomes a Principal Owner must execute an agreement in the form we prescribe, undertaking to be bound jointly and severally by the terms of this Agreement, the current form of which is attached hereto as Exhibit B. Each person who is or becomes an Owner, but not a Principal Owner, must execute an agreement in the form we prescribe, undertaking to be bound by the confidentiality and non-competition covenants contained in the Agreement, the current form of which is attached hereto as Exhibit E. Each Owner must be an individual acting in his/her individual capacity, except as otherwise approved by us.

8.03. Operating Partner/Management of Business. You must designate in Exhibit A as the “Operating Partner” an individual approved by us who must: (a) own and control, or have the right to own and control (subject to terms and conditions reasonably acceptable to us), not less than a ten percent (10%) interest in your equity; (b) have the authority to bind you regarding all communications with us and operational decisions with respect to your Bakery-Cafe(s); and (c) have completed our training program to our satisfaction.

Your Operating Partner: (a) shall exert his or her full-time and best efforts to the development and operation of your Bakery-Cafe and all other Panera Bread Bakery-Cafes you own; and (b) may not engage in any other business or activity, directly or indirectly, that requires substantial management responsibility or time commitments or otherwise may conflict with your obligations hereunder. You agree to provide us with copies of any arrangement, agreement or contract relating to your relationship with your Operating Partner. We shall have no responsibility, liability or obligation to any party to any such arrangement, agreement or contract, or any amendments thereto, on account of our review thereof or otherwise, and you agree to indemnify and hold us harmless with respect thereto. Your Bakery-Cafe at all times must be managed by your Operating Partner or by an on-site general or assistant manager or a shift supervisor who has completed the appropriate training programs.

8.04. Baker(s). The baking of breads, bagels and pastries is the core element of our concept. As such, we go to great lengths to ensure the quality and integrity of our finished product. An essential element of a Panera Bread Bakery-Cafe is the training and overall performance of in-store baking. The general manager dedicates a portion of his/her time to the management of in-store bakers and bakeries. We may change the organizational structure of the baking system from time to time, in which case you will be required to adopt the then-current structure.

8.05. Baking. Baking is a Panera retail team member's responsibility, trained (by Panera Bread procedures) and responsible for the baking of all products sold in or through a Panera Bread Bakery-Cafe. If we change the requirements, organization, structure or functions of the in-store baking process, you will be required to implement the then-current processes.

8.06. Store Organization. Your Bakery-Cafe must be staffed by, at least, one trained general manager and appropriate numbers of assistant managers, shift supervisors and bakers so that all shifts are staffed by at least one assistant manager or shift supervisor, unless otherwise approved by us. You may not operate your Bakery-Cafe with a smaller complement without our written approval.

8.07. Restrictions on Debt. In connection with the development and operation of your Bakery-Cafe, including the payment of franchise fees and the costs and expenses to be incurred pursuant to this Agreement, you and each Owner represent, warrant, covenant and agree that neither you nor any Owner borrowed any funds or otherwise incurred any debt to obtain any funds for the payment of any of such fees, costs and expenses, except as specifically permitted in this Section 8.07. You and each Owner shall not, without our prior written consent, which we may grant or deny in our sole discretion, directly or indirectly borrow any money or incur any debt or liability (other than lease obligations for your Bakery-Cafe's land, building and equipment and trade payables in the ordinary course of business) to establish, operate and maintain your Bakery-Cafe in excess of seventy five percent (75%) of the actual aggregate un depreciated costs of the leasehold improvements, furniture, fixtures, kitchen equipment and signs for your Bakery-Cafe and with a repayment term of no more than ten (10) years. You acknowledge any security interest in or pledge of assets or ownership interest in connection therewith constitutes a Transfer of the Franchise subject to the terms of this Agreement, including obtaining our approval and the execution of such agreements and certificates as we may require. For purposes of this Section 8.07, any equity or other interest that we deem to be substantially similar to debt or borrowed funds (e.g., equity interests with preferences, dividends, etc.) shall be deemed debt or borrowed funds. You shall not extend, renew, refinance, modify or amend any debt or liability permitted by this Section 8.07 without our prior written consent, which consent we may grant or deny in our sole discretion.

9. PANERA BREAD BAKERY-CAFE OPERATING STANDARDS.

9.01. Condition of Your Bakery-Cafe. You must maintain your Bakery-Cafe's condition and appearance so that it is attractive, clean and efficiently operated in accordance with the Policy Manual. You agree to maintain your Bakery-Cafe's condition and appearance and to make such modifications and additions to its layout, decor, operations, and general theme as we require from time to time, including replacement of worn-out or obsolete fixtures, equipment, furniture, signs and utensils, repair of the interior and exterior and appurtenant parking areas and periodic cleaning and redecorating. If at any time the general state of repair, appearance or cleanliness of your Bakery-Cafe, or its fixtures, equipment, furniture, signs or utensils, does not meet our standards, we may notify you and specify the action you must take to correct such deficiency. If, within ten (10) days after receiving such notice, you fail or refuse to initiate and thereafter continue in good faith and with due diligence a *bona fide* program to complete such required maintenance, we have the right (in addition to our rights under Section 14), but not the obligation, to enter the Premises and do such maintenance on your behalf and at your expense. You must promptly reimburse us for such expenses.

You must periodically re-equip, upgrade and/or remodel your Bakery-Cafe pursuant to our plans and specifications, including equipment and production enhancements, provided, however, that, with the exception of signage, equipment and production enhancements, we will not require substantial remodeling more often than every five (5) years during the Term.

If your Bakery-Cafe is damaged or destroyed by fire or other casualty, you must initiate within thirty (30) days (and continue until completion) all repairs or reconstruction to restore your Bakery-Cafe to its original condition. If, in our reasonable judgment, the damage or destruction is of such a nature that it is feasible, without incurring substantial additional costs, to repair or reconstruct your Bakery-Cafe in accordance with the then-standard Panera Bread Bakery-Cafe layout and decor specifications, we may require you to repair or reconstruct your Bakery-Cafe in accordance with those specifications.

You may not make any alterations to your Bakery-Cafe, nor any replacements, relocations or alterations of fixtures, equipment, furniture or signs, without our approval. We have the right at your expense to rectify any replacements, relocations or alterations not previously approved by us.

9.02. Uniform Image. You agree that your Bakery-Cafe will offer for sale food, beverages and other products, services and merchandise related to the Panera Bread concept that we determine from time to time to be appropriate for your Bakery-Cafe. You further agree that your Bakery-Cafe will not, without our approval, offer any products or services (including promotional items) not then authorized by us. Your Bakery-Cafe may not be used for any purpose, other than the operation of a Panera Bread Bakery-Cafe in compliance with this Agreement. You agree that your

Bakery-Cafe will offer courteous and efficient service and a pleasant ambiance, consistent with your acknowledgements in Section 1.02.

9.03. Purchase of Food Products.

(a) Requirement to Purchase Food Products. You acknowledge and agree that the reputation and goodwill of Panera Bread Bakery-Cafes are based on, and can be maintained only by, the sale of distinctive high quality food products. Therefore, you agree to purchase exclusively from Approved Distributors all those Food Products we authorize from time to time to be manufactured, produced, or supplied solely and exclusively by one or more Designated Suppliers (“Key Food Products”). Further, you agree to purchase only from Approved Distributors all other Food Products we authorize from time to time to be manufactured, produced, or supplied by Approved Suppliers (“Other Food Products”), subject to your right to purchase such Other Food Products from Alternative Approved Suppliers in accordance with Section 9.03(c). We reserve the right to designate any Food Products as a Key Food Product or as an Other Food Product and the right to redesignate from time to time at our discretion any Key Food Product as an Other Food Product and *vice versa*. You acknowledge and agree that we do not act as your agent, representative, or in any other intermediary or fiduciary capacity for you in our relationship with any Designated Suppliers, Approved Suppliers, Alternative Approved Suppliers, or Approved Distributors. Subject to the provisions contained in this Section 9.03, you acknowledge and agree that (i) we and/or our Affiliates may receive payments, fees, commission, or reimbursements from distributors, suppliers, or third parties in respect to purchases by franchisees, (ii) we and/or our Affiliates may have investments in such distributors or suppliers, and (iii) we and/or our Affiliates may profit from your purchases of Food Products from Approved Distributors.

(b) Terms of Sale. All Key Food Products and Other Food Products are sold at prices and on credit and shipping terms established from time to time by the distributor thereof. Neither Approved Distributors, Designated Suppliers, nor Approved Suppliers shall be liable for any delay in the delivery of any Food Products as a result of any Force Majeure. Approved Distributors, Designated Suppliers, or Approved Suppliers may establish policies and procedures from time to time for the allocation and distribution of Food Products among Panera Bread Bakery-Cafes.

(c) Purchases from Alternative Approved Suppliers. You have the right to purchase Other Food Products manufactured, produced, or supplied by an Alternative Approved Supplier approved by us in accordance with this Section 9.03(c) and the Policy Manual. If you propose to purchase any such Other Food Products manufactured, produced, or supplied by an alternative supplier who is not then approved by us, you and the proposed supplier must submit to us all information that we may request in order to determine whether to approve the supplier. We will have the right to approve or disapprove any supplier, and we may approve a supplier conditionally. In evaluating any supplier you propose, we may, subject to restrictions and conditions to protect our trade secrets and confidential information, disclose to such proposed supplier applicable standards, specifications, ingredients, recipes, processes, equipment and procedures for the item in sufficient detail to enable the proposed supplier to demonstrate its capacity and capabilities to supply the items in accordance with our requirements with respect thereto. Within one hundred twenty (120) days after we receive all requested information, we will communicate to you in writing our decision to approve or disapprove the proposed alternative supplier. We will evaluate proposed alternative suppliers on their ability to comply with applicable standards, specifications, ingredients, recipes, processes, and procedures, as well as their use of approved equipment, and we will only approve those proposed alternative suppliers that meet our high standards. You agree to notify us at least thirty (30) days in advance before you first start purchasing any Other Food Products manufactured, produced, or supplied by an Alternative Approved Supplier who is already approved by us. We may disapprove any supplier who we previously approved, and you may not, after receipt of notice of disapproval, reorder Food Products manufactured, produced, or supplied by any supplier we have disapproved.

We may prescribe procedures for the submission of requests for approval and impose obligations on Alternative Approved Suppliers, which will be incorporated in a written license agreement with the supplier. We may obtain from you and/or such Alternative Approved Suppliers reimbursement of our reasonable costs and expenses incurred in connection with the approval process and on-going monitoring of the supplier’s compliance with our requirements, but we will not profit from the sale to you of Other Food Products manufactured, produced, or supplied by an Alternative Approved Supplier. You acknowledge and agree that we do not act as your agent, representative or in any other intermediary or fiduciary capacity for you in our relationship or dealings with Alternative Approved Suppliers. We may impose limits on the number of Alternative Approved Suppliers we approve. We have the right to monitor the quality of Food Products manufactured, produced, or supplied by Alternative Approved Suppliers in a manner we deem appropriate and we may terminate any Alternative Approved Supplier who does not meet our quality standards and specifications, as may be in effect from time to time. If you purchase one or more types of Other Food Products manufactured, produced,

or supplied by an Alternative Approved Supplier, no Approved Supplier will have any obligation to sell you any Other Food Products while you are purchasing from any Alternative Approved Supplier. If, after commencing purchasing Other Food Products from an Alternative Approved Supplier, you want the Approved Supplier to resume supplying you with Other Food Products, we may require you to submit to us an application, in such form as we may determine from time to time, which we will normally process within thirty (30) days. The Approved Supplier has no obligation to resume supplying Other Food Products to you, and you may not place an order for such products with the Approved Supplier, until we have approved your application for resupply.

(d) **Sale and Use of Food Products.** You shall sell and/or use Food Products only at the Premises for sale to retail customers of your Bakery-Cafe. You shall not sell any Food Products to wholesalers or any other party on a wholesale basis.

9.04. Purchase of Other Products and Services. You acknowledge and agree that the reputation and goodwill of Panera Bread Bakery-Cafes are based on, and can be maintained only by the use or sale of distinctive high quality products and services. Therefore, you agree that your Bakery-Cafe will use and/or offer for sale only products (other than Food Products), beverages, merchandise, uniforms, packaging materials, POP materials, smallwares, menus, forms, labels and other supplies and other products and services, including third-party food delivery services, that conform to our specifications and quality standards and/or are purchased from Approved Distributors or directly from suppliers approved by us (which may include us and/or any of our Affiliates). We may modify the list of approved brands, Approved Distributors, or suppliers from time to time in our sole discretion. After notice of such modification, you may not reorder any brand or reorder from any Approved Distributor or supplier that is no longer approved.

If you propose to use any brand or supplier of products or equipment other than Food Products that is not then approved by us, you must first notify us and submit sufficient information, specifications and samples concerning such brand or supplier so that we can decide whether such brand complies with our specifications and standards or such supplier meets our approved equipment or approved supplier criteria. We have the right to charge reasonable fees to cover our costs of any such approval process. We will notify you of our decision within a reasonable period of time. We may prescribe procedures for the submission of requests for approval and impose obligations on suppliers, which we may require to be incorporated in a written agreement. We may impose limits on the number of suppliers and/or brands for any of the foregoing items.

You must maintain at all times an inventory of approved products, beverages, and merchandise related to the Panera Bread concept sufficient in quantity, quality and variety to realize your Bakery-Cafe's full potential.

9.05. Specifications and Standards. You acknowledge that each and every aspect of the interior and exterior appearance, layout, decor, services and operation of your Bakery-Cafe is important to us and is subject to our specifications and standards. Consequently, you agree to comply with all mandatory specifications, standards and operating procedures and other obligations that we prescribe from time to time in the Policy Manual. More particularly, you agree to comply with all mandatory specifications, standards and operating procedures, as modified from time to time relating to the appearance, function, cleanliness or operation of a Panera Bread Bakery-Cafe, including: (i) type, quality, taste, weight, dimensions, ingredients uniformity and manner of preparation, packaging and sale of food products and beverages; (ii) sale procedures and customer service; (iii) advertising and promotional programs; (iv) qualifications, appearance, uniforms and dress of employees; (v) safety, maintenance, appearance, cleanliness, sanitation, standards of service and operation of your Bakery-Cafe; (vi) days and hours of operation; (vii) bookkeeping, accounting and record keeping systems and forms; (viii) training system for both management and hourly associates; and (ix) product ordering procedures.

9.06. Compliance With Laws. You must maintain in force in your name all required license permits and certificates relating to the operation of your Bakery-Cafe. You must operate your Bakery-Cafe in full compliance with all applicable laws, ordinances and regulations, including any law, ordinance or regulation relating to terrorist activities. You must notify us in writing immediately upon: (a) the commencement of any legal or administrative action, or the issuance of an order of any court, agency or other governmental instrumentality, which may adversely affect the development, occupancy or operation of your Bakery-Cafe or your financial condition; or (b) the delivery of any notice of violation or alleged violation of any law, ordinance or regulation, including those relating to health or sanitation at your Bakery-Cafe.

All of your advertising and promotion must be completely factual and must conform to the highest standards of ethical advertising. In all dealings with us, as well as your Personnel, customers, suppliers, lessors and the public, you must adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. You agree to refrain from any

business or advertising practice which may be injurious to our business, to the business of other Panera Bread Bakery-Cafes or to the goodwill associated with the Marks.

9.07. Personnel. Your Bakery-Cafe must at all times be under the direct, on premises supervision of a general or assistant manager or a shift supervisor who has completed and graduated from a certified training program and must be staffed by a sufficient number of competent hourly associates who are successful graduates of the appropriate certified training programs. You (or your Operating Partner) at all times must remain active in overseeing the operations of your Bakery-Cafe. If the relationship with your Operating Partner terminates, you must promptly hire a successor Operating Partner. Any successor Operating Partner must meet our approval and must successfully complete our training program. You are solely responsible for all employment decisions with respect to your Personnel, including hiring, firing, compensation, training, supervision and discipline, and regardless whether you receive advice from us on any of these subjects.

9.08. Insurance. You must maintain in force: (a) commercial general and product liability insurance; (b) all risk property insurance, including fire and extended coverage, vandalism and malicious mischief insurance for the replacement value of your Bakery-Cafe and its contents with a minimum of six months of business interruption coverage; (c) commercial auto liability insurance covering owned, borrowed, hired and non-owned autos; (d) statutory workers' compensation/employer's liability insurance; and (e) such other insurance policies as we may determine from time to time. All insurance policies must: (1) be issued by carriers licensed to do business in the state with an AM Best rating of A-VIII or higher or otherwise approved by us; (2) contain such types and minimum amounts of coverage, exclusions and maximum deductibles as we prescribe from time to time; (3) name us and our Affiliates as additional insureds; (4) provide for thirty (30) days' prior written notice to us of any material modification, cancellation or expiration of such policy; (5) include a waiver of subrogation; and (6) include such other provisions as we may require from time to time. Your insurance must apply on a primary and non-contributory basis. Any assumption of risk not covered by a third party insurance policy or a qualified self-insured program must also be approved by us.

You must furnish us with such evidence of insurance coverage on an annual basis and payment of premiums as we may request. If you fail or refuse to maintain any required insurance coverage, or to furnish satisfactory evidence thereof, we, at our option and in addition to our other rights and remedies hereunder, may obtain such insurance coverage on your behalf. If we do so, you must fully cooperate with us in our effort to obtain such insurance policies and pay us any costs and premiums we incur.

Your obligation to maintain insurance coverage is not diminished in any manner by reason of any separate insurance we may choose to maintain, nor does it relieve you of your obligations under Section 17.02.

9.09. Quality Control. We may, in our sole discretion, establish quality control programs, including food safety programs, "secret shopper" programs, Interactive Voice Response ("IVR") Customer Satisfaction Measurement programs and/or "customer intercept" programs, to ensure the highest quality of service and food products in all Panera Bread Bakery-Cafes. You shall participate in any such quality control programs and bear your pro-rata share, as determined by us in our sole discretion, of the costs of any such program. We reserve the right to publish or disclose to other franchisees, in any manner or format that we deem appropriate in our sole discretion, any information that we collect, produce or maintain in connection with such quality control programs. We also reserve the right to publish or disclose to third parties in an aggregate anonymous format any information that we collect, produce or maintain in connection with such quality control programs.

9.10. Test Marketing. We may conduct market research to determine consumer trends and salability of new food products and services. You agree to cooperate by participating in our market research programs by test marketing new food products and services in your Bakery-Cafe and providing us timely reports and other relevant information regarding such market research. You must purchase a reasonable quantity of such test products and make a reasonable effort to sell them. In the event you are approved to participate in any operations or marketing tests, including the testing of any product, program or media activity, you may be required to enter into a test agreement which will outline all requirements for the testing. All test requirements, processes and procedures must be adhered to as outlined by us. Any applicable costs (smallwares, product, media or costs for any associated marketing activities) will be your responsibility, and you must provide complete data statistics on the test for our review and evaluation.

9.11. Retail Pricing. We may offer guidance to you relating to prices for products and services offered and sold at your Bakery-Cafe that in our judgment constitute good business practice. You will not enter into any agreement

or arrangement or engage in any concerted practice with competitors relating to prices at which products or services will be sold by you or by such competitors.

9.12. Customer Data. All information, mailing lists and data bases of Customer Data from whatever source derived, shall, at our request, and in any event when provided by you to us, be our property. You agree not to use such information, except in connection with the operation of your Bakery-Cafe in accordance with this Agreement. You agree not to use, process, copy, display, publish, store or transfer the Customer Data without our approval. You agree to comply with all applicable laws with respect to Customer Data; in addition, you agree to comply with all data privacy and security requirements we may establish from time to time and to exert commercially reasonable efforts to prevent the unauthorized use, dissemination, or publication of Customer Data, subject in all instances to applicable laws. You shall promptly notify us if you become aware of or suspect any unauthorized access to the Customer Data, or if you become the subject of any governmental, regulatory, or other enforcement or private proceeding relating to your data handling practices of Customer Data.

9.13. Credit Cards. It is your responsibility to maintain and report your PCI compliance, which encompasses operational policies and practices as well as networks and POS systems hardware/software used to process credit card transactions, as well as attesting that you are abiding by (i) the Payment Card Industry (“PCI”) Data Security Standards enacted by the applicable Card Associations (as they may be modified from time to time or as successor standards are adopted); and (ii) all other security standards and guidelines that may be published from time to time by payment card companies and/or enacted by law, and are applicable to customer credit card and debit card information. If you know or suspect a security breach, you must immediately notify both your credit card transaction acquirer and Panera. You assume all responsibility for providing notice of breach or compromise, along with duties and costs associated with fraudulent transactions, penalties, and ongoing fees for monitoring customer credit card histories and/or transactions for affected customers of your Bakery-Cafe.

10. MARKETING AND ADVERTISING.

10.01. National Advertising Fund (NAF). We may, in our sole discretion, establish and administer a National Advertising Fund (“NAF”) for the creation and development of marketing, advertising and related programs and materials, including electronic, print and Internet media as well as the planning and purchasing of national and/or regional network advertising. You must contribute to the NAF amounts that we establish from time to time, up to two and six tenths percent (2.6%) of Net Sales, payable on the first business day following the immediately preceding Reporting Period together with the Royalty Fees due hereunder. At our discretion, NAF contributions may be electronically drafted from the designated account referred to in Section 6.04 hereof. We reserve the right to collect annual contributions to the NAF at any time of the year and may do so retroactively for periods of the calendar year that have already lapsed (if we change the contribution rate anytime during the year). Panera Bread Bakery-Cafes owned by us and our Affiliates shall contribute to the NAF on the same basis as the then-current rate for franchisees. We reserve the right to change the two and six tenths percent (2.6%) maximum limit on NAF contributions (as well as the maximum limits on Local Advertising Funds and the Marketing Administration Fee contributions) in the future by gaining an approval vote by either (i) sixty six percent (66%) of all then existing company and franchised Panera Bread Bakery-Cafes or (ii) fifty one percent (51%) of all then existing franchised Panera Bread Bakery-Cafes. Voting will be accomplished through a system of one vote per eligible Panera Bread Bakery-Cafe. The NAF that has been approved in accordance with the terms of this Section 10.01 is currently three and twenty-six hundredths percent (3.26%) of Net Sales.

The NAF will be accounted for separately from our other funds. All disbursements from the NAF shall be made first from income and then from contributions. While our intent is to balance the NAF on an annual basis, from time to time the NAF may run at either a surplus or deficit. We may spend in any fiscal year an amount greater or less than the aggregate contributions of all Panera Bread Bakery-Cafes to the NAF in that year, and the NAF may borrow from us or other lenders to cover deficits in the NAF or cause the NAF to invest any surplus for future use by the NAF. We will prepare annually a statement of funds collected and costs incurred by the NAF and furnish a copy to you upon your written request. Except as otherwise expressly provided in this Section 10.01, we assume no direct or indirect liability or obligation with respect to the maintenance, direction or administration of the NAF. We do not act as trustee or in any other fiduciary capacity with respect to the NAF.

Although the NAF is intended to maximize general recognition of the Marks and patronage of Panera Bread Bakery-Cafes for the benefit of all Panera Bread Bakery-Cafes, we cannot assure you that any particular Panera Bread Bakery-Cafe will benefit directly or pro-rata from the placement of advertising. Additionally, we reserve the right to define, at any time, the measurement terms for any media coverage. The NAF may be used to pay for the cost of preparing and

producing materials and programs we select, including agency fees, market research and product testing, video, audio, electronic and written advertising materials, public relations programs, media planning and buying services and the cost of employing advertising agencies and supporting market research activities. We may furnish you with marketing, advertising and promotional materials at cost, plus any related administrative, shipping, handling and storage charges.

We will seek the advice of owners of Panera Bread Bakery-Cafes by formal or informal means with respect to the creative concepts and media used for programs financed by the NAF. At our discretion, we may establish a Marketing Advisory Council (“MAC”). Members of the MAC are appointed by us and the MAC serves only in an advisory capacity. The final authority on all programs funded by the NAF will rest with us, and we will have sole discretion over all aspects of such programs, including national or regional media, creative concepts, materials, endorsements, agencies and suppliers. We have the right to change or dissolve the MAC.

10.02. Local Advertising Funds (LAF). You agree to spend for locally advertising and promoting your Bakery-Cafe at least such amounts as we establish from time to time, not to exceed two percent (2%) of Net Sales during each of our fiscal years. These amounts spent on local advertising and promotion will be designated as Local Advertising Funds (“LAF”). At our request, you shall furnish us with copies of invoices and other documentation evidencing your compliance with this Section 10.02. We shall provide you with not less than thirty (30) days notice of any determination by us to change the minimum amount of the LAF you must spend. If we determine that you have spent an amount less than our prescribed minimum amount of Net Sales during any fiscal year for locally advertising and promoting your Bakery-Cafe, we may collect LAF contributions directly from you. LAF contributions will be payable on the first business day following each Reporting Period together with the Royalty Fees due hereunder. The LAF monies will be used to pay for the cost of implementing local marketing plans developed by you and approved by us or, if we collect LAF contributions from you, to reimburse you (up to an amount not to exceed the LAF contributions so collected) for the costs incurred by you in implementing local marketing plans developed by you and approved by us. For these purposes, qualifying LAF expenditures include: (a) amounts contributed to advertising associations; and (b) amounts spent by you for (i) grand opening advertising and promotional programs pursuant to Section 10.04; (ii) advertising media, such as television, radio, Internet, magazine, newspaper, billboards, posters, direct mail, collateral and promotional items, advertising on public vehicles (transit and aerial) and, if not provided by us, the cost of producing approved materials necessary to participate in these media; (iii) seasonal campaign POP; and (iv) other qualifying community marketing expenses as outlined in the Marketing Standards. Non-qualifying LAF advertising expenditures include amounts spent for items which we, in our reasonable judgment, deem inappropriate for meeting the minimum advertising requirement, including permanent on-premises signs and menuboard hardware, lighting, administrative costs, Yellow Pages advertising, discounts/coupon offers, free offers and employee incentive programs. We may supplement the list of qualifying and non-qualifying LAF expenditures from time to time and revise such list periodically.

10.03. Marketing Administration Fee (MAF). In addition to the advertising and promotional expenditures and/or contributions required by Sections 10.01 and 10.02 hereof, you shall contribute a Marketing Administration Fee (“MAF”) not to exceed four tenths of one percent (0.4%) of Net Sales, payable on the first business day following the immediately preceding Reporting Period together with the Royalty Fees due hereunder. At our discretion, MAF contributions may be electronically drafted from the designated account referred to in Section 6.04 hereof. The MAF shall be our exclusive property and shall be used by us to cover costs of, among other things, supporting and conducting market research activities, concept development (food and customer experience, project development and testing), design development (design, store prototyping and testing), and maintenance, administration and direction of the foregoing activities. We shall not be required to separately account to you for the MAF or the expenditures therefrom.

10.04. Advertising Approvals and Initial Advertising Costs. You must submit to us for our prior approval, a marketing plan and samples of all advertising and promotional materials not prepared or previously approved by us and which vary from our standard advertising and promotional materials by following the procedures that are in place at the time of submittal. If you elect to work with a marketing firm (including an advertising agency or public relations firm), you must obtain our written approval of such marketing firm and such marketing firm must execute a Panera Bread approved confidentiality agreement before you sign any contracts or share any Confidential Information with such marketing firm. Such marketing firms or agencies shall not under any circumstances be given access to any of our proprietary limited access online resources or any other information we deem inappropriate. You may not use any advertising or promotional materials that we have not approved.

In addition to your contributions to the NAF, you shall spend a minimum of Ten Thousand Dollars (\$10,000.00) for grand opening advertising and promotional programs for your Bakery-Cafe pursuant to a grand opening marketing

plan developed by us or developed by you and approved by us prior to implementation. You must use the types of advertising media specified in Section 10.02, and your grand opening program must be executed within ninety (90) days after your Bakery-Cafe commences operation.

10.05. Advertising Associations. We have the right, at our sole discretion, to establish or approve local and/or regional advertising associations for Panera Bread Bakery-Cafes in your local or regional areas, covering such geographic areas as we may designate from time to time. You must participate in any such association and its programs and abide by its by-laws. If your Bakery-Cafe is within the territory of an existing association at the time your Bakery-Cafe opens for business, you agree to immediately become a member of the association. If an association applicable to your Bakery-Cafe is established during the term of this Agreement, you agree to become a member no later than thirty (30) days after the date approved by us for the association to commence operation. The following provisions shall apply to each association:

(a) Each association shall utilize a voting system of one vote per one eligible Panera Bread Bakery-Cafe.

(b) Each association shall be organized and governed in a form and manner, and shall commence operations on a date, approved in advance by us in writing. No changes in the by-laws or other governing documents of an association shall be made without our prior written consent.

(c) Each association shall be organized for the exclusive purpose of administering advertising programs and developing, subject to our approval, promotional materials for use by the members in the association.

(d) No advertising or promotional plans or materials may be used by an association or furnished to its members without prior approval by us pursuant to Section 10.05(f) below.

(e) You and each other member of the association shall contribute to the association, using a collection structure selected and established by us, the amount determined in accordance with the association's by-laws. Any Panera Bread Bakery-Cafes owned by us or any of our Affiliates located in such designated local or regional area(s) will contribute to the association on the same basis. Contributions to such local and/or regional advertising associations are credited towards the advertising expenditures required by Section 10.02; however, if we provide you and your association ninety (90) days' notice of a special promotion, including any regional promotions, you must participate in such promotion and pay to us and/or the association any special promotion advertising fees assessed in connection therewith, beginning on the effective date of such notice and continuing until such special promotion is concluded. Any such special promotion advertising fees shall be in addition to, and not credited towards, the two percent (2%) advertising expenditure required by Section 10.02.

(f) All advertising and promotion by you and any associations established hereunder shall be in such media and of such type and format as we may approve, shall be conducted in a dignified manner and shall conform to such standards and requirements as we may specify. You or the association shall submit written samples of all proposed advertising and promotional plans and materials to us for our approval (except with respect to prices to be charged) at least thirty (30) days before their intended use, unless such plans and materials were prepared by us or have been approved by us within the previous twelve (12) months. Proposed advertising plans or materials shall be deemed to have been approved if they have not been disapproved by us within fifteen (15) days after their receipt by us.

(g) At our request, you shall furnish us with copies of such information and documentation evidencing your association contributions as we may require in order to evidence your compliance with Section 10.02.

10.06. Franchisee Websites. You agree not to promote, offer or sell any products or services relating to your Bakery-Cafe, or to use any of the Marks, through the Internet without our consent. In connection with any such consent, we may grant you the right to promote and market your Bakery-Cafe over the Internet through one (1) website ("Authorized Website") that meets all of our standards and requirements as we may establish and modify from time to time. The website shall be identified by a domain name which shall be designated by us ("Authorized Domain Name"). Such standards and requirements may include (a) obtaining our prior written approval of any Internet domain name and home page addresses; (b) assignment to us of any Internet domain name(s) you have registered in connection with the development, ownership or operation of your Bakery-Cafe; (c) submission for our approval of all website pages, materials and content; (d) obtaining our prior written approval for use of all hyperlinks and other links; (e) restrictions on use of any materials (including text, video clips, photographs, images, sound bites and the like) in which any third party has any

ownership interest; and (f) obtaining our prior written approval of any modifications to the website. You acknowledge and agree that Pumpernickel is the owner of all the Marks, including “Panera” and “Panera Bread”, and that all goodwill established by your use of the Marks or the Authorized Domain Name inures to the exclusive benefit of Pumpernickel. You agree not to claim any legal or equitable ownership interest in the Authorized Domain Name. We may terminate your right to use the Authorized Domain Name, for any reason or no reason, which termination shall be effective immediately upon written notice to you.

10.07. Social Media Sites. We may maintain one or more social media sites (e.g., Twitter, Facebook, Pinterest, Four Square, MySpace or such other social media sites). You may not establish or maintain any social media sites utilizing any user names, or otherwise associating with the Marks, without our advance written consent. We may designate from time to time regional or territory-specific user names/handles to be maintained by you. You must adhere to the social media policies that we establish from time to time and you will require all of your owners to do so as well.

11. RECORDS AND REPORTS.

11.01. Records. You agree to prepare and to maintain for three (3) years, or such longer time as required by applicable law, complete and accurate books, records (including invoices and records relating to your advertising expenditures) and accounts (using our then-current standard chart of accounts) for your Bakery-Cafe, copies of your sales tax returns and such portions of your state and federal income tax returns as relate to your Bakery-Cafe. All such books and records shall be kept at your principal address indicated on the first page of this Agreement, unless we otherwise approve.

You must record all sales on a point-of-sale (POS) computer system that is fully compatible with our computer systems and that includes a seamless information interface capability of fully integrating electronically into our computer systems. You agree to purchase or lease, at your expense, POS computer hardware and software systems and install data connections, power lines, modems, printers and other computer-related accessories and peripherals as may be required for a standard interface for the purpose of, among other functions, the recording and transmission of information collected through the POS system (including gross sales, Net Sales, discounts, product mix, sales by day part) to centralized data collection systems.

You must provide such assistance as may be required from time to time to ensure connectivity between your POS computer system with our computer systems. We shall have the right from time to time to retrieve such data and information from your computer system as deemed necessary or desirable, and you agree to fully cooperate with such efforts. In view of the contemplated interconnection of computer systems and the necessity that such systems be compatible with each other, you agree that you will comply strictly with all defined standards and specifications for items associated with your computer systems.

To ensure operational efficiency and optimum communication capability among computer systems installed at Panera Bread Bakery-Cafes, you agree, at your expense, to keep your computer systems in good maintenance and repair, and to promptly install such upgrades, additions, changes, modifications, substitutions and/or replacements of hardware, software, data connectivity, electrical power, and other computer-related facilities, as we direct. You acknowledge that information technology is constantly changing and that the technology the parties contemplate using as of the date of this Agreement may change during the Term. Accordingly, you agree to implement at your Bakery-Cafe such changes to your information technology as we may require from time to time to maintain competitive and state-of-the-art operations during the Term.

We may require you to use proprietary software and other computer systems which we may prescribe from time to time, and you agree to promptly execute such agreements and/or pay such fees as may be required to integrate enterprise tools and procedures.

11.02. Periodic Reports. You must furnish us: (a) no later than the first business day immediately following the end of any Reporting Period, a report of Net Sales for such Reporting Period; (b) within thirty (30) days after the end of each of your fiscal quarters, a quarterly balance sheet and income statement and statement of cash flow of your Bakery-Cafe for such quarter in accordance with Panera Standards; (c) within ninety (90) days after the end of each of your fiscal years, (i) a year-end balance sheet and income statement and statement of cash flow of your Bakery-Cafe for such year, and a consolidated year-end balance sheet and income statement and statement of cash flow for you and all of your Affiliates that develop, own or operate Panera Bread Bakery-Cafes, all prepared in accordance with Panera Standards; (ii) similar information from all Principal Owners who have executed guarantees of this Agreement; and (iii) such summaries

of financial information as we may require; (d) within thirty (30) days after the end of each of our fiscal quarters and fiscal years, a quarterly LAF statement listing each qualifying LAF expenditure and the total LAF expenditures for the quarter or year, as applicable; and (e) within thirty (30) days of our request, such other information as we may require from time to time, including sales mix data, food and labor cost reports, sales and income tax statements and any required Business Plan (as defined in [Section 11.03](#)). You must execute a verification that the information in each such report and financial statement is complete and accurate. We reserve the right to require that your financial statements be audited, at your expense, by an independent certified public accountant approved by us. We reserve the right to publish or disclose information that we obtain under this [Section 11.02](#) in any data compilations, collections, or aggregations that we deem appropriate, in our sole discretion.

11.03. Business Plans. You shall create, prepare and continually update a business plan containing such information as we may require and presented in a format which we have approved ("Business Plan"). Your Business Plan must include, with respect to the Bakery-Cafe that you own and operate under this Agreement as well as all Bakery-Cafes owned or operated by you or any of your Affiliates, your short term and long term goals in at least the following areas: your mission statement, sales building, customer satisfaction, operations, quality of service, staffing, training certification, human resources, marketing, development and initiatives.

12. INSPECTIONS OF YOUR BAKERY-CAFE; AUDITS.

12.01. Inspections. We and our designated agents have the right at any reasonable time and without prior notice to: (a) inspect your Bakery-Cafe; (b) observe, photograph, and/or audio/video record the operations of your Bakery-Cafe; (c) remove samples of any food and beverage products, materials or supplies for testing and analysis; and (d) interview personnel and customers of your Bakery-Cafe. You agree to cooperate fully with such activities. If we determine that your Bakery-Cafe fails to meet our minimum standards (as we may determine from time to time), we may charge you our standard re-inspection fee for any follow-up inspection relating for such failure. The current amount of the re-inspection fee is Three Thousand Five Hundred Dollars (\$3,500.00). You shall furnish to us immediately upon receipt by you all inspection reports, citations or warnings received from municipal or other authorities.

12.02. Audits. We have the right at any time during business hours, and on ten (10) days' prior notice to you, to inspect, copy and audit the books, records, tax returns and documents (whether maintained in hard copy or in electronic or other form) relating to the development, ownership, lease, occupancy or operation of your Bakery-Cafe. You must cooperate fully with our representatives and independent accountants conducting such audits (including providing access to any security protected files and records). If any inspection or audit discloses an understatement of Net Sales, you must pay us, within seven (7) days after receipt of the audit report, the Royalty Fees and any advertising contributions due on the amount of such understatement, plus interest (as provided in [Section 6.05](#)) from the date originally due until the date of payment. Further, if such inspection or audit is made necessary by your failure to furnish reports, records or information on a timely basis, or if we determine an understatement of Net Sales for the period of any audit to be greater than two percent (2%), you must reimburse us for the cost of such audit or inspection, including the charges of any attorneys and independent accountants and the travel expenses, room and board and compensation of our employees.

13. FRANCHISEE'S RIGHT TO TRANSFER.

13.01. Franchisor's Approval. The rights and duties created by this Agreement are personal to you or, if you are a business corporation, partnership, limited liability company or other legal entity, your Owners. Accordingly, neither you nor any of your Owners may transfer the Franchise without our approval and without complying with all of the provisions of [Section 13](#). Any transfer without such approval or compliance constitutes a breach of this Agreement and is void and of no force or effect.

13.02. Conditions for Approval. If we have not exercised our right of first refusal under [Section 13.06](#), we will not unreasonably withhold our approval of a Transfer of the Franchise that meets all of the reasonable restrictions, requirements and conditions we impose on the transfer, the transferor(s) and/or the transferee(s), including the following:

- (a) you have completed development of your Bakery-Cafe and are operating your Bakery-Cafe in accordance with this Agreement;
- (b) you and your Owners and Affiliates must be in compliance with the provisions of this Agreement and all other agreements with us or any of our Affiliates;

(c) the proposed transferee and its owners must provide us on a timely basis all information we request; the transferee or owners must be individuals acting in their individual capacities who are of good character and reputation; the proposed transferee and its owners must have sufficient business experience, aptitude and financial resources to operate your Bakery-Cafe and must otherwise meet our approval;

(d) the proposed transferee may not be an entity, or be affiliated with an entity, that is an institutional or professional investor or required to comply with reporting and information requirements of the Securities Exchange Act of 1934, as amended;

(e) the transferee (or its operating partner) and its managers, shift supervisors and bakers must have completed our initial training program or must be currently certified by us to operate and/or manage a Panera Bread Bakery-Cafe to our satisfaction;

(f) the transferee (and its owners) must agree to be bound by all of the provisions of this Agreement for the remainder of its Term or, at our option, execute our then-current standard form of franchise agreement (which may provide for different royalties, advertising contributions and expenditures, duration and other rights and obligations than those provided in this Agreement) and related documents (including a remodel agreement and personal guarantees by the Principal Owners of the proposed transferee in form and substance satisfactory to us) used in the state in which your Bakery-Cafe is located;

(g) if: (i) you executed this Agreement pursuant to an area development agreement, or (ii) this is an agreement for a Bakery Cafe in or adjacent to a market area that you are developing or have developed pursuant to an area development agreement, then the transferee must acquire, in a concurrent transaction, all of your rights, and the rights of your Owners and Affiliates, under such area development agreement (or any successor area development agreement) and all franchise agreements that you or your Owners or Affiliates executed pursuant to such area development agreement (or any predecessor or successor area development agreement) and for other Bakery Cafes in or adjacent to such market area;

(h) you or the transferee must pay us a transfer fee of Seven Thousand Five Hundred Dollars (\$7,500.00), plus costs;

(i) you and your Owners and Affiliates must, except to the extent limited or prohibited by applicable law, execute a general release, in form and substance satisfactory to us, of any and all claims against us, our Affiliates, shareholders, members, managers, officers, directors, employees, agents, successors and assigns;

(j) we must not have disapproved the material terms and conditions of such transfer (including price, terms of payment and financing) on the basis that they are so burdensome as to be likely, in our reasonable judgment, to adversely affect the transferee's operation of your Bakery-Cafes or its compliance with its franchise agreements, any area development agreements and any other agreements being transferred;

(k) if you (or any of your Owners or Affiliates) finance any part of the sale price of the transferred interest, you and/or your Owners or Affiliates must agree that all obligations of the transferee, and security interests reserved by any of them in the assets transferred, will be subordinate to the transferee's obligations to pay all amounts due us and our Affiliates and to otherwise comply with this Agreement, any franchise agreement being transferred or any franchise agreement executed by the transferee;

(l) you and your Owners must execute a noncompetition covenant, in form and substance satisfactory to us, in favor of us and the transferee agreeing that, for a period of two (2) years, starting on the effective date of the transfer, you and your Owners will not directly or indirectly (such as through an Affiliate or members of his/her or their Immediate Families) own any legal or beneficial interest in, or render services or give advice to (i) any Competitive Business that is located in the Protected Area; (ii) any Competitive Business that is located within a five (5) mile radius of any other Panera Bread Bakery-Cafe in operation or under construction as of the effective date of such transfer; or (iii) any entity which grants franchises, licenses or other interests to others to operate any Competitive Business;

(m) you and your Owners and Affiliates must execute such other documents and do such other things as we may reasonably require to protect our rights under this Agreement and under any successor agreement or any related area development agreement.

13.03. Effect of Approval. Our approval of a Transfer of the Franchise does not constitute: (a) a representation as to the fairness of the terms of any agreement or arrangement between you or your Owners and the transferee or as to the prospects of success of the Panera Bread Bakery-Cafe by the transferee; or (b) a release of you and your Owners, a waiver of any claims against you or your Owners or a waiver of our right to demand the transferee's compliance with this Agreement. Any approval shall apply only to the specific Transfer of the Franchise being proposed and shall not constitute an approval of, or have any bearing on, any other proposed transfer of the Franchise.

13.04. Special Transfers. None of Section 13.02(a), Section 13.02(f) or Section 13.02(h) shall apply to any Transfer of the Franchise among any of your then-current Owners. Neither Section 13.02(h) nor Section 13.02(i) shall apply to any Transfer of the Franchise to any member of your Immediate Family or the Immediate Family of a then-current Owner of Franchisee. None of the foregoing assignments shall relieve you or your Owners of your respective obligations hereunder, and you and your Owners remain jointly and severally liable for all obligations hereunder.

13.05. Death or Disability of Franchisee. Upon the death or permanent disability of the Operating Partner or an Owner of a controlling interest in Franchisee (or the trustee of a trust that is the Franchisee hereunder or that is an Owner of a controlling interest in Franchisee hereunder), the executor, administrator or other personal representative of such person shall transfer his/her interest in Franchisee to a third party approved by us in accordance with all of the applicable provisions of Section 13 within a reasonable period of time, not to exceed nine (9) months from the date of death or permanent disability.

13.06. Franchisor's Right of First Refusal. If you or any of your Owners desire to transfer the Franchise for legal consideration (e.g., excluding gifts, testamentary dispositions, etc.) you or such Owner must obtain a bona fide, executed written offer from a responsible and fully disclosed purchaser (which must contain a confidentiality covenant by you and the prospective buyer to which we shall be an intended third party beneficiary) and must deliver immediately to us a complete and accurate copy of such offer, as well as due diligence information we may request. If the offeror proposes to buy any other property or rights from you or any of your Owners or Affiliates (other than rights under area development agreements or other franchise agreements for Panera Bread Bakery-Cafes) as part of the bona fide offer, the proposal for such property or rights must be set forth in a separate, contemporaneous offer that is fully disclosed to us, and the price and terms of purchase offered to you or your Owners for the Transfer of the Franchise must reflect the bona fide price offered therefor and may not reflect any value for any other property or rights.

We have the option, exercisable by notice delivered to you or your Owners within thirty (30) days from the date of delivery of a complete and accurate copy of such offer to us (and having been provided the requested due diligence information), to purchase such interest for the price contained in such offer, provided that: (a) we may substitute cash for any form of payment proposed in such offer; (b) our credit shall be deemed equal to the credit of any proposed purchaser; (c) we will have not less than ninety (90) days from the option exercise date to consummate the transaction; and (d) we shall not be required to pay deposits (such as earnest money) or to escrow funds prior to closing. We have the right to investigate and analyze the business, assets and liabilities and all other matters we deem necessary or desirable in order to make an informed investment decision with respect to the fairness of the terms of purchase. We may conduct such investigation and analysis in any manner we deem reasonably appropriate, and you and your Owners must cooperate fully with us in connection therewith.

If we exercise our option to purchase, we are entitled to purchase such interest subject to our form of asset purchase agreement with all representations and warranties, closing documents, releases, noncompetition covenants and indemnities as we reasonably may require. If we do not exercise our option to purchase, you or your Owners may complete the sale to such offeror pursuant to and on the exact terms of such offer, subject to our approval of the transfer as provided in Sections 13.01 and 13.02, provided that if the sale to such offeror is not completed within ninety (90) days after delivery of such offer to us, or if there is a change in the price or any material terms of the offer, you must promptly notify us and we will have an additional option to purchase (at the price of the revised offer, if any, and otherwise as set forth herein) during the thirty (30)-day period following your notification of the expiration of the ninety (90)-day period or the material change to the terms of the offer.

13.07. Securities Offerings. Neither you nor any of your Owners may issue or sell, or offer to issue or sell, any of your securities or any securities of any of your Affiliates, regardless of the means by which such sale is conducted, directly or indirectly, or by operation of law (including by merger, consolidation, reorganization or otherwise) without obtaining our prior consent and complying with all of our requirements and restrictions concerning use of information about us and our Affiliates. Notwithstanding the foregoing, neither you nor any of your Owners may issue or sell your securities or the securities of any of your Affiliates if: (1) such securities would be required to be registered pursuant to the

Securities Act of 1933, as amended; or (2) after such issuance or sale, you or such Affiliate would be required to comply with the reporting and information requirements of the Securities Exchange Act of 1934, as amended. Any memorandum or other communications circulated in connection with any solicitation of offers to purchase that would require our consent to Transfer the Franchise (through whatever form of transaction, whether through direct or indirect sale of assets or securities, by operation of law or otherwise), and such offering, must be approved by us.

14. TERMINATION OF AGREEMENT.

14.01. Immediate Termination. You are in material breach of this Agreement, and this Agreement will automatically terminate without notice, at our discretion, if you become insolvent by reason of your inability to pay your debts as they mature; if you are adjudicated bankrupt or insolvent; if you file a petition in bankruptcy, reorganization or similar proceeding under the bankruptcy laws of the United States or have such a petition filed against you which is not discharged within thirty (30) days; if a receiver or other custodian, permanent or temporary, is appointed for your business, assets or property; if you request the appointment of a receiver or make a general assignment for the benefit of creditors; if final judgment against you in the amount of Twenty Five Thousand Dollars (\$25,000.00) or more remains unsatisfied of record for thirty (30) days or longer; if your bank accounts, property or accounts receivable are attached; if execution is levied against your business or property; if suit is filed to foreclose any lien or mortgage against any of your assets and such suit is not dismissed within thirty (30) days; or if you voluntarily dissolve or liquidate or have a petition filed for corporate or partnership dissolution and such petition is not dismissed within thirty (30) days; if your assets, property or interest are “blocked” under any law, ordinance or regulation relating to terrorist activities or if you are otherwise in violation of any such law, ordinance or regulation; or if the Area Development Agreement pursuant to which this Agreement is executed is terminated (for whatever reason) or expires prior to commencement of construction of your Bakery-Cafe under this Agreement.

14.02. Termination Upon Notice. In addition to our right to terminate pursuant to other provisions of this Agreement and under applicable law, we have the right to terminate this Agreement, effective upon delivery of notice of termination to you, if you or any of your Principal Owners or Affiliates:

- (a) fail to open your Bakery-Cafe and start business, as provided in Section 3.03;
- (b) abandon or fail to actively operate your Bakery-Cafe for three (3) consecutive days, except where such failure to actively operate results solely from Force Majeure;
- (c) surrender or transfer control of the operation of your Bakery-Cafe without our prior written consent;
- (d) make any material misstatement or omission in the Franchise Candidate Qualification Packet or in any other information, report or summary provided to us at any time;
- (e) suffer cancellation or termination of the lease or sublease for your Bakery-Cafe;
- (f) are convicted of, or plead no contest to, a felony or other crime or offense that we reasonably believe may adversely affect the System or the goodwill associated with the Marks;
- (g) make an unauthorized Transfer of the Franchise or fail to transfer the Franchise or the interest of a deceased or disabled Principal Owner of Franchisee as herein required;
- (h) make any unauthorized use or disclosure of any Confidential Information or use duplicate or disclose any portion of the Policy Manual in violation of this Agreement;
- (i) fail or refuse to comply with any mandatory specification, standard, or operating procedure prescribed by us relating to food handling, cleanliness or sanitation of your Bakery-Cafe or violate any health, safety or sanitation law, ordinance or regulation, that we reasonably believe may pose harm to the public or to your or our reputation, and do not correct such failure, refusal or violation within 24 hours after written notice thereof is delivered to you;
- (j) fail to report accurately Net Sales, to establish, maintain and/or have sufficient funds available in the designated account as required by Section 6.04 of this Agreement or to make payment of any amounts due us or any of our Affiliates, and do not correct such failure within ten (10) days after written notice of such failure is delivered to you;

(k) fail to make a timely payment of any amount due to any third party (such as a supplier, vendor, landlord, lessor, etc.) unaffiliated with us (other than payments which are subject to bona fide dispute), and do not correct such failure within thirty (30) days after we deliver to you notice of such failure to comply;

(l) fail to comply with any other provision of this Agreement or any other mandatory specification, standard or operating procedure or other obligation that we prescribe from time to time in the Policy Manual and do not correct such failure within thirty (30) days after notice of such failure to comply is delivered to you; or

(m) fail on three (3) or more separate occasions within any period of twelve (12) consecutive months to submit when due reports or other data, information or supporting records or to pay when due Royalty Fees, advertising fund contributions or other payments due us, any of our Affiliates or any unaffiliated third parties or otherwise fail to comply with this Agreement or any mandatory specification, standard or operating procedure or other obligation that we prescribe from time to time in the Policy Manual, whether or not such failure is corrected after notice is delivered to you.

We have no obligation whatsoever to refund any portion of the franchise fee upon any termination.

15. RENEWAL RIGHTS.

15.01. Your Right To Acquire a Successor Franchise. If this Agreement is for an initial franchise (and not a successor franchise) you have the right, subject to the conditions contained in Section 15, to acquire a successor franchise for your Bakery-Cafe on the terms and conditions of our then-current form of franchise agreement for Panera Bread Bakery-Cafes, if upon expiration of the Term: (a) you and your Owners and Affiliates are in compliance with this Agreement and any other agreements with us or any of our Affiliates, and you and your Owners have been in substantial compliance with this Agreement throughout the Term; and (b) the Premises meet our then-current site criteria and you maintain the right to possession of the Premises for the term of the successor franchise agreement and enter into an agreement with us whereby you agree within a specified time period (not to exceed one year), starting on the signing of a successor franchise agreement, to remodel your Bakery-Cafe, add or replace improvements, fixtures, furnishings, equipment and signs and otherwise modify your Bakery-Cafe to meet the specifications and standards then applicable for new Panera Bread Bakery-Cafes. You will be obligated to pay a successor franchise fee of fifty percent (50%) of our then-current standard initial franchise fee for a Panera Bread Bakery-Cafe.

15.02. Notices. You must give us written notice of your desire to acquire a successor franchise not less than six (6) months nor more than twelve (12) months prior to the expiration of this Agreement. We will give you notice, not later than sixty (60) days after receipt of your notice, of our decision whether or not you have the right to acquire a successor franchise pursuant to Section 15.01. Notwithstanding any notice of our decision that you have the right to acquire a successor franchise for your Bakery-Cafe, your right will be subject to your continued compliance with all the provisions of this Agreement up to the date of its expiration.

15.03. Agreements. If you have the right to acquire a successor franchise in accordance with Section 15.01 and state your desire to exercise that right in accordance with Section 15.02, we and you (and your Owners) will execute the form of franchise agreement (which may contain provisions, including royalty fees, materially different from those contained herein) and all ancillary agreements (including, personal guarantees by your Principal Owners and a remodel agreement on such terms as we determine to be appropriate) which we then customarily use in granting franchises for the operation of Panera Bread Bakery-Cafes, and you and your Owners must execute general releases, in form and substance satisfactory to us, of any and all claims against us, and our Affiliates, officers, directors, employees, agents, successors and assigns. Failure by you (and your Owners) to sign such agreements and releases within thirty (30) days after delivery to you shall be deemed an election by you not to acquire a successor franchise for your Bakery-Cafe.

16. EFFECT OF TERMINATION OR EXPIRATION.

16.01. Payment of Amounts Owed to Us. Within thirty (30) days after the effective date of termination or expiration (without renewal) of this Agreement, you must pay us and our Affiliates all Royalty Fees, advertising fund contributions, amounts owed for purchases from us or our Affiliates, interest due on any of the foregoing and all other amounts owed to us or our Affiliates which are then unpaid.

16.02. Discontinue Use of Marks and Confidential Information. Upon the termination or expiration (without renewal) of this Agreement, you will:

- (a) not directly or indirectly at any time or in any manner use any Mark, any colorable imitation or other indicia of a Panera Bread Bakery-Cafe, or any other Intellectual Property;
- (b) take such action as may be required to cancel all fictitious or assumed name registrations relating to your use of any Mark;
- (c) notify the telephone company and all telephone directory publishers of the termination or expiration of your right to use any telephone number and any regular, classified or other telephone directory listings associated with any Mark and to authorize transfer of the number to us or at our direction;
- (d) if we do not exercise our right to purchase your Bakery-Cafe pursuant to Section 16.04, promptly remove from the Premises, and discontinue using for any purpose, all signs, fixtures, furniture, decor items, advertising materials, forms and other materials and supplies which display any of the Marks or any distinctive features, images, or designs associated with Panera Bread Bakery-Cafes and, at your expense, make such alterations as may be necessary to distinguish the Premises so clearly from its former appearance as a Panera Bread Bakery-Cafe and from other Panera Bread Bakery-Cafes as to prevent any possibility of confusion by the public;
- (e) immediately cease to use all Confidential Information and return to us (and delete from computers and other devices that capture words in tangible form) all copies or content of the Policy Manual and any other confidential materials which have been loaned or made available to you;
- (f) immediately discontinue any mode of communications on the Internet directly or indirectly relating to your Bakery-Cafe, including any Authorized Websites or any pages associated with your Bakery-Cafe, and immediately take all steps required by us to transfer any domain name associated with your Bakery-Cafe to us (such as executing a Registrant Name Change Agreement with the applicable Registrar). You irrevocably appoint an authorized officer of ours as your duly authorized agent and attorney-in-fact to execute all instruments and take all steps to transfer such domain names;
- (g) immediately discontinue the use of our proprietary software; and
- (h) within thirty (30) days after the effective date of termination or expiration, furnish us evidence satisfactory to us of your compliance with the foregoing obligations.

16.03. Post-Term Covenants. For a period of two (2) years, starting on the effective date of termination or expiration (without renewal) of this Agreement, neither you nor any of your Owners directly or indirectly (such as through an Affiliate or his/her or their Immediate Families) shall own any legal or beneficial interest in, or render any services or give advice to: (i) any Competitive Business operating in the Protected Area; (ii) any Competitive Business operating within a radius of five (5) miles of any Panera Bread Bakery-Cafe in operation or under construction on the effective date of termination or expiration; or (iii) any entity which grants franchises or licenses other interests to others to operate any Competitive Business.

You and each of your Owners expressly acknowledge the possession of skills and abilities of a general nature and the opportunity for exploiting such skills in other ways, so that enforcement of the covenants contained in this Section will not deprive any of you of your personal goodwill or ability to earn a living. If you or any of your Owners fail or refuse to abide by any of the foregoing covenants and we obtain enforcement in a judicial or arbitration proceeding, the obligations under the breached covenant will be tolled during the period(s) of time that the covenant is breached and/or we seek to enforce it and will continue in effect for a period of time ending two (2) years after the date of the order enforcing the covenant.

16.04. Our Option to Purchase Your Bakery-Cafe. Upon termination or expiration (without renewal) of this Agreement, we shall have the right, but not the obligation, by giving you written notice (“Option Notice”), to purchase from you and any of your Owners and Affiliates, and, if we exercise such right, you and any of your Owners and Affiliates shall sell to us, all of the right, title and interest, direct or indirect, of you, your Owners and your Affiliates in and to this Agreement and all of the right, title and interest of you, your Owners and your Affiliates in and to your Bakery-Cafe, together with all real, personal and mixed assets used in connection with your Bakery-Cafe, without assuming any liabilities or obligations, including the right, but not the obligation to offer employment to Panera Bread Bakery-Cafe level employees (hourly associates, bakers, shift supervisors and managers, including general managers) (such purchase and sale obligation is referred to as “Purchase Option”) within ten (10) days after the date of such termination or expiration.

Notwithstanding the foregoing, if you notify us not less than one hundred eighty (180) days nor more than two hundred seventy (270) days prior to the expiration of this Agreement that you do not desire to enter into a successor franchise agreement on expiration of the Term, then if we desire to exercise our right to purchase, we agree to give you the Option Notice at least one hundred twenty (120) days prior to the date of expiration of the Term.

16.05. Purchase Price. The purchase price under the Purchase Option shall be determined as follows:

(a) If your Bakery-Cafe has been open for more than two (2) Measurement Years (as hereinafter defined) immediately preceding the Period (as hereinafter defined) in which the Option Notice Date (as hereinafter defined) occurs (“Established Bakery-Cafe”), the purchase price (“Established Bakery-Cafe Purchase Price”) under the Purchase Option shall be equal to: (i) (A) Bakery-Cafe Cash Flow (as hereinafter defined) for the two Most Recently Completed Measurement Years (as hereinafter defined), minus (B) Overhead Allocation (as hereinafter defined) for the two Most Recently Completed Measurement Years; (ii) divided by two (2); (iii) multiplied by the Cash Flow Multiple (as hereinafter defined); (iv) minus the Standard Maintenance Capital Expenditure Adjustment (as hereinafter defined). [EXAMPLE: assume for the 2 Most Recently Completed Measurement Years the total Bakery-Cafe Net Sales (as hereinafter defined) is \$4,000,000 and the total Bakery-Cafe Cash Flow is \$800,000, then the Overhead Allocation would be \$240,000, and assume the Cash Flow Multiple is 5.5 and the Standard Maintenance Capital Expenditure Adjustment is \$50,000, then the Purchase Price would be \$1,490,000, calculated as follows: $\$800,000 - \$240,000 = \$560,000 / 2 = \$280,000 \times 5.5 = \$1,540,000 - \$50,000 = \$1,490,000$]; and

(b) If your Bakery-Cafe has been open for more than one (1) Measurement Year and less than two (2) Measurement Years immediately preceding the Period in which the Option Notice Date occurs (“Young Bakery-Cafe”) the purchase price (“Young Bakery-Cafe Purchase Price”) under the Purchase Option shall be equal to: (i) (A) Bakery-Cafe Cash Flow for the Most Recently Completed Measurement Year minus (B) Overhead Allocation each for the Most Recently Completed Measurement Year, (ii) multiplied by the Cash Flow Multiple; (iii) minus the Standard Maintenance Capital Expenditure Adjustment. [EXAMPLE: assume for the immediately preceding Measurement Year the total Bakery-Cafe Net Sales is \$2,200,000 and the total Bakery-Cafe Cash Flow is \$440,000, then the Overhead Allocation would be \$132,000, and assume the Cash Flow Multiple is 5.5 and the Standard Maintenance Capital Expenditure Adjustment is \$10,000, then the Purchase Price would be \$1,684,000, calculated as follows: $\$440,000 - \$132,000 = \$308,000 \times 5.5 = \$1,694,000 - \$10,000 = \$1,684,000$]; and

(c) If your Bakery-Cafe has been open for less than one (1) Measurement Year immediately preceding the Period in which the Option Notice Date occurs (“New Bakery-Cafe”), the purchase price (“New Bakery-Cafe Purchase Price”) under the Purchase Option shall be equal to either of the following, as applicable:

i. If there exists at least one (1) Established Bakery-Cafe or Young Bakery-Cafe at the time, the lesser of (A) the average of the Established Bakery-Cafe Purchase Prices and/or the Young Bakery-Cafe Purchase Prices of all such Established Bakery-Cafes and/or Young Bakery-Cafes and (B) the reasonable Development Costs up to the opening date of your Bakery-Cafe, plus a five percent (5%) simple annualized return on the Development Costs; or

ii. If there are no Established Bakery-Cafes or Young Bakery-Cafes at the time, the reasonable Development Costs up to the opening date of your Bakery-Cafe, plus a five percent (5%) simple annualized return on the Development Costs; and

(d) If your Bakery-Cafe is under development (i.e. for which a location has been identified and at least preliminarily submitted to us) and has not opened as of the Option Notice Date (“Under Development Bakery-Cafe”) the purchase price (“Under Development Bakery-Cafe Purchase Price”) under the Purchase Option shall be the reasonable Development Costs (as hereinafter defined) to the Option Date, plus a five percent (5%) simple annualized return on the Development Costs.

16.06. Right to Assign. Notwithstanding anything to the contrary contained herein, we may assign our rights and obligations under the Purchase Option to any assignee, without the consent of you or any of your Owners or Affiliates.

16.07. Purchase Notice. If an Option Event, as hereinafter defined, occurs, you and all of your Owners and Affiliates shall, within fifteen (15) days following receipt of the Option Notice, deliver to us all financial data and supporting information necessary or desirable, in our opinion, to calculate the purchase price (“Financial Data”). Within thirty (30) days following the receipt of the Financial Data, we shall deliver to you or any of your Owners or Affiliates, a written

notice (the “Purchase Notice”) stating the purchase price and a detailed explanation of the valuation methodology utilized in arriving at said purchase price (including the Cash Flow Multiple). You or any of your Owners or Affiliates shall have a period of thirty (30) days from the delivery of the Purchase Notice in which to agree to the purchase price (including the Cash Flow Multiple) or assert any challenges to the calculation of the purchase price. If you or any of your Owners or Affiliates, on the one hand, or us, on the other hand, cannot agree on the purchase price calculation within sixty (60) days from receipt of the Purchase Notice, the calculation (including the Cash Flow Multiple) shall be determined in accordance with Panera Standards, particularly with regard to those items accounted for at the Panera Bread Bakery-Cafe level, by an independent certified public accounting firm selected by us that is not then currently performing services for you or any of your Owners or Affiliates or us. The accounting firm shall make its determination of purchase price calculation (including the Cash Flow Multiple) in accordance with the terms of this Agreement and submit a written report to you and us as soon as practicable, but in no event more than thirty (30) days after the appointment. Each party may submit in writing to the accounting firm (with a copy to the other party) its views of the purchase price calculation; however, the accounting firm shall not be limited to these submissions and may make such independent investigation as it deems reasonably necessary. You or any of your Owners or Affiliates, on the one hand, and we, on the other hand, will each be responsible for and pay one-half (½) of the accounting firm’s fees and expenses, unless we previously shall have required your financial statements to be audited, in which case the fees and expenses of the audit shall be borne entirely by you. Following the determination of the purchase price, if such purchase price is acceptable to us, in our sole judgment, we and you or any of your Owners or Affiliates shall proceed to close the purchase and sale as hereinafter provided. If such purchase price is not acceptable to us, in our sole judgment, we will have no obligation to proceed to close the purchase and sale.

16.08. Pre-Closing Conduct. Upon delivery of the Option Notice we may authorize continued temporary operations of your Bakery-Cafe pursuant to the terms of this Agreement, subject to the supervision and control of one or more of our appointed managers, in full accordance with the terms of this Agreement. Neither you nor any of your Owners or Affiliates shall directly or indirectly destroy, alter, substitute, remove, encumber, pledge, sell, assign, transfer, or otherwise dispose of, destroy, transfer, change, secret or encumber, in any manner whatsoever, any of the assets of your Bakery-Cafe, other than sales in the ordinary course of business, nor destroy, alter, substitute, remove, encumber, pledge, sell, assign, transfer, or otherwise dispose of, destroy, transfer, change, secret or encumber, in any manner whatsoever, any documents, records, books, agreements or electronic records relating to the operation of your Bakery-Cafe. You and any of your Owners and Affiliates shall take all reasonable steps to insure that all of your Bakery-Cafe level employees (hourly associates, bakers, shift supervisors and managers, including general managers) remain in place, are made available to us to interview and offer employment to (if we elect to offer such employment) and will do nothing to discourage any of them from accepting employment with us after the closing. Upon receipt of the Option Notice from us, you and any of your Owners and Affiliates shall provide us access to all of your books and records relating to your Bakery-Cafe and any other Panera Bread Bakery-Cafes on which the Purchase Price is based.

16.09. Closing of Purchase Option Exercise.

(a) **Payment of Purchase Price.** The purchase price to be paid for your Bakery-Cafe purchased pursuant to the exercise of any Purchase Option shall be paid on the date of the closing of the purchase, subject to a ten percent (10%) holdback for sixty (60) days after the date of closing as security for and to offset to the extent necessary the payment and discharge of indemnification obligations related to your Bakery-Cafe. The purchase price may be reduced by any obligations you or any of your Affiliates or Owners may owe us, or any of our Affiliates.

(b) **Closing.** The closing for the purchase and sale shall be held at 10:00 a.m. at our offices in St. Louis, Missouri as soon as practicable after the determination of the purchase price under the Purchase Option. You and all of your Owners or Affiliates shall execute and deliver to the purchasing party all warranties, title insurance policies and other closing documents and post closing indemnifications as we reasonably require, including: (i) all general releases, representations, warranties and post-closing indemnifications; (ii) all estoppel certificates, subordination, non-disturbance and attornment agreements and assignments of any real estate lease for your Bakery-Cafe (or lease at fair market value if the real estate is owned by you or any of your Owners or Affiliates, or sub-lease at fair market value if the real estate is leased by any of your Owners or Affiliates); and (iii) all deeds, bills of sale, representations, warranties, indemnifications, releases, discharges, documents, affidavits and instruments of conveyance as are necessary or desirable, in the opinion of legal counsel for the purchasing party, to transfer, convey and validly vest in the purchasing party, as the case may be, good, marketable and absolute title to your Bakery-Cafe being conveyed free and clear of any lien, claim, pledge, security interest, equities or other encumbrance or interest of any kind or character whatsoever, with all documentary stamps, sales taxes and other transfer taxes paid by you and all of your Owners or Affiliates.

If you and all of your Owners or Affiliates cannot deliver clear title to your Bakery-Cafe, or if there are other unresolved issues, the closing may, at our option, be accomplished through an escrow on such terms and conditions as we deem appropriate, including the making of payments, to be deducted from the purchase price, directly to third parties in order to obtain clear title to your Bakery-Cafe. Further, you or any of your Owners or Affiliates, on the one hand, and we, on the other hand, shall comply with any applicable Bulk Sales provisions of the Uniform Commercial Code as enacted in the state or states where your Bakery-Cafe is located, or provide an indemnity and escrow on terms satisfactory to us in order to fully satisfy any obligations and liabilities with respect to such Bulk Sales provisions, and all applicable state and local sales and income tax notification and/or escrow procedures. We have the right to set off against and reduce the purchase price by any and all amounts owed by you or any of your Owners or Affiliates to us, or any of our Affiliates.

(c) **Real Estate Lease Guaranty.** Prior to the closing of a sale pursuant to this Purchase Option, you or any of your Owners or Affiliates may request from the real estate lessor of your Bakery-Cafe that you or any of your Owners or Affiliates be released as of such closing from any real estate lease guaranties that you or any of your Owners or Affiliates may have provided. If the real estate lessors do not agree to grant such releases, upon such closing, the purchasing party shall indemnify you or any of your Owners or Affiliates with respect to any obligations under a real estate lease guaranty given by you or any of your Owners or Affiliates for your Bakery-Cafe on terms satisfactory to us.

16.10. Purchase Option Definitions. For the purposes of Sections 16.04 through 16.10, the following terms shall have the following meanings:

(a) **“Cash Flow Multiple”** shall be a multiple of cash flow that is typically used in determining the fair market value for the purchase and sale of Panera Bread Bakery-Cafes. The multiple shall reflect only the cash flow potential of the particular Panera Bread Bakery-Cafe operated under a valid franchise agreement reflecting the then-current (or if we are not offering franchises at that time, then the most recent) standard terms upon which we offer franchises for Panera Bread Bakery-Cafes. Under no circumstances will any value be attributed to (i) any goodwill associated with the Marks, (ii) the System, or (iii) the potential of adding more Panera Bread Bakery-Cafes in the particular market area.

(b) **“Development Costs”** shall mean the reasonable direct out of pocket costs and expenses to unrelated third parties paid in connection with the development of a Panera Bread Bakery-Cafe.

(c) **“Option Event”** shall mean a termination or expiration (without renewal) as described in Section 16.04.

(d) **“Option Notice Date”** shall mean the date on which we provide you with the Option Notice, as described in Section 16.04.

(e) **“Overhead Allocation”** shall mean six percent (6%) of the total Bakery-Cafe Net Sales for the particular number of Periods of the Established Bakery-Cafes, the Young Bakery-Cafes and the New Bakery-Cafes.

(f) **“Period”** shall mean each fiscal quarter or other shorter period within your Fiscal Year at the close of each of which quarter or shorter periods you regularly close the books and records for accounting and financial reporting purposes. Your **“Fiscal Year”** shall mean the one year period, consistently applied, that you adopt for accounting and financial reporting purposes for your Bakery-Cafes.

(g) **“Measurement Year”** is a period consisting of a number of consecutive Periods equal in length to your Fiscal Year (which may not be coterminous with your Fiscal Year). **“Most Recently Completed Measurement Year”** shall mean the Measurement Year (or Measurement Years, as the case may be) completed immediately preceding the Period in which the Option Notice Date occurs.

(h) **“Bakery-Cafe Cash Flow”** shall mean, for any specified Period or Measurement Year, the total Bakery-Cafe Net Sales of a Panera Bread Bakery-Cafe for such Period or Measurement Year, less all direct expenses related to operating the Panera Bread Bakery-Cafe including the expenses listed in Exhibit F hereto, determined in accordance with Panera Standards.

(i) **“Bakery-Cafe Net Sales”** shall mean Net Sales for a Panera Bread Bakery-Cafe.

(j) **“Standard Maintenance Capital Expenditure Schedule”** for a Panera Bread Bakery-Cafe shall mean the maintenance capital expenditures for such Panera Bread Bakery-Cafe and other documented expenditures to

maintain or improve the Premises approved by us, regardless of whether they qualify as maintenance expense or capital expenditures under generally accepted accounting principles, other than mandated Panera Bread system-wide modifications and upgrades, as follows:

- i. \$ 0 during the first Measurement Year of operation,
- ii. \$ 10,000 during the second Measurement Year of operation,
- iii. \$ 15,000 during the third Measurement Year of operation,
- iv. \$ 20,000 during the fourth Measurement Year of operation,
- v. \$ 25,000 during the fifth Measurement Year of operation,
- vi. \$ 200,000* remodel during the sixth Measurement Year of operation,
- vii. \$ 25,000 during the seventh Measurement Year of operation,
- viii. \$ 25,000 during the eighth Measurement Year of operation,
- ix. \$ 25,000 during the ninth Measurement Year of operation,
- x. \$ 25,000 during the tenth Measurement Year of operation,
- xi. \$ 200,000* remodel during the eleventh Measurement Year of operation,
- xii. \$ 25,000 during the twelfth Measurement Year of operation,
- xiii. \$ 25,000 during the thirteenth Measurement Year of operation,
- xiv. \$ 25,000 during the fourteenth Measurement Year of operation,
- xv. \$ 25,000 during the fifteenth Measurement Year of operation,
- xvi. \$ 200,000* remodel during the sixteenth Measurement Year of operation,
- xvii. \$ 25,000 during the seventeenth Measurement Year of operation,
- xviii. \$ 25,000 during the eighteenth Measurement Year of operation,
- xix. \$ 25,000 during the nineteenth Measurement Year of operation, and
- xx. \$ 25,000 during the twentieth Measurement Year of operation.

* or the amount of a standard remodel, as we determine from time to time, but not to exceed \$200,000.

(k) “Standard Maintenance Capital Expenditure Adjustment” for a Panera Bread Bakery-Cafe shall be equal to the Standard Maintenance Capital Expenditure Schedule, on a cumulative basis, less the actual, documented maintenance capital expenditures and other documented expenditures to maintain or improve the Premises approved by us, regardless of whether they qualify as maintenance expense or capital expenditures under generally accepted accounting principles, on a cumulative basis, for such Panera Bread Bakery-Cafe, other than mandated Panera Bread system-wide modifications and upgrades, made between the date the Panera Bread Bakery-Cafe opened for business and the Period preceding the Option Notice Date. If the amount of actual, documented maintenance capital and other such expenditures for such Panera Bread Bakery-Cafe, other than mandated Panera Bread system-wide modifications and upgrades, exceeds the Standard Maintenance Capital Expenditure Schedule, the amount of the Standard Maintenance Capital Expenditure Adjustment shall be zero (0).

16.11. Continuing Obligations. All obligations under this Agreement which expressly or by their nature survive the expiration or termination of this Agreement shall continue in full force and effect until they are satisfied in full or by their nature expire.

17. RELATIONSHIP OF THE PARTIES.

17.01. Independent Contractors. Neither this Agreement nor the dealings of the parties pursuant to this Agreement shall create any fiduciary relationship or any other relationship of trust or confidence between the parties hereto. Franchisor and Franchisee, as between themselves, are and shall be independent contractors.

You understand and agree that we may operate and change the System and our business in any manner that is not expressly and specifically prohibited by this Agreement. Whenever we have expressly reserved in this Agreement or are deemed to have a right and/or discretion to take or withhold an action, or to grant or decline to grant you a right to take or withhold an action, except as otherwise expressly and specifically provided in this Agreement, we may make our decision or exercise our right and/or discretion on the basis of our judgment of what is in our best interests, including our judgment of what is in the best interests of our franchise network, at the time our decision is made or our right or discretion is exercised, without regard to whether: (1) other reasonable alternative decisions or actions could have been made by us; (2) our decision or the action we take promotes our financial or other individual interest; (3) our decision or the action we take applies differently to you and one or more other franchisees or our company-owned operations; or (4) our decision or the exercise of our right or discretion is adverse to your interests. In the absence of an applicable statute, we will have no liability to you for any such decision or action. We and you intend that the exercise of our right or discretion will not be subject to limitation or review. If applicable law implies a covenant of good faith and fair dealing in this Agreement, we and you agree that such covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement and that this Agreement grants us the right to make decisions, take actions and/or refrain from taking actions not inconsistent with your rights and obligations hereunder.

Nothing contained in this Agreement, or arising from the conduct of the parties hereunder, is intended to make either party a general or special agent, joint venturer, partner or employee of the other for any purpose whatsoever. You must conspicuously identify yourself in all dealings with customers, lessors, contractors, suppliers, public officials, employees and others as the owner of your Bakery-Cafe and must place such other notices of independent ownership on such forms, business cards, stationery, advertising and other materials as we may require from time to time.

You may not make any express or implied agreements, warranties, guarantees or representations or incur any debt in our name or on our behalf or represent that the relationship of the parties hereto is anything other than that of independent contractors. We will not be obligated by or have any liability under any agreements made by you with any third party or for any representations made by you to any third party. We will not be obligated for any damages to any person or property arising directly or indirectly out of the operation of your business hereunder.

17.02. Indemnification. You agree to indemnify us, our Affiliates and our respective directors, officers, employees, shareholders, members, managers, agents, successors and assigns (collectively “indemnitees”), and to hold the indemnitees harmless to the fullest extent permitted by law, from any and all losses and expenses (as defined below) incurred in connection with any litigation or other form of adjudicatory procedure, claim, demand, investigation, or formal or informal inquiry (regardless of whether it is reduced to judgment) or any settlement thereof which arises directly or indirectly from, or as a result of, a claim of a third party against any one or more of the indemnitees in connection with (i) your failure to perform or breach of any covenant, agreement, term or provision of this Agreement, (ii) your breach of any representation or warranty contained in this Agreement, (iii) the marketing, promotion, advertisement or sale of any of the products and services offered by your Bakery-Cafe pursuant to this Agreement, including data privacy and security, unfair or fraudulent advertising claims (whether in print advertising or electronic media), and product liability claims, (iv) your development, ownership operation and/or closing of your Bakery-Cafe, and (v) any allegedly unauthorized service or act rendered or performed in connection with this Agreement, (collectively “event”) and regardless of whether it resulted from any strict or vicarious liability imposed by law on the indemnitees. The foregoing indemnity shall apply even if it is determined that the indemnitees’ negligence caused such loss, liability or expense, in whole or in part, provided, however, that this indemnity will not apply to any liability arising from a breach of this Agreement by the indemnitees or the gross negligence or willful acts of indemnitees (except to the extent that joint liability is involved, in which event the indemnification provided herein will extend to any finding of comparative or contributory negligence attributable to you). The term “losses and expenses” includes compensatory, exemplary, and punitive damages; fines and penalties; attorneys’ fees; experts’ fees; court costs; costs associated with investigating and defending against claims; settlement amounts;

judgments; compensation for damages to our reputation and goodwill; and all other costs associated with any of the foregoing losses and expenses. We agree to give you reasonable notice of any event of which we become aware for which indemnification may be required and we may elect (but are not obligated) to direct the defense thereof, provided that the selection of counsel shall be subject to your consent, which consent shall not be unreasonably withheld or delayed. We may, in our reasonable discretion, take such actions as we deem necessary and appropriate to investigate, defend, or settle any event or take other remedial or corrective actions with respect thereto as may be necessary for the protection of indemnitees or Panera Bread Company Bakery-Cafes generally, provided however, that any settlement shall be subject to your consent, which consent shall not be unreasonably withheld or delayed. Further, notwithstanding the foregoing, if the insurer on a policy or policies obtained in compliance with the Agreement agrees to undertake the defense of an event (an “Insured Event”), we agree not to exercise our right to select counsel to defend the event if such would cause your insurer to deny coverage. We reserve the right to retain counsel to represent us with respect to an Insured Event at our sole cost and expense. This Section 17.02 shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

17.03. Taxes. We will have no liability for any sales, use, service, occupation, exercise, gross receipts, income, property or other taxes, whether levied upon your Bakery-Cafe, your property or upon us, in connection with sales made or business conducted by you (except any taxes we are required by law to collect from you). Payment of all such taxes shall be your responsibility. In the event of a *bona fide* dispute as to your liability for taxes, you may contest your liability in accordance with applicable law. In no event, however, will you permit a tax sale, seizure, or attachment to occur against your Bakery-Cafe or any of its assets.

18. DISPUTE RESOLUTION.

18.01. Arbitration. All controversies, disputes, or claims between the parties, including their respective Affiliates, owners, officers, directors, agents, and employees, arising from or relating to this Agreement, including the scope and validity of any provision of this Agreement (such as this Section 18.01), shall on demand of either party be submitted for arbitration to the American Arbitration Association (“AAA”). The arbitration shall be governed exclusively by the United States Arbitration Act (9 U.S.C. § 1, et seq.), without reference to any state arbitration statutes. The parties agree that, in connection with any such arbitration proceeding, each shall submit or file any claim that would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim that is not submitted or filed in such proceeding shall be barred. The arbitration proceedings shall be conducted in the city where we then have our principal place of business in accordance with the then-current commercial arbitration rules of the AAA, except the parties shall be entitled to limited discovery at the discretion of the arbitrator(s) who may, but are not required to, allow depositions. The parties acknowledge that the arbitrators’ subpoena power is not subject to geographic limitations. The arbitration proceedings shall be conducted on an individual basis and not on a multi-plaintiff, consolidated, collective or class-wide basis. The foregoing sentence is an integral provision of the arbitration procedures set forth in this paragraph, and may not be severed therefrom, notwithstanding Section 19.01 of this Agreement. If such sentence is determined to be invalid or unenforceable in connection with a particular controversy, dispute, or claim, then this Section 18.01 shall be stricken from this Agreement and neither party shall be deemed to have consented to arbitration of such controversy, dispute, or claim.

The arbitrator(s) shall have the right to award the relief that he or she deems proper, consistent with the terms of this Agreement, including compensatory damages (with interest on unpaid amounts from date due), specific performance, injunctive relief, legal fees and costs. The award and decision of the arbitrator(s) shall be conclusive and binding on all parties, and judgment upon the award may be entered in any court of competent jurisdiction. Any right to contest the validity or enforceability of the award shall be governed exclusively by the United States Arbitration Act.

18.02. Jurisdiction. Subject to Section 18.01, you and your Owners irrevocably submit to the jurisdiction of the courts of the State of Missouri in any suit, action or proceeding, arising out of or relating to this Agreement or any other dispute between you and us, and you irrevocably agree that all claims in respect of any such suit, action or proceeding must be brought and/or defended therein except with respect to matters that are under the jurisdiction of the Federal Courts of the United States, which shall be brought and/or defended in the Federal District Court sitting in St. Louis, Missouri. You irrevocably waive, to the fullest extent you may lawfully do so, the defense of an inconvenient forum to the maintenance of such suit, action or proceeding and agree that service of process for purposes of any such suit, action or proceeding need not be personally served or served within the State of Missouri but may be served with the same effect as if you were served within the State of Missouri, by certified mail or any other means permitted by law addressed to you

at the address set forth herein. Nothing contained herein shall affect our rights to bring a suit, action or proceeding in any other appropriate jurisdiction, including any suit, action or proceeding brought by us to enforce any judgment against you entered by a State or Federal Court.

18.03. Survival. The provisions of this Section 18 shall continue in full force and effect subsequent to and notwithstanding expiration or termination of this Agreement.

19. MISCELLANEOUS.

19.01. Severability and Substitution of Provisions. Every part of this Agreement shall be considered severable. If for any reason any part of this Agreement is held to be invalid, that determination shall not impair the other parts of this Agreement. If any covenant herein which restricts competitive activity is deemed unenforceable by virtue of its scope or in terms of geographic area, type of business activity prohibited and/or length of time, but could be rendered enforceable by reducing any part or all of it, you and we agree that it will be enforced to the fullest extent permissible under applicable law and public policy.

If any applicable law requires a greater prior notice of the termination of or refusal to enter into a successor franchise than is required hereunder, a different standard of “good cause”, or the taking of some other action not required hereunder, the prior notice, “good cause” standard and/or other action required by such law shall be substituted for the comparable provisions hereof. If any provision of this Agreement or any specification, standard or operating procedure prescribed by us is invalid or unenforceable under applicable law, we have the right, in our sole discretion, to modify such invalid or unenforceable provision, specification, standard or operating procedure to the extent required to make it valid and enforceable.

19.02. Waiver of Obligations. We and you may by written instrument unilaterally waive or reduce any obligation of the other under this Agreement. Any such waiver granted shall be without prejudice to any other rights the waiving party may have, will be subject to continuing review by such party and may be revoked, in such party's sole discretion, at any time and for any reason, effective upon delivery to the other party of ten (10) days' prior notice. You and we shall not be deemed to have waived any right reserved by this Agreement or be deemed to have modified this Agreement by virtue of any custom or practice of the parties at variance with it; any failure, refusal or neglect by you or us to exercise any right under this Agreement (except as provided in Section 19.03) or to insist upon exact compliance by the other with its obligations hereunder; any waiver, forbearance, delay, failure or omission by us to exercise any right, whether of the same, similar or different nature, with respect to other Panera Bread Bakery-Cafes; or the acceptance by us of any payments due from you after any breach of this Agreement.

19.03. Exercise of Rights. The rights of Franchisor and Franchisee hereunder are cumulative and no exercise or enforcement by Franchisor or Franchisee of any right or remedy hereunder shall preclude the exercise or enforcement by Franchisor or Franchisee of any other right or remedy hereunder which Franchisor or Franchisee is entitled to enforce by law. If Franchisee commits any act of default under any agreement or this Agreement for which Franchisor exercises its right to terminate this Agreement, Franchisee shall pay to Franchisor the actual and consequential damages Franchisor incurs as a result of the premature termination of this Agreement. Franchisee acknowledges and agrees that the proximate cause of such damages sustained by Franchisor is Franchisee's act of default and not Franchisor's exercise of its right to terminate. Notwithstanding the foregoing, and except as otherwise prohibited or limited by applicable law, any failure, neglect, or delay of a party to assert any breach or violation of any legal or equitable right arising from or in connection with this Agreement shall constitute a waiver of such right and shall preclude the exercise or enforcement of any legal or equitable remedy arising therefrom, unless written notice specifying such breach or violation is provided to the other party within twenty four (24) months after the later of: (a) the date of such breach or violation; or (b) the date of discovery of the facts (or the date the facts could have been discovered, using reasonable diligence) giving rise to such breach or violation.

19.04. Injunctive Relief. Notwithstanding the provisions of Section 18.01, we may obtain in any court of competent jurisdiction any preliminary relief, including temporary restraining orders and preliminary injunctions, against conduct or threatened conduct for which no adequate remedy at law may be available or which may cause us irreparable harm. Any such action for preliminary relief shall be in aid of arbitration and shall not be deemed incompatible with the agreement to arbitrate or constitute a waiver of our right to arbitrate under Section 18.01. We may have such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law,

and your sole remedy in the event of the entry of such injunction, shall be its dissolution, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived). You and each of your Owners acknowledge that any violation of Sections 7, 13.02(1), 16.02 or 16.03 would result in irreparable injury to us for which no adequate remedy at law may be available. Accordingly, you and each of your Owners' consent to the issuance of an injunction prohibiting any conduct in violation of any of those Sections and agree that the existence of any claim you or any of your Owners may have against us, whether arising from this Agreement, shall not constitute a defense to the enforcement of any of those Sections.

19.05. Attorneys' Fees. In a judicial or arbitration proceeding, the non-prevailing party agrees to reimburse the prevailing party for all of the prevailing party's costs and expenses, including reasonable accounting, paralegal, expert witness and attorneys' fees.

19.06. Governing Law. This Agreement shall be construed under the laws of the State of Missouri, provided the foregoing shall not constitute a waiver of any of your rights under any applicable franchise law of another state. Otherwise, in the event of any conflict of law, Missouri law will prevail, without regard to its conflict of law principles. However, if any provision of this Agreement would not be enforceable under Missouri law, and if your Bakery-Cafe is located outside of Missouri and such provision would be enforceable under the laws of the state in which your Bakery-Cafe is located, then such provision shall be construed under the laws of that state. Nothing in this Section 19.06 is intended to subject this Agreement to any franchise or similar law, rule or regulation of the State of Missouri to which it otherwise would not be subject.

19.07. Successors and Assigns. This Agreement is binding on the parties hereto and their respective executors, administrators, heirs, assigns and successors in interest. This Agreement is fully transferable and assignable by us, whether by operation of law or otherwise (without notice to you, or approval by you) and shall inure to the benefit of any transferee or other legal successor to our interests herein.

19.08. Limitations on Legal Actions. Except with respect to your obligations regarding use of the Marks in Section 5 and the Confidential Information in Section 7.01, we and you (and your Owners) each waives, to the fullest extent permitted by law, any right to or claim for any punitive or exemplary damages against the other. You and each of your Owners waive to the fullest extent permitted by applicable law, the right to recover consequential damages (including lost future profits) for any claim directly or indirectly arising from or relating to this Agreement.

You agree that, for our franchise system to function properly, we should not be burdened with the costs of litigating system-wide disputes. Accordingly, any disagreement between you (and your Owners) and us shall be considered unique as to its facts and shall not be brought as a class action, and you (and each of your Owners) waive any right to proceed against us or any of our shareholders, members, managers, Affiliates, officers, directors, employees, agents, successors and assigns by way of class action, or by way of a multi-plaintiff, consolidated or collective action. In any legal action between the parties, the court shall not be precluded from making its own independent determination of the issues in question, notwithstanding the similarity of issues in any other legal action involving us and any other franchisee, and each party waives the right to claim that a prior disposition of the same or similar issues precludes such independent determination.

Furthermore, the parties agree that in the event any legal action is filed in connection with this Agreement, such action shall be tried to the court sitting without a jury, and all parties hereto waive any right to have any action tried by jury.

19.09. Construction. The language of this Agreement shall be construed according to its fair meaning and not strictly against any party. The introduction, personal guarantees, exhibits and riders (if any) to this Agreement, are a part of this Agreement, which constitutes the entire Agreement of the parties with respect to the subject matter hereof. Except as otherwise expressly provided herein, there are no other oral or written agreements, understandings, representations or statements relating to the subject matter of this Agreement, other than the franchise disclosure document, that either party may or does rely on or that will have any force or effect. Nothing in this Agreement shall be deemed to confer any rights or remedies on any person or legal entity not a party hereto. This Agreement shall not be modified except by written agreement signed by both parties. Time is of the essence in this Agreement.

To facilitate the execution of this Agreement by geographically separated parties, it may be executed in two or more counterparts, all of which shall constitute one agreement. The execution by one party of any counterpart shall be sufficient execution by that party whether or not the same counterpart has been executed by any other party. This Agreement shall become effective when each party has signed at least one counterpart. All facsimile, scanned or electronic executions (e.g., DocuSign) shall be treated as originals for all purposes.

The headings of Sections are for convenience only and do not limit or construe their contents. The word "including" shall be construed to include the words "without limitation." The term "Franchisee" or "you" is applicable to one or more persons, a corporation, limited liability company or a partnership and its owners, as the case may be. If obligations and liabilities to us shall be joint and several. References to a controlling interest in an entity shall mean more than fifty percent (50%) of the equity or voting control of such entity.

19.10. Approvals and Consents. Whenever this Agreement requires the approval or consent of either party, the other party shall make written request therefor, and such approval or consent shall be obtained in writing; provided however, unless specified otherwise in this Agreement, such party may withhold approval or consent, for any reason or for no reason at all. Furthermore, unless specified otherwise in this Agreement, no such approval or consent shall be deemed to constitute a warranty or representation of any kind, express or implied, and the approving or consenting party shall have no responsibility, liability or obligation arising therefrom.

19.11. Notices and Payments. All notices, requests and reports permitted or required to be delivered by this Agreement shall be deemed delivered: (a) at the time delivered by hand to the recipient party or any officer, director or partner of the recipient party; (b) one (1) business day after transmission by facsimile, or other electronic system, if the sender has confirmation of successful transmission, or the same day it is sent by facsimile or email if the sender has a confirmation of receipt on that same day; (c) 1 business day after being placed in the hands of a commercial courier service for guaranteed overnight delivery, or (d) five (5) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to the party to be notified at its most current principal business address of which the notifying party has been notified in writing. All notices to us must include a copy to our General Counsel and our Chief Financial Officer to be effective. All payments and reports required by this Agreement shall be sent to us at the address identified in this Agreement unless and until a different address has been designated by written notice. No restrictive endorsement on any check or in any letter or other communication accompanying any payment shall bind us, and our acceptance of any such payment shall not constitute an accord and satisfaction.

19.12. Large Franchisee. You acknowledge that Franchisee meets or exceeds the thresholds for the "large franchisee" exemption under the Federal Trade Commission Franchise Rule, which, as of the date of this Agreement, are set at a minimum of five (5) years of business experience and a net worth in excess of \$7,348,000.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement on the day and year first above written.

THIS CONTRACT CONTAINS A BINDING ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES.

FRANCHISOR

PANERA, LLC,
a Delaware limited liability company

By: _____
Print Name: _____
Title: _____

FRANCHISEE

If a corporation, partnership, limited a
liability company or other legal entity

(Name of corporation, partnership, limited
liability company or other legal entity)

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

EXHIBIT A
TO THE FRANCHISE AGREEMENT BETWEEN
PANERA, LLC AND

DATED

,

1. Operating Partner. The name and home address of the Operating Partner is as follows:

2. Form of Entity of Franchisee.

(a) Corporation or Limited Liability Company. Franchisee was organized on _____, _____, under the laws of the State of _____. Its Federal Identification Number is _____. It has not conducted business under any name other than its corporate or company name. The following is a list of all of Franchisee's directors and officers or managing members as of the date of this Agreement.

Name of Each Director/Officer/Managing Member

Position(s) Held

(b) Partnership. Franchisee is a [general] [limited] partnership formed on _____, _____, under the laws of the State of _____. Its Federal Identification Number is _____. It has not conducted business under any name other than its partnership name. The following is a list of all of Franchisee's general partners as of the date of the Agreement.

Name of Each General Partner

3. Owners. Franchisee and each of its Owners represents and warrants that the following is a complete and accurate list of all Owners of Franchisee, including the full name and mailing address of each Owner, and fully describes the nature and extent of each Owner's interest in Franchisee. Franchisee and each Owner as to his/her ownership interest, represents and warrants that each Owner is the sole and exclusive legal and beneficial owner of his/her ownership interest in Franchisee, free and clear of all liens, restrictions, agreements and encumbrances of any kind or nature, other than those required or permitted by this Agreement.

Owner's Name and Address

Percentage and Nature of Ownership Interest

Accepted by Franchisor and made a part of the Agreement as of the date hereof.

PANERA, LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

Submitted by Franchisee
on the date hereof.

a

Name: _____
Title: _____

Owners:

(Signature)

(Print Name)

(Signature)

(Print Name)

EXHIBIT B**PRINCIPAL OWNERS' PERSONAL GUARANTY OF
FRANCHISEE'S OBLIGATIONS****(“Guaranty”)**

In consideration of, and as an inducement to, the execution of the Panera, LLC franchise agreement dated as of _____, _____ (the “Agreement”) by and between PANERA, LLC (“Franchisor”), and _____ (“Franchisee”), each of the undersigned owners of a ten percent (10%) or greater interest in Franchisee hereby personally and unconditionally: (1) guarantees to Franchisor and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that Franchisee shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement (and any amendments) and that each and every representation of Franchisee made in connection with the Agreement (and any amendments) are true, correct and complete in all respects at and as of the time given; and (2) agrees personally to be bound by, and personally liable for the breach of, each and every provision in the Agreement (and any amendments).

Each of the undersigned waives: (a) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (d) any right that the undersigned may have to require that an action be brought against Franchisee or any other person as a condition of liability; (e) notice of any amendment to the Agreement; and (f) any and all other notices and legal or equitable defenses to which the undersigned may be entitled.

Each of the undersigned consents and agrees that: (i) the undersigned’s direct and immediate liability under this guaranty shall be joint and several; (ii) the undersigned shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses to do so punctually; (iii) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and (iv) such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which the 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, none of which shall in any way modify or amend this guaranty, which shall be continuing and irrevocable until satisfied in full.

All controversies, disputes, or claims between the parties, including their respective Affiliates, owners, officers, directors, agents and employees, arising from or relating to this Guaranty, including the scope and validity of any provision of this Guaranty (such as this paragraph), that are not resolved by negotiations within thirty (30) days of the notice of dispute, shall on demand of either party be submitted for arbitration to the American Arbitration Association (“AAA”). The arbitration shall be governed exclusively by the United States Arbitration Act (9 U.S.C. § 1, et seq.), without reference to any state arbitration statutes. The parties agree that, in connection with any such arbitration proceeding, each shall submit or file any claim that would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim that is not submitted or filed in such proceeding shall be barred. The arbitration proceedings shall be conducted in the city where Franchisor then has its principal place of business in accordance with the then-current commercial arbitration rules of the AAA, except the parties shall be entitled to limited discovery at the discretion of the arbitrator(s) who may, but are not required to, allow depositions. The parties acknowledge that the arbitrators’ subpoena power is not subject to geographic limitations. The arbitration proceedings shall be conducted on an individual basis and not on a multi-plaintiff, consolidated, collective or class-wide basis. The foregoing sentence is an integral provision of the arbitration procedures set forth in this paragraph, and may not be severed therefrom. If such sentence is determined to be invalid or unenforceable in connection with a particular controversy, dispute, or claim, then this entire paragraph of the Guaranty shall be stricken from this Guaranty and neither party shall be deemed to have consented to arbitration of such controversy, dispute, or claim. The arbitrator(s) shall have the right to award the relief that he or she deems proper, consistent with the terms of this Guaranty, including compensatory damages (with interest on unpaid amounts from date due), specific performance, injunctive relief, legal fees and costs. The award and decision of the arbitrator(s) shall be conclusive and binding on all parties, and judgment upon the award may be entered in any court of competent jurisdiction. Any right to contest the validity or enforceability of the award shall be governed exclusively by the United States Arbitration Act.

Subject to the foregoing, the undersigned irrevocably submits to the jurisdiction of the courts of the State of Missouri in any suit, action or proceeding, arising out of or relating to this Guaranty or any other dispute between the undersigned and Franchisor, and the undersigned irrevocably agrees that all claims in respect of any such suit, action or proceeding must be brought and/or defended therein except with respect to matters that are under the jurisdiction of the Federal Courts of the United States, which shall be brought and/or defended in the Federal District Court sitting in St. Louis, Missouri. The undersigned irrevocably waives, to the fullest extent he/she may lawfully do so, the defense of an inconvenient forum to the maintenance of such suit, action or proceeding and agree that service of process for purposes of any such suit, action or proceeding need not be personally served or served within the State of Missouri but may be served with the same effect as if the undersigned were served within the State of Missouri, by certified mail or any other means permitted by law addressed to the undersigned at the address set forth herein. Nothing contained herein shall affect Franchisor's rights to bring a suit, action or proceeding in any other appropriate jurisdiction, including any suit, action or proceeding brought by Franchisor to enforce any judgment against the undersigned entered by a State or Federal Court. In a judicial or arbitration proceeding, the non-prevailing party agrees to reimburse the prevailing party for all of the prevailing party's costs and expenses, including reasonable accounting, paralegal, expert witness and attorneys' fees.

Notwithstanding the provisions above relating to arbitration, the undersigned acknowledges and agrees that Franchisor may obtain in any court of competent jurisdiction any preliminary relief, including temporary restraining orders and preliminary injunctions, against conduct or threatened conduct for which no adequate remedy at law may be available or which may cause irreparable harm. Any such action for preliminary relief shall be in aid of arbitration and shall not be deemed incompatible with the agreement to arbitrate or constitute a waiver of its right to arbitrate. Such injunctive relief may be obtained without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy in the event of the entry of such injunction, shall be its dissolution, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived). The undersigned acknowledges that any violation of Sections 7, 13.02(1), 16.02 or 16.03 of the Agreement would result in irreparable injury for which no adequate remedy at law may be available. Accordingly, the undersigned consents to the issuance of an injunction prohibiting any conduct in violation of any of those Sections and agrees that the existence of any claim shall not constitute a defense to the enforcement of any of those Sections.

Furthermore, the undersigned agree that any legal action in connection with this Agreement shall be tried to the court sitting without a jury, and all parties hereto waive any right to have any action tried by jury.

THIS CONTRACT CONTAINS A BINDING ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES.

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed his/her signature as of the date first written above.

**PERCENTAGE OF OWNERSHIP
INTERESTS IN FRANCHISEE**

GUARANTOR(S)

(Signature)

(Print Name)

(Signature)

(Print Name)

EXHIBIT C**ADDENDUM TO LEASE**

This addendum is executed as of this _____ day of _____, _____, by and between _____ ("Franchisee") and _____ ("Landlord") as an addendum to the lease (as modified, amended, supplemented, renewed and/or extended from time to time as contemplated herein, "the Lease") for the premises located at _____), state of _____ (the "Premises") dated as of _____.

WHEREAS, Franchisee has executed or intends to execute a Franchise Agreement with Panera, LLC ("Franchisor") for the operation of a Panera Bread Bakery-Cafe at the Premises, and as a requirement thereof, the lease for the Premises must contain the provisions contained in this Addendum; and

WHEREAS, Landlord and Franchisee agree that the terms contained herein shall supersede any terms to the contrary set forth in the Lease;

NOW THEREFORE, in consideration of mutual covenants set forth herein, the execution and delivery of the Lease, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Franchisee hereby agree as follows:

1. Landlord shall deliver to Franchisor a copy of any notice of default or termination of the Lease at the same time such notice is delivered to Franchisee.
2. Franchisee hereby assigns to Franchisor, with Landlord's irrevocable and unconditional consent, all of Franchisee's rights, title and interests to and under the Lease upon any termination or non-renewal of the Franchise Agreement, but no such assignment shall be effective unless: (a) the Franchise Agreement is terminated or expires without renewal; and (b) Franchisor notifies the Franchisee and Landlord in writing that Franchisor assumes Franchisee's obligations under the Lease.
3. Franchisor shall have the right, but not the obligation, upon giving written notice of its election to Franchisee and Landlord, to cure any breach of the Lease and, if so stated in the notice, to also succeed to Franchisee's rights, title and interests thereunder.
4. The Lease may not be modified, amended, supplemented, renewed, extended or assigned by Franchisee without Franchisor's prior written consent.
5. Franchisee and Landlord acknowledge and agree that Franchisor shall have no liability or obligation whatsoever under the Lease unless and until Franchisor assumes the Lease in writing pursuant to Section 2 or Section 3, above.
6. If Franchisor assumes the Lease, as above provided, Franchisor may further assign the Lease to another person or entity to operate the Panera Bread Bakery-Cafe at the Premises, subject to Landlord's consent, which consent will not be unreasonably withheld or delayed. Landlord agrees to execute such further documentation to confirm its consent to the assignments permitted under this Addendum as Franchisor may reasonably request.
7. Landlord and Franchisee hereby acknowledge that Franchisee has agreed under the Franchise Agreement that Franchisor and its employees or agents shall have the right to enter the Premises for certain purposes. Landlord hereby agrees not to interfere with or prevent such entry by Franchisor, its employees or agents. Landlord and Franchisee hereby further acknowledge that in the event the Franchise Agreement expires (without renewal) or is terminated, Franchisee is obligated to take certain steps under the Franchise Agreement to de-identify the location as a Panera Bread Bakery-Cafe. Landlord agrees to permit Franchisor, its employees or agents, to enter the Premises and remove signs (both interior and exterior), decor, design elements, and materials displaying any marks, designs or logos, or other materials of any kind owned by, or related to, Franchisor, provided Franchisor shall bear the expense of repairing any damage to the Premises as a result thereof.

8. Landlord and Franchisee agree that if Landlord is or becomes an Owner or an Affiliate of the Franchisee, as defined in the Franchise Agreement, and Landlord proposes to sell the Premises, prior to the sale of the Premises, the Lease upon the request of Franchisor shall be amended to reflect a rental rate and other terms that are the reasonable and customary rental rates and terms prevailing in the community where the Panera Bread Bakery-Cafe is located.
9. Landlord agrees that during and after the term of the Lease, it will not disclose or use Confidential Information (as defined below) for any purpose other than for the purpose of fulfilling Landlord's obligations under the Lease. "Confidential Information" as used herein shall mean all non-public information and tangible things, whether written, oral, electronic or in other form, provided or disclosed by or on behalf of Franchisee to Landlord, or otherwise obtained by Landlord, regarding the design and operations of the business located at the Premises, including, without limitation, all information identifying or describing the floor plan, equipment, furniture, fixtures, wall coverings, flooring materials, shelving, decorations, trade secrets, trade dress, "look and feel", layout, design, menus, recipes, formulas, manner of operation, suppliers, vendors, and all other products, goods, and services used, useful or provided by or for Franchisee on the Premises. Landlord acknowledges that all Confidential Information belongs exclusively to Franchisor. Landlord agrees that should it breach or threaten to breach this provision of this Addendum, Franchisor will suffer irreparable damages and its remedy at law will be inadequate. Therefore, if Landlord threatens or actually breaches this provision, Franchisor (which, along with its successors and assigns, is an intended third party beneficiary of the provisions of this paragraph), shall be entitled to all remedies available to Franchisor at law or in equity, including, without limitation, injunctive relief.
10. Landlord agrees that there shall be no radius clause whereby Franchisee or its affiliates shall be prohibited from opening, operating or having an interest in another Panera location in any proximity to the Premises.
11. Copies of any and all notices required or permitted hereby or by the Lease shall also be sent to Franchisor at 1400 South Highway Drive, Suite 100, Fenton Missouri 63026, Attn: Vice President of Franchise with a copy to General Counsel at the same address, or such other address as Franchisor shall specify by written notice to Landlord.
12. Under the Franchise Agreement, any lease for the location of a Bakery-Cafe is subject to Franchisor's approval. Accordingly, the Lease is contingent upon such approval.

WITNESS the execution hereof under seal.

LANDLORD:

FRANCHISEE:

Date:

Date:

Subscribed and sworn to before me this
_____ day of _____, _____.

Subscribed and sworn to before me this
_____ day of _____, _____.

Notary Public

Notary Public

My Commission expires: _____

My Commission expires: _____

EXHIBIT D
INFORMATION SHEET

- | | | |
|----|--------------|--|
| 1. | Section 2.01 | The location of the Panera Bread Bakery-Cafe is _____ (the "Premises"). |
| 2. | Section 2.01 | Opening date: |
| 4. | Section 6.01 | Franchise Fee: initial \$35,000.00, successor \$17,500, transfer \$7,500 |

FRANCHISOR

PANERA, LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

FRANCHISEE

a

Name: _____
Title: _____

EXHIBIT E**INVESTOR PERSONAL COVENANTS REGARDING
CONFIDENTIALITY AND NON-COMPETITION**

In conjunction with your investment in _____ ("Franchisee"), a _____, you ("Investor" or "you"), acknowledge and agree as follows:

1. Franchisee owns and operates, or is developing, a Panera Bread Bakery-Cafe located or to be located at _____ pursuant to a franchise agreement dated _____, _____ ("Franchise Agreement") with Panera, LLC ("Franchisor"), which Franchise Agreement requires persons with legal or beneficial ownership interests in Franchisee under certain circumstances to be personally bound by the confidentiality and noncompetition covenants contained in the Franchise Agreement. All capitalized terms contained herein shall have the same meaning set forth in the Franchise Agreement.
2. You own or intend to own a legal or beneficial ownership interest in Franchisee and acknowledge and agree that your execution of this Agreement is a condition to such ownership interest and that you have received good and valuable consideration for executing this Agreement. Franchisor may enforce this Agreement directly against you and your Owners (as defined below).
3. If you are a corporation, partnership, limited liability company or other entity, all persons who have a legal or beneficial interest in you ("Owners") must also execute this Agreement.
4. You and your Owners, if any, may gain access to parts of Franchisor's Confidential Information as a result of investing in Franchisee. The Confidential Information is proprietary and includes Franchisor's trade secrets. You and your Owners hereby agree that while you and they have a legal or beneficial ownership interest in Franchisee and thereafter you and they: (a) will not use the Confidential Information in any other business or capacity (such use being an unfair method of competition); (b) will maintain the confidentiality of the Confidential Information; and (c) will not make unauthorized copies of any portion of the Confidential Information disclosed in written, electronic or other form. If you or your Owners cease to have an interest in Franchisee, you and your Owners, if any, must deliver to Franchisor any such Confidential Information in your or their possession or control.
5. During the term of the Franchise Agreement and during such time as you and your Owners, if any, have any legal or beneficial ownership interest in Franchisee, you and your Owners, if any, agree that you and they will not, without Franchisor's written consent (which consent may be withheld at Franchisor's discretion) directly or indirectly (such as through an Affiliate or through your or their Immediate Families) own any legal or beneficial interest in, or render services or give advice in connection with: (a) any Competitive Business located anywhere; or (b) any entity located anywhere which grants franchises, or licenses interests to others to operate any Competitive Business.
6. For a period of two (2) years, starting on the earlier to occur of the date you or your Owners cease to have any legal or beneficial ownership interest in Franchisee and the effective date of termination or expiration (without renewal) of the Franchise Agreement, neither you nor any of your Owners directly or indirectly (such as through an Affiliate or through your or their Immediate Families) shall own a legal or beneficial interest in, or render services or give advice to: (a) any Competitive Business operating within a radius of five (5) miles of any Panera Bread Bakery-Cafe then in operation or under construction; or (b) any entity which grants franchises or licenses other interests to others to operate any Competitive Business. If you or any of your Owners fail to or refuse to abide by any of the foregoing covenants and Franchisor obtains enforcement in a judicial or arbitration proceeding, the obligations under the breached covenant will be tolled during the period(s) of time that the covenant is breached and/or we seek to enforce it and will continue in effect for a period of time ending two (2) years after the date of the order enforcing the covenant.
7. You and each of your Owners expressly acknowledge the possession of skills and abilities of a general nature and the opportunity to exploit such skills in other ways, so that enforcement of the covenants contained in Sections 5 and 6 will not deprive any of you of your personal goodwill or ability to earn a living. If any covenant herein which restricts competitive activity is deemed unenforceable by virtue of its scope or in terms of geographic area, type of business activity prohibited and/or length of time, but could be rendered enforceable by reducing any part or all of it, you and Franchisor agree that it will be enforced to the fullest extent permissible under applicable law and public policy. In addition to relief as may be available at equity or law, Franchisor may obtain in any court of competent jurisdiction any injunctive relief, including temporary restraining orders and preliminary injunctions, against conduct or threatened conduct for which no

adequate remedy at law may be available or which may cause it irreparable harm. You and each of your Owners acknowledges that any violation of Sections 4, 5 or 6 hereof would result in irreparable injury for which no adequate remedy at law may be available. If Franchisor files a claim to enforce this Agreement and prevails in such proceeding, you agree to reimburse Franchisor for all its costs and expenses, including reasonable attorneys' fees.

IN WITNESS WHEREOF, the undersigned have executed and delivered this Agreement as of the date first written above.

INVESTOR

If an Individual:

If a corporation, partnership, limited liability company or other legal entity:

(Signature)

(Print Name)

(Name of corporation, partnership, Limited liability company or other legal entity)

By:
Print Name:
Title:

OWNERS

By:
Print Name:

By:
Print Name:

By:
Print Name:

EXHIBIT F**LISTING OF BAKERY-CAFE OPERATING EXPENSES**

1. Discounts/Sampling, including manager & associate meals, coupon discounts, customer discounts and sampling
2. Food cost
3. Retail merchandise cost
4. Purchasing credits/rebates
5. Paper costs
6. Credit card expense
7. Delivery charges
8. Labor costs, including management (GM/AM), shift supervisor, associate and baker (regular hours, orientation, training)
9. Benefit costs, including vacation, payroll taxes, insurance, workers' compensation and other miscellaneous costs
10. Controllable expenses, including over/short balances, cleaning supplies, office supplies and copying, Panera Card supplies, replacement POP, repairs and maintenance, smallwares, uniforms, T&E, parking, fuel and other operating expenses, banking fees and armored car, alarm monitoring, telephone, trash removal, music and IT maintenance
11. Utility costs by type (electric, gas, water)
12. Advertising costs, including local advertising, grand opening and direct mail
13. Bonus costs
14. Occupancy costs, including base rent, percentage rent, common area maintenance, real estate tax, promo/lease and miscellaneous occupancy
15. Insurance costs
16. Equipment lease costs
17. Tax and license costs
18. Asset retirement/disposal costs
19. Royalty Fee payments made to Panera associated with the Panera Bread Bakery-Cafe
20. Miscellaneous fixed costs

EXHIBIT G
SITE ACCEPTANCE LETTER

EXHIBIT C-1

ADVERTISING ASSOCIATION MEMBERSHIP AGREEMENT

THE /NAME OF AREA/ BAKERY-CAFE ADVERTISING ASSOCIATION
MEMBERSHIP AGREEMENT

THIS /NAME OF AREA/ BAKERY-CAFE ADVERTISING ASSOCIATION
MEMBERSHIP AGREEMENT is effective as of _____, 20____, by and between the
 /NAME OF AREA/ BAKERY-CAFE ADVERTISING ASSOCIATION, INC. a Missouri
Nonprofit Corporation (the "Association") and _____
_____, a _____ (the "Member").

BACKGROUND INFORMATION:

PANERA, LLC (the "Franchisor") owns, operates and franchises bakery-cafes which specialize in the sale of high quality food including fresh baked goods, sandwiches, salads, soups, coffees and other cafe beverages, other menu items and merchandise related to the PANERA BREAD® concept ("Bakery-Cafes"). The Member owns and operates one or more Bakery-Cafes within the /describe geographic area/ area (the "Association Area"). The Association was organized by the Franchisor in order to pool advertising funds and resources with franchisees that own Bakery-Cafes in the Association Area.

OPERATIVE TERMS:

1. **Bylaws.** The Association has adopted Bylaws and may amend, modify or replace them from time to time in accordance with its governing documents, subject to the written consent of the Franchisor (the "Bylaws"). Unless the context requires otherwise, terms used in this Agreement will have the meanings as defined in the Bylaws.

2. **Membership.** By signing this Agreement:

(a) The Member agrees to become a member of the Association and agrees to be bound by and adhere to the Bylaws, and to observe any administrative rules, regulations and policy statements adopted by the Association in accordance with the Bylaws; and

(b) The Association accepts and enrolls the Member as a member in good standing with full rights and benefits of membership.

3. **Scope.** This Agreement is applicable to all of the Member's Bakery-Cafes located in the Association Area, whether currently existing, or opened or acquired after the signing of this Agreement.

4. **Contributions.**

(a) **Obligation to Pay:** The Member agrees to make such contributions to the Association, and at such time and in such manner, as are determined by the Association from time to time in accordance with the Bylaws. Contributions are non-refundable.

(b) **Reports:** Each contribution must be accompanied by a report containing such information as the Association may determine from time to time, showing the amount of the contribution the Member is required to pay with respect to the Member's Bakery-Cafes located in the Association Area. The Member authorizes and instructs the Franchisor to furnish to the Association, on request, copies of the Member's reports and records in Franchisor's possession for the purpose of verifying contributions due. The Association may review reports and other information available to the Franchisor to verify that the proper amount of contributions have been made by the Member.

(c) **Collection By Franchisor:** The Member acknowledges and agrees that the Association may authorize Franchisor to receive and collect contributions and related reports on behalf of the Association. In such case, the Member shall make contributions to Franchisor, and shall report to Franchisor, at such times and in such manner as Franchisor may determine to be appropriate from time to time.

5. **Benefits.** The Association agrees that it will operate on a not-for-profit basis in accordance with its governing documents and that all contributions will be spent solely for the purposes permitted in its Articles of Incorporation and Bylaws.

6. **Effective Date and Term.** This Agreement becomes effective on the date signed by both parties and will continue until the earlier of:

(a) The Association discontinues operations or is dissolved; or

(b) Until the Member no longer owns and operates a Bakery-Cafe located in the Association Area under a valid franchise agreement with Franchisor, or until the Member no longer owns or operates a Bakery-Cafe located in the Association Area, if the Member is the Franchisor or an affiliate of Franchisor.

In the event this Agreement terminates pursuant to Section 6(b), the Member's voting and other membership rights in the Association automatically terminate on the effective date of termination of the franchise agreement (or closure of the Bakery-Cafe, if the Franchisor or its affiliate is the Member), provided however, if the Member owes contributions or other amounts at the time of such termination (or closure), then it will still be obligated and responsible for all contributions or other amounts that accrued prior to the date of such termination (or closure).

7. **Franchise Transfers.** The parties recognize that the timing of payment of contributions may not always coincide with the consummation of the sale of a Bakery-Cafe. Accordingly, the parties agree as follows:

(a) **Timing:** The Member will remain responsible to the Association for all contributions due through the date of the consummation of any sale of a Bakery-Cafe owned by the Member that is subject to this Agreement.

(b) **Credit Balances:** If the Member sells or closes a Bakery-Cafe subject to this Agreement at a time when the Member has a credit balance with the Association, the credit balance will not be refunded, but will be, at the election of the Board of Directors of the Association: (i) retained for the benefit of other Members of the Association, if the transaction involves a closing of the Member's Bakery-Cafe or the termination or expiration of the Member's franchise agreement; or (ii) credited to the Bakery-Cafes of the purchaser that are subject to this Agreement, if a sale, transfer or assignment is involved; or (iii) credited to the Member's other Bakery-Cafes that are still subject to this Agreement.

8. **Delinquencies.** The Member agrees to abide by all rules and regulations regarding delinquent contributions, including the payment of interest and late payment fees, adopted by the Association from time to time. The Member acknowledges and agrees that delinquent contributions (a) constitute a breach of the franchise agreement; (b) may result in loss of voting rights and other privileges with the Association; and/or (c) may result in cancellation of membership with the Association.

9. **Entity Participation.** If the Member is a corporation, limited liability company, partnership or other business entity, the Member will duly authorize one (1) person to represent its interests at Association meetings (the "**Representative**"). The Representative must be a: (i) shareholder, partner, member (in case of an LLC), director or officer of the Member; or (ii) the Member's Operating Partner, as defined in the Member's franchise agreement; or (iii) in the event the Member is Franchisor or one of its affiliates, an officer or other designated representative of the Franchisor or its affiliate. The Association shall be entitled to rely on any written authorization appointing the Representative that the Association in good faith believes to be valid unless and until the Association shall have received an authorization for a successor Representative that the Association in good faith believes to be valid. The Association shall be entitled to rely on the Representative's decisions, votes and consents to bind the Member at any such meeting without any further inquiry. The same person can be a Representative for more than one (1) Member.

10. **Program Participation.** The Member will not be required, as a condition of membership in the Association or otherwise, to participate in any advertising or promotion that contains a specified retail price, or a minimum retail price, for any product or service furnished by Bakery-Cafes in the Association Area. However, the Member's obligation to pay contributions pursuant to this Agreement will not be affected in any way by the Member's decision not to participate.

11. **Miscellaneous.**

- (a) **Severability:** If any part of this Agreement is held invalid for any reason, the remainder of this Agreement will not be affected and will remain in full force and effect in accordance with its terms.
- (b) **Costs of Collection:** Member agrees to reimburse the Association (or, if applicable, Franchisor) for all costs and expenses, including attorneys' fees and expenses, incurred in connection with collecting delinquent contributions. Reimbursement is due within thirty (30) days of written notice.
- (c) **Waivers:** No waiver of any provision of this Agreement will be valid unless in writing and signed by the person against whom it is sought to be enforced. The failure by either party to insist upon strict performance of any provision will not be construed as a waiver or relinquishment of the right to insist upon strict performance of the same provision at any other time or to insist on strict performance of any other provision of this Agreement.
- (d) **Liabilities and Beneficiaries:** Neither party will be liable to any other person who is not a party to this Agreement by virtue of their relationship to each other. No other person has any rights because of this Agreement, except for the parties. However, notwithstanding the foregoing, although the Franchisor may not be a party to this Agreement, and is not bound by it, Franchisor is a third-party intended beneficiary.
- (e) **Entire Agreement:** This Agreement reflects the entire understanding of the parties with respect to the subject matter hereof and supercedes all prior oral or written agreements, communications or understandings with respect to the matters provided for herein. In case of a conflict between the provisions of this Agreement and the Bylaws, the Bylaws shall govern.

[NAME OF AREA] BAKERY-CAFE
ADVERTISING ASSOCIATION, INC.

[Name of Member]

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT C-2
ADVERTISING ASSOCIATION BYLAWS

BYLAWS

OF

[NAME OF AREA] **BAKERY-CAFE ADVERTISING ASSOCIATION, INC.**

Adopted as of _____, 20__

TABLE OF CONTENTS

<u>ARTICLE</u>	<u>PAGE</u>
ARTICLE 1 OFFICES	1
Section 1.1. Registered and Principal Office	1
Section 1.2. Other Offices	1
Section 1.3. Registered Agent for Service of Process	1
ARTICLE 2 POWERS AND PURPOSES	1
Section 2.1. Powers	1
Section 2.2. Purposes	1
Section 2.3. Use of Trademarks	1
ARTICLE 3 MEMBERS	1
Section 3.1. Members	1
Section 3.2. Enrollment	2
Section 3.3. Entity Membership	2
Section 3.4. Members in Good Standing	2
Section 3.5. Annual and Quarterly Meetings of the Members	2
Section 3.6. Special Meetings	3
Section 3.7. Place of Meeting	3
Section 3.8. Notice of Meetings	3
Section 3.9. Waiver of Notice	3
Section 3.10. Closure of Books and Fixing of Record Date	3
Section 3.11. Quorum	3
Section 3.12. Voting	4
Section 3.13. Representatives	4
Section 3.14. Action Without Meeting	4
Section 3.15. Organization	4
Section 3.16. Member Meetings by Telephone	5
ARTICLE 4 DIRECTORS	5
Section 4.1. Number	5
Section 4.2. Vacancies	5
Section 4.3. Removal of Directors	5
Section 4.4. Qualification	5
Section 4.5. Terms	5
Section 4.6. Resignation	5
Section 4.7. Powers	6
Section 4.8. Meetings	6
Section 4.9. Notice of Special Meetings	6
Section 4.10. Action Without a Meeting	6
Section 4.11. Quorum and Voting	6
Section 4.12. Organization	6
Section 4.13. Compensation	7
Section 4.14. Attendance by Telephone	7
ARTICLE 5 OFFICERS	7
Section 5.1. Officers	7
Section 5.2. Term of Office; Vacancies	7
Section 5.3. Removal of Officers	7
Section 5.4. Resignations	7
Section 5.5. Compensation	7
Section 5.6. Refund of Payment	7

Section 5.7. Powers and Duties.....	7
Section 5.8. Delegation of Duties.....	9
ARTICLE 6 CONTRIBUTIONS.....	9
Section 6.1. Contributions	9
Section 6.2. Payment of Contributions	9
Section 6.3. Default in Payments	10
ARTICLE 7 NOTICES.....	10
Section 7.1. Recording.....	10
Section 7.2. Waiver	10
ARTICLE 8 DESIGNATED FINANCIAL AGENTS, SIGNATURES AND SEAL.....	10
Section 8.1. Designated Financial Agents.....	10
Section 8.2. Other Agreements	10
ARTICLE 9 AMENDMENTS OF BYLAWS	10
ARTICLE 10 INDEMNIFICATION	11
Section 10.1. Indemnification in Proceedings Other Than Actions by, or in the Right of, the Corporation.....	11
Section 10.2. Indemnification of Persons Parties to a Proceeding by or in the Right of the Corporation.....	11
Section 10.3. Mandatory Indemnification.....	11
Section 10.4. Authorization of Indemnification is Required.....	11
Section 10.5. Additional Conditions to Indemnification	11
Section 10.6. Prepayment of Expenses	11
Section 10.7. Indemnification Disallowed in Certain Circumstances	12
Section 10.8. Nonexclusivity.....	12
ARTICLE 11 GENERAL PROVISIONS.....	12
Section 11.1. Fiscal Year	12
Section 11.2. Gender and Number.....	12
Section 11.3. Articles and Other Headings.....	12
Section 11.4. Minutes, Books and Records of Account	12
Section 11.5. Statutory Cites.....	13

BYLAWS OF
[NAME OF AREA] BAKERY-CAFE ADVERTISING ASSOCIATION, INC.

ARTICLE 1

Offices

Section 1.1. Registered and Principal Office

The initial registered office of the _____ **Bakery-Cafe Advertising Association, Inc.** (the "**Corporation**") will be located at _____
_____. The initial principal office of the Corporation will be located at _____.

Section 1.2. **Other Offices**

The Corporation may have offices at such other place or places within or without the State of Missouri as the Board of Directors may from time to time establish.

Section 1.3. Registered Agent for Service of Process

The Corporation's Board of Directors will have the right to designate a registered agent for service of process, who may be an individual or a corporation. The registered agent so designated will serve until a successor is elected by the Board of Directors.

ARTICLE 2

Powers and Purposes

Section 2.1. Powers

The Corporation will have all of the powers accorded nonprofit corporations under the Missouri Nonprofit Corporation Act (the "**Act**"). The Corporation will utilize such powers to engage in any lawful activity which is consistent with its purposes as set forth in the Articles of Incorporation.

Section 2.2. Purposes

The purposes for which the Corporation is formed are to establish, maintain, administer and operate a promotional and advertising fund (the “**Fund**”) for the benefit of the Bakery-Cafes (“**Bakery-Cafes**”) of its members located in _____ *[describe geographic area]* (the “**Association Area**”) and to further any and all purposes consistent with the objectives of the Corporation.

Section 2.3. Use of Trademarks

The Corporation recognizes that its activities will necessarily involve advertising and promotional programs that contain the intellectual property rights, including copyrights, trademarks, service marks, logos, and designs derived from Panera, LLC (the “**Franchisor**”) or its affiliates. As such, the Corporation has entered into, or will enter into, the [NAME OF AREA] Bakery-Cafe Advertising Association Authorization Agreement.

ARTICLE 3

Members

Section 3.1. Members

The members will consist of the following (the “Members”): (a) owners of franchised Bakery-Cafes located in the Association Area operating under valid and effective franchise agreements with Franchisor (a “Franchisee”); and (b)

the Franchisor or any of its affiliates, to the extent that it or any of its affiliates owns or operates any Bakery-Cafes located within the Association Area.

Any Franchisee who ceases to be a party to any valid and effective franchise agreement with the Franchisor for a Bakery-Cafe located in the Association Area, whether due to transfer, expiration or termination, will automatically cease to be a Member of the Corporation. However, if a Franchisee operates under multiple franchise agreements and ceases to be bound by one or more franchise agreements, whether due to transfer, expiration or termination, but continues to be bound by other franchise agreements for Bakery-Cafes located in the Association Area, the Franchisee shall continue to be a Member, but its voting rights shall be reduced to reflect the number of remaining Bakery-Cafes that the Franchisee owns in the Association Area. Likewise, to the extent the Franchisor or an affiliate of Franchisor owns or operates one or more Bakery-Cafes in the Association Area and has been a Member of the Corporation, and ceases to own or operate any such Bakery-Cafes in the Association Area, then it will automatically cease to be a Member of the Corporation. However, if the Franchisor or an affiliate of Franchisor owns or operates one or more Bakery-Cafes in the Association Area and has been a Member of the Corporation, and closes or otherwise ceases to own or operate one or more Bakery-Cafes in the Association Area but continues to own or operate other Bakery-Cafes in the Association Area, then its voting rights shall be reduced to reflect the number of remaining Bakery-Cafes that the Franchisor owns or operates in the Association Area. In any event, a Member will continue to remain liable to the Corporation for past due unpaid contributions or other amounts payable to the Corporation at the time membership ceases.

In accordance with the terms of the [NAME OF AREA] Bakery-Cafe Advertising Association Authorization Agreement, a representative of Franchisor shall be entitled to notice of all regular and special meetings of the Members of the Corporation and shall have the right to attend all meetings, either in person or in any other manner of attendance authorized in these Bylaws. However, unless the Franchisor is a Member of the Corporation by virtue of its ownership or operation of a Bakery-Cafe in the Association Area, the Franchisor representative shall have no right to vote at a meeting of the Members in accordance with Section 3.12 of these Bylaws.

Section 3.2. **Enrollment**

Notwithstanding any of the foregoing, no person will be enrolled as a Member of the Corporation nor will it have any rights as a Member unless and until it has signed a Membership Agreement with the Corporation. Notwithstanding the foregoing, a Franchisee which operates in the Association Area shall be required to make contributions as required by their Franchise Agreements, regardless of whether they have signed Membership Agreements.

Section 3.3. **Entity Membership**

For all membership purposes, any business entity (corporation, partnership, limited liability company, etc.), or to the extent that a Franchisee or its owners have created multiple business entities to operate its Bakery-Cafes in the Association Area, such entities together with its owners, shall be deemed a single Member hereunder.

Section 3.4. **Members in Good Standing**

A Member will be in good standing as long as: (a) the Member is not delinquent in the payment of any contribution or other monetary obligation to the Corporation or the Franchisor; and (b) the Member shall not have received a notice of default from Franchisor with respect to one or more Bakery-Cafes located within or without the Association Area which default remains uncured to the satisfaction of Franchisor. Loss of good standing will not relieve the Member of the obligation to make contributions, when due.

Section 3.5. **Annual and Quarterly Meetings of the Members**

The annual meeting of the Members shall be held for the election of directors, consideration and approval of the succeeding year's advertising budget and the transaction of such other business as may properly come before the meeting. The annual meeting will be held at such time as the Board of Directors may determine. Quarterly meetings of the Members may be held for consideration and approval of advertising and promotional programs and the transaction of such other business as may properly come before the meeting including the approval of Member contributions under Section 6.1 hereof. Quarterly meetings will be held at such times and in such quarters as the Board of Directors may determine.

The notice of annual or quarterly meetings of Members, except as otherwise required by law, need not state the matters to be considered at such meetings.

Section 3.6. Special Meetings

Special meetings of the Members, for any purpose or purposes, unless otherwise prescribed by applicable law, may be called on the written request of (i) a majority of the Board of Directors, (ii) Members constituting 25% of the voting rights of the Members in good standing, or (iii) Franchisor. Requests for a special meeting must state the purpose or purposes of the proposed meeting. The notice of any special meeting of the Members must state the purpose or purposes for which the meeting is called.

Section 3.7. Place of Meeting

All meetings of the Members will be at such places as will be determined from time to time by the Board of Directors of the Corporation.

Section 3.8. Notice of Meetings

Written notice of each meeting of the Members stating the place, day and hour thereof, must be delivered to each Member of record entitled to vote at such meeting, personally or by telephone, telegram, cablegram, e-mail, first class mail, confirmed facsimile transmission or any other means of personal delivery providing evidence of actual delivery; and if mailed, the notice shall be deemed to be given when deposited in the United States mail addressed to the Members at the Members' addresses, as they appear in the records of the Corporation, with postage thereon prepaid. Notice must be given by or under the direction of the Secretary, or the officer or persons calling the meeting not more than sixty (60) nor less than ten (10) days before the date of the meeting; provided that oral notice to the Member may be given in lieu of written notice so long as the party giving the notice to the Member files with the Corporation a written statement of the date, time, place and manner of the oral notice. No notice need be given of the time and place of reconvening of any adjourned meeting, if the time and place to which the meeting is adjourned are announced at the adjourned meeting.

Section 3.9. Waiver of Notice

A written waiver of notice signed by any Member, whether before or after any meeting, shall be equivalent to the giving of timely notice to said Member. Attendance of a Member at a meeting shall constitute a waiver of notice of such meeting and waiver of any and all objections to the place of the meeting, the time of the meeting, or the manner in which it has been called or convened, except when a Member attends a meeting for the express purpose, as stated at the beginning of the meeting, of objecting to the transaction of business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any meeting of the Member need be specified in any written waiver of notice.

Section 3.10. Closure of Books and Fixing of Record Date

For the purpose of determining Members entitled to notice of, or to vote at, any meeting of the Members or any adjournment thereof, the Board of Directors may provide that the books will be closed for a period of not less than three (3) and not more than thirty (30) days immediately preceding such meeting. If the books are not closed and no record date is fixed by the Board of Directors, the date on which notice of the meeting is mailed will be the record date for the determination of Members entitled to notice and to vote.

Section 3.11. Quorum

Except as otherwise required by the Act, the Articles of Incorporation or these Bylaws, the presence of Members holding a majority of the votes will constitute a quorum at all meetings of the Members. In case a quorum is not present at any meeting, a majority of the Members present will have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting of the time and place to which the meeting is adjourned, until a quorum is present. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally noticed; but only those Members entitled to vote at the meeting as originally noticed will be entitled to vote at any adjournment or adjournments thereof.

Section 3.12. Voting

Each Member will be entitled at each Members' meeting and upon each matter presented at such meeting to one vote for each Bakery-Cafe located in the Association Area that the Member owns, or, in the case of Franchisor, owns or operates. Notwithstanding the fixing of the record date in Section 3.10, Members may only participate in and vote at meetings subject to being in good standing, in accordance with the Bylaws, both on the record date and at the time of the meeting. Furthermore, in the event that a meeting is postponed or continued, a Member must be in good standing at the time the meeting is reconvened in order to participate and vote at the meeting.

Any Member who is not in good standing pursuant to Section 3.4(a) hereof shall have all rights and privileges of membership (including the right to vote and participate as a Member, director or officer in any meeting) suspended. Any Member who is not in good standing pursuant to Section 3.4(b) hereof shall have its right to vote (but not its right to participate) suspended at any meeting of the Members or the board of directors of the Corporation. Any dispute regarding the good standing of a Member and its right to vote at a membership meeting will be determined conclusively by the Chairman of the meeting, in conjunction with the representative of the Franchisor present at the meeting, which determination will be final and binding. Any such suspension shall continue until the Member is in good standing again.

The list of Members must be produced at any Member's meeting upon the request of any Member. Upon the demand of any Member, the vote upon any question before the meeting must be by written ballot. Except as otherwise provided by these Bylaws, by the Act, or by the Articles of Incorporation, all matters will be decided by a majority of the votes of Members present at the meeting. There is no cumulative voting for directors or on any other matter.

Section 3.13. Representatives

If a Member is a corporation, limited liability company, partnership or other business entity, the Member will duly authorize one (1) person to represent its interests at Association meetings (the "**Representative**"). The Representative must be a: (i) shareholder, partner, member (in case of an LLC), director or officer of the Member; or (ii) the Member's Operating Partner, as defined in the Member's franchise agreement; or (iii) in the event the Member is Franchisor or one of its affiliates, an officer or other designated representative of Franchisor or its affiliate. The Corporation shall be entitled to rely on any written authorization appointing the Representative that the Corporation in good faith believes to be valid unless and until the Corporation shall have received an authorization for a successor Representative that the Corporation in good faith believes to be valid. The Corporation shall be entitled to rely on the Representative's decisions, votes and consents to bind the Member at any such meeting without any further inquiry. The same person can be a Representative for more than one (1) Member.

Section 3.14. Action Without Meeting

Any action of the Members of the Corporation may be taken without a meeting, without prior notice and without a vote, if one or more consents in writing, setting forth the action so taken, are signed by the Members having not less than two-thirds (2/3) of the votes that would be necessary to authorize or take such action at a meeting at which all Members entitled to vote thereon were present and voted. Such consents must be delivered to the Corporation in the manner required by the Act. Neither the Articles of Incorporation nor these Bylaws will be construed, interpreted or deemed to have, in any way, limited or prevented the utilization of the ability to take written action in lieu of formal meetings as may be permitted by the Act.

Section 3.15. Organization

Meetings of the Members must be presided over by the President, or if he is not present, by the Vice President, if a Vice President has been elected, or if neither the President nor the Vice President is present, then by a chairman to be chosen by a majority of the Members entitled to vote who are present in person at the meeting. The Secretary of the Corporation, or in his absence, the Assistant Secretary, will act as secretary of every meeting, but if neither is present, the Members entitled to vote who are present in person may choose any person present to act as secretary of the meeting.

At all meetings of the Members the order of business will be as follows:

- (1) Calling meeting to order.

- (2) Proof of notice of meeting and determination of quorum.
- (3) Reading and disposing of minutes of previous meeting.
- (4) Announcement of purposes for the meeting.
- (5) Reports of officers.
- (6) Unfinished business.
- (7) New business, including election of directors if an annual meeting.
- (8) Adjournment.

Section 3.16. Member Meetings by Telephone

Any Member may participate in a Members' meeting, or may conduct a Members' meeting through the use of, any means of communication enabling all persons participating in the meeting to hear each other at the same time during the meeting. Participation by such means will constitute presence in person at a meeting.

ARTICLE 4
Directors

Section 4.1. Number

There will be at least three (3) directors on the Board. From time to time, the exact number of directors may be determined by vote of the Members at any time, but never less than three (3) and never an amount less than as otherwise required by the Act.

Section 4.2. Vacancies

If a vacancy occurs on the Board of Directors because a Member's Representative is no longer serving as such, such Member shall fill the vacancy so long as such Member is in good standing. In all other cases, if a vacancy occurs on the Board of Directors, including a vacancy resulting from an increase in the number of directors or the removal of one (1) or more directors, it may be filled by the affirmative vote of a majority of the remaining directors even if the remaining directors constitute less than a quorum.

Section 4.3. Removal of Directors

A Member may remove one or more Directors elected by it. A Director elected by the Board of Directors may be removed without cause by the vote of two-thirds of the Directors then in office or by the Members. A Director may be removed for cause by a vote of the majority of the Directors then in office or by the Members.

Section 4.4. Qualification

Each director must be either a Member (if the Member is an individual) or the Member's Representative. If there are less than three (3) Members at any time, then the Franchisor, through Franchisor's representative designated as its "Member's Representative", shall have the right to designate two (2) directors, one of which shall be the Member's Representative and the other shall be an officer of Franchisor. However, any director serving on the Board of Directors will be automatically suspended at any time during which he or she, or the business organization for which he or she is the Representative, is not in good standing. In addition, directors will be automatically removed as directors if, at any time, the Member with which they are associated is expelled from membership or is no longer a franchisee of the Franchisor either because the franchise agreement has expired or it has been terminated or transferred.

Section 4.5. Terms

Directors will hold office until their respective successors are duly elected and qualified or until there is a decrease in the number of directors.

Section 4.6. Resignation

Any director may resign at any time. Such resignation will be made in writing and will take effect upon its delivery to the President or the Board of Directors or its Chairman.

Section 4.7. Powers

Except for those rights reserved to the Members under these Bylaws, the business of the Corporation will be managed by its Board of Directors, which may exercise all such powers of the Corporation and do all such lawful acts and things as are not prohibited by the Act, by the Articles of Incorporation or by these Bylaws. The Board of Directors will determine the compensation, if any, to be paid to each officer and director of the Corporation, including those officers who may also be directors.

Section 4.8. Meetings

The Board of Directors of the Corporation may hold meetings, whether annual or special, either within or without the State of Missouri. The annual meeting of the Board of Directors for the purpose of electing officers and transacting such other business as may be brought before the meeting will be held at such time and place as the Board of Directors may determine. The Board of Directors may by resolution provide for the time and place of other regular meetings, and no notice of such regular meetings need be given.

All other meetings of the Board may be called on the written request of (i) any director or (ii) Members with 25% of the voting rights of Members in good standing, at such time and place as may be stated in such request.

In accordance with the terms of the [NAME OF AREA] Bakery-Cafe Advertising Association Authorization Agreement, a representative of Franchisor shall be entitled to notice of all regular and special meetings of the Board of Directors of the Corporation and shall have the right to attend all meetings, either in person or in any other manner of attendance authorized in these Bylaws. However, unless the Franchisor is a Director of the Corporation, the Franchisor representative shall have no right to participate in any action of the Board of Directors in accordance with Sections 4.10 and 4.11 of these Bylaws.

Section 4.9. Notice of Special Meetings

Written notice of the place, day and hour of any special meeting of the Board of Directors must be given by or under direction of the Secretary or the Assistant Secretary, to each director at least two (2) days before the meeting; provided, however, that oral notice may be given to directors in lieu of written notice so long as the party giving the notice to the directors files with the Corporation a written statement of the date, time, place and manner of the oral notices. Neither the business to be transacted at, nor the purpose of, any meeting of the Board of Directors, need be stated in the notice or waiver of notice of such meeting.

Section 4.10. Action Without a Meeting

Any action required to be taken, or which may be taken, at a meeting of the Board of Directors may be taken without a meeting, if a consent in writing, setting forth the action so to be taken, is signed by all of the directors entitled to vote. Such consent will have the same effect as a unanimous vote.

Section 4.11. Quorum and Voting

At all meetings of the Board, a majority of the directors then in office will constitute a quorum for the transaction of business. The act of a majority of directors present at a meeting where a quorum is present will be the act of the Board of Directors, except as may be otherwise specifically provided by law, the Articles of Incorporation or these Bylaws. If at any meeting of the Board of Directors there is less than a quorum present, a majority of those present may adjourn the meeting, without further notice, from time to time and place to place until a quorum will have been obtained.

Section 4.12. Organization

The President of the Corporation will act as Chairman and the Secretary or Assistant Secretary will act as Secretary at all meetings of the Board.

Section 4.13. Compensation

Directors must not receive any stated salary for their services as directors or as members of committees, but by resolution of the Board a fixed fee and/or expenses of attendance may be allowed for attendance at each meeting.

Section 4.14. Attendance by Telephone

Any member or members of the Board of Directors will be deemed present and voting at a meeting of the Board if said member or members participate in the meeting by means of a conference telephone or other communications equipment enabling all persons participating in the meeting to hear each other at the same time. Participation by such means will constitute presence in person at a meeting.

ARTICLE 5

Officers

Section 5.1. Officers

The officers of this Corporation will consist of a President, a Secretary and a Treasurer, and may consist of such other officers, including but not limited to one (1) or more Vice Presidents, Assistant Secretaries and Assistant Treasurers with such titles, powers and duties as may be prescribed from time to time by the Board of Directors. They will be elected by the Board of Directors at its annual meeting.

Section 5.2. Term of Office; Vacancies

Each officer shall hold office for one (1) year and until such officer's successor is duly elected and qualified. A vacancy in any office arising from any cause may be filled for the unexpired portion of the term by the Board of Directors.

Section 5.3. Removal of Officers

Any officer may be removed at any time with or without cause by action of the Board of Directors by the affirmative vote of a majority of the directors then in office. Election or appointment of an officer will not of itself create contract rights.

Section 5.4. Resignations

An officer may resign at any time by delivering notice to the Corporation. A resignation is effective when the notice is delivered unless the notice specifies a later effective date. If a resignation is made effective at a later date and the Corporation accepts the future effective date, the Board of Directors may fill the pending vacancy before the effective date if the Board of Directors provides that the successor does not take office until the effective date of the pending vacancy.

Section 5.5. Compensation

No compensation will be paid to any officer of the Corporation, except the Board of Directors may determine a fixed fee or other reimbursement for expenses.

Section 5.6. Refund of Payment

In the event that the Internal Revenue Service disallows, in whole or in part, the deduction by the Corporation as an ordinary and necessary business expense of any payment made to an officer of the Corporation, whether as salary, commission, bonus or other form of compensation or as interest, rent or reimbursement of expenses incurred by such officer, such officer must reimburse the Corporation to the full extent of such disallowance. The Board of Directors of the Corporation will have the duty to require each such officer to make such reimbursement, and it will be the legal duty of each such officer thus to reimburse the Corporation.

Section 5.7. Powers and Duties

A. In General. The officers of the Corporation will have such powers and duties as generally pertain to their respective offices, including the powers and duties provided by these Bylaws, as well as such powers and duties as from time to time may be conferred by the Board of Directors.

B. President. The President will:

- (1) preside at all meetings of the Board of Directors in the absence of the Chairman of the Board, if any;
- (2) present at each annual meeting of the directors a report of the condition of the business of the Corporation;
- (3) cause to be called regular and special meetings of the directors in accordance with these Bylaws;
- (4) jointly with the Treasurer, sign and make contracts and agreements in the name of the Corporation;
- (5) see that the books, reports, statements and certificates required by statute are properly kept and filed according to law;
- (6) jointly with the Treasurer, sign notes, drafts or bills of exchange, warrants or other orders for the payment of money duly drawn on behalf of the Corporation;
- (7) supervise all employees of the Corporation including the hiring and firing of such employees as he or she deems advisable; and
- (8) jointly with the Treasurer, purchase on behalf of the Corporation, tangible or intangible assets; and
- (9) have general charge of and control over the affairs of the Corporation and perform the entire duties incident to such position and office, the enforcement of these Bylaws and all other things which the President is required to do by law.

C. Vice President. The Vice President, if any, will:

- (1) in the absence or disability of the President, perform the duties and exercise the powers of the President; and
- (2) perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

D. Secretary. The Secretary will:

- (1) prepare the minutes of the meetings of the Board of Directors and keep the minutes in appropriate permanent books of record;
- (2) give and serve all notices of the Corporation;
- (3) be the custodian of the records and of the seal, and affix the latter when required, and authenticate records of the Corporation when required; and
- (4) attend to all correspondence and perform all the duties incident to the office of the Secretary.

E. Treasurer. The Treasurer will:

- (1) keep accounts of and have the care and custody of and be responsible for all the funds and securities of the Corporation;
- (2) deposit all such funds in the name of the Corporation in such bank or banks, trust company or trust companies, or safe deposit vaults as the Board of Directors may designate;
- (3) exhibit, at times required by law or these Bylaws, the corporate financial books and accounts to any director upon application at the office of the Corporation during business hours;
- (4) render a statement of the condition of the finances of the Corporation (at each regular meeting of the Board of Directors, and at such other times as it will be required of the Treasurer) and a full financial report at the annual meeting of the directors;
- (5) keep at the office of the Corporation current books of account of all of its business transactions and such other books of account that the Board of Directors may require;
- (6) jointly with the President, sign and make contracts and agreements in the name of the Corporation;
- (7) jointly with the President, sign notes, drafts or bills of exchange, warrants or other orders for the payment of money duly drawn on behalf of the Corporation;
- (8) jointly with the President, purchase on behalf of the Corporation, tangible or intangible assets, and
- (9) do and perform all other duties pertaining to the office of the Treasurer.

F. Assistant Secretary and Assistant Treasurer. The Assistant Secretary or Assistant Secretaries and the Assistant Treasurer or Assistant Treasurers will, in the absence or disability of the Secretary, or Treasurer, respectively, perform the duties of such officer and generally assist, in the case of an Assistant Secretary, the Secretary, or an Assistant Treasurer, the Treasurer.

Section 5.8. Delegation of Duties

In the case of the absence or disability of any officer of the Corporation or for any other reason deemed sufficient by a majority of the Board, the Board of Directors may delegate such officer's respective powers or duties to any other officer or to any director or agent of the Corporation for a specified period or until said delegation is revoked by the Board of Directors, provided that such delegation is otherwise permitted by law and by the Articles of Incorporation and these Bylaws.

ARTICLE 6
Contributions

Section 6.1. Contributions

The Members will determine at a Member meeting the amount of contributions to be paid to the Corporation by its Members from time to time. The amount of the contributions will generally be a percentage of Net Sales, as defined in the most recent Franchise Disclosure Document (FDD) issued by the Franchisor, uniform among Members on a per Bakery-Cafe basis. The Members may, subject to Franchisor's approval, vary the level of benefits and/or contributions for any Bakery-Cafe that is located in a geographical area in which broadcast coverage is less than eighty-five percent (85%), according to the most recent A.C. Nielsen or Arbitron coverage study, in order to achieve approximate equivalence in contributions and benefits of Members. If any Bakery-Cafes of a Member are located in geographical areas covered, according to the most recent A.C. Nielsen or Arbitron coverage study, by more than one regional advertising association, the variation in benefits and/or contribution may be coordinated with such other regional advertising association.

Section 6.2. Payment of Contributions

Subject to the terms of the [NAME OF AREA] Bakery-Cafe Advertising Association Authorization Agreement, the Board of Directors will set the dates and method of payment for contributions. However, Members will not have to pay their contributions for new Bakery-Cafes until after their Bakery-Cafes have opened for business.

Section 6.3. Default in Payments

The Board of Directors will establish from time to time policies and procedures for dealing with situations in which Members have not timely paid contributions. The Board of Directors may set interest rates and fees to offset administrative expenses, collection costs, etc. for delinquent payments.

ARTICLE 7
Notices

Section 7.1. Recording

Whenever these Bylaws require notice to be given to Members, directors, or committee members, proof of such notice whether given by mail, e-mail, telecopy, telephone, telegraph, cablegram or by personal contact will be recorded and filed by the Secretary in the minute book and incorporated into the minutes for the meeting to which such notice pertains.

Section 7.2. Waiver

Whenever any notice of a meeting is required to be given under the provisions of the Act, of the Articles of Incorporation, or of these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to such notice, either before, at or after the meeting, will be deemed equivalent to such required notice. Attendance of a person entitled to notice at a meeting will also constitute a waiver of notice of such meeting; provided, however, that such attendance will not constitute such a waiver if said person attends said meeting solely for the purpose of, and limits his participation at the meeting to, objecting to the transaction of any business because the meeting is not lawfully called or convened and states such objection at the beginning of the meeting.

ARTICLE 8
Designated Financial Agents, Signatures and Seal

Section 8.1. Designated Financial Agents

All funds of the Corporation will be deposited in the name of the Corporation in such bank, banks or other financial institutions as the Board of Directors may from time to time designate and will be drawn out on checks, drafts or other order signed on behalf of the Corporation by such person or persons as the Board of Directors may from time to time designate.

Section 8.2. Other Agreements

Except as otherwise specifically provided by these Bylaws, all contracts, agreements, deeds, bonds, mortgages and other obligations and instruments must be signed on behalf of the Corporation by the President and Treasurer or by such other officers or agents as the Board of Directors may from time to time by resolution provide.

ARTICLE 9
Amendments of Bylaws

The Bylaws may be altered, amended or repealed only by the Members at a meeting of Members, provided that the notice of the meeting contains a written proposal to amend these Bylaws along with the text of the amendments, and subject to the prior written approval of Franchisor in accordance with the [NAME OF AREA] Bakery-Cafe Advertising Association Authorization Agreement. The amendment of any Bylaw or replacement of these Bylaws will be effective when approved by the Members by two thirds of the votes cast or a majority of the voting power, whichever is less or otherwise in accordance with applicable law.

ARTICLE 10

Indemnification

Section 10.1. Indemnification in Proceedings Other Than Actions by, or in the Right of, the Corporation

The Corporation will indemnify any person who was or is a party to any proceedings (other than an action by, or in the right of, the Corporation), by reason of the fact that he or she is or was a director, officer, employee, or agent of the Corporation, or is or was serving at the request of the Corporation as a director, committee member, officer, employee or agent of another corporation, partnership, joint venture, trust, or other enterprise against liability incurred in connection with such proceeding, including any appeal thereof, if the indemnitee acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful.

Section 10.2. Indemnification of Persons Parties to a Proceeding by or in the Right of the Corporation

The Corporation will indemnify any person who was or is a party to any proceeding by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he or she is or was a director, officer, employee, or agent of the Corporation or is or was serving at the request of the Corporation as the director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses and amounts paid in settlement not exceeding, in the judgment of the Board of Directors, the estimated expense of litigating the proceeding to conclusion, actually and reasonably incurred in connection with the defense or settlement of such proceeding, including any appeal thereof. Such indemnification may be authorized if such person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation. Provided, however, that no indemnification may be made hereunder in respect of any claim, issue, or matter as to which such person has been adjudged to be liable, unless, and only to the extent that, the court in which such proceeding was brought, or any other court of competent jurisdiction, determines upon application that, despite the adjudication of liability, but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court deems proper.

Section 10.3. Mandatory Indemnification

To the extent that a director, officer, employee or agent of the Corporation has been successful on the merits or otherwise in defense of any proceeding referred to in Sections 10.1 and 10.2 above, or in defense of any claim, issue or matter therein, he or she must be indemnified against expenses actually and reasonably incurred by him or her in connection therewith.

Section 10.4. Authorization of Indemnification is Required

Any indemnification under Sections 10.1 and 10.2, unless pursuant to a determination by a court, may be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee, or agent is proper in the circumstances because he or she has met the applicable standard of conduct set forth in Section 10.1 or 10.2. Such determination must be made pursuant to any procedures outlined by the Act, if any.

Section 10.5. Additional Conditions to Indemnification

The Board, by a majority vote of a quorum consisting of directors who were not parties to the action, suit or proceeding to which the indemnification relates, may impose such additional conditions upon any form of indemnification as the Board may deem appropriate, including, but not limited to, the right to assume the defense in appropriate circumstances, the right to select the attorney representing the indemnified person and the right to settle.

Section 10.6. Prepayment of Expenses

Expenses (including attorneys' fees and expenses) incurred in defending a civil or criminal action, suit or proceeding must be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon a preliminary determination following the procedures set forth in Section 10.04 that such indemnified person meets the applicable standard of conduct referred to therein and subject to any conditions imposed by the Board pursuant to this Article and the prior receipt by the Corporation of an undertaking satisfactory in form and substance to the Corporation that such person will promptly repay such amount unless it is ultimately determined that the person is entitled to be indemnified by the Corporation as authorized in this Article 10.

Section 10.7. Indemnification Disallowed in Certain Circumstances

The indemnification provided pursuant to this article may not be made to or on behalf of any director, officer, employee, or agent if a judgment or other final adjudication establishes that his or her actions, or omissions to act, were material to the cause of action so adjudicated and constitute:

- A. a violation of the criminal law, unless the director, officer, employee or agent had reasonable cause to believe his or her conduct was lawful or had no reasonable cause to believe his or her conduct was unlawful;
- B. a transaction from which the director, officer, employee or agent directly or indirectly derived an improper personal benefit;
- C. in the case of a director, a circumstance under which the director would be liable to the Corporation under the Act; or
- D. willful misconduct or a conscious disregard for the best interests of the Corporation in a proceeding by or in the right of the Corporation to procure a judgment in its favor.

Section 10.8. Nonexclusivity

The Corporation has the power to make any other or further indemnification of any of its directors, officers, members of any committee, or any other person that the Corporation has the power by law to indemnify, including without limitation, employees or agents of the Corporation, under any bylaw, agreement, vote of disinterested directors, or otherwise, both as to action in any official capacity and as to action in another capacity while holding such office, except an indemnification against gross negligence or willful misconduct. The indemnification as provided in this Article will continue as to any person who has ceased to be a director, officer, employee, or agent and will inure to the benefit of such person's heirs and personal representatives.

ARTICLE 11
General Provisions

Section 11.1. Fiscal Year

The fiscal year of the Corporation shall end in each year consistent with the last day of the fiscal year of the Franchisor in that year.

Section 11.2. Gender and Number

Whenever the context requires, the gender of all words used herein includes the masculine, feminine and neuter, and the number of all words includes the singular and plural thereof.

Section 11.3. Articles and Other Headings

The Articles and other headings contained in these Bylaws are for reference purposes only and will not affect the meaning or interpretation of these Bylaws.

Section 11.4. Minutes, Books and Records of Account

The Corporation will keep correct and complete books and records of account and will keep minutes of the proceedings of its Board of Directors and other records as required by the Act.

Section 11.5. **Statutory Cites**

Any reference in these Bylaws to the Act will include all revisions and amendments to the Act.

EXHIBIT D-1
DEVELOPMENT SERVICES AGREEMENT

Development Services Agreement

This Development Services Agreement (the "Agreement") is made this ____ day of _____, _____ ("Effective Date"), by and between _____, a _____ ("Franchisee" or "you"), with a mailing address at _____ and Panera, LLC, a Delaware limited liability company ("Panera", "we" or "us"), with a mailing address of 1400 South Highway Drive, Suite 100, Fenton, MO 63026.

1. **Development** - Panera may, from time to time, at its discretion, offer to sell to you on a non-exclusive basis one or more Panera Bread Bakery-Cafes on the terms and conditions contained in this Agreement. Each Panera Bread Bakery-Cafe offered to you shall be referred to herein as "a proposed location" or a "proposed Bakery-Cafe". You acknowledge and agree that nothing contained in this Agreement shall grant you any development rights or obligate Panera to offer any proposed locations to you. Panera may develop, open and operate (or permit others to develop, open and operate) any new Bakery-Cafe (wherever located) without offering the proposed location to you. The intention of this Agreement is to establish in advance mutually agreeable terms and conditions should Panera, at its sole discretion, decide to offer to sell you a proposed location.

2. **Terms and Conditions** - Any proposed location will be offered to you on the following terms and conditions:

(a) **The Offer** - An offer may be made to you after Panera's Development Committee approves a proposed location. Any offer will be in writing and will include a copy of the First Pass package containing such information regarding the proposed location as Panera may then include in First Pass packages for new locations proposed to its Development Committee. The offer will also include an initial estimate of the Total Cost, as hereinafter defined, of development of the proposed location (the "First Pass Budget"). You acknowledge that any offer made by Panera may include any radius protection we deem appropriate for the proposed location and any other conditions we deem appropriate.

(b) **Purchase Price, Franchise Agreement and Lease** - The purchase price for the proposed location will be an amount equal to the Total Cost of development of the Panera Bread Bakery-Cafe, plus a development fee of one hundred and fifty thousand dollars (\$150,000) in consideration of the services to be provided by Panera in developing the proposed location (the "Purchase Price"). The "Total Cost" shall be defined to include any and all costs and expenses incurred by Panera in connection with selection and development of the proposed location, including, without limitation, any and all land or lease costs, including the cost of site improvements, leasehold improvements, building construction, architectural, engineering, consulting, expediting and legal expenses (including the cost of title insurance, opinions, closing and permit costs), brokerage commissions, costs of furniture, fixtures, equipment and signage, tap fees, impact fees, or any similar fees charged by municipal jurisdictions or utility providers, pre-opening rent and taxes, financing and interest costs incurred during the development of the bakery-cafe, and any other costs or expenses incurred by Panera in developing the proposed location; provided, however, that no overhead expenses of Panera other than the development fee shall be included in Total Cost. Total Cost shall be reduced by the amount of any Landlord construction allowance received by Panera applicable to the development of the proposed location. Panera shall, to the fullest extent allowed by applicable law, require its contractors and subcontractors to issue resale certificates in lieu of paying sales or use taxes on purchases of taxable services and tangible personal property. Total Cost shall not include sales or use taxes which could have been avoided through the issuance of a resale certificate.

At closing, you will also enter into a Franchise Agreement and Lease or Purchase and Sale Agreement for the Bakery-Cafe on the terms described in this Agreement and pay the initial franchise fee and all other amounts payable under the Franchise Agreement and Lease or Purchase and Sale Agreement.

(c) **Acceptance of an Offer** - You may accept Panera's offer for a proposed location by countersigning the offer letter and returning it to Panera with a check in the amount of thirty seven thousand five hundred dollars (\$37,500), which represents payment of twenty five percent (25%) of the total development fee for the proposed location. Your acceptance of the offer will not be valid or binding on Panera unless it is duly executed on behalf of Franchisee, is unqualified and unconditional, and is received by Panera within fifteen (15) days of the date of Panera's offer letter.

(d) **Due Diligence** - Promptly after Panera completes its due diligence review, Panera will provide you with an updated estimate of the Total Cost of development of the proposed location (the "Second Pass Budget"). You will have the right, by giving written notice to Panera delivered within ten (10) days after your receipt of the Second Pass Budget, to rescind your acceptance of the offer if the amount of the Second Pass Budget exceeds the amount of the First Pass Budget by more than ten percent (10%). If you elect to rescind your acceptance after receipt of the Second Pass budget, the initial thirty seven thousand five hundred dollars (\$37,500) installment of the development fee for the proposed location will be refunded to you. If you do not elect

to rescind your acceptance, a second payment in the amount of thirty thousand dollars (\$30,000) which represents an additional twenty percent (20%) of the total development fee for the proposed location will be payable by you within ten (10) days of your receipt of the Second Pass budget.

(e) Preconstruction Budget - Prior to commencing construction of the proposed location, Panera will provide you with an updated estimate of the Total Cost of development of the proposed Bakery-Cafe ("Preconstruction Budget"). You will have the right, by giving written notice to Panera delivered within ten (10) days after receipt of the Preconstruction Budget, to rescind your acceptance of the offer if the amount of the Preconstruction Budget exceeds the amount of the Second Pass Budget by more than ten percent (10%). If you elect to rescind your acceptance after receipt of the Preconstruction Budget, all prior installments of the development fee will be refunded to you. If you do not elect to rescind your acceptance, a payment in the amount of thirty seven thousand five hundred dollars (\$37,500) which represents an additional twenty five percent (25%) of the total development fee for the proposed location will be payable by you within ten (10) days of your receipt of the Preconstruction Budget.

(f) Closing - The balance of the development fee for the proposed location in the amount of forty five thousand dollars (\$45,000) and an amount equal to thirty percent (30%) of the Preconstruction Budget to be applied to the purchase price will be payable by you at a closing. At closing, you will also provide a loan commitment or other evidence satisfactory to Panera of the availability of cash or financing for payment of the balance of the purchase price. At closing, you will also pay the initial franchise fee, and any other amounts then due under the Franchise Agreement, Lease or Purchase and Sale Agreement.

(g) Delivery of Possession - Panera will deliver possession of the proposed location to you when the proposed location is substantially complete, including issuance of a certificate of occupancy. Panera will give you thirty (30) days prior notice of the estimated date of delivery of possession. On or before the actual date of delivery of possession, you will be required to deliver an amount equal to an additional sixty percent (60%) of the Preconstruction Budget to be applied to the Purchase Price. On the date of delivery of possession, the parties will conduct a walk through of the proposed location to identify any "punch list items" to be completed by Panera. Panera will use reasonable effort to cause all punch list items to be completed promptly after the date of delivery of possession of the proposed location.

(h) Opening for Business - You will open the proposed Bakery-Cafe for business with the public within ten (10) days of the date of delivery of possession of the proposed location to you, subject to your obtaining all approvals and satisfying all requirements and conditions under the Franchise Agreement.

(i) The balance of the Purchase Price (the difference between ninety percent (90%) of the Preconstruction Budget and the Total Cost) will be billed by Panera when the final amount of the Total Cost is determined and will be payable by you within fifteen (15) days of demand.

(j) The Total Cost, First Pass Budget, Second Pass Budget, Preconstruction Budget, and any similar report by Panera to the Franchisee called for by this Agreement shall be presented with reasonably sufficient detail. Panera shall provide additional detail and supporting documentation for said reports as Franchisee may reasonably request.

3. Franchise Agreement - You understand and agree that no Franchise Agreement shall be issued for any proposed location unless all of the following conditions have been met:

- (a) Your decision to purchase and operate a Panera Bread Bakery-Cafe at a proposed location is based solely on your own independent investigation of the suitability of the location for a Panera Bread Bakery-Cafe. In consideration of the services provided hereunder, you and your Owners (as defined in the Franchise Agreement) agree to release us, and our Affiliates, shareholders, members, officers, directors, employees, agents, successors and assigns from any and all loss, damages and liability arising from or in connection with your purchase and operation of the proposed Bakery-Cafe. You understand and agree that, notwithstanding anything herein to the contrary, if Panera offers a location to you and you do not unconditionally accept the offer in strict accordance with the terms of this Agreement, Panera may at any time develop and operate a Panera Bread Bakery-Cafe at the proposed location.
- (b) Financial Qualifications. In conjunction with our decision to offer a location to you, we may require that you furnish us updated financial statements (historical and pro forma), statements of the sources and uses of capital funds, budgets and other information regarding yourself and each legal entity, if any, involved in the ownership and operation of any Bakery-Cafe we may offer to you, as well as any then existing Panera Bread Bakery-Cafes you or your Affiliates own. We may refuse to grant you a franchise for a Panera Bread Bakery-Cafe, and terminate and rescind any offer made under this Agreement, if you fail to demonstrate sufficient financial and management capabilities to pay the purchase price at closing and properly operate the proposed Bakery-Cafe and the

then-existing Panera Bread Bakery-Cafes you and your Affiliates own. We will evaluate such financial and management capabilities in accordance with the then-current standards we use to establish Panera Bread Bakery-Cafes in other comparable market areas.

- (c) Execution of Franchise Agreement. If we determine to grant any rights to operate any Panera Bread Bakery-Cafe hereunder, we will do so by issuing Panera's then-current form of standard franchise agreement, together with all standard ancillary documents (including exhibits, addendum, riders, collateral assignments of leases, Principal Owner guarantees and other related documents) that we then customarily use in granting franchises for the operation of Panera Bread Bakery-Cafes (the "Franchise Agreement"). In such event;

- (i) You and your Owners shall execute and return the Franchise Agreement and pay the initial franchise fee at the closing of the transaction under this Agreement, but no earlier than five (5) business days after we deliver it to you. If we do not receive the fully executed Franchise Agreement and payment of the initial franchise fee as required hereunder, we may revoke our offer to grant you a franchise to operate a Panera Bread Bakery-Cafe at the proposed location and may revoke our offer to sell you the proposed location. Concurrently with your execution and delivery to us of each Franchise Agreement, you and your Owners and Affiliates must, except to the extent limited or prohibited by applicable law, execute and deliver to us a general release in form and substance satisfactory to us, of any and all claims against us, our Affiliates and shareholders, members, officers, directors, employees, agents, successors and assigns; and
- (ii) The initial franchise fee payable for each proposed Bakery-Cafe pursuant to this Agreement shall be Thirty Five Thousand Dollars (\$35,000.00), payable at the closing of the transactions under this Agreement, and the royalty fees shall not exceed the percentage set forth in our standard form franchise agreement being offered as of the date of this Agreement.

4. Lease or Purchase and Sale Agreement - At closing, you will enter into a sublease for the proposed location (the "Lease"). The Lease will be on the standard form then used by Panera. The base rent payable under the Lease will be a pass through of the base rent payable by Panera under the underlying lease for the premises. The Lease will be a "triple net lease" which means that any and all additional rent, taxes, common area maintenance and other costs and charges will be passed through, dollar for dollar, to you and must be paid by you. The Lease will be subject and subordinate to all of the terms and conditions of the underlying lease between Panera and the property owner of the premises. Panera may also, at its discretion, at any time at or after closing, elect to assign the underlying lease for the premises to you. If Panera makes such election, you agree to enter into an assignment and assumption agreement on the form then used by Panera which will include a collateral assignment and an obligations by you to assume all obligations of the tenant under the underlying lease and to defend and indemnify Panera from and against any and all cost, expenses or damages arising from any breach of the tenant's obligations under the underlying lease. The signatories to the Lease and to any assignment and assumption of the underlying lease must be exactly the same as the individuals and/or entities that are signatories to the Franchise Agreement and any guaranty of the Franchise Agreement.

If the Offer contemplates a land purchase rather than a lease, you will enter a Purchase and Sale Agreement with Panera promptly after your acceptance of the Offer. The Purchase and Sale Agreement will be on the standard form then used by Panera, and will incorporate the terms and conditions of the Offer.

5. Development of the Premises - Panera will develop and equip the proposed Bakery-Cafe as a typical Panera Bread Bakery-Cafe in accordance with its then current design and construction standards and specifications as applied by Panera to the proposed location, in its sole discretion. Panera will consult with you before finalizing its design and construction plans for the proposed location.

6. Furniture, Fixtures and Equipment - Title to all furniture, fixture and equipment will be transferred to you upon payment in full of the Purchase Price. All equipment will be new and, to the extent permitted will be guaranteed by the manufacturer under the manufacturer's standard warranty, if any. The assets to be purchased do not include any small wares, food, merchandise or paper goods inventory all of which will be provided by you. At closing, Panera will execute a bill of sale for the furniture, fixtures and equipment which will be held in escrow by Panera and released to Franchisee upon payment in full of the Purchase Price. ALL FURNITURE, FIXTURES AND EQUIPMENT SHALL BE TRANSFERRED WITHOUT WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

7. Panera may rescind any offer of a proposed location made under this Agreement at any time if Panera is unable to enter into a lease for the proposed location, or is unable to obtain any necessary permit or other third party approval to develop and

operate the proposed location, or if Panera determines, in its sole discretion, that development of the proposed Bakery-Cafe is not feasible for any reason or no longer meets Panera's development standards. If Panera rescinds an offer pursuant to this section, all installments of the development fee previously paid by Franchisee will be refunded.

8. Panera may rescind any offer of a proposed location made under this Agreement if Franchisee is in default under this Agreement or under any Franchise Agreement or other agreement with Panera. If Panera rescinds an offer pursuant to this section, Panera will retain all installments of the development fee previously paid by Franchisee.

9. Adjustments - At closing, the following adjustments shall be made between Panera and Franchisee: electricity, gas, fuel, and water. Panera will also be entitled to a return of all utility deposits.

10. Closing - Closing shall take place on a date specified by Panera within ninety (90) days prior to the scheduled date of opening of the proposed Bakery-Cafe, at a mutually agreeable location. In no event shall the proposed Bakery-Cafe open for business prior to the closing. Panera will give Franchisee thirty (30) days prior written notice of the date of closing. At closing, the parties shall execute the documents required under this Agreement, and such other related documents as may be necessary and customary to complete the transactions contemplated by this Agreement, including all documents ancillary to the Franchise Agreement and Lease and the transfer of all right title and interest to the furniture, fixture and equipment to you free and clear of any liens or encumbrances created by us. As used herein, the word "closing" shall refer to the closing described in this section.

11. Sales Taxes - Sales taxes, if any, imposed by a municipal or state taxing authority in connection with the sale of the proposed Bakery-Cafe or any equipment or signs shall be paid by Franchisee, and may be included in Total Cost.

12. Term - This Agreement shall become effective as of the Effective Date and continue for a period (the "Term") through the first anniversary thereof, subject to renewal for successive one year periods, and further subject to termination as provided in this section or elsewhere in this Agreement. Panera or Franchisee may terminate this Agreement with respect to future offers at any time upon written notice, with or without cause, given to the other.

Each offer made by Panera and accepted by Franchisee under this Agreement shall be deemed a separate transaction. The obligations with respect to each transaction shall be separate and distinct and shall survive the termination of this Agreement by Panera or Franchisee under this section. The termination or revocation of any offer or acceptance pursuant to the terms of this Agreement with respect to any specific proposed location shall not alter the rights or obligations of the parties under this Agreement with respect to any other proposed location, except as otherwise provided herein.

13. Representations - You and each Owner represent, warrant, covenant and agree that:

(a) Organization. (i) You are duly organized and validly existing under the laws of the state of [_____]; (ii) you have the authority to execute and deliver this Agreement and to perform your obligations hereunder; (iii) true and complete copies of the articles of incorporation, articles of organization, operating agreement, subscription agreements, buy-sell agreements, voting trust agreements and all other documents relating to your ownership, organization, capitalization, management and control ("Organizational Documents") have been promptly delivered to us and have not been amended since delivery to us; (iv) any and all amendments, deletions and additions to your Organizational Documents shall be promptly delivered to us-for our approval, which approval shall not be unreasonably withheld; (v) your activities are restricted to those necessary solely for the development, ownership and operation of Panera Bread Bakery-Cafes in accordance with this Agreement and in accordance with any other agreements entered into with us or any of our Affiliates; (vi) the articles of incorporation, articles of organization, operating agreement or principles, or other Organizational Documents recite that the issuance, transfer or pledge of any direct or indirect legal or beneficial ownership interest is restricted by the terms of this Agreement; (vii) all certificates representing direct or indirect legal or beneficial ownership interests now or hereafter issued shall bear a legend in conformity with applicable law reciting or referring to such restrictions; and (viii) you will deliver to us a Secretary/Clerk's Certificate or other evidence satisfactory to us that the execution, delivery and performance of this Agreement, each Franchise Agreement, each Lease, and all other agreements and ancillary documents contemplated hereby or thereby have been duly authorized by all necessary action by your corporation, partnership, limited liability company or other legal entity, as applicable.

(b) Ownership.

(i) The information set forth on Exhibit A attached hereto contains a complete and accurate description of you, your Owners, Principal Owners and Operating Partner and the other information supplied thereon. You agree that updated Exhibits A will be furnished promptly to us, so that Exhibit A (as so revised and signed by you) is

at all times current, complete and accurate. Each person who is or becomes an Owner or Principal Owner who has not already done so must execute an agreement in the form we prescribe, undertaking to be bound by the confidentiality and non-competition covenants contained in this Agreement. Each Owner is an individual acting in his/her individual capacity, unless we waive this requirement.

- (ii) The Operating Partner you have designated in Exhibit A: (i) owns and controls, or has the right to own and control (subject to terms and conditions reasonably acceptable to us), not less than a ten percent (10%) interest in your equity; (ii) has the authority to bind you regarding all operational decisions with respect to your Panera Bread Bakery-Cafes; (iii) has completed our training program to our satisfaction and (iv) has agreed that if he/she is terminated, for whatever reason, he/she shall not for a period of two (2) years after such termination, recruit or hire any person who is an employee of yours, ours or any Panera Bread Bakery-Cafe operated by us, our Affiliates or any franchisee of ours without obtaining the employer's consent, which consent may be withheld for any reason.

14. Covenants -

(a) Activities. You (or your Operating Partner): (i) shall exert your full-time and best efforts to the development and operation of all Panera Bread Bakery-Cafes you own; and (ii) may not engage in any other business or activity, directly or indirectly, that requires substantial management responsibility or time commitments or otherwise may conflict with your obligations hereunder or under the Franchise Agreements. You agree to provide us with a copy of any proposed arrangement, agreement or contract, and all amendments thereto, with your Operating Partner for our prior review and approval, and upon approval thereof, executed copies thereof. We shall have no responsibility, liability or obligation to any party to any such arrangement, agreement or contract, or any amendments thereto, on account of our approval thereof or otherwise, and you agree to indemnify and hold us harmless with respect thereto.

(b) Annual Reports. You shall furnish us: (i) within ninety (90) days after the end of each calendar year, (ii) a consolidated year-end balance sheet and income statement and statement of cash flow for you and all of your Affiliates that develop, own or operate Panera Bread Bakery-Cafes, all prepared in accordance with generally accepted accounting principles, consistently applied, and reflecting all year-end adjustments and accruals; (iii) similar information from all Principal Owners who have executed guarantees of this Agreement; and (iv) such summaries of financial information as we may require from time to time; and (v) within thirty (30) days of our request, such other information as we may require from time to time, including income tax statements. All such reports shall use our then-current standard chart of accounts. You shall execute verification that the information in each such report and financial statement is complete and accurate. We reserve the right to require that your annual financial statements be audited, at your expense, by an independent certified public accountant approved by us. We reserve the right to publish or disclose information that we obtain under this Section in any data compilations, collections, or aggregations that we deem appropriate, in our sole discretion, so long as we do not disclose information relating to performance of your individual Bakery-Cafes, unless such disclosure is required by law or order of a court. Additionally, you shall complete and submit to us a franchisee financial qualification summary in the form designated by us, as it may change from time to time, with your submission.

(c) Ownership of the Marks. You acknowledge and agree that (i) our Affiliate, Pumpnickel Associates, LLC, owns the Marks and that you are not granted the right under this Agreement to use the Marks; (ii) your right to use the Marks arises solely from, and is limited to, Franchise Agreements entered into between you and us; (iii) you may not use any Mark (or any abbreviation, modification or colorable imitation) as part of any corporate or legal business name or in any other manner not explicitly authorized in writing by us; and (iv) you may not at any time during or after the Term contest, or assist any other person or entity in contesting, the validity or ownership of any of the Marks. You shall promptly disclose to us all recipes, processes, ideas, concepts, methods, techniques or materials used or useful to a restaurant, grocery store, bakery-cafe, bakery or dough production business, or other business offering bakery products, whether or not constituting protectable intellectual property, that you create, or that are created on your behalf, in connection with the development or operation of your Panera Bread Bakery-Cafes must be promptly disclosed to us. If we adopt any of them as part of the System, they will be deemed to be our sole and exclusive property and deemed to be works made-for-hire for us. You agree to sign whatever assignment or other documents we request to evidence our ownership or to assist us in securing intellectual property rights in such recipes, processes, ideas, concepts, methods, techniques or materials.

(d) Confidential Information. We will disclose parts of our Confidential Information to you solely for your use in connection with this Agreement and the Franchise Agreements. The Confidential Information is proprietary and includes our trade secrets and all information relating to our development strategy and development plans for any proposed location. During the Term and thereafter: (i) you and your Owners may not use the Confidential Information in any other business or capacity (you acknowledge such use is an unfair method of competition); (ii) you and your Owners shall maintain the confidentiality of the

Confidential Information; (iii) you and your Owners may not make unauthorized copies of any portion of the Confidential Information disclosed in written, electronic or other form; and (iv) you and your Owners must implement all reasonable procedures we prescribe from time to time to prevent unauthorized use or disclosure of the Confidential Information, including the use of nondisclosure agreements with your Owners, officers, directors, Operating Partner, managers, assistant managers, head bakers and the like, and you and your Owners must deliver such agreements to us. At the end of the Term, you and your Owners must deliver to us all such Confidential Information in your possession or control, except for such information as you are permitted to retain pursuant to Franchise Agreements then in effect. Your restrictions on disclosure and use of Confidential Information do not apply to information or techniques which are or become generally known in the restaurant industry (other than through your own disclosure), provided you obtain our prior written consent to such disclosure or use.

(e) In-Term Covenants. During the Term, neither you nor any of your Owners may, without our consent (which consent may be withheld at our discretion): (i) directly or indirectly (such as through a member of his/her or their Immediate Families) own any legal or beneficial interest in, or render services or give advice to: (A) any Competitive Business located anywhere; or (B) any entity located anywhere that grants franchises, licenses or other interests to others to operate any Competitive Business; or (ii) divert or attempt to divert any business or customer of Panera Bread Bakery-Cafes to any competitor or do anything injurious or prejudicial to the goodwill associated with the Marks or the System.

15. Termination for Default - In addition to our right to terminate pursuant to other provisions of this Agreement or under applicable law, we may terminate this Agreement and terminate and rescind any offer made under this Agreement, effective upon delivery of notice of termination to you if you or any of your Principal Owners or Affiliates: (i) fail to pay any amounts payable hereunder when due; (ii) make any unauthorized use or disclosure of the Confidential Information; (iii) fail to comply with any other provision of this Agreement and do not correct such failure within thirty (30) days after written notice of such failure to comply is delivered to you; (iv) are in breach of any Franchise Agreement or other agreement between you or any of your Affiliates and us or any of our Affiliates such that we have the right to terminate such Franchise Agreement or other agreement whether or not we elect to exercise our right to terminate the Franchise Agreement; or (v) if we determine that any applicable federal or state statute, regulation, rule or law, which is enacted, promulgated or amended after the date hereof, may have a material adverse effect on our rights, remedies or discretion in franchising Panera Bread Bakery-Cafes.

16. Effect of Termination and Expiration -

(a) Continuing Obligations. All obligations under this Agreement, which expressly or by their nature survive the expiration or termination of this Agreement, shall continue in full force and effect until they are satisfied in full or by their nature expire.

(b) Post-Term Covenants. For a period of two (2) years, starting on the effective date of termination or expiration, neither you nor any of your Owners shall directly or indirectly (such as through an Affiliate or through you or their Immediate Families) own a legal or beneficial interest in, or render services or give advice to: (i) any Competitive Business operating within the Non-Compete Area; (ii) any Competitive Business operating within a radius of five (5) miles of any Panera Bread Bakery-Cafe in operation or under construction on the effective date of termination or expiration; (iii) any entity that grants franchises or licenses interests to others to operate any Competitive Business; or (iv) recruit or hire any person who is an employee of ours or of any Panera Bread Bakery-Cafe operated by us, our Affiliates or another franchisee of ours without obtaining the employer's consent, which consent may be withheld for any reason. You and each of your Owners expressly acknowledge the possession of skills and abilities of a general nature and other opportunities for exploiting such skills in other ways, so that enforcement of the covenants contained in this section will not deprive any of you of your personal goodwill or ability to earn a living. If you or any of your Owners fail or refuse to abide by any of the foregoing covenants and we obtain enforcement in a judicial or arbitration proceeding, the obligations under the breached covenant will continue in effect for a period of time ending two (2) years after the date of the order enforcing the covenant.

17. Miscellaneous Provisions -

(a) Governing Law. This Agreement shall be construed under the laws of the State of Missouri, provided the foregoing and any applicable provision in any Franchise Agreement shall not constitute a waiver of your rights under any applicable franchise law of another state. Otherwise, in the event of any conflict of law Missouri law will prevail, without regard to its conflict of law principles. However, if any provision of this Agreement would not be enforceable under Missouri law, and if such provision would be enforceable under the laws of Texas, then such provision shall be construed under the laws of that state. Nothing in this section is intended to subject this Agreement to any franchise or similar law, rule or regulation of the State of Missouri or any other state or political subdivision to which it otherwise would not be subject.

Subject to the foregoing and any applicable provision in any Franchise Agreement, you and your Owners irrevocably submit to the jurisdiction of the courts of the State of Missouri in any suit, action or proceeding, arising out of or relating to this Agreement or any other dispute between you and us, and you irrevocably agree that all claims in respect of any such suit, action or proceeding must be brought and/or defended therein except with respect to matters that are under the exclusive jurisdiction of the Federal Courts of the United States, which shall be brought and/or defended in the Federal District Court sitting in St. Louis, Missouri. You irrevocably waive, to the fullest extent you may lawfully do so, the defense of an inconvenient forum to the maintenance of such suit, action or proceeding and agree that service of process for purposes of any such suit, action or proceeding need not be personally served or served within the State of Missouri but may be served with the same effect as if you were served within the State of Missouri, by certified mail or any other means permitted by law addressed to you at the address set forth herein. Nothing contained herein shall affect our rights to bring a suit, action or proceeding in any other appropriate jurisdiction, including any suit, action or proceeding brought by us to enforce any judgment against you entered by a State or Federal Court.

The provisions of this section shall continue in full force and effect subsequent to and notwithstanding expiration or termination of this Agreement.

(b) Time of the Essence. Time is of the essence with respect to this Agreement and the transactions contemplated by this Agreement.

(c) Injunctive Relief. Notwithstanding Section 17(a), we may obtain in any court of competent jurisdiction any injunctive relief, including temporary restraining orders and preliminary injunctions, against conduct or threatened conduct for which no adequate remedy at law may be available or which may cause us irreparable harm. We may have such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and your sole remedy in the event of the entry of such injunction, shall be its dissolution, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived). You and each of your Owners acknowledges that any violation of Section 14(d), 14(e) or 16(b) would result in irreparable injury to us for which no adequate remedy at law may be available. Accordingly, you and each of your Owners consent to the issuance of an injunction at our request prohibiting any conduct in violation of any of those Sections and agree that the existence of any claim you or any of your Owners may have against us, whether arising from this Agreement, shall not constitute a defense to the enforcement of any of those Sections.

(d) Remedies for Nonperformance. Any refusal by you to consummate a transaction contemplated by this Agreement shall be a default allowing Panera to seek and obtain specific performance or to seek and obtain monetary damages.

(e) Attorneys' Fees. In a judicial or arbitration proceeding, the non-prevailing party agrees to reimburse the prevailing party for all of the prevailing party's costs and expenses, including reasonable accounting, paralegal, expert witness and attorneys' fees.

(f) Notices. All notices, requests and reports permitted or required to be made by the provisions of this Agreement shall be in writing and shall be deemed delivered: (i) at the time delivered by hand to the recipient party or any officer, director or partner of the recipient party; (ii) on the same date of the transmission by facsimile, telegraph or other reasonably reliable electronic communication system; (iii) one (1) business day after being placed in the hands of a commercial courier service for guaranteed overnight delivery; or (iv) five (5) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid. All notices to us must include a copy to our General Counsel and our Chief Financial Officer to be effective. Such notices, requests and reports shall be sent to the addresses identified in this Agreement unless and until a different address has been designated by appropriate written notice to the other party.

(g) Limitation of Panera's Liability. You agree that in the event of any claim by you against Panera under this Agreement, Panera's liability for with respect to any proposed Bakery-Cafe shall not exceed an amount equal to the development fee paid, whether in full or partial, by Franchisee to Panera under this Agreement for that the proposed Bakery-Cafe.

(h) You acknowledge and agree that you are granted no development rights under this Agreement. You further acknowledge and agree that nothing contained in this Agreement shall obligate Panera to offer any proposed locations to you, and that Panera may develop, open and operate (or permit others to develop, open and operate) new Bakery-Cafes without offering the proposed location to you.

(i) You acknowledge and agree that your decision to purchase and operate any proposed Bakery-Cafe is based solely on your own independent investigation of the suitability of the location for a Panera Bread Bakery-Cafe. You acknowledge and agree

that nothing contained in this Agreement or in any document provided in connection with this Agreement shall be deemed in any way to be a representation regarding the suitability of any location for the operation of a Panera Bread Bakery-Cafe.

(j) Other Agreements. Except as provided herein, nothing contained in this Agreement, and no actions or representations by any Panera employee in the course of discussing any location to be developed under this Agreement, shall amend or modify the rights or obligations of Franchisee and Panera under any Area Development Agreement, Franchise Agreement or any other agreement between Franchisee and Panera.

(k) Defined Terms. Any capitalized term used herein and not otherwise defined shall have the meaning ascribed to that term in the Franchise Agreements.

(l) Complete Agreement. This Agreement represents the entire and complete agreement between you and Panera concerning the subject matter, and may not be amended except in writing signed by a duly authorized representative of each of Panera and you.

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the day and year first above written.

Witness:

PANERA, LLC,
a Delaware limited liability company

By: _____

Witness:

[FRANCHISEE]

By: _____

EXHIBIT A
TO THE
DEVELOPMENT SERVICES AGREEMENT
BETWEEN
PANERA, LLC
AND

DATED _____, 201_

1. Operating Partner. The name and home address of the Operating Partner is as follows: _____

2. Form of Entity of Franchisee.

(a) Corporation or Limited Liability Company. Franchisee was organized on _____, _____ under the laws of the State of _____. Its Federal Identification Number is _____. It has not conducted business under any name other than its corporate or company name. The following is a list of all of Franchisee's directors and officers or managing members as of _____, _____.

Name of Each Director/Officer/Managing Member

Position(s) Held

(b) Partnership. Franchisee is a [general] [limited] partnership formed on _____, _____ under the laws of the State of _____. Its Federal Identification Number is _____. It has not conducted business under any name other than its partnership name. The following is a list of all of Franchisee's general partners as of _____, _____.

Name of Each General Partner

3. Owners. Franchisee and each of its owners represents and warrants that the following is a complete and accurate list of all owners of Franchisee, including the full name and mailing address of each owner, and fully describes the nature and extent of each owner's interest in Franchisee. Franchisee and each owner as to his/her ownership interest, represents and warrants that each owner is the sole and exclusive legal and beneficial owner of his/her ownership interest in Franchisee, free and clear of all liens, restrictions, agreements and encumbrances of any kind or nature, other than those required or permitted by this Agreement.

Owner's Name and Address

Percentage and Nature of Ownership Interest

Accepted by Franchisor and
made a part of the Development
Services Agreement
as of _____, _____, _____.

Submitted by Franchisee
on _____, _____, _____.

PANERA, LLC,
a Delaware limited liability company

(Name of corporation,
limited liability company
or partnership)

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

Owners:

(Signature)

(Print Name)

(Signature)

(Print Name)

EXHIBIT D-2

**REAL ESTATE SELECTION AND
CONSTRUCTION MANAGEMENT SERVICES AGREEMENT**

Real Estate Selection and Construction Management Services Agreement

This Real Estate Selection and Construction Management Services Agreement (the “Agreement”) is made this _____ day of _____, _____ (“Effective Date”), by and between _____ (“Franchisee” or “you”), with a mailing address of _____ and Panera, LLC, a Delaware limited liability company (“Panera”, “we” or “us”), with a mailing address of 1400 South Highway Drive, Suite 100, Fenton, MO 63026.

1. Services. Panera will provide the real estate selection and construction management services described on Exhibit A attached hereto. The services will be provided for development of a Panera Bread Bakery Cafe to be located at _____, _____, _____ (the “Bakery-Cafe”).

2. Fee. You will pay Panera an amount equal to the Total Cost of development of the Bakery-Cafe, plus a development services fee (the “Development Fee”) of one hundred and fifty thousand dollars (\$150,000). The “Total Cost” is defined to include any and all out of pocket costs and expenses incurred by Panera in connection with site selection and development of the Bakery-Cafe, including, without limitation, any and all land or lease costs, including the cost of site improvements, leasehold improvements, building construction, architectural, engineering, consulting, expediting and legal expenses (including the cost of title insurance, opinions, closing and permit costs), brokerage commissions, costs of furniture, fixtures, equipment and signage, tap fees, impact fees, or any similar fees charged by municipal jurisdictions or utility providers, pre-opening rent and taxes, financing and interest costs incurred during the development of the Bakery-Cafe, and any other costs or expenses incurred by Panera in developing the Bakery-Cafe; provided, however, that no overhead expenses of Panera other than the Development Fee shall be included in Total Cost. Sales taxes, if any, imposed by a municipal or state taxing authority in connection with the services to be provided under this Agreement, or the transfer of any furniture, fixture, equipment or signs shall be paid by Franchisee, and may be included in Total Cost. Panera shall, to the fullest extent allowed by applicable law, require its contractors and subcontractors to issue resale certificates in lieu of paying sales or use taxes on purchases of taxable services and tangible personal property. Total Cost shall not include sales or use taxes which could have been avoided through the issuance of a resale certificate. Notwithstanding the foregoing, Total Cost shall not include legal expenses incurred by Franchisee in connection with any agreement entered into by Franchisee to acquire a real estate interest in the premises at which the Bakery-Cafe will be located.

The Total Cost shall be payable to Panera as follows:

You will pay all of the Total Cost directly to the third party contractors and vendors that provide services, materials, furniture, fixtures or equipment. You will be responsible for prompt payment to each of the applicable contractors and vendors in accordance with the terms and conditions established by or agreed to with the contractor or vendor. Panera may require that you enter into contracts for certain services, materials, furniture, fixtures or equipment directly with the third party contractor or vendor. Panera may terminate this Agreement effective upon delivery of notice of termination to you if you fail to timely pay any contractor or vendor. If Panera terminates this Agreement pursuant to this section, Panera will retain all installments of the Development Fee previously paid by Franchisee, and any unpaid installment of the Development Fee shall become immediately due and payable.

The Development Fee shall be payable as follows:

- (i) \$35,000 upon execution of this Agreement;
- (ii) \$35,000 upon Panera’s approval of the location of the Bakery-Cafe;
- (iii) \$40,000 upon commencement of construction; and
- (iv) \$40,000 upon substantial completion of construction.

3. Real Estate Acquisition. Development of the Panera Bread Bakery-Cafe at a given location (the “Proposed Location”) will be subject to all of Panera’s then current site approval standards, and any and all site approval conditions or requirements established by Panera.

Panera will assist you in selecting a location for the proposed Bakery-Cafe as provided in this Agreement. You will be responsible for negotiating and entering into appropriate agreements to obtain a real estate interest in the premises at which the Bakery-Cafe will be located.

We may terminate this Agreement effective upon delivery of written notice to you if: (i) the Proposed Location is not approved by Panera; (ii) you fail to comply with any site approval condition or requirement established by Panera; or (iii) you are in default under any lease, purchase and sale agreement, or other agreement pursuant to which you hold a real estate interest in the Proposed Location. If Panera terminates this Agreement pursuant to this section, Panera will retain all installments of the Development Fee previously paid by you, and any unpaid installment of the Development Fee shall become immediately due and payable.

4. Franchise Agreement. You understand and agree that no Franchise Agreement shall be issued for any Proposed Location unless all of the following conditions have been met:

(a) Independent Investigation of Suitability. Your decision to purchase and operate a Bakery-Cafe at a Proposed Location is based solely on your own independent investigation of the suitability of the location for a Panera Bread Bakery-Cafe. In consideration of the services provide hereunder, you and your owners agree to release us, and our affiliates, shareholders, members, officers, directors, employees, agents, successors and assigns from any and all loss, damages and liability arising from or in connection with your purchase and operation of the proposed Bakery-Cafe.

(b) Financial Qualifications. We may require that you furnish us updated financial statements (historical and pro forma), statements of the sources and uses of capital funds, budgets and other information regarding yourself and each legal entity, if any, involved in the ownership and operation of the proposed Bakery-Cafe, as well as any then existing Panera Bread Bakery-Cafes you or your affiliates own. We may refuse to grant you a franchise for a Panera Bread Bakery-Cafe, and terminate and rescind any offer made under this Agreement, if you fail to demonstrate sufficient financial and management capabilities to pay amounts due in connection with development of the proposed Bakery-Cafe and properly operate the proposed Bakery-Cafe and the then-existing Panera Bread Bakery-Cafes you and your affiliates own. We will evaluate such financial and management capabilities in accordance with the then-current standards we use to establish Panera Bread Bakery-Cafes in other comparable market areas.

(c) Execution of Franchise Agreement. If we determine to grant any rights to operate any Panera Bread Bakery-Cafe hereunder, we will do so by issuing Panera's then-current form of standard franchise agreement, together with all standard ancillary documents (including exhibits, addendum, riders, collateral assignments of leases, principal owner guarantees and other related documents) that we then customarily use in granting franchises for the operation of Panera Bread Bakery-Cafes (the "Franchise Agreement"). In such event:

- (i) You and your owners shall execute and return the Franchise Agreement and pay the initial franchise fee at the closing of the transaction under this Agreement, but no earlier than five (5) business days after we deliver it to you. If we do not receive the fully executed Franchise Agreement and payment of the initial franchise fee as required hereunder, we may revoke our offer to grant you a franchise to operate a Panera Bread Bakery-Cafe at a Proposed Location; and
- (ii) The initial franchise fee payable for each proposed Bakery-Cafe pursuant to this Agreement shall be Thirty Five Thousand Dollars (\$35,000), payable at execution of the Franchise Agreement, and the royalty fees shall not exceed the percentage set forth in our standard form franchise agreement being offered as of the date of this Agreement. You will also pay a fee of Five Thousand Dollars (\$5,000) upon approval of any Proposed Location. If the Franchise Agreement is executed, the Five Thousand Dollars (\$5,000) fee will be credited against the initial franchise fee.

5. Development of the Premises. Panera will develop and equip the Bakery-Cafe as a typical Panera Bread Bakery-Cafe in accordance with its then current design and construction standards and specifications as applied by Panera to the Proposed Location, in its sole discretion. Panera will consult with you before finalizing its design and construction plans for the Proposed Location.

6. Furniture, Fixtures and Equipment. All equipment will be new and will be guaranteed by the manufacturer under the manufacturer's standard warranty, if any. The assets to be ordered by Panera pursuant to this Agreement will not include any small wares, food, merchandise or paper goods inventory all of which will be provided by you.

7. Termination. Panera may terminate this Agreement at any time effective upon written notice to you if you are unable to enter into a lease for the Proposed Location, or if Panera is unable to obtain any necessary permit or other third party approval to develop and operate the Proposed Location, or if Panera determines, in its sole discretion, that development of the proposed Bakery-Cafe is not feasible for any reason or no longer meets Panera's development

standards. If Panera terminates this Agreement pursuant to this section, all installments of the Development Fee previously paid by Franchisee, with respect to in process but uncompleted projects will be refunded.

8. Adjustments. At the time of substantial completion of construction of the Bakery-Cafe, the following adjustments shall be made between Panera and Franchisee: electricity, gas, fuel, and water. Panera will also be entitled to a return of all utility deposits.

9. Turnover and Opening. Panera and Franchisee will conduct a walk through inspection of the Bakery-Cafe upon substantial completion of construction. In no event shall the Bakery-Cafe open for business prior to completion of the walk through and execution and delivery by Panera of a fully executed Franchise Agreement and all documents ancillary to the Franchise Agreement. Panera will give Franchisee thirty (30) days prior written notice of the estimated date of the walk through inspection. Opening of the Bakery-Cafe is subject to all of the terms and conditions of the Franchise Agreement for the Proposed Location.

10. Representations. You and each owner represent, warrant, covenant and agree that:

(a) Organization. (i) You are duly organized and validly existing under the laws of the state of _____; (ii) you have the authority to execute and deliver this Agreement and to perform your obligations hereunder; (iii) true and complete copies of the articles of incorporation, articles of organization, operating agreement, subscription agreements, buy-sell agreements, voting trust agreements and all other documents relating to your ownership, organization, capitalization, management and control (“Organizational Documents”) have been promptly delivered to us and have not been amended since delivery to us; (iv) any and all amendments, deletions and additions to your Organizational Documents shall be promptly delivered to us—for our approval, which approval shall not be unreasonably withheld; (v) your activities are restricted to those necessary solely for the development, ownership and operation of Panera Bread Bakery-Cafes in accordance with the Franchise Agreement and in accordance with any other agreements entered into with us or any of our affiliates; (vi) the Organizational Documents recite that the issuance, transfer or pledge of any direct or indirect legal or beneficial ownership interest is restricted by the terms of the Franchise Agreement; (vii) all certificates representing direct or indirect legal or beneficial ownership interests now or hereafter issued shall bear a legend in conformity with applicable law reciting or referring to such restrictions; and (viii) you will deliver to us a Secretary's Certificate or other evidence satisfactory to us that the execution, delivery and performance of this Agreement, each Franchise Agreement, and all other agreements and ancillary documents contemplated hereby or thereby have been duly authorized by all necessary action by your corporation, partnership, limited liability company or other legal entity, as applicable.

(b) Ownership.

- (i) The information set forth on Exhibit B attached hereto contains a complete and accurate description of you, your owners and Operating Partner and the other information supplied thereon. You agree that an updated Exhibit B will be furnished promptly to us, so that Exhibit B (as so revised and signed by you) is at all times current, complete and accurate. Each person who is or becomes an owner who has not already done so must execute an agreement in the form we prescribe, undertaking to be bound by the confidentiality and non-competition covenants contained in the Agreement. Each owner is an individual acting in his/her individual capacity, unless we waive this requirement.
- (ii) The “Operating Partner” you have designated in Exhibit B: (i) owns and controls, or has the right to own and control (subject to terms and conditions reasonably acceptable to us), not less than a ten percent (10%) interest in your equity; (ii) has the authority to bind you regarding all operational decisions with respect to your Panera Bread Bakery-Cafes; (iii) has completed our training program to our satisfaction; and (iv) has agreed that if he/she is terminated, for whatever reason, he/she shall not for a period of two (2) years after such termination, recruit or hire any person who is an employee of yours, ours or any Panera Bread Bakery-Cafe operated by us, our affiliates or any franchisee of ours without obtaining the employer's consent, which consent may be withheld for any reason.

11. Covenants.

a. Annual Reports. You shall furnish us within ninety (90) days after the end of each calendar year (i) a consolidated year-end balance sheet and income statement and statement of cash flow for you and all of your affiliates that develop, own or operate Panera Bread Bakery-Cafes, all prepared in accordance with generally accepted accounting principles, consistently applied, and reflecting all year-end adjustments and accruals; (ii) similar information from all owners

who have executed guarantees of this Agreement; (iii) such summaries of financial information as we may require from time to time; and (iv) within thirty (30) days of our request, such other information as we may require from time to time, including income tax statements. All such reports shall use our then-current standard chart of accounts. You shall execute verification that the information in each such report and financial statement is complete and accurate. We reserve the right to require that your annual financial statements be audited, at your expense, by an independent certified public accountant approved by us. We reserve the right to publish or disclose information that we obtain under this section in any data compilations, collections, or aggregations that we deem appropriate, in our sole discretion, so long as we do not disclose information relating to performance of your individual Panera Bread Bakery-Cafes, unless such disclosure is required by law or order of a court. Additionally, you shall complete and submit to us a franchisee financial qualification summary in the form designated by us, as it may change from time to time, with your submission.

b. Ownership of the Marks. You acknowledge and agree that (i) our affiliate, Pumpnickel Associates, LLC, owns the current and future trade names, trademarks, service marks and trade dress that are used to identify the services and/or products offered by Panera Bread Bakery-Cafes, including the mark “PANERA BREAD” and the distinctive building design and color scheme of Panera Bread Bakery-Cafes (the “Marks”) and that you are not granted the right under this Agreement to use the Marks; (ii) your right to use the Marks arises solely from, and is limited to, Franchise Agreements entered into between you and us; (iii) you may not use any Mark (or any abbreviation, modification or colorable imitation) as part of any corporate or legal business name or in any other manner not explicitly authorized in writing by us; and (iv) you may not at any time contest, or assist any other person or entity in contesting, the validity or ownership of any of the Marks. You shall promptly disclose to us all recipes, processes, ideas, concepts, methods, techniques or materials used or useful to a restaurant, grocery store, bakery-cafe, bakery or dough production business, or other business offering bakery products, whether or not constituting protectable intellectual property, that you create, or that are created on your behalf, in connection with the development or operation of your Panera Bread Bakery-Cafes must be promptly disclosed to us. If we adopt any of them as part of the Panera Bread system, they will be deemed to be our sole and exclusive property and deemed to be works made-for-hire for us. You agree to sign whatever assignment or other documents we request to evidence our ownership or to assist us in securing intellectual property rights in such recipes, processes, ideas, concepts, methods, techniques or materials.

c. Confidential Information. We will disclose parts of our Confidential Information to you solely for your use in connection with this Agreement and the Franchise Agreements. The Confidential Information is proprietary and includes our trade secrets and all information relating to our development strategy and plans in the area where the proposed Bakery-Cafe is located, and our development plans for any proposed location. During the term of this Agreement and thereafter: (i) you and your owners may not use the Confidential Information in any other business or capacity (you acknowledge such use is an unfair method of competition); (ii) you and your owners shall maintain the confidentiality of the Confidential Information; (iii) you and your owners may not make unauthorized copies of any portion of the Confidential Information disclosed in written, electronic or other form; and (iv) you and your owners must implement all reasonable procedures we prescribe from time to time to prevent unauthorized use or disclosure of the Confidential Information, including the use of nondisclosure agreements with your owners, officers, directors, Operating Partner, managers, assistant managers, head bakers and the like, and you and your owners must deliver such agreements to us. At the end of the term of this Agreement, you and your owners must deliver to us all such Confidential Information in your possession or control, except for such information as you are permitted to retain pursuant to Franchise Agreements then in effect. Your restrictions on disclosure and use of Confidential Information do not apply to information or techniques which are or become generally known in the restaurant industry (other than through your own disclosure), provided you obtain our prior written consent to such disclosure or use.

For the purposes of this Agreement, “Confidential Information” shall mean “Our proprietary and confidential information relating to the development and operation of Panera Bread Bakery-Cafes, including: (1) Policy Manual; (2) ingredients, recipes, and methods of preparation and presentation of authorized food products; (3) site selection criteria for Panera Bread Bakery-Cafes and plans and specifications for the development of Panera Bread Bakery-Cafes; (4) sales, marketing and advertising programs and techniques for Panera Bread Bakery-Cafes; (5) identity of suppliers and knowledge of specifications, processes, procedures and equipment, and pricing for authorized food products, materials, supplies and equipment; (6) knowledge of operating results and financial performance of Panera Bread Bakery-Cafes, other than Panera Bread Bakery-Cafes you own; (7) methods of inventory control, storage, product handling, training and management relating to Panera Bread Bakery-Cafes; (8) computer systems and software programs used or useful in Panera Bread Bakery-Cafes; and (9) any and all other information that we provide you that is designated orally or in writing as proprietary or confidential or by its nature would reasonably be understood to be proprietary or confidential regardless of whether such information is specifically designated as proprietary or confidential.”

d. In-Term Covenants. During the term of this Agreement, neither you nor any of your owners may, without our consent (which consent may be withheld at our discretion): (i) directly or indirectly (such as through a member of his/her or their immediate families) own any legal or beneficial interest in, or render services or give advice to: (A) any Competitive Business located anywhere; or (B) any entity located anywhere that grants franchises, licenses or other interests to others to operate any Competitive Business; or (ii) divert or attempt to divert any business or customer of Panera Bread Bakery-Cafes to any competitor or do anything injurious or prejudicial to the goodwill associated with the Marks or the Panera Bread system.

For the purposes of this Agreement, “Competitive Business” shall mean “any retail food establishment (including any restaurant or bakery) in which any of the following categories constitutes more than twenty percent (20%) of its annual revenues: (i) bakery goods, breads and other food products for which dough is a significant ingredient or component; (ii) sandwiches of any kind or nature (including wraps and submarines), soups and/or salads, other than those ordered through a wait person taking orders at a table (the term “sandwiches” shall not include hamburgers); or (iii) coffee and coffee-based drinks; as well as any business (without regard to revenue) that manufactures, wholesales and/or distributes fresh or frozen dough or bakery products and any other business that is the same as, or similar to, the Panera Bread Bakery-Cafe concept as it evolves or changes over time. Restrictions in this Agreement on competitive activities do not apply to: (a) the ownership or operation of other Panera Bread Bakery-Cafes that are licensed or franchised by us or any of our affiliates; or (b) the ownership of shares of a class of securities that are listed on a public stock exchange or traded on the over-the-counter market and that represent less than five percent (5%) of that class of securities.”

12. Termination for Default. In addition to our right to terminate pursuant to other provisions of this Agreement or under applicable law, we may terminate this Agreement, effective upon delivery of notice of termination to you if you or any of your owners or affiliates: (i) fail to pay any amounts payable hereunder when due; (ii) make any unauthorized use or disclosure of the Confidential Information; (iii) fail to comply with any other provision of this Agreement and do not correct such failure within thirty (30) days after written notice of such failure to comply is delivered to you; (iv) are in breach of any franchise agreement or other agreement between you or any of your affiliates and us or any of our affiliates such that we have the right to terminate such franchise agreement or other agreement whether or not we elect to exercise our right to terminate the franchise agreement; or (v) if we determine that any applicable federal or state statute, regulation, rule or law, which is enacted, promulgated or amended after the date hereof, may have a material adverse effect on our rights, remedies or discretion in franchising Panera Bread Bakery-Cafes. If Panera terminates this Agreement pursuant to this section, Panera will retain all installments of the Development Fee previously paid by Franchisee

13. Effect of Termination and Expiration.

a. Continuing Obligations. All obligations under this Agreement, which expressly or by their nature survive the expiration or termination of this Agreement, shall continue in full force and effect until they are satisfied in full or by their nature expire.

b. Post-Term Covenants. For a period of two (2) years, starting on the effective date of termination, neither you nor any of your owners shall directly or indirectly (such as through an affiliate or through your or their immediate families) own a legal or beneficial interest in, or render services or give advice to: (i) any Competitive Business operating within the [Non-Compete Area]; (ii) any Competitive Business operating within a radius of five (5) miles of any Panera Bread Bakery-Cafe in operation or under construction on the effective date of termination or expiration; (iii) any entity that grants franchises or licenses interests to others to operate any Competitive Business; or (iv) recruit or hire any person who is an employee of ours or of any Panera Bread Bakery-Cafe operated by us, our affiliates or another franchisee of ours without obtaining the employer's consent, which consent may be withheld for any reason. You and each of your owners expressly acknowledge the possession of skills and abilities of a general nature and other opportunities for exploiting such skills in other ways, so that enforcement of the covenants contained in this section will not deprive any of you of your personal goodwill or ability to earn a living. If you or any of your owners fail or refuse to abide by any of the foregoing covenants and we obtain enforcement in a judicial or arbitration proceeding, the obligations under the breached covenant will continue in effect for a period of time ending two (2) years after the date of the order enforcing the covenant.

c. You acknowledge and agree that in the event that this Agreement is terminated for any reason other than a default by Panera, Panera may at any time thereafter develop and operate or franchise a Bakery-Cafe at the Proposed Location. Additionally, in the event that this Agreement is terminated for any reason other than a default by Panera, Panera shall have the right, but not the obligation, to succeed to Franchisee's right, title and interest in the lease for the

premises at which the proposed Bakery-Cafe will be located pursuant to the terms of the Addendum to Lease required by the Franchise Agreement.

14. Miscellaneous Provisions.

(a) Governing Law. This Agreement shall be construed under the laws of the State of Missouri, provided the foregoing and any applicable provision in any franchise agreement shall not constitute a waiver of your rights under any applicable franchise law of another state. Otherwise, in the event of any conflict of law Missouri law will prevail, without regard to its conflict of law principles. However, if any provision of this Agreement would not be enforceable under Missouri law, and if such provision would be enforceable under the laws of _____, then such provision shall be construed under the laws of that state. Nothing in this section is intended to subject this Agreement to any franchise or similar law, rule or regulation of the State of Missouri or any other state or political subdivision to which it otherwise would not be subject.

Subject to Section 14(b) and any applicable provision in any franchise agreement, you and your owners irrevocably submit to the jurisdiction of the courts of the State of Missouri in any suit, action or proceeding, arising out of or relating to this Agreement or any other dispute between you and us, and you irrevocably agree that all claims in respect of any such suit, action or proceeding must be brought and/or defended therein except with respect to matters that are under the exclusive jurisdiction of the Federal Courts of the United States, which shall be brought and/or defended in the Federal District Court sitting in St. Louis, Missouri. You irrevocably waive, to the fullest extent you may lawfully do so, the defense of an inconvenient forum to the maintenance of such suit, action or proceeding and agree that service of process for purposes of any such suit, action or proceeding need not be personally served or served within the State of Missouri but may be served with the same effect as if you were served within the State of Missouri, by certified mail or any other means permitted by law addressed to you at the address set forth herein. Nothing contained herein shall affect our rights to bring a suit, action or proceeding in any other appropriate jurisdiction, including any suit, action or proceeding brought by us to enforce any judgment against you entered by a State or Federal Court.

The provisions of this section shall continue in full force and effect subsequent to and notwithstanding expiration or termination of this Agreement.

(b) Arbitration. All controversies, disputes, or claims between the parties, including their respective Affiliates, owners, officers, directors, agents, and employees, arising from or relating to this Agreement, including the scope and validity of any provision of this Agreement, shall on demand of either party be submitted for arbitration to the American Arbitration Association ("AAA"). The arbitration shall be governed exclusively by the United States Arbitration Act (9 U.S.C. § 1, et seq.), without reference to any state arbitration statutes. The parties agree that, in connection with any such arbitration proceeding, each shall submit or file any claim that would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim that is not submitted or filed in such proceeding shall be barred. The arbitration proceedings shall be conducted in the city where we then have our principal place of business in accordance with the then-current commercial arbitration rules of the AAA, except the parties shall be entitled to limited discovery at the discretion of the arbitrator(s) who may, but are not required to, allow depositions. The parties acknowledge that the arbitrators' subpoena power is not subject to geographic limitations. The arbitration proceedings shall be conducted on an individual basis and not on a multi-plaintiff, consolidated, collective or class-wide basis. The foregoing sentence is an integral provision of the arbitration procedures set forth in this paragraph, and may not be severed therefrom. If such sentence is determined to be invalid or unenforceable in connection with a particular controversy, dispute, or claim, then this Section 14(b) shall be stricken from this Agreement and neither party shall be deemed to have consented to arbitration of such controversy, dispute, or claim.

The arbitrator(s) shall have the right to award the relief that he or she deems proper, consistent with the terms of this Agreement, including compensatory damages (with interest on unpaid amounts from date due), specific performance, injunctive relief, legal fees and costs. The award and decision of the arbitrator(s) shall be conclusive and binding on all parties, and judgment upon the award may be entered in any court of competent jurisdiction. Any right to contest the validity or enforceability of the award shall be governed exclusively by the United States Arbitration Act.

(c) Time of the Essence. Time is of the essence with respect to this Agreement and the transactions contemplated by this Agreement.

(a) Injunctive Relief. Notwithstanding Section 14(a) or Section 14(b), we may obtain in any court of competent jurisdiction any injunctive relief, including temporary restraining orders and preliminary injunctions, against conduct or threatened conduct for which no adequate remedy at law may be available or which may cause us irreparable harm. We may have such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and your sole remedy in the event of the entry of such injunction, shall be its dissolution, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived). You and each of your owners acknowledges that any violation of Section 11(c), 11(d) or 13(b) would result in irreparable injury to us for which no adequate remedy at law may be available. Accordingly, you and each of your Owners' consent to the issuance of an injunction at our request prohibiting any conduct in violation of any of those Sections and agree that the existence of any claim you or any of your owners may have against us, whether arising from this Agreement, shall not constitute a defense to the enforcement of any of those Sections.

(b) Remedies for Nonperformance. Any refusal by you to consummate a transaction contemplated by this Agreement shall be a default allowing Panera to seek and obtain specific performance or to seek and obtain monetary damages.

(c) Attorneys' Fees. In a judicial or arbitration proceeding, the non-prevailing party agrees to reimburse the prevailing party for all of the prevailing party's costs and expenses, including reasonable accounting, paralegal, expert witness and attorneys' fees.

(d) Notices. All notices, requests and reports permitted or required to be made by the provisions of this Agreement shall be in writing and shall be deemed delivered: (i) at the time delivered by hand to the recipient party or any officer, director or partner of the recipient party; (ii) on the same date of the transmission by facsimile, telegraph or other reasonably reliable electronic communication system; (iii) one (1) business day after being placed in the hands of a commercial courier service for guaranteed overnight delivery; or (iv) five (5) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid. All notices to us must include a copy to our General Counsel and our Chief Financial Officer to be effective. Such notices, requests and reports shall be sent to the addresses identified in this Agreement unless and until a different address has been designated by appropriate written notice to the other party.

(e) LIMITATION OF PANERA'S LIABILITY. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT OR UNDER APPLICABLE LAW, IN ANY ARBITRATION, LITIGATION, LEGAL ACTION OR PROCEEDING BETWEEN THE PARTIES ARISING FROM OR RELATING TO THIS AGREEMENT OR THE BAKERY CAFÉ, THE PARTIES UNCONDITIONALLY AND IRREVOCABLY WAIVE AND DISCLAIM TO THE FULLEST EXTENT PERMITTED UNDER APPLICABLE LAW ALL RIGHTS TO ANY CONSEQUENTIAL, PUNITIVE, EXEMPLARY, STATUTORY OR TREBLE DAMAGES (OTHER THAN PANERA'S STATUTORY RIGHTS AND REMEDIES RELATING TO TRADEMARKS, COPYRIGHTS, TRADE SECRETS AND OTHER INTELLECTUAL PROPERTY), AND ACKNOWLEDGE AND AGREE THAT THE RIGHTS AND REMEDIES IN THIS AGREEMENT, AND ALL OTHER RIGHTS AND REMEDIES AT LAW AND IN EQUITY, WILL BE ADEQUATE IN ALL CIRCUMSTANCES FOR ANY CLAIMS THE PARTIES MIGHT HAVE WITH RESPECT THERETO. YOU AGREE THAT IN THE EVENT OF ANY CLAIM BY YOU AGAINST PANERA UNDER THIS AGREEMENT, PANERA'S LIABILITY FOR WITH RESPECT TO ANY PROPOSED BAKERY-CAFE SHALL NOT EXCEED AN AMOUNT EQUAL TO THE DEVELOPMENT FEE PAID, WHETHER IN FULL OR PARTIAL, BY FRANCHISEE TO PANERA UNDER THIS AGREEMENT FOR THE PROPOSED BAKERY-CAFE.

(f) Limitations on Ability to Perform. Notwithstanding any other provision in this Agreement to the contrary, Panera is excused from the performance of its obligations under this Agreement (i) to the extent and whenever Panera is prevented from such compliance by Force Majeure, and (ii) to the extent of any material uncured breach by Franchisee of any provision of this Agreement.

(g) Independent Contractors. The parties hereto shall be independent contractors. Nothing in this Agreement shall constitute or be construed to constitute or create a partnership, joint venture or principal/agent relationship between Panera and Franchisee with respect to the Bakery-Cafe.

(h) LIMITATION ON FIDUCIARY DUTIES. TO THE EXTENT ANY FIDUCIARY DUTIES THAT MAY EXIST AS A RESULT OF THE RELATIONSHIP OF THE PARTIES ARE INCONSISTENT WITH, OR WOULD HAVE THE EFFECT OF EXPANDING, MODIFYING, LIMITING OR RESTRICTING ANY OF THE EXPRESS TERMS OF THIS AGREEMENT: (A) THE EXPRESS TERMS OF THIS AGREEMENT SHALL

CONTROL; (B) THIS AGREEMENT SHALL BE INTERPRETED IN ACCORDANCE WITH GENERAL PRINCIPLES OF CONTRACT INTERPRETATION WITHOUT REGARD TO THE COMMON LAW PRINCIPLES OF AGENCY; AND (C) ANY LIABILITY OF THE PARTIES SHALL BE BASED SOLELY ON PRINCIPLES OF CONTRACT LAW AND THE EXPRESS TERMS OF THIS AGREEMENT. THE PARTIES FURTHER ACKNOWLEDGE AND AGREE THAT FOR THE PURPOSES OF DETERMINING THE NATURE AND SCOPE OF PANERA'S FIDUCIARY DUTIES UNDER THIS AGREEMENT, THE TERMS OF THIS AGREEMENT, AND THE DUTIES AND OBLIGATIONS SET FORTH HEREIN, ARE INTENDED TO SATISFY ALL FIDUCIARY DUTIES THAT MAY EXIST AS A RESULT OF THE RELATIONSHIP BETWEEN THE PARTIES, INCLUDING ALL DUTIES OF LOYALTY, GOOD FAITH, FAIR DEALING AND FULL DISCLOSURE, AND ANY OTHER DUTY DEEMED TO EXIST UNDER THE COMMON LAW PRINCIPLES OF AGENCY OR OTHERWISE. ACCORDINGLY, NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, TO THE FULLEST EXTENT PERMITTED UNDER APPLICABLE LAW, THE PARTIES HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVE AND DISCLAIM ANY POWER OR RIGHT SUCH PARTY MAY HAVE TO CLAIM ANY PUNITIVE, EXEMPLARY, STATUTORY OR TREBLE DAMAGES OR CONSEQUENTIAL OR INCIDENTAL DAMAGES FOR ANY BREACH OF FIDUCIARY DUTIES.

(i) No Development Rights Granted. You acknowledge and agree that you are granted no development rights under this Agreement. You further acknowledge and agree that nothing contained in this Agreement shall obligate Panera to offer any proposed locations to you, and that Panera may develop and open new Bakery-Cafes in the _____ area without first offering the proposed location to you.

(j) Other Agreements. Except as provided herein, nothing contained in this Agreement, and no actions or representations by any Panera employee in the course of discussing any location to be developed under this Agreement, shall amend or modify the rights or obligations of Franchisee and Panera under any franchise agreement or any other agreement between Franchisee and Panera.

(n) Complete Agreement. This Agreement represents the entire and complete agreement between you and Panera concerning the subject matter, and may not be amended except in writing signed by a duly authorized representative of each of Panera and you.

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the day and year first above written.

Witness:

PANERA, LLC,
a Delaware limited liability company

By: _____

Witness:

(Franchisee)

By: _____

EXHIBIT A
TO THE
REAL ESTATE SELECTION AND CONSTRUCTION MANAGEMENT SERVICES AGREEMENT

Description of Real Estate Selection and Construction Management Services

EXHIBIT B
TO THE
REAL ESTATE SELECTION AND CONSTRUCTION MANAGEMENT SERVICES AGREEMENT
BETWEEN
PANERA, LLC
AND

DATED _____, 20__

1. Operating Partner. The name and home address of the Operating Partner is as follows: _____

2. Form of Entity of Franchisee.

(a) Corporation or Limited Liability Company. Franchisee was organized on _____, _____ under the laws of the State of _____. Its Federal Identification Number is _____. It has not conducted business under any name other than its corporate or company name. The following is a list of all of Franchisee's directors and officers or managing members as of _____, _____.

Name of Each Director/Officer/Managing Member

Position(s) Held

(b) Partnership. Franchisee is a [general] [limited] partnership formed on _____, _____ under the laws of the State of _____. Its Federal Identification Number is _____. It has not conducted business under any name other than its partnership name. The following is a list of all of Franchisee's general partners as of _____, _____.

Name of Each General Partner

3. Owners. Franchisee and each of its owners represents and warrants that the following is a complete and accurate list of all owners of Franchisee, including the full name and mailing address of each owner, and fully describes the nature and extent of each owner's interest in Franchisee. Franchisee and each owner as to his/her ownership interest, represents and warrants that each owner is the sole and exclusive legal and beneficial owner of his/her ownership interest in Franchisee, free and clear of all liens, restrictions, agreements and encumbrances of any kind or nature, other than those required or permitted by this Agreement.

Owner's Name and Address

Percentage and Nature of Ownership Interest

Accepted by Franchisor and
made a part of the Real Estate Selection
and Construction Management Services Agreement
as of _____, _____.

Submitted by Franchisee
on _____, _____.

PANERA, LLC,
a Delaware limited liability company

(Name of corporation,
limited liability company
or partnership)

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

Owners:

(Signature)

(Print Name)

(Signature)

(Print Name)

EXHIBIT E

FRANCHISEE MASTER AGREEMENT FOR SOFTWARE, HARDWARE AND SUPPORT SERVICES

**PANERA FRANCHISEE MASTER AGREEMENT
FOR SOFTWARE, HARDWARE AND SUPPORT SERVICES**

This Franchisee Software, Hardware and Services Master Agreement (this “Agreement”) is entered into by and between Panera, LLC (“Panera Bread”, “Panera”, the “Franchisor”, “our” or “we”) with a principal place of business at 1400 South Highway Drive, Suite 100, Fenton, MO 63026 and the party or parties identified on the signature page to this Agreement (the “Franchisee”, “you” or “your”) (individually or collectively, a “Party” or the “Parties,” respectively), and is effective on the later of the dates below the Parties’ signatures below (the “Effective Date”).

- I. We own, operate and franchise Panera Bread Bakery-Cafes in the United States. We, or our Affiliates, have developed and own a comprehensive system for developing, supporting and operating Panera Bread Bakery-Cafes, which includes certain Offerings (as defined below), all of which we may improve, further develop or otherwise modify from time to time.
- II. You and/or any Franchisee’s Affiliate (as defined below) have been granted the right to own and operate certain Panera Bread Bakery-Cafes in the United States pursuant to Franchise Document(s) (defined below).
- III. You desire to have Panera supply and we agree to supply you (and any Franchisee’s Affiliate) with select Offerings for your (and any Franchisee’s Affiliate’s) use in connection with the operation of your (and any Franchisee’s Affiliate’s) Panera Bread Bakery-Cafe(s) pursuant to: (i) the terms and conditions of this Agreement; (ii) any applicable terms and conditions set forth in the Order (defined below) or Offering descriptions as detailed in Panera’s Online Catalog (defined below); and (iii) any additional related documentation applicable to the Order provided to you by or on behalf of Panera or an Authorized Third Party.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, and intending to be legally bound, Franchisee and Panera agree as follows:

1. ORDERING; GENERAL RESTRICTIONS.

1.1 **Certain Definitions.** The terms listed below have the meanings which follow them and include the plural as well as the singular. Other terms are defined elsewhere in this Agreement in the context in which they arise.

1.1.1 “Authorized Representative” means an individual or entity that has been given the legal authority to act on behalf of the Franchisee (or a Franchisee’s Affiliate) including making decisions, entering into agreements and performing actions as if they were the Franchisee.

1.1.2 “Authorized Third Party” means third parties authorized by Panera to provide the Offerings to Franchisee under the terms of this Agreement. “Authorized Third Party” does not include any third party with whom Franchisee has entered into a direct a direct agreement.

1.1.3 “Authorized User” means Franchisee and Franchisee’s owner, Franchisee’s Affiliate(s), Authorized Representative(s), employees, consultants, contractors, and agents: (i) who are authorized by Franchisee to access and use the Offerings under the rights granted to Franchisee pursuant to this Agreement; and (ii) for whom access to the Offerings has been purchased hereunder.

1.1.4 “Documentation” means Panera’s or a Third Party’s then-current technical and functional documentation as well as any roles and responsibilities descriptions, if applicable, for the Offering(s).

1.1.5 “Franchise Document(s)” means the Franchise Agreement(s) and other applicable documents entered into between Franchisor and Franchisee (or Franchisee’s Affiliates) related to the Panera Bread Bakery-Cafes.

1.1.6 “Franchisee’s Affiliate(s)” means an entity(ies) that is an affiliate of Franchisee that has entered into Franchise Documents for the operation of Panera Bread Bakery-Cafe(s).

1.1.7 “Offering(s)” means each of the Panera Software, Third Party Products, Third Party Hardware, and/or Support Services, provided to Franchisee pursuant to this Agreement.

1.1.8 “Order(s)” means the Offerings selected and ordered by the Franchisee in the Panera Online Catalog.

1.1.9 “Panera Software” means our proprietary software (including any third-party software integrated therein) for installation on Franchisee’s systems either on premises or a hosted environment.

1.1.10 “Panera’s Online Catalog” means online catalog of the Offerings available for order by the Franchisee and subject to the applicable terms and conditions or a link to such terms and conditions associated therewith.

1.1.11 “Subscription Period” means the subscription period provided in the Panera Online Catalog for the Offerings.

1.1.12 “Support Services” means professional, support, maintenance, and other services coordinated and/or provided by Panera or an Authorized Third Party.

1.1.13 “Third Party Hardware” means third-party manufactured equipment and/or hardware.

1.1.14 “Third Party Software” means software, cloud and software as a service products hosted or provided by an Authorized Third Party and accessed remotely by the Franchisee pursuant to the terms of this Agreement. Collectively, Third Party Hardware and Third Party Software shall be referred to as “Third Party Products”.

1.1.15 “Third Party Terms and Conditions” means the terms and conditions applicable to the Third Party Products ordered by Franchisee through Panera’s Online Catalog.

1.2 **Scope.** This Agreement governs Franchisee’s (or any Franchisee’s Affiliate’s) purchase and use of certain Offerings. Unless otherwise indicated, if any Franchisee’s Affiliate has entered into Franchise Document(s) with Panera to operate a Panera Bread Bakery-Cafe(s), all references to “Franchisee” or “you” in this Agreement shall apply in equal measure to, or any Offerings or SOW(s) for, such specific Panera Bread Bakery-Cafe(s). Franchisee acknowledges and agrees that as a Party to this Agreement it undertakes all obligations under this Agreement on behalf of any Franchisee’s Affiliate(s), and shall cause each Franchisee’s Affiliate to undertake and fulfill any obligations under this Agreement, as applicable.

1.3 **Ordering.** Franchisee, through its Authorized Representative, may select and order certain Offerings via Panera’s Online Catalog, a link to which is listed in Exhibit A. Panera may designate an alternative method of accessing the Panera Online Catalog for placing an Order in its sole discretion for use by Franchisee and its Authorized Users. Orders for Support Services may be provided pursuant to a Statement of Work (“SOW”) provided to Franchisee after an Order has been placed through Panera’s Online Catalog. For the avoidance of doubt, in the event Franchisees purchases products or services directly from an Authorized Third Party, Panera shall have no obligations to Franchisee with respect to any terms and conditions outside of this Agreement unless otherwise agreed to in writing between Franchisee and Panera.

1.4 **Offerings.** The Offerings may include but are not limited to: (a) Panera Software, (b) Third Party Software, (c) Third Party Hardware, and (d) Support Services. The Offerings listed on Panera’s Online Catalog shall be provided by either Authorized Third Parties or Panera. Unless otherwise specified herein, Panera’s Online Catalog provides the specific available Offerings and either the terms and conditions or a link to the terms and conditions governing your use of the Offering. By placing an Order, Franchisee agrees to: (i) the terms and conditions of this

Agreement; (ii) the terms and conditions of the Authorized Third Party providing the Offering listed on the Order or the Panera Online Catalog; and (iii) any additional related Documentation applicable to the Order. Additional or different terms in any written communication from Franchisee (such as a purchase order) are void. No provision of any purchase order or other business form employed by Franchisee will supersede the terms and conditions of this Agreement or the Order, and any such document relating to this Agreement shall be for administrative purposes only and shall have no legal effect.

1.5 **Ordering Requirements.** Depending on your Offering selection and franchise model, Franchisee must order certain required Offerings and may, at its discretion, order certain recommended Offerings. Each Offering is specifically delineated as required to be purchased in conjunction with other Offerings or as recommended within Panera's Online Catalog. For the avoidance of doubt, any Offering designated as a required selection based on another selected Offering must be ordered and cannot be terminated for any reason unless otherwise specified. In the event Franchisee is designated as a bring your own hardware model ("BYOH"), Franchisor reserves the right to alter Franchisee's obligations to purchase any required Offerings.

1.6 **General Admonitions and Restrictions.** Franchisee acknowledges that all Offerings will be provided for all of Franchisee's Bakery-Cafes unless otherwise described in the applicable Order or SOW. Without limitation to any other provision of this Agreement, Franchisee acknowledges that all Offerings shall be provided only for and with respect to the Bakery-Cafes, and not for any other provider, restaurant, or establishment of any kind.

1.7 **Order of Precedence.** In the event of ambiguity, conflict or inconsistency among the documents comprising this Agreement, the documents shall be given an order of precedence as follows: (i) the Franchise Documents and any attachments and exhibits thereto; (ii) this Agreement including any attachments and exhibits thereto; (iii) a SOW; and (iv) the Order.

1.8 **Previous Agreement.** The Parties agree that this Agreement shall replace any previous agreement between the Parties related to the Offerings. All terms in any previous agreement between the Parties related to the Offerings are hereby superseded in their entirety and shall have no further force or effect.

2. **FEES, EXPENSES AND PAYMENT.**

2.1 **Fees.** Franchisee will pay Panera the applicable then-current standard fees (the "Fees") due under this Agreement in accordance with the schedule as set forth in the Order. Franchisee acknowledges that the Fees set forth in the Order are provided as a general estimate and may be updated in Panera's sole discretion, from time to time. Fees and expenses may be invoiced by Panera to Franchisee and payable by Franchisee as set forth in the applicable Franchise Documents.

2.2 **Support Services.** Panera will provide any Support Services, including, but not limited to development, testing, implementation, training, and any other such professional or consulting services as set forth in a Statement of Work ("SOW").

2.3 **Panera Software; Third Party Products.** Franchisee is responsible for paying for all Panera Software or Third-Party Product ordered for the entire Subscription Period, whether or not such Panera Software or Third Party Products subscriptions are used. Unless otherwise set forth in the Order, Fees applicable to additional Bakery-Cafes utilizing the Panera Software or Third Party Product will be calculated each calendar month based upon the per-Bakery-Cafe Fees and the remaining time in the applicable Subscription Period, with a full calendar month's portion of the Fee being applicable to the first calendar month with respect to Bakery-Cafes opening on or after the 15th of the calendar month and no portion of the full months portion of the fee being applicable to the first calendar month with respect to Bakery-Cafes opening before the 15th of the calendar month.

2.4 **Billing.** An invoice for any/all Fees will be provided to Franchisee as described in the Order. The renewal charge will be equal to the then-current number of total Panera Software or Third Party Product subscriptions or

licenses multiplied by the current Fees, which is subject to change as described herein. Panera may invoice parts of an Order separately.

2.5 **Fee Increase.** Panera reserves the right to increase Fees. Panera will give Franchisee written notice of any increase in Fees at least sixty (60) days prior to such increase taking effect.

2.6 **Expenses.** In addition to any applicable Fees, Franchisee shall reimburse Panera for all expenses incurred in performing its obligations under this Agreement, such as incidental and travel expenses in accordance with Panera's then-current Travel and Expense Policy. All expenses will be invoiced to Franchisee at Panera's cost.

2.7 **Reconnection Fee.** Panera may impose a reconnection fee if any Panera Software or Third-Party Products are suspended or terminated through no fault of Panera or the Authorized Third Party, and Franchisee subsequently requests access to or reestablishment of such Panera Software or Third Party Products.

2.8 **Taxes.** All Fees are exclusive of taxes which may be imposed on Panera or Franchisee for the sale, provision or use of the Offerings under this Agreement or an Order. Franchisee will pay all such taxes, except for Panera's U.S. federal and state income tax and Panera's personal property tax. Panera shall not be liable for taxes based on Franchisee's net income, items of tax preference, net worth, capital stock, franchise, property or conduct of business, or similarly-based taxes. Franchisee shall pay all taxes collected from Panera to the appropriate taxing authority. Franchisee, and not Panera, shall be obligated to pay any applicable taxes not so invoiced to Panera for corresponding Services, including without limitation, any and all interest, penalties and attorneys' fees. Panera shall be entitled to contest, pursuant to applicable law and at its own expense, any taxes it is ultimately obligated to pay, and Franchisee shall reasonably cooperate with any such contest.

2.9 **Payment.** All payments owed by Franchisee to Panera will be made in U.S. currency. Unless otherwise agreed to by Panera in writing in each instance: (a) all Fees and expenses owed to Panera are non-refundable; and (b) Franchisee shall establish a designated bank account pursuant to the Services Authorization Sweep form executed by the Parties before or after the Effective Date of this Agreement. Panera shall be entitled to withdraw from Franchisee's designated bank account all amounts due to Panera under this Agreement. All costs and expenses of establishing and maintaining such designated account, including transaction fees and wire transfer fees, shall be paid by Franchisee and not Panera. Upon execution of this Agreement and at any other time during the Term (as defined below) upon Panera's request, Franchisee will execute Panera's then-current sweep authorization form. Any sum not available for withdrawal by Panera from the designated account or otherwise when due will bear interest until paid at a rate of 1.5% per month (18% per annum) or the maximum rate permitted by law, whichever is less. If any amount is not available or paid when due hereunder, in addition to any other remedies it may have under this Agreement and otherwise, Panera will be entitled to suspend provision of the applicable Offerings and to recover from Franchisee the related costs and expenses incurred in connection with collecting all outstanding amounts (including reasonable costs of investigation and attorneys' fees). Notwithstanding anything to the contrary in this Agreement, all rights granted to Franchisee in connection with this Agreement are contingent upon Franchisee's satisfaction of its payment obligations under the applicable Order.

3. **TERM AND TERMINATION.**

3.1 **Term.** The term of this Agreement will begin on the Effective Date and will continue for a period of two (2) years from the Effective Date hereof (the "Initial Term"). Thereafter, this Agreement shall automatically extend for additional consecutive two (2) year renewals thereafter (each, a "Renewal Term" and, together with the Initial Term, the "Term") unless either Party provides written notice of non-renewal to the other Party at least sixty (60) days prior to the expiration of the Initial Term or then-current Renewal Term, subject to earlier termination as set forth in this Agreement. Notwithstanding the foregoing, any outstanding PO or SOW in effect as of the expiration of a Term shall remain in effect for the duration of such PO or SOW unless otherwise terminated as provided herein or therein. For the avoidance of doubt, under no circumstances should the term of this Agreement extend beyond the expiration of the Franchisee's last remaining Franchise Agreement.

3.2 **Termination.** Either Party may terminate this Agreement and/or any Order or any part of an Order applicable to a single Bakery-Café if the other Party breaches any of the terms of this Agreement or the Order, and, if such breach is capable of cure, fails to cure such breach within thirty (30) days of receiving written notice specifying the breach. In any event, Panera shall have the right to terminate any Order on ninety (90) days written notice with or without cause.

Upon termination of this Agreement for any reason other than Panera's uncured breach, Fees will continue to be due and payable (if not prepaid) until the date that the then-current Panera Software or Third Party Products Subscription Period was scheduled to expire.

3.3 **Effect of Termination; Survival.** Upon termination of this Agreement and/or any Order for any reason, (a) all Franchisee access and use rights granted pursuant to this Agreement and/or the applicable Order will terminate; (b) Franchisee must promptly cease all use of terminated Offerings and de-install all Panera Software, Third Party Software, and any components thereof; (c) Franchisee must return all Third-Party Products and other materials and equipment provided by Panera in connection with the Offerings, (d) return all related Customer Data (as defined in the Franchise Documents), and (e) all Confidential Information (as defined in the Franchise Documents) shall remain subject to Franchisee's confidentiality obligations under this Agreement and the Franchise Documents. All provisions of this Agreement and the Order which expressly or by their nature are intended to survive its expiration or termination, will survive its expiration or termination. Franchisee must certify in writing to Panera, by an Authorized Representative of Franchisee, that it has completed 3.3(a)-(e) within ten (10) days of termination. The termination or expiration of this Agreement or any Order shall not relieve either Party of any obligations that may have accrued prior to the effective date of such termination or expiration, including, without limitation, the obligation of Franchisee to pay Panera for Offerings ordered and Services performed prior to the effective date of termination or expiration.

3.4 **Policies.** Each Party will comply with all policies related to the Offerings. Panera or its Authorized Third Parties may modify their respective policies from time to time.

3.5 **Suspension.** Without limiting any other right Panera may have, Panera may suspend Franchisee's and any other Authorized User's access to any portion or all of the Offerings if any of the following occur (a "Service Suspension"):

3.5.1 Panera reasonably determines that: (I) there is a threat or attack on any of the Offerings; (II) Franchisee's or any other Authorized User's use of any of the Offerings disrupts or poses a security risk to Panera, one or more of the Offerings, or to any other franchisee, customer or vendor of Panera or user of any of the Offerings; (III) Franchisee or any other Authorized User uses any of the Offerings for fraudulent or illegal activities; (IV) subject to Applicable Law, Franchisee has ceased to continue its business in the ordinary course or as otherwise stated in the Franchise Documents; (V) Panera's provision of the Offerings to Franchisee or any other Authorized User is prohibited by Applicable Law; or (VI) Franchisee is in violation of the use restrictions set forth in this Agreement;

3.5.2 Any Authorized Third Party of Panera has suspended services or terminated Panera's access to or use of any Third-Party Products required to enable Franchisee to access the Offerings; or

3.5.3 If Franchisee fails to cure any monetary breach of this Agreement within ten (10) days after notice of the same, or upon written notice if Franchisee's account is past due on three (3) or more occasions during a twelve (12) month period.

Panera shall use commercially reasonable efforts to provide written notice of any Service Suspension to Franchisee and to provide updates regarding resumption of access to the Offerings following any Service Suspension. Panera shall use commercially reasonable efforts to resume providing access to the Offerings as soon as reasonably possible after the event giving rise to the Service Suspension is cured. Panera will

have no liability for any damage, liabilities, losses (including any loss of profits or data), or any other consequences that Franchisee or any Authorized User may incur as a result of a Service Suspension.

4. **PANERA SOFTWARE.** Subject to Franchisee's payment of the applicable Fees and its compliance with the terms and conditions of this Agreement, Panera hereby grants Franchisee a revocable, fully paid-up, non-exclusive, non-sublicensable, non-transferable limited right to access and use the Panera Software during the Subscription Period, solely for the purpose of operating the Bakery-Cafes, and the accompanying online Documentation in conjunction with Franchisee's installation and use of the Panera Software as permitted hereunder. Franchisee has no right to sublicense its right to use the Panera Software. Notwithstanding anything to the contrary, Franchisee agrees that Panera retains all right, title and interest in and to all Panera Software incorporated in such modifications, updates, and patches. Except as expressly set forth herein, Panera will retain all intellectual property rights relating to the Panera Software and any suggestions, ideas, enhancement requests, feedback, or other recommendations provided by Franchisee, Authorized Users or any third party relating to the Panera Software (herein referred to as "Feedback Materials"), which are hereby assigned to Panera. This Agreement does not constitute a sale of the Panera Software and does not convey to Franchisee any rights of ownership in or related to the Panera Software or any other intellectual property rights.

5. **THIRD PARTY PRODUCTS.**

5.1 **License.** Subject to Franchisee's payment of the applicable Fees and compliance with the terms and conditions of this Agreement, Panera grants Franchisee a revocable, fully paid-up, non-exclusive, non-sublicensable, non-transferable limited right to access and use the Third Party Products during the Subscription Period, solely for the purpose of operating the Bakery-Cafes and the accompanying online Documentation in conjunction with Franchisee's installation and use of the Third Party Products as permitted hereunder.

5.2 **Limitation on Use.** Franchisee's use of Third-Party Products is subject to the relevant Third-Party Terms and Conditions as well as the terms of this Agreement and the Order. The Third-Party Terms and Conditions related to Third Party Products shall be presented to Franchisee for acceptance within the Panera's Online Catalog by website link or otherwise. Panera does not have control over and has no liability for the Third-Party Products. We do not, by allowing you access to Third Party Products, assume any liability or responsibility for your use of the Third-Party Products. Access to Third Party Products is provided for your convenience and to assure compliance with our standards and shall not be construed as any express or implied representation or warranty that you comply with any applicable laws, codes or regulations. Franchisee represents and warrants that it is using the Third-Party Products in compliance with the applicable Third-Party Terms and Conditions. If Franchisee does not agree to abide by the applicable Third-Party Terms and Conditions for any such Third-Party Products, then Franchisee should not install, access, purchase or use such Third-Party Products. Use of Third-Party Products may require access to Franchisee Data (defined below) and other data by the Authorized Third-Party, which Panera will permit on Franchisee's behalf if Franchisee has ordered that Third-Party Product.

5.3 **Third-Party Products.** Franchisee may choose to use the Offerings with other third-party platforms, apps, add-ons, services or products that are not included as an Offering in Panera's Online Catalog. Use of such third-party products with the Offerings may require access to Franchisee Data (defined below) and other data by the Authorized Third-Party, which, subject to Panera's Policies, Panera will permit on Franchisee's behalf if Franchisee has enabled that third-party. The approval of other third party platforms, apps, add-ons, services or products that are not included as an Offering in Panera's Online Catalog and/or transfer of Franchisee Data described in this request to such third parties is made as a convenience for Franchisee, and neither Panera nor any of its affiliated companies shall have any liability in connection with such transfer, and accordingly IN NO EVENT WILL PANERA OR ANY OF ITS AFFILIATED COMPANIES, OR ANY OF THEIR RESPECTIVE OFFICERS, SUPPLIERS, AGENTS OR SUBCONTRACTORS BE LIABLE IN CONNECTION WITH THIS REQUEST OR UNDER ANY AGREEMENT(S) FOR (A) ANY DIRECT, INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, LOST PROFITS, OR LOST OR DAMAGED DATA, WHETHER ARISING IN CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, OR (B) ANY COSTS OR EXPENSES FOR THE PROCUREMENT OF SUBSTITUTE DATA, IN EACH CASE, EVEN IF PANERA, ITS

AFFILIATED COMPANIES, OR ANY OF THEIR RESPECTIVE OFFICERS, SUPPLIERS, AGENTS OR SUBCONTRACTORS HAVE BEEN INFORMED OF THE POSSIBILITY THEREOF. FRANCHISEE HEREBY WAIVES ANY CLAIM THAT THESE EXCLUSIONS DEPRIVE IT OF AN ADEQUATE REMEDY OR CAUSE ANY AGREEMENT(S) TO FAIL OF ITS ESSENTIAL PURPOSE.

5.4 **Franchisee's Obligations and Restrictions.**

5.4.1 **Acceptable Use.** Franchisee acknowledges and agrees that Panera is not obligated to monitor communications or any data transmitted through the Panera Software or Third Party Products and that Panera will not be responsible for the content of any such communications or transmissions. Franchisee and its Authorized Users will use the Offerings exclusively for authorized and legal purposes, in compliance with applicable law including any privacy laws or any laws governing employment and this Agreement. Franchisee acknowledges that the Offerings do not include, and Panera has no responsibility or liability with respect to: (a) verifying any information input by Authorized Users, including information about employment; or (b) advising Franchisee with respect to any Franchisee policies on employment, leave, termination or other policies or any application of such policies by Franchisee; or (c) any determination of the legality of any questions asked, or the type of information requested. Franchisee shall consult with legal counsel in connection with and bear all risk and responsibility with regard to the use of the Offerings for all purposes including compliance with all United States state and federal laws and regulations. In providing the Offerings, Panera shall be entitled to rely upon and act in accordance with any instructions, guidelines, data or information provided by Franchisee and its Authorized Users, and shall incur no liability in doing so.

5.4.2 **Account Use.** Franchisee is responsible and liable for all uses of the Panera Software or Third-Party Products and Documentation resulting from access provided by Franchisee, directly or indirectly, whether such access or use is permitted by or in violation of this Agreement. Without limiting the generality of the foregoing, Franchisee is responsible for all acts and omissions of Authorized Users, and any act or omission by an Authorized User that would constitute a breach of this Agreement if taken by Franchisee will be deemed a breach of this Agreement by Franchisee. Franchisee shall make all Authorized Users aware of this Agreement's provisions as applicable to such Authorized User's use of the Panera Software or Third-Party Products and shall cause Authorized Users to comply with such provisions.

6. **PASSWORDS AND ACCESS CREDENTIALS.** Franchisee is responsible for keeping passwords and access credentials associated with the Panera Software or Third-Party Products confidential and will not sell, disclose, or transfer them to any other person, entity, or third parties any user identifications, passwords and access credentials, account numbers or account profiles. Franchisee understands and agrees that: (a) Panera assumes no responsibility for the supervision, management or control of Franchisee's or Authorized User's passwords and access credentials; (b) Panera assumes no responsibility for any fraudulent or unauthorized use of any portion of the Panera Software or Third Party Products through Franchisee's account; (c) Panera disclaims all liability arising out of any use of or failure to protect passwords or access credentials or any fraudulent or unauthorized access to or use of any portion of the Panera Software or Third Party Products through Franchisee's account; and (d) Franchisee will promptly notify Panera within twenty-four (24) hours of its learning or discovery of any unauthorized access to Franchisee's passwords or access credentials, or any unauthorized access to or use of any of the Offerings or Documentation.

7. **FRANCHISEE'S RESPONSIBILITIES.** Franchisee will: (a) be responsible for meeting Panera's applicable minimum system requirements for access to or use of the Offerings, as set forth in the Documentation and updated by Panera from time to time; (b) be responsible for Authorized Users' compliance with this Agreement and for any other activity (whether or not authorized by Franchisee) occurring under Franchisee's account; (c) be solely responsible for the accuracy, quality, integrity and legality of Franchisee Data; (d) prevent unauthorized access to or use of the Offerings under its account, and notify Panera promptly of any such unauthorized access or use; and (e) provide and keep valid contact information for each Panera Software or Third Party Product that

includes phone number(s) and email address(es) for both a primary contact and an operational/technical contact (e.g., network engineer or routing engineer) and providing Panera with technical configuration details upon request. If Franchisee fails to perform any of its obligations under this Agreement or Panera is prevented, delayed or otherwise unable to perform any of its obligations due to any other act or omission of Franchisee ("Franchisee Default") then, in addition to any other rights and remedies under other provisions of this Agreement or by applicable law, including the right to claim damages in the event of a Franchisee Default, Panera shall be entitled to rely on such Franchisee Default as relieving it from the performance of any of its obligations and/or invoice Franchisee for Fees for the Panera Software or Third Party Products provided notwithstanding the Franchisee Default. If, for any reason, a Franchisee is in default under its Franchise Agreement, it will operate as a default under this Agreement.

8. **USERS.** If specified, Franchisee shall limit the number of individual users of the Panera Software or Third Party Products as specified in the applicable Order. Authorized User licenses cannot be shared or used by more than one user. Panera has the right to verify electronically (or otherwise), and generate, or require Franchisee to generate and provide, reports related to Franchisee's installation of, access to, and use of the Panera Software and Third-Party Products to ensure compliance with the terms of this Agreement.

9. **LIMITATIONS ON USE.** Franchisee and its Users shall not, and shall not permit any third party to:

- a. copy or republish the Panera Software or the Third Party Products
- b. make any Panera Software or the Third Party Products available to any person other than its Authorized Users;
- c. rent, lend, sell, sublicense, or use Panera Software or the software provided through the Third Party Products to provide service bureau, time-sharing or other services to third parties;
- d. install the Panera Software or the Third Party Products in, or connect a Source to, the Panera Software or software provided through the Third Party Products from any country outside of the United States;
- e. send or store viruses, spyware, ransomware, timebombs, Trojan horses, or other harmful or malicious code, or files to or in connection with any Offering;
- f. send or store infringing, or otherwise unlawful material in connection with any Offering;
- g. modify or create derivative works based upon Panera Software or the Third Party Products;
- h. remove, modify, or obscure any copyright, trademark, or other proprietary notices contained in the Panera Software or the Third Party Products or related documentation;
- i. reverse engineer, decompile, disassemble, or otherwise attempt to derive the source code used or embodied in the Panera Software or the Third Party Products, which for the avoidance of doubt includes the related algorithms, methods, and techniques;
- j. access or use Panera Software or the Third Party Products in order to build a similar or competitive product;
- k. conduct any stress tests, competitive benchmarking or analysis on, or publish any performance data of, an Offering (provided, that this does not prevent Franchisee from comparing the products to other products for Franchisee's internal business use so long as they are approved by Panera);
- l. use the Software other than in compliance with all applicable laws and regulations;
- m. use the Panera Software or the Third Party Products in any manner that: (a) is harmful, fraudulent, deceptive, threatening, abusive, harassing, tortious, defamatory, vulgar, obscene, or libelous (including

without limitation, accessing any computer, computer system, network, software, or data without authorization, breaching the security of another user or system, and/or attempting to circumvent any User authentication or security process); (b) impersonates any person or entity, including without limitation any employee or representative of GitLab; (c) includes content, with respect to the use of SaaS Software, which is illegal or (d) introduces any virus, trojan horse, worm, time bomb, unsolicited bulk, commercial, or “spam” message, or other harmful computer code, file, or program (including without limitation, password guessing programs, decoders, password gatherers, keystroke loggers, cracking tools, packet sniffers, and/or encryption circumvention programs); and

n. use the Panera Software or the Third Party Products or any feature thereof for any purpose other than as specifically authorized in this Agreement; or

o. cause, encourage or assist any third party to do any of the foregoing.

If for some reason these restrictions are prohibited by applicable law or by an agreement Panera has with one of its licensors, then the activities are permitted only to the extent required to comply with the law or agreement.

10. **AGGREGATED STATISTICS.** Notwithstanding anything to the contrary in this Agreement, Panera may monitor Franchisee’s use of the Offerings and collect and compile data and information related to Franchisee’s access and use of the Offerings to be used by Panera in an aggregated and anonymized manner, including to compile statistical and performance information related to the provision and operation of the Offerings (“Aggregated Statistics”). As between Panera and Franchisee, all right, title, and interest in Aggregated Statistics, and all Intellectual Property Rights therein, belong to and are retained solely by Panera. For the avoidance of doubt, Aggregated Statistics shall not include Franchisee Data.

11. **RESERVATION OF RIGHTS.** Panera reserves all rights not expressly granted to Franchisee in this Agreement.

12. **THIRD PARTY HARDWARE.**

12.1 **Use of Third-Party Hardware.** The Third Party Hardware may be used only in connection with the operation of Bakery-Cafes, and at the end of the life of the Third Party Hardware, or expiration or termination of this Agreement, Franchisee shall take all necessary steps to fully and permanently erase any computer memory or storage on such Third Party Hardware including all data related to the operation of the Bakery-Cafes. Franchisee must certify in writing to Panera, by an Authorized Representative, that it has completed the obligations listed in this section within ten (10) days of the end of the life of the Hardware, or expiration or termination of this Agreement.

12.2 **Pass Through Warranty.** The Third-Party Hardware is provided by Panera “AS-IS” and without warranty of any kind, express or implied. To the extent, if any, that Panera has the right to do so, Panera shall pass through or assign to Franchisee the remainder, if any, warranty Panera obtained from manufacturers and/or vendors of the Third-Party Hardware ordered under any applicable Order.

13. **SUPPORT SERVICES.** Any Order for Support Services will contain a description of the Support Services, any applicable terms and conditions applicable to such Professional Services, the Fees applicable to such Professional Services, and the period of time during which such Professional Services shall be provided.

14. **FRANCHISEE DATA.**

14.1 **Definition.** “Franchisee Data” means any data, information or material created by Franchisee provided or submitted by Franchisee and its employees to Panera or its third-party providers pursuant to the Franchise Documents and/or in the course of using the Panera Software or Third Party Products, including without limitation pricing, tax rates, non-standard menu information, Franchisee employee data, and all other applicable data, information or materials. All other data is owned solely by Panera and shall be deemed Panera’s Confidential

Information, which includes but is not limited to all Customer Data, the Policy Manual and all Intellectual Property Rights therein.

14.2 Franchisee Data Obligations. Franchisee will have sole responsibility for the accuracy, quality, integrity, legality, reliability, appropriateness, and intellectual property ownership or right to use of all Franchisee Data and hereby grants to Panera all necessary rights and licenses to use all Franchisee Data in connection with providing the Offerings, if and as applicable. Panera will not be responsible or liable for the deletion, correction, destruction, damage, loss or failure to store any Franchisee Data. Franchisee will indemnify and hold harmless Panera from and against any claims, damages or liabilities arising in connection with Panera's use of Franchisee Data. As between Panera and Franchisee, Franchisee hereby grants to Panera a limited, non-exclusive, royalty-free, worldwide license to use the Franchisee Data and perform all acts with respect to the Franchisee Data to Panera, subject to compliance by Panera with its confidentiality obligations. Notwithstanding the termination or expiration of this Agreement, Panera shall retain a non-exclusive, perpetual, irrevocable, royalty-free license to use, store, process, and disclose any Franchisee Data, in accordance with the terms set forth herein, for any lawful purpose.

14.3 Data Retention. Panera has no obligation to retain Franchisee Data, whether for tax, regulatory compliance or other purposes, and may delete Franchisee Data, after thirty (30) days following expiration or termination, and Franchisee is responsible for ensuring it has made arrangements to be able to access Franchisee Data for tax, regulatory compliance and other purposes as it deems appropriate.

15. INTELLECTUAL PROPERTY RIGHTS.

15.1 Rights to Panera Software or Third Party Products. Franchisee acknowledges that, in addition to all rights granted under the Franchise Agreement, (i) as between Panera and Franchisee, Panera is the sole and exclusive owner or licensee of all right, title and interest in and to the Panera Software or Third Party Products, all derivative works thereof (including any and all patents, copyrights, trade secret rights, trademarks, trade names and other proprietary rights embodied therein or associated therewith), and this Agreement in no way conveys any right or interest in the Panera Software or Third Party Products other than a limited license to use the same in accordance with its terms; (ii) the Panera Software and Third Party Products consists of works protected by the copyright laws of the United States and international treaties, and (iii) Panera asserts that the Panera Software and Third Party Products embodies valuable confidential, proprietary and secret information of Panera or its licensors, the development of which required the expenditure of considerable time and money.

15.2 Rights to Offerings. Franchisee acknowledges that, in addition to all rights granted under the Franchise Agreement, (i) as between Panera and Franchisee, Panera is the sole and exclusive owner or licensee of all right, title and interest in and to the Offerings (including any and all patents, copyrights, trade secret rights, trademarks, trade names and other proprietary rights embodied therein or associated therewith); (ii) this Agreement in no way conveys any right or interest in the Offerings other than a limited right to use them in accordance with this Agreement, (iii) the Offerings are works protected by the intellectual property laws of the United States and international treaties, and (iv) Panera asserts that the Offerings embody valuable confidential, proprietary and secret information of Panera and its licensors and other vendors, as applicable, the development of which required the expenditure of considerable time and money. Except for the limited rights and licenses expressly granted under this Agreement, nothing in this Agreement grants, by implication, waiver, estoppel, or otherwise, to Franchisee or any third party any Intellectual Property Rights or other right, title, or interest in or to the Offerings or Documentation.

15.3 Rights to Work Product and/or Deliverables. Franchisee acknowledges that, in addition to all rights granted under the Franchise Agreement, (i) as between Panera and Franchisee, Panera is the sole and exclusive owner or licensee of all right, title and interest in and to any and all work product and deliverables created by Panera in the course of providing the Offerings (including any and all patents, copyrights, trade secret rights, trademarks, trade names and other proprietary rights embodied therein or associated therewith); (ii) this

Agreement in no way conveys to Franchisee any right or interest in the Offerings other than a limited license to use the Offerings in accordance with the terms of this Agreement; and (iii) Franchisee hereby grants Panera a non-exclusive, perpetual, irrevocable, royalty-free, worldwide license to use, reproduce, modify, distribute, and sublicense any feedback, suggestions, or recommendations provided by Franchisee to Panera regarding the Franchise Agreement, this Agreement, any Offering and other products or services.

15.4 **Additional Documentation.** Franchisee agrees to execute such documents as Panera may reasonably request to effectuate Panera's intellectual property rights in the Offerings both during the Term and afterwards. All licenses provided under this section shall survive the termination or expiration of this Agreement.

16. **WARRANTIES; LIMITATION OF LIABILITY.**

16.1 **Franchisee Warranties.** Franchisee warrants that it will comply with all applicable laws and regulations in connection with this Agreement including applicable national, state, and local laws, rules, decrees, orders, judgments and regulations of all applicable jurisdictions and countries and any and all amendments to all applicable national, state, and local laws, rules, decrees, orders, judgments and regulations, including privacy laws and employment laws, applicable export and telecommunications laws, and the regulations, rules or guidance of any national, state or local agency.

16.2 **Disclaimer of Warranties.** Subject to the obligations of Panera as described in this Agreement, if any, the Offerings are provided "AS IS", without warranty of any kind, express or implied. EXCEPT FOR THE EXPRESS WARRANTIES STATED IN THIS AGREEMENT, THERE ARE NO WARRANTIES, EXPRESS OR IMPLIED, BY OPERATION OF LAW OR OTHERWISE, REGARDING OR RELATING TO THE PANERA SOFTWARE, THIRD PARTY PRODUCTS, AND SUPPORT SERVICES OR TO ANY OTHER MATERIALS, DATA, GOODS OR SERVICES FURNISHED TO FRANCHISEE HEREUNDER OR IN CONNECTION HERewith. PANERA SPECIFICALLY DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING THOSE OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT. PANERA DOES NOT WARRANT THE RESULT OF ANY OFFERING OR THAT THE OFFERING WILL MEET FRANCHISEE'S REQUIREMENTS. NO REPRESENTATION OR OTHER AFFIRMATION OF FACT, INCLUDING BUT NOT LIMITED TO VERBAL OR WRITTEN STATEMENTS REGARDING CAPACITY, SUITABILITY FOR USE OR PERFORMANCE, WHETHER MADE BY PANERA EMPLOYEES OR OTHERWISE WILL BE DEEMED TO BE A WARRANTY BY PANERA FOR ANY PURPOSE OR GIVE RISE TO ANY LIABILITY OF PANERA WHATSOEVER.

16.3 **Limitation of Liability.** To the maximum extent permitted by applicable law, except to the extent specifically and unambiguously described in any Order, if at all, in no event will Panera or its affiliates, officers, suppliers, employees, consultants, agents or subcontractors be liable under this Agreement and/or any Order for (a) any direct, indirect, incidental, special, punitive or consequential damages of any kind or nature whatsoever, suffered by Franchisee or any third party, including lost profits, business interruptions, or lost or damaged data, whether arising in contract, tort (including negligence) or otherwise, or (b) any costs or expenses for the procurement of substitute equipment or services, in each case, even if such party or its officers, suppliers, agents or subcontractors have been informed of the possibility thereof. FRANCHISEE HEREBY WAIVES ANY CLAIM THAT THESE EXCLUSIONS DEPRIVE IT OF AN ADEQUATE REMEDY OR CAUSE THIS AGREEMENT TO FAIL OF ITS ESSENTIAL PURPOSE.

17. **DEFENSE OF CLAIMS.**

17.1 **By Panera.** Subject to Franchisee's compliance with this Agreement and in consideration of payment of all Fees required hereby, Panera will defend Franchisee from any and all claims, actions, demands, and causes of action made or brought against Franchisee by a third-party alleging that the Panera Software used by Franchisee as permitted by this Agreement infringe upon or misappropriates the intellectual property rights of any third party. In connection therewith, Panera shall have the right to require that Franchisee cease all use of the affected Offerings and, if requested by Panera, return the same to Panera. Notwithstanding any of the foregoing, Panera will have no obligation to defend any claim to the extent based on (a) use of a superseded and no longer supported release of the Panera Software if the infringement would have been avoided by the use of a supported release of

the Panera Software; (b) compliance with Franchisee's specifications or requirements; (c) modification of the Panera Software not made by Panera or as specifically requested by Franchisee; (d) use of the Panera Software: (i) other than in accordance with the terms and conditions set forth in this Agreement and Orders and the document for the Panera Software, (ii) other than under normal use as set forth in the documentation for the Panera Software, or (iii) in combination with other software or equipment not provided by Panera if such infringement would not have occurred without such use or combination; or (e) continuing the allegedly infringing activity after notice. Panera's obligation under this Agreement to defend Franchisee against third-party claims of alleged intellectual property infringement as described above may be limited to the extent Panera is indemnified by and/or has other limited defense rights from a third-party provider. For the avoidance of doubt, Panera's obligations under this Section 10.1 will extend only to the defense of claims and expressly exclude any obligation to indemnify or hold harmless Franchisee. For the avoidance of doubt, Panera shall have no obligations under this Section 10.1 with respect to claims relating to Third Party Products, Hardware or any other Offerings other than Panera Software.

17.2 By Franchisee. Franchisee will defend, indemnify and hold Panera and its affiliates and their respective directors, officers, employees, agents, members, stockholders, insurers, successors and assigns harmless from any and all claims, actions, demands, losses, and causes of action arising from any breach or failure to comply with any of the provisions of this Agreement, including any Security Incident as defined below, any third-party claim that any materials submitted to Panera or their use by Panera or other persons infringe upon or misappropriate the intellectual property rights of any third party, unauthorized use of Panera Software or Third Party Products, Support Services, or other Offerings, or negligence, fraud, or willful misconduct of Franchisee and/or its affiliates and/or their respective employees, or subcontractors. "Security Incident" means any actual or reasonably suspected: (a) breach of security leading to the accidental, unauthorized, or unlawful destruction, loss, alteration, disclosure of, or access to Franchisee Data or Panera data; (b) compromise of, intrusion into, interference with, or unauthorized access to networks, systems, databases, servers, or electronic or other media on which Franchisee Data or Panera data is Processed or from which Franchisee Data or Panera data may be accessed, including Franchisee's employees or other agents or representatives; or (c) other compromise to the privacy, security, confidentiality, availability, or integrity of any Franchisee Data or Panera data or the proper functioning of the network resources of Franchisee. A "Security Incident" also includes any other circumstance pursuant to which any applicable data protection law or privacy law requires notification of such event to affected individuals and/or authorities or other activity in response to such circumstance.

17.3 Procedure. If any claim is asserted against a Party for which the Party is entitled to defense or, in the case of Panera, indemnification, as applicable, under this Section 10, the Party requesting defense or indemnification, as applicable (the "Requesting Party") will promptly notify the Party required to provide the defense or indemnification, as applicable (the "Providing Party") in writing of the assertion of the claim (but the failure to provide such notice will not relieve the Providing Party from any liability the Requesting Party may have, except to the extent such failure materially prejudices the Providing Party). Unless otherwise agreed to by the parties, the Providing Party will assume, direct and control the defense of such claim, including the employment of counsel, and all Fees and expenses incurred in connection with defending or settling the claim will be borne solely by the Providing Party. The Providing Party will not settle any claim, other than any settlement involving only the payment of monetary damages, without the prior written consent of the Requesting Party, which consent will not be unreasonably withheld or delayed. The Requesting Party will cooperate in all reasonable respects with the Providing Party and its attorneys in the investigation, trial and defense of the claim and any appeal arising therefrom. All reasonable and documented costs and expenses incurred in connection with an Indemnified Party's cooperation will be borne by the Providing Party. In any event, the Requesting Party will have the right at its own expense to participate in the defense of such claim. The remedies in this Section 10 are the sole and exclusive remedies available to the Parties for the claims that are subject to the obligations set forth in this Section 10.

18. **CONFIDENTIALITY AND INFORMATION SECURITY.**

18.1 **Definition.** “Confidential Information” means our proprietary and confidential information relating to the development and operation of the Offerings, including: (1) Policy Manual (as defined in the Franchise Documents); (2) ingredients, recipes, and methods of preparation and presentation of authorized food products; (3) Panera Materials (4) identity of suppliers and knowledge of specifications, processes, procedures and equipment, and pricing for the Offerings; (5) knowledge of operating results and financial performance of Panera Bread bakery-cafes, other than Bakery-Cafes you own; (6) computer systems and software programs used or useful in Panera Bread bakery-cafes; and (7) any and all other information that we provide you that is designated orally or in writing as proprietary or confidential or by its nature would reasonably be understood to be proprietary or confidential regardless of whether such information is specifically designated as proprietary or confidential.

18.2 **Disclosure of Confidential Information.** We will disclose parts of our Confidential Information to you solely for your use in the connection with the use of the Offerings in support of the operation of your Bakery-Cafe. The Confidential Information is proprietary and includes our trade secrets. During the Term and thereafter: (a) you may not use the Confidential Information in any other business or capacity (you acknowledge such use is an unfair method of competition); (b) you must maintain the confidentiality of the Confidential Information; (c) you may not make unauthorized copies of any portion of the Confidential Information disclosed in written, electronic or other form; and (d) you must implement all reasonable procedures we prescribe from time to time to prevent unauthorized use or disclosure of the Confidential Information, including the use of nondisclosure agreements with your Owners, officers, directors, Operating Partners, managers, assistant managers, lead bakers and the like, and you must deliver such agreements to us.

18.3 **Return of Confidential Information.** Upon termination of this Agreement, Franchisee will return to Panera all copies of the material containing Confidential Information, or any portion thereof.

18.4 **Information Security Obligations of Franchisee.** Franchisee has implemented and will maintain an information security program that uses appropriate physical, technical and organizational measures designed to protect all Offerings and data from unauthorized access, destruction, use, modification or disclosure in compliance with the Franchisor Information Security Standards.

19. **FORCE MAJEURE.** Panera shall not be liable for any failure or delay in the delivery of any Offerings as a result of a Force Majeure. Panera may establish policies and procedures from time to time for the allocation and distribution of Offerings among Panera Bread bakery cafes of Panera, and all of its and its’ affiliates’ bakery-cafes. An event of Force Majeure is defined in the Franchise Documents.

20. **NOTHING IN THIS AGREEMENT MODIFIES THE FRANCHISE DOCUMENTS.** Franchisee acknowledges and agrees that this Agreement is not, and is not intended to be, a modification of the Franchise Documents. Accordingly, all rights and obligations of the parties under this Agreement are in addition to, and not in place of, the rights and obligations described in the Franchise Documents. For the avoidance of doubt, all references in the Franchise Documents to agreements with Panera or its Affiliates (including, without limitation, Sections 9.03(b), 13.02(b) and 15.0 of the Franchise Agreements with Franchisees) shall include this Agreement and any Order.

21. **INSPECTIONS/AUDITS.** We have the right at any time, and on ten (10) days' prior notice to you, to inspect, copy and audit the systems, records and documents relating to the Offerings and your compliance with the terms of this Agreement. You must cooperate fully with our representatives conducting such audits.

22. **DISPUTE RESOLUTION.**

22.1 **Arbitration.** All controversies, disputes, or claims between the parties, including their respective Affiliates, owners, officers, directors, agents, and employees, arising from or relating to this Agreement, including the scope and validity of any provision of this Agreement (such as this Section 21.1), shall on demand of either party be submitted for arbitration to the American Arbitration Association (the “AAA”). The arbitration shall be governed

exclusively by the United States Arbitration Act (9 U.S.C. § 1, et seq.), without reference to any state arbitration statutes. The parties agree that, in connection with any such arbitration proceeding, each shall submit or file any claim that would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim that is not submitted or filed in such proceeding shall be barred. The arbitration proceedings shall be conducted in the city where we then have our principal place of business in accordance with the then-current commercial arbitration rules of the AAA, except the parties shall be entitled to limited discovery at the discretion of the arbitrator(s) who may, but are not required to, allow depositions. The parties acknowledge that the arbitrators' subpoena power is not subject to geographic limitations. The arbitration proceedings shall be conducted on an individual basis and not on a multi-plaintiff, consolidated, collective or class-wide basis. The foregoing sentence is an integral provision of the arbitration procedures set forth in this paragraph, and may not be severed therefrom, notwithstanding anything to the contrary herein. If such sentence is determined to be invalid or unenforceable in connection with a particular controversy, dispute, or claim, then this Section 22.1 shall be stricken from this Agreement and neither party shall be deemed to have consented to arbitration of such controversy, dispute, or claim.

The arbitrator(s) shall have the right to award the relief that he or she deems proper, consistent with the terms of this Agreement, including compensatory damages (with interest on unpaid amounts from date due), specific performance, injunctive relief, legal fees and costs. The award and decision of the arbitrator(s) shall be conclusive and binding on all parties, and judgment upon the award may be entered in any court of competent jurisdiction. Any right to contest the validity or enforceability of the award shall be governed exclusively by the United States Arbitration Act.

22.2 Jurisdiction. Subject to Section 22.1, you and your Owners irrevocably submit to the jurisdiction of the courts of the State of Missouri in any suit, action or proceeding, arising out of or relating to this Agreement or any other dispute between you and us, and you irrevocably agree that all claims in respect of any such suit, action or proceeding must be brought and/or defended therein except with respect to matters that are under the jurisdiction of the Federal Courts of the United States, which shall be brought and/or defended in the Federal District Court sitting in St. Louis, Missouri. You irrevocably waive, to the fullest extent you may lawfully do so, the defense of an inconvenient forum to the maintenance of such suit, action or proceeding and agree that service of process for purposes of any such suit, action or proceeding need not be personally served or served within the State of Missouri but may be served with the same effect as if you were served within the State of Missouri, by certified mail or any other means permitted by law addressed to you at the address set forth herein. Nothing contained herein shall affect our rights to bring a suit, action or proceeding in any other appropriate jurisdiction, including any suit, action or proceeding brought by us to enforce any judgment against you entered by a State or Federal Court.

22.3 Limitations On Legal Actions. You agree that, for our franchise system to function properly, we should not be burdened with the costs of litigating systemwide disputes. Accordingly, any disagreement between you and us shall be considered unique as to its facts and shall not be brought as a class action, and you (and each of your Owners) waive any right to proceed against us or any of our shareholders, members, managers, Affiliates, officers, directors, employees, agents, successors and assigns by way of class action, or by way of a multi-plaintiff, consolidated or collective action. In any legal action between the parties, the court shall not be precluded from making its own independent determination of the issues in question, notwithstanding the similarity of issues in any other legal action involving us and any other franchisee, and each party waives the right to claim that a prior disposition of the same or similar issues precludes such independent determination. **Furthermore, the parties agree that any legal action in connection with this Agreement shall be tried to the court sitting without a jury, and all parties hereto waive any right to have any action tried by jury.**

23. GOVERNING LAW. This Agreement shall be construed under the laws of the State of Missouri, provided the foregoing shall not constitute a waiver of any of your rights under any applicable franchise law of another state. Otherwise, in the event of any conflict of law, Missouri law will prevail, without regard to its conflict of law

principles. However, if any provision of this Agreement would not be enforceable under Missouri law, and if your Bakery-Cafe is located outside of Missouri and such provision would be enforceable under the laws of the state in which your Bakery-Cafe is located, then such provision shall be construed under the laws of that state. Nothing in this Section 16 is intended to subject this Agreement to any franchise or similar law, rule or regulation of the State of Missouri to which it otherwise would not be subject.

24. **CREDIT CARDS.** It is your responsibility to maintain and report your PCI compliance, which encompasses operational policies and practices as well as networks and POS systems hardware/software used to process credit card transactions, as well as attesting that you are abiding by (i) the Payment Card Industry (“PCI”) Data Security Standards enacted by the applicable Card Associations (as they may be modified from time to time or as successor standards are adopted); and (ii) all other security standards and guidelines that may be published from time to time by payment card companies and/or enacted by law, and are applicable to customer credit card and debit card information. If you know or suspect a security breach, you must immediately notify both your credit card transaction acquirer and Panera. You assume all responsibility for providing notice of breach or compromise, along with duties and costs associated with fraudulent transactions, penalties, and ongoing Fees for monitoring customer credit card histories and/or transactions for affected customers of your Bakery-Cafe(s).

25. **MISCELLANEOUS.** (a) As used in this Agreement the word “including” means including without limitation; (b) Each party has full power and authority to enter into and perform this Agreement, and the person signing this Agreement on behalf of each party has been properly authorized to enter into this Agreement and to execute it and any Order or other attachments hereto on behalf of such party; (c) The relationship of the parties will always and only be that of independent contractors. No provision of this Agreement will be construed to create a joint venture or partnership between the parties; (d) This Agreement (including all Attachments, Exhibits, and/or Orders executed by the parties) constitutes the entire agreement, and supersedes all prior negotiations, understandings or agreements (oral or written), between the parties concerning its subject matter; (e) The failure of either party to enforce its rights under this Agreement at any time for any period will not be construed as a waiver of such rights. No change, modification or waiver to this Agreement will be effective unless in writing and signed by both parties; (f) Franchisee may not (and shall cause each Franchisee’s Affiliate to not) assign this Agreement or any Order without the prior written consent of Panera and any attempted assignment in violation of the foregoing will be null and void. This Agreement is fully transferable and assignable by Panera, whether by operation of law or otherwise (without notice to Franchisee, or approval by Franchisee), and shall inure to the benefit of any transferee or other legal successor to Panera’s interest herein; (g) Headings are for convenience of reference only and will in no way affect interpretation of the Agreement; (h) All notices will be in writing, addressed to the party at its address set forth in this Agreement (or other address provided by notice) and sent by certified or registered mail, return receipt requested, overnight courier with receipted delivery, or other means providing proof of delivery. All notices will be addressed to the party to be notified at its most current principal business address of which the notifying party has been notified in writing. All notices to us must include a copy to our General Counsel and our Chief Franchise Officer to be effective; (i) Except as otherwise noted in this Agreement, every part of this Agreement shall be considered severable. If for any reason any part of this Agreement is held to be invalid, that determination shall not impair the other parts of this Agreement. If any provision of this Agreement or any specification, standard or operating procedure prescribed by us is invalid or unenforceable under applicable law, we have the right, in our sole discretion, to modify such invalid or unenforceable provision, specification, standard or operating procedure to the extent required to make it valid and enforceable. Any term or provision of this Agreement or any application thereof which may be invalid or unenforceable shall be ineffective only to the extent of such prohibitions or unenforceability without affecting the remainder of this Agreement or any other application of such term or provision; (j) You shall use the Offerings in full compliance with all applicable laws, ordinances and regulations, including any law, ordinance or regulation relating to terrorist activities. You must notify us in writing immediately upon the commencement of any legal or administrative action, or the issuance of an order of any court, agency or other governmental instrumentality applicable to the Offerings; (k) Franchisee and Panera agree that the electronic signatures of any party to this Agreement shall have the same force and effect as manual signatures and such electronic signature shall not be

denied legal effect or enforceability solely because it is in electronic form or an electronic record was used in its formation. The parties agree that the electronic signatures of either party are intended to: (i) authenticate the signature, (ii) represent the party's intent to sign, and (iii) constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Each party agrees not to contest the admissibility or enforceability of either party's electronic signatures; (l) You acknowledge and agree that Panera has the right to profit from the payment of the Fees under this Agreement and/or any Order and that Panera and/or its affiliates may, in fact, profit from your payment of such Fees; (m) No hardware or software of any kind may be utilized in connection with any Offering which does not meet industry standards and any other criteria identified by Panera from time to time and agreed to in writing by Panera; (n) This Agreement has been negotiated by the respective parties hereto and their attorneys and the language hereof shall not be construed for or against any party.

THIS CONTRACT CONTAINS A BINDING ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES.

EACH PARTY ACKNOWLEDGES THAT IT HAS READ THIS AGREEMENT, UNDERSTANDS IT AND AGREES TO BE BOUND BY ITS TERMS AND CONDITIONS.

PANERA, LLC	Franchisee Entity Name
By: _____ Name (print): _____ Title: _____ Date: _____	By: _____ Name (print): _____ Title: _____ Date: _____
	Address:

EXHIBIT A – PANERA’S ONLINE CATALOG

[Link to be provided] contains all Order information including a list of Offerings, Third Party Terms and other relevant information regarding Offerings.

FDD Exhibit F**PANERA POLICY MANUAL TABLE OF CONTENTS****Learning Programs**

Team Member Onboarding

New Hire Leader's Guide	8 pages
Welcome Handout	4 pages

Team Member Training Plans

Position	12 pages
Tasks	8 pages

Team Lead

Team Lead role description	2 pages
Managers Guide	8 pages
Team Lead Workbook	13 pages
Team Lead Skill Builder Workbook	28 pages
Team Lead Skill Builder Leader's Guide	64 pages

Catering Lead

Catering Training Plan	3 pages
------------------------	---------

Certified Manager Program

CMP Overview	1 page
TGM Guidebook	29 pages
Orientation (internal promote)	4 pages
Team Member Workbook	49 pages
Cafe Transition Workbook	34 pages
Transition Meeting LG	3 pages
Certification LG	2 pages
Manager Essentials LG	310 pages
Manager Essentials PG	126 pages
Online Manager Essentials LG	60 pages
Online Manager Essentials PG	20 pages

Cafe Specialist Program

Production Specialist Routine	1 page
Production delegation sheet	2 pages
Production activity worksheets	25 pages
Service Specialist Routine	1 page
Service delegation sheet	3 pages
Service activity worksheets	27 pages
People Specialist Routine	1 page
People delegation sheet	2 pages
People activity worksheets	24 pages

GM Basics – Becoming a #1 Leader

GM Basics LG	152 pages
GM Basics PG	76 pages

Online Ops Manual

(Updated throughout the year to reflect seasonal menu changes)

Welcome	Bakery Manual 2 TOC – Sweets
Latest Updates – (date)	Reference
Calendar of Updates	Posters and Charts
Using the Manual	Artisan Breads
Retail Operations	Specialty Breads
Biannual Facility Analysis	Sourdough Breads
Annual Business Dynamics	Artisan Pastries
Learning Tools List	Bagels
Celebration	Brownies
Great Service Standards	Cookies
Bakery	Muffins and Muffies
Barista and Drinks	Scones
Breakfast	Sweet Dough
Cafe	Quality Control Guides
Cashier	Posters and Charts
Dining Room and Back of House	Quality Assurance
Drive Thru	Food Safety
Day-End Dough-Nation	Allergens
Prep	Emergency Procedures
Rapid Pick Up (RPU)	Production Information
Equipment	Food Safety Audit Program
Reference and Videos	Cleaning and Sanitation
Management Topics	Pest Control
Baking	QA Hotline
Baker Education and Training	Nutritionals
Equipment Basics	Safety and Security
Fresh Dough	Catering
Move the Bake	Rollouts
Bakery Manual 1 TOC – Fresh Dough	Sustainability

EXHIBIT G

LIST OF STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS

STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for the franchising disclosure/registration laws. We may not yet be registered to sell franchises in any or all of these states.

If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of the franchise laws. There may be states in addition to those listed below in which we have appointed an agent for service of process.

There also may be additional agents appointed in some of the states listed.

CALIFORNIA

Commissioner of Department of Financial
Protection & Innovation
Department of Financial Protection & Innovation
Toll Free: 1 (866) 275-2677

Los Angeles

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

Sacramento

2101 Arena Boulevard
Sacramento, California 95834
(866) 275-2677

San Diego

1455 Frazee Road, Suite 315
San Diego, California 92108
(619) 525-4233

San Francisco

One Sansome Street, Suite 600
San Francisco, California 94105-2980
(415) 972-8559

HAWAII

(for service of process)

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

(for other matters)

Commissioner of Securities
Department of Commerce
and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 205
Honolulu, Hawaii 96813
(808) 586-2722

ILLINOIS

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

INDIANA

(for service of process)

Indiana Secretary of State
201 State House
200 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6531

(state agency)

Indiana Secretary of State
Securities Division
Room E-111
302 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6681

MARYLAND

(for service of process)

Maryland Securities Commissioner
at the Office of Attorney General-
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

(state agency)

Office of the Attorney General-
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

MICHIGAN

Michigan Attorney General's Office
Consumer Protection Division
Attn: Franchise Section
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, Michigan 48933
(517) 335-7567

MINNESOTA

Commissioner of Commerce
Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101
(651) 539-1500

NEW YORK

(for service of process)

Attention: New York Secretary of State
New York Department of State
One Commerce Plaza,
99 Washington Avenue, 6th Floor
Albany, New York 12231-0001
(518) 473-2492

(Administrator)

NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, New York 10005
(212) 416-8236 (Phone)

NORTH DAKOTA

(for service of process)

Securities Commissioner
North Dakota Securities Department
600 East Boulevard Avenue, Suite 414
Bismarck, North Dakota 58505
(701) 328-4712

(state agency)

North Dakota Securities Department
600 East Boulevard Avenue, Suite 414
Bismarck, North Dakota 58505
(701) 328-2910

OREGON

Oregon Division of Financial Regulation
350 Winter Street NE, Suite 410
Salem, Oregon 97301
(503) 378-4140

RHODE ISLAND

Securities Division
Department of Business Regulations
1511 Pontiac Avenue
John O. Pastore Complex-Building 69-1
Cranston, Rhode Island 02920
(401) 462-9500

SOUTH DAKOTA

Division of Insurance
Securities Regulation
124 S. Euclid, Suite 104
Pierre, South Dakota 57501
(605) 773-3563

VIRGINIA

(for service of process)

Clerk, State Corporation Commission
1300 East Main Street
First Floor
Richmond, Virginia 23219
(804) 371-9733

(for other matters)

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

WASHINGTON

(for service of process)

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

(for other matters)

Department of Financial Institutions
Securities Division
P. O. Box 9033
Olympia, Washington 98501-9033
(360) 902-8760

WISCONSIN

(for service of process)

Administrator, Division of Securities
Department of Financial Institutions
4822 Madison Yards Way, North Tower
Madison, Wisconsin 53705
(608) 266-2139

(state administrator)

Division of Securities
Department of Financial Institutions
4822 Madison Yards Way, North Tower
Madison, Wisconsin 53705
(608) 266-9555

EXHIBIT H-1
LIST OF CURRENT FRANCHISEES AND FRANCHISE LOCATIONS
total Bakery-Cafes as of December 31, 2024

ALABAMA**Mobile Market****Franchisee:**

Southern Bread LLC
 1855 South Ingram Mill Road, Springfield, MO 65804 (417) 887-7677

Franchised Units:

9 Du Rhu Drive, Suite 201, Mobile, AL 36608 (251) 342-5101 750 Schillinger Road South, Mobile, AL 36695 (251) 634-9604

Franchisee:

Aramark Food And Support Services Group, Inc.
 1101 Market Street, Philadelphia, PA 19107 (800) 272-6275

Franchised Units:

Auburn University
 231 Mell St, Auburn, AL 36849 (334) 844-9272

ARIZONA**Tucson Market****Franchisee:**

PAFS Bread LLC
 1225 North Gilbert Road, Mesa, AZ 85203 (480) 329-0149

Franchised Units:

6033 South Sossaman Road, Mesa, AZ (480) 774-6330 3400 E Sky Harbor Blvd., Terminal 3, Phoenix, AZ 85034 (623) 289-6213
 10604 Oracle Rd, Oro Valley, AZ 85737 (520) 297-1026 6129 E. Broadway Blvd., Tucson, AZ 85711 (520) 514-9470
 3800 E. Sky Harbor Blvd, Ste 2F-F51, Phoenix, AZ 85034 (602) 759-8840 4362 North Oracle Rd, Tucson, AZ 85719 (520) 888-0940

Franchisee:

Manna Development Group, LLC
 2211 Encinitas Blvd, Suite 100, Encinitas, CA 92024 (760) 944-1070

Franchised Units

1537 South 4th Avenue, Yuma, AZ 85364 (928) 247-6551

Franchisee:

Sodexo Operations, LLC
 915 Meeting Street, 15th Floor, North Bethesda, MD 20852 (301) 987-4000

Franchised Units

Grand Canyon University
 5313 North 29th Avenue, Phoenix, AZ 85017 (480) 215-5734

CALIFORNIA**Central Los Angeles Market****Franchisee:**

Manna I.A., LLC
 2211 Encinitas Blvd, Suite 100, Encinitas, CA 92024 (760) 944-1070

Franchised Units:

10990 Jefferson Blvd., Culver City, CA 90230 (310) 390-3763 3711 Sports Arena Blvd, San Diego, CA 92110 (619) 430-4084
 1511 Hawthorne Blvd., Redondo Beach, CA 90278 (310) 793-4129 1841 West 190th Street, Torrance, CA 90504 (310) 878-9372

West Los Angeles Market**Franchisee:**

Risen Bread, LLC
 2211 Encinitas Blvd, Suite 100, Encinitas, CA 92024 (760) 944-1070

Franchised Units:

16624 Ventura Blvd., Encino, CA 91436 (818) 464-9906 24133 Baywood Lane, Santa Clarita, CA 91350 (661) 287-3900
 300 N. Brand Blvd, Glendale, CA 91203 (818) 265-7780 19185 Golden Valley Rd, Santa Clarita, CA 91387 (661) 298-3333
 16836 W. Devonshire Street, Granada Hills, CA 91344 (818) 900-0646 12131 Ventura Blvd, Studio City, CA 91604 (818) 762-2226
 43458 10th St West, #101, Lancaster, CA 93534 (661) 974-8366 5784 Lindero Canyon Road, Westlake Village, CA 91362 (818) 991-3100
 19662 Nordhoff St., Northridge, CA 91324 (818) 407-9400 6344 Topanga Canyon Rd, #1090, Woodland Hills, CA 91303 (818) 992-7643
 39403 10th Street West, Palmdale, CA 93551 (661) 274-0300

North Orange County Market**Franchisee:**

Pride Bakeries, LLC
 11020 North Tatum Blvd., # 103, Phoenix, AZ 85028 (602) 569-6100

Franchised Units:

1480 S. Harbor Boulevard, Anaheim, CA 92802 (714) 533-2900 1028 S Harbor Blvd, Fullerton, CA 92832 (714) 525-5028
 1750 S. State College Blvd, Anaheim, CA 92806 (657) 223-2835 19461 Main Street, Huntington Beach, CA 92648 (714) 845-4313
 423 S. Associated Road, Brea, CA 92821 (714) 706-5200 3941 S. Bristol Street, Santa Ana, CA 92704 (714) 338-1909
 2415 East Chapman Ave., Fullerton, CA 92838 (714) 526-1777 12241 Seal Beach Blvd., Seal Beach, CA 90740 (562) 240-2987

South Orange County Market**Franchisee:**

Our Daily Bread, LLC
 2211 Encinitas Blvd, Suite 100, Encinitas, CA 92024 (760) 944-1070

Franchised Units:

8152 E. Santa Ana Canyon Rd, E Anaheim Hills, CA 92808 (714) 279-9137 1348 Bison Ave., Newport Beach, CA 92260 (949) 721-8800

6372 Irvine Boulevard, Irvine, CA 92620
 23612 Rockfield Blvd., Lake Forest, CA 92630
 25523 Marguerite Pkwy, Suite A2, Mission Viejo, CA 92626

San Diego Market

Franchisee:

Manna Development Group, LLC

2211 Encinitas Blvd, Suite 100, Encinitas, CA 92024

Franchised Units:

Building 20845, Ste 122, Camp Pendleton South, CA 92055
 2501 El Camino Road, Suite #220, Carlsbad, CA 92008
 2521 Palomar Airport Rd, Carlsbad, CA 92011
 20700 Avalon Blvd., Ste 380, Carson, CA 90746
 2015 Birch Rd., Ste. 2800, Chula Vista, CA 91915
 555 Broadway, Ste 127, Chula Vista, CA 91910
 980 Orange Ave., Coronado, CA 92118
 733 Fletcher Parkway, El Cajon, CA 92090
 2321 South 4th Street, El Centro, CA 92243
 2130 East El Segundo Blvd, El Segundo, CA 90245
 1286 A Auto Park Way, Escondido, CA 92029
 5500 Grossmont Ctr. Dr., #145, La Mesa, CA 91942
 5620 Balboa Avenue, San Diego, CA 92117
 225 Broadway, Ste 160, San Diego, CA 92101

San Jose Market

Franchisee:

Pangenera, LLC

1530 The Alameda, #300, San Jose, CA 95126

Franchised Units:

501 East Hamilton Avenue, Campbell, CA 95008
 20807 Stevens Creek Blvd, Cupertino, CA 95014
 307 Gellert Boulevard, Daly City, CA 94015
 1297 Chess Drive, Space D, Foster City, CA 94404
 6865 Camino Arroyo, Gilroy, CA 95020
 15200 Los Gatos Blvd., Los Gatos, CA 95032
 320 Adrian Road, Millbrae, CA 94030
 1035 El Monte Ave, Mountain View, CA 94041

San Francisco and portions of Northern California Markets

Franchisee:

Pan NorCal LLC

225 Bush Street, Suite 1800, San Francisco, CA 94104

Franchised Units:

2845-C Bell Road, Auburn, CA 95603
 1910 E. 20th Street, Suite 150, Chico, CA 95928
 7901 Greenback Lane, Citrus Heights, CA 95610
 609 3rd Street, Davis, CA 95616
 8519 Bond Road, Elk Grove, CA 95624
 1630 Gateway Boulevard Suite F, Fairfield, CA 94533
 380 Palladio Parkway, Suite 301, Folsom, CA 95630
 1725 Trancas Street, Suite B, Napa, CA 94558
 132 Vintage Way, Novato, CA 94945
 3289 Zinfandel Drive, Rancho Cordova, CA 95670
 1380 Churn Creek Road, Redding, CA 96003
 5100 Commons Drive, Rocklin, CA 95677

(949) 551-3600
 (949) 380-9910
 (949) 330-2483

(760) 944-1070

(760) 385-2510
 (760) 720-0302
 (760) 268-0566
 (310) 436-1545
 (619) 421-2000
 (619) 585-8400
 (619) 437-4288
 (619) 387-7898
 (760) 332-6499
 (424) 217-1474
 (760) 743-9300
 (619) 464-4400
 (858) 810-0368
 (619) 544-7403

(650) 619-5600

(408) 370-7840
 (408) 996-9131
 (650) 757-1064
 (650) 350-1106
 (408) 846-7430
 (408) 353-2142
 (650) 692-3100
 (650) 968-2066

2214 North Tustin Street, Orange, CA 92865
 30642 Santa Margarita Pkwy, Rancho Santa Margarita, CA
 101 Avenida Vista Hermosa, San Clemente, CA 92672

1640 Camino Del Rio N, Ste 1222, San Diego, CA 92108
 12156 Carmel Mountain Blvd., San Diego, CA 92128
 9025 Clairemont Mesa Blvd, San Diego, CA 92123
 10450 Craftsman Way, San Diego, CA 92127
 750 Dennerly Road, San Diego, CA 92154
 13450 Highland Place, San Diego, CA 92130
 10751 Westview Pkwy, Ste. C1, San Diego, CA 92126
 800 W San Marcos Blvd, San Marcos, CA 92078
 9955 Mission Gorge Rd, Santee, CA 92071
 633 San Randolph Drive, Solano Beach, CA 92075
 455 Hacienda Drive, Vista, CA 92081
 8647 South Sepulveda Blvd., Westchester, CA 90045
 2733-A Pacific Coast Highway, Torrance, CA 90505

5110 Cherry Avenue, Unit 10, San Jose, CA 95118
 503-10 Coleman Avenue, San Jose, CA 95110
 5720 Cottle Rd, San Jose, CA 95123
 4180 North First St, San Jose, CA 95134
 2199 Monterey Hwy, #80, San Jose, CA 95112
 2002 El Camino Road, Santa Clara, CA 95050
 1195 E Arques Avenue Suite 5, Sunnyvale, CA 94085

(714) 685-0505
 (949) 459-9000
 (949) 498-2387

(619) 317-1155
 (858) 385-9066
 (858) 264-5250
 (858) 451-1500
 (619) 483-4480
 (858) 755-7950
 (858) 530-4000
 (760) 591-0900
 (619) 663-3299
 (858) 481-0050
 (760) 726-5100
 (310) 641-9200
 (310) 517-0324

(408) 267-1290
 (408) 299-0993
 (408) 360-4577
 (408) 943-3193
 (408) 286-1755
 (408) 615-1557
 (408) 736-7984

COLORADO

Colorado Market:

Franchisee:

Manna Colorado, LLC

2211 Encinitas Blvd, Suite 100, Encinitas, CA 92024

Franchised Units:

7739 Wadsworth Boulevard, Arvada, CO 80003
 6408 Yank Way, Suite B, Arvada, CO 80004
 13100 East Colfax Ave, Aurora, CO 80011
 6770 South Cornerstar Way, Aurora, CO 80016
 12293 East Iliff Avenue, Aurora, CO 80014
 23950 E. Smoky Hill Road, Aurora, CO 80016
 1855 29th Street, Boulder, CO 80303
 35 East Allen St, Castle Rock, CO 80109
 7344 N. Academy Blvd, Colorado Springs, CO 80920
 1845 Briargate Pkwy, Colorado Springs, CO 80920
 5985 Dublin Blvd, Suite 100, Colorado Springs, CO 80923
 5230 N. Nevada Ave., Colorado Springs, CO 80918
 3120 New Center Point, Colorado Springs, CO 80922
 1832 Southgate Rd, Colorado Springs, CO 80906
 3545 38th St, Denver, CO 80211
 640 S. Colorado Blvd., Denver, CO 80246
 2466 Colorado Blvd, Denver, CO 80222

(760) 944-1070

(303) 420-7500
 (720) 274-7800
 (303) 731-8300
 (303) 586-9999
 (303) 755-6800
 (720) 616-5900
 (303) 544-1800
 (720) 305-5700
 (719) 522-1100
 (719) 266-9200
 (719) 900-5299
 (719) 219-1200
 (719) 637-3500
 (719) 389-0808
 (303) 802-8600
 (303) 656-4800
 (720) 274-1011

6305 Commerce Blvd., Rohnert Park, CA 94928
 1850 Douglas Boulevard Suite 310, Roseville, CA 95661
 916 Pleasant Grove Blvd., Suite 170, Roseville, CA 95678
 500 Capitol Mall #120, Sacramento, CA 95814
 2731 Del Paso Road Suite 120, Sacramento, CA 95835
 8120 Delta Shores Circle, Sacramento, CA 95832
 3571 North Freeway Blvd., Suite 110, Sacramento, CA 95834
 901 Howe Avenue, Sacramento, CA 95825
 885 Hopper Avenue, Santa Rosa, CA 95403
 1637 E Monte Vista Avenue, Vacaville, CA 95688
 169 Plaza Drive, Vallejo, CA 94591
 1275 Colusa Avenue, Yuba City, CA 95991

3700 South College Ave, Fort Collins, CO 80525
 2721 Council Tree Avenue, Fort Collins, CO 80525
 4533 Centerplace Drive, Greeley, CO 80634
 5910 S. Holly St, Greenwood Village, CO 80111
 4955 S. Ulster St, Greenwood Village, CO 80237
 9579 University Blvd., Highlands Ranch, CO 80126
 14740 West Colfax Ave, Lakewood, CO 80401
 650 South Wadsworth Blvd., Lakewood, CO 80226
 8501 West Bowles Avenue, Littleton, CO 80123
 7301 South Santa Fe Drive, Littleton, CO 80120
 9233 Park Meadows Dr, Lone Tree, CO 80124
 425 Ken Pratt Boulevard, Longmont, CO 80501
 1550 Fall River Dr., #110, Loveland, CO 80538
 36 E. 120th Avenue, Northglenn, CO 80233
 11290 Twenty Mile Drive, Parker, CO 80134
 3702 Riverpoint Pkwy, Unit A, Sheridan, CO 80110
 302 Center Drive, Superior, CO 80027

(970) 204-4500
 (970) 530-1020
 (970) 475-7100
 (720) 482-1455
 (303) 741-3770
 (720) 348-1112
 (303) 974-6500
 (720) 214-4600
 (303) 978-0200
 (303) 795-2121
 (720) 875-0500
 (303) 702-1000
 (970) 622-9000
 (720) 214-3222
 (720) 842-1200
 (303) 761-5501
 (702) 304-7000

4831 N Tower Road, Denver, CO 80249	(303) 242-8156	14415 Delaware Street, Westminster, CO 80023	(720) 772-2000
3700 Quebec Street, Denver, CO 80207	(303) 398-5200	10435 N. Reed Street, Westminster, CO 80021	(303) 438-9700
257 Dillon Ridge Road, Dillon, CO 80435	(970) 368-4830	2440 Dell Range Blvd., Cheyenne, WY 82009	(307) 274-3544

CONNECTICUT**Franchisee:**

Applegreen USA Travel Plazas LLC
208 Harristown Road, Glen Rock, NJ 07452

Franchised Units:

I-95 Northbound Service Plaza Between exits 12 & 13,
Darien, CT 06820 (203) 945-9617

DISTRICT OF COLUMBIA**Franchisee:**

Compass Group, USA, Inc
2400 Yorkmont Road, Charlotte, NC 28217 (704) 328-4000

Franchised Units:

American University
4400 Massachusetts Avenue Northwest
Washington, DC 20016 (202) 885-3184

FLORIDA**Orlando Market****Franchisee:**

The Covelli Family Limited Partnership
3900 East Market Street, Warren, OH 44484 (330) 856-3176

Franchised Units:

696 E Altamonte Drive, Altamonte Springs, FL 32701	(407) 332-7600	4060 Conroy Road, Orlando, FL 32839	(407) 248-0811
200 S. State Rd 434, Altamonte Springs, FL 32714	(407) 831-3741	10739 International Dr, Orlando, FL 32821	(407) 985-3390
1538 West Orange Blossom Trail, Apopka, FL 32712	(407) 814-3942	9607 Lake Nona Village Place, Orlando, FL 32827	(407) 674-6973
51 Celebration Place, Celebration, FL 34747	(321) 939-1226	2415 N Orange Ave, Orlando, FL 32804	(407) 745-4644
2260 East Highway 50, Clermont, FL 34711	(352) 243-4290	3138 S. Orange Avenue, Orlando, FL 32806	(407) 481-9880
3443 SW Archer Road, Gainesville, FL 32608	(352) 380-0380	12648 S. Orange Blossom Trail, Orlando, FL 32837	(407) 480-4650
8120 Irlo Bronson Memorial Hwy, Kissimmee, FL 34747	(407) 778-4820	7826 West Sandlake Rd., Ste. 104, Orlando, FL 32819	(407) 226-6992
1483 East Osceola Pkwy, Kissimmee, FL 34744	(407) 279-5436	6424 Semoran Boulevard, Orlando, FL 32822	(407) 203-2984
2705 West Osceola Pkwy., Kissimmee, FL 34741	(407) 483-1096	11472 University Boulevard, Orlando, FL 32817	(407) 273-4411
1181 Main Street, Lady Lake, FL 32159	(352) 750-3909	205 West Mitchell Hammock Rd, Oviedo, FL 32765	(407) 706-6480
864 South Sun Drive, Lake Mary, FL 32746	(407) 936-3270	1457 W.P. Ball Boulevard, Sanford, FL 32772	(407) 302-5553
17325 US Highway 441, Mt. Dora, FL 32757	(352) 483-0229	6537 Old Brick Road, Windermere, FL 34786	(407) 217-2915
2370 SW College Road, Ocala, FL 34474	(352) 732-0099	3131 Daniels Road, Winter Garden, FL 34787	(407) 287-7890
473 N. Alafaya Trail, Ste Y1&2, Orlando, FL 32828	(407) 737-3011	2516 Aloma Avenue, Winter Park, FL 32792	(321) 304-3940
4700 S Apopka Vineland Rd, Orlando, FL 34747	(407) 217-6916	329 N. Park Ave. Winter Park, FL 32789	(407) 645-3939
3463 East Colonial Drive, Orlando, FL 32803	(407) 228-2874		

Franchisee:

Panaderias, LLC
7695 SW 104th Street, Suite 100, Pinecrest, FL 33516 (305) 663-1750

Franchised Units:

2400 International Speedway, Daytona Beach, FL 32124	(386) 898-0340	1781 Dunlawton Avenue, Port Orange, FL 32127	(386) 898-0463
275 Eau Gallie Blvd. E, Indian Harbour Beach, FL 32937	(321) 872-0000	1707 NW St. Lucie Blvd, Port St. Lucie, FL 34986	(772) 237-8088
2290 Town Center Ave., #101, Melbourne, FL 32940	(321) 504-7251	10950 SW Village Parkway, Port St. Lucie, FL 34987	(772) 345-8090
4100 N. Wickham Road, Ste. 104, Melbourne, FL 32935	(321) 259-2055	2750 NW Federal Highway, Stuart, FL 34994	(772) 692-9235
2709 State Road 44, New Smyrna Beach, FL 32168	(386) 957-5251	3500 SE Federal Highway, Stuart, FL 34997	(772) 678-7480
1310 W. Granada Boulevard, Ormond Beach, FL 32174	(386) 671-1773	5810 20th Street, Vero Beach, FL	(772) 925-1234
2894 Town Center Way, Palm City, FL 34990	(772) 403-2080	2001 Indian River Blvd., Vero Beach, FL 32960	(772) 794-0188
5880 State Rte 100., Palm Coast, FL 32164	(386) 313-5919	245 Palm Bay Rd, West Melbourne, FL 32904	(321) 215-2500

Palm Beach and Fort Lauderdale Market**Franchisee:**

Flapan LLC
3900 East Market Street, Warren, OH 44484 (330) 856-3176

Franchised Units:

20437 State Road 7, Boca Raton, FL 33498	(561) 487-9882	6671 W. Indiantown Rd, Jupiter, FL 33458	(561) 427-6656
222 Yamato Blvd., Boca Raton, FL 33431	(561) 997-2515	6300 Lantana Road, Lake Worth, FL 33463	(561) 337-3370
8784 Boynton Beach Blvd, Boynton Beach, FL 33437	(561) 244-7180	2955 SW 160th Avenue, Miramar, FL 33027	(954) 441-9950
701 N Congress Ave, Boynton Beach, FL 33436	(561) 735-8585	5310 Donald Ross Road, Palm Beach Gardens, FL 33418	(561) 508-6983
548 E Woolbright Rd., Boynton Beach, FL 33435	(561) 424-3071	3186 Northlake Blvd, Palm Beach Gardens, FL 33403	(561) 845-7747
4328 N State Road 7, Coral Springs, FL 33067	(954) 840-1704	4540 PGA Blvd, Palm Beach Gardens, FL 33418	(561) 775-3705
2015 N University Drive, Coral Springs, FL 33071	(954) 757-9870	11025 Pines Blvd, Pembroke Pines, FL 33026	(954) 432-8622
2699 South University Dr, Davie, FL 33328	(954) 615-1453	10001 Cleary Boulevard, Plantation, FL 33324	(954) 641-5229
779 South Federal Highway, Deerfield Beach, FL 33441	(954) 246-5788	11131 Southern Blvd., Royal Palm Beach, FL 33411	(561) 204-3012
3720 W Hillsboro Blvd, Deerfield Beach, FL 33442	(954) 246-5260	13815 W. Sunrise Blvd, Sunrise, FL 33323	(954) 851-9777
7655 Atlantic Avenue, Suite 101, Delray Beach, FL 33446	(561) 270-6186	10540 Forest Hills Blvd, Wellington, FL 33414	(561) 333-1330
1461 SE 17th Street, Ft. Lauderdale, FL 33316	(954) 640-9265	7771 Village Blvd, West Palm Beach, FL 33409	(561) 689-9200

5975 North Federal Hwy. Ft. Lauderdale, FL 33308	(954) 640-9140	4547 Weston Road, Weston, FL 33331	(954) 358-1560
4931 Sheridan Street, Hollywood, FL 33021	(954) 367-2301		
Tampa Market			
Franchisee:			
The Covelli Family Limited Partnership			
3900 East Market Street, Warren, OH 44484	(330) 856-3176		
Franchised Units:			
11135 Causeway Blvd, Brandon, FL 33511	(813) 653-3837	1908 4th Street North, St. Petersburg, FL 33704	(727) 895-5441
2679 Gulf To Bay Dr., Ste. 530, Clearwater, FL 33759	(727) 723-9495	2420 66th Street North, St. Petersburg, FL 33710	(727) 344-7825
2532 State Road 580, Clearwater, FL 33761	(727) 210-0620	11878 Bruce B. Downs, Tampa, FL 33612	(813) 866-9333
2285 Ulmerton Road, Clearwater, FL 33762	(727) 592-9690	13256 N Dale Mabry Hwy., Tampa, FL 33618	(813) 908-8070
6017 W Newberry Road, Gainesville, FL 32605	(352) 226-8789	18011 Highwoods Preservation Pky, Tampa, FL 33647	(813) 979-6981
10801 Starkey Road, Ste. 16, Largo, FL 33777	(727) 320-8830	701 S Howard Ave., Ste. 104, Tampa, FL 33606	(813) 253-5888
2929 West Bay Drive, Largo, FL 33770	(727) 518-8900	3410 W Martin Luther King Blvd., Tampa, FL 33607	(813) 443-4909
4414 SW College Rd, Ocala, FL 34474	(352) 509-9123	6001 W. Waters Avenue, Tampa, FL 33634	(813) 609-6919
3181 Curlew Tampa Road, Oldsmar, FL 34677	(813) 849-6153	112 Westshore Blvd., Tampa, FL 33609	(813) 286-7119
7380 US Hwy 19 N, Pinellas Park, FL 33781	(727) 209-2627	40968-B US Hwy 19 N., Tarpon Springs, FL 34689	(727) 722-9014
2909 James L Redman Pkwy, Plant City, FL 33566	(813) 659-0864	1010 Lake Sumter Landing, The Villages, FL 32162	(352) 750-1545
10631 Big Bend Rd, Riverview, FL 33569	(813) 514-1160	3482 Lithia Pinecrest Road, Valrico, FL 33594	(813) 661-4449
1403 Commercial Way, Spring Hill, FL 34607	(352) 688-0717	28332 Willet Way, Wesley Chapel, FL 33543	(813) 406-4853
Franchisee:			
Aramark Food and Support Services Group, Inc.			
1101 Market Street, Philadelphia, PA 19107	(800) 272-6275		
Franchised Units:			
University of Southern Florida			
4103 Cedar Circle, Tampa, FL 33620	(813) 974-5222		
Franchisee:			
Compass Group USA, Inc.			
2400 Yorkmont Road, Charlotte, NC 2821	(704) 328-4000		
Franchised Units:			
Florida International University			
11200 SW 8th St, Miami, FL 33174	(786) 879-3199		

GEORGIA**Portions of northeast Georgia Market****Franchisee:**

BRHPAN II – Georgia, LLC

3309 Collins Lane, Louisville KY 40245

(502) 805-1351

Franchised Units:

3384 Cobb Parkway, Suite 160, Acworth, GA 30101
 6480 North Point Parkway, #1130, Alpharetta, GA 30022
 3151 Atlanta Highway, Athens, GA 30606
 101 North Lumpkin Street, Athens, GA 30601
 1545 N Decatur Road, Atlanta, GA 30307
 2311 N Druid Hills Rd NE, Atlanta, GA 30329
 2100 Henderson Mill Road, Atlanta, GA 30345
 1080 Peachtree Street NE, Suite 14, Atlanta, GA 30309
 Piedmont Hospital, 1968 Peachtree Road NW, Atlanta, GA 30309
 3714 Roswell Road NE, Atlanta, GA 30342
 1605 East West Connector, Austell, GA 30106
 3235 Woodward Crossing, Suite 400, Buford, GA 30519
 205 W Main St, Canton, GA 30114
 104 Main Street Market Place SE, Cartersville, GA 30121
 1655 GA-138, Conyers, GA 30013
 500 Lakeland Plaza, Cumming, GA 30040
 321 Power Center Drive, Dawsonville, GA 30534
 2868 Chapel Hill Road, Douglasville, GA 30135

(770) 974-1869
 (678) 393-2647
 (706) 546-6812
 (706) 247-8042
 (404) 373-4240
 (404) 982-7270
 (770) 414-4664
 (404) 817-0415
 (678) 666-2461
 (404) 869-0581
 (770) 702-6888
 (678) 288-0173
 (770) 720-1565
 (678) 535-5012
 (678) 210-2800
 (678) 845-7390
 (706) 216-3996
 (678) 981-3989

11715 Medlock Bridge Road, Duluth, GA 30097
 5958 State Bridge Road, Duluth, GA 30097
 6575 Sugarloaf Parkway, Duluth, GA 30097
 1625 Mt. Vernon Road, Dunwoody, GA 30338
 625 Dawsonville Highway, Gainesville, GA 30501
 11244 Tara Blvd, Suite 100, Hampton, GA 30228
 911 Lawrenceville Suwanee Rd, Lawrenceville, GA 30043
 4875 Sugarloaf Parkway, Lawrenceville, GA 30045
 8200 Mall Parkway, Lithonia, GA 30038
 185 Athens Hwy, Loganville, GA 30052
 181 Tom Hill Sr. Blvd, Suite C, Macon, GA 31210
 1430 Terrell Mill Road, Marietta, GA 30067
 5304 Windward Parkway, Suite A-109, Milton, GA 30004
 1223 W Spring Street, Monroe, GA 30655
 3280 Holcomb Bridge NW, Suite B, Norcross, GA 30092
 3625 Spring Hill Parkway SE, Smyrna, GA 30080
 1905 Scenic Highway, Suite 100, Snellville, GA 30078
 2971 Watson Blvd, Suite 200, Warner Robins, GA 31093

(770) 418-9329
 (770) 476-5607
 (770) 622-8914
 (770) 668-0076
 (770) 535-6601
 (678) 263-3294
 (770) 277-8187
 (770) 510-7720
 (770) 484-6210
 (770) 510-5173
 (478) 474-5451
 (770) 799-0974
 (678) 319-4731
 (770) 266-6163
 (770) 248-1066
 (770) 319-9010
 (770) 982-3055
 (478) 953-2972

NW Atlanta and portions of NW Georgia Market**Franchisee:**

BRHPAN II – Georgia, LLC

3309 Collins Lane, Louisville KY 40245

(502) 805-1351

Franchised Units:

104 Ellis Road, Fayetteville, GA 30214
 600 Chastain Rd, Ste 214, Kennesaw, GA 30144
 954 Ernest Barrett Pkwy, Kennesaw, GA 30144
 732 Cherokee St, Marietta, GA 30060
 3625 Dallas Highway, Marietta, GA 30064
 4475 Roswell Road, Ste. 1530, Marietta, GA 30062
 1446 Highway 20 West, McDonough, GA 30253

(770) 716-5788
 (678) 542-0242
 (770) 799-2750
 (770) 919-1220
 (678) 290-8784
 (770) 565-5338
 (770) 914-7404

379 Bullsboro Drive, Newman, GA 30263
 1263 N. Peachtree Pkwy, Peachtree City, GA 30269
 1205 SR 74, Peachtree City, GA 30269
 14 River Bend Drive, Ste. 110, Rome, GA 30161
 1195 Woodstock Road, Roswell, GA 30075
 2265 Towne Lake Parkway, Woodstock, GA 30189

(770) 254-2555
 (678) 561-9906
 (678) 364-9649
 (706) 378-4185
 (770) 643-9570
 (678) 813-4809

ILLINOIS**Chicago Market****Franchisee:**

Chicago Bread, L.L.C.

1855 S. Ingram Mill Rd, # 100 Springfield, MO 65804

(417) 887-7677

Franchised Units:

451 South Randall Road, Algonquin, IL 60102	(847) 458-5901	305 South Waukegan Road, Lake Bluff, IL 60044	(847) 604-8451
5 West Rand Road, Arlington Heights, IL 60004	(847) 255-8533	430 S. Rand Rd., Unit 160, Lake Zurich, IL 60047	(224) 662-2100
2987 Kirk Road, Aurora, IL 60502	(630) 947-1096	832 South Milwaukee, Libertyville, IL 60048	(847) 362-9840
1330 Orchard Trail, Aurora, IL 60506	(630) 907-9535	16477 W 159th St, Lockport, IL 60441	(815) 714-6260
855 E Boughton Rd, Bolingbrook, IL 60440	(630) 739-1500	1850 North Richmond Road, McHenry, IL 60050	(815) 385-2991
1549 Deerfield Parkway, Buffalo Grove, IL 60089	(847) 229-8062	1575 South Lake Street, Mundelein, IL 60060	(224) 778-7800
101 S Western Avenue, Carpentersville, IL 60110	(847) 649-5180	2775 Showplace Dr., Ste 123, Naperville, IL 60540	(630) 428-2121
6000 Northwest Hwy., #56A, Crystal Lake, IL 60014	(815) 444-8875	1450 Douglas Road, Oswego, IL 60543	(630) 554-7996
385 Lake Cook Road, Deerfield, IL 60015	(847) 236-1123	1603 N. Rand Road, Palatine, IL 60074	(847) 398-8023
2476 Sycamore Road, DeKalb, IL 60115	(815) 748-2135	12632 S Rte 59, Plainfield, IL 60544	(815) 254-0022
2484 North Randall Road, Elgin, IL 60123	(847) 426-7000	254 East Rollins Road, Round Lake Beach, IL 60073	(847) 270-9683
11069 West Lincoln Highway, Frankfort, IL 60423	(815) 806-9500	100 W. Higgins Rd, South Barrington, IL 60010	(847) 783-0209
1690 South Randall Road, Geneva, IL 60134	(630) 262-9800	369 Randall Road, South Elgin, IL 60177	(847) 841-1925
2512 Waukegan Road, Glenview, IL 60025	(847) 724-9999	300 East 162nd Street, South Holland, IL 60473	(708) 713-3764
6440 Grand Ave, Gurnee, IL 60031	(847) 856-1549	2871 East Main, Saint Charles, IL 60174	(630) 513-1044
12032 Route 47, Huntley, IL 60142	(847) 961-4104	7212 West 191st Street, Tinley Park, IL 60487	(815) 806-6470
3340 Mall Loop Drive, #1086, Joliet, IL 60431	(815) 600-8985	925 Country Club Road, Woodstock, IL 60098	(815) 337-7440
2360 South Route 59, Joliet, IL 60544	(815) 609-3807	1206 North Bridge Street, Yorkville, IL 60560	(630) 553-2355
2400 West Jefferson Street, Joliet, IL 60435	(779) 230-4013		

INDIANA**Franchisee:**

Aramark Food and Support Services Group, Inc.

1101 Market Street, Philadelphia, PA 19107

(800) 272-6275

Franchised Units:

Purdue University

201 N. Martin Jischke Dr., West Lafayette, IN 47906

(765) 337-8269

IOWA**Quad Cities, Iowa Markets****Franchisee:**

SLB of Iowa, L.C.

1241 Park Place NE, Suite C, Cedar Rapids, IA 52402

(319) 365-9093

Franchised Units:

309 South Duff Avenue, Ames, IA 50010	(515) 956-4580	414 West Kimberly Road, Davenport, IA 52806	(563) 823-3700
1800 N. Ankeny Boulevard, Ankeny, IA 50023	(515) 963-5090	4519 Des Fleur Drive, Des Moines, IA 50321	(515) 309-1890
2310 SE Delaware Avenue, Ankeny, IA 50021	(515) 963-3373	3423 Kennedy Circle, Dubuque, IA 52002	(563) 690-1720
1300 N. Roosevelt Ave., Ste 110, Burlington, IA 52601	(319) 753-3989	1646 Sycamore Street, Iowa City, IA 52240	(319) 248-0007
6403 University Avenue, Cedar Falls, IA 50613	(319) 553-0250	5525 Merle Hay Road, #195, Johnston, IA 50021	(515) 251-7733
5010 Council Street, Cedar Rapids, IA 52402	(319) 393-2100	2839 86th Street, Urbandale, IA 50322	(515) 253-9223
2665 Edgewood Pkwy. SW, Cedar Rapids, IA 52404	(319) 654-9452	1818 La Porte Road, Waterloo, IA 50701	(319) 433-3003
213 1st Avenue, Coralville, IA 52241	(319) 248-8000	101 Jordan Creek Pkwy, Ste W. Des Moines, IA 50266	(515) 221-0060
1451 Coral Ridge Road, Coralville, IA 52241	(319) 341-9252	6740 University Avenue, West Des Moines, IA 50266	(515) 440-1523
3410 Elmore Avenue, Davenport, IA 52807	(563) 344-4909	4044 38th Avenue, Moline, IL 61265	(309) 736-9260

KANSAS**State of Kansas and Kansas City, Missouri Markets****Franchisee:**

Pan Kansas LLC

225 Bush Street, Suite 1800, San Francisco, CA 94104

(415) 835-9700

Franchised Units:

1500 North Rock Road, Derby, KS 67037	(316) 788-1945	3333 East Central, Wichita, KS 67214	(316) 683-2100
1181 Village W Pkwy., Ste G-125, Kansas City, KS 66111	(913) 334-3800	2684 North Greenwich Court, Wichita, KS 67226	(316) 320-2170
520 West 23rd Street, Lawrence, KS 66047	(785) 331-2700	2901 North Maize Road, Wichita, KS 67205	(316) 369-4190
11751 Nall Avenue, Leawood, KS 66209	(913) 327-1800	420 South Ridge Road, Wichita, KS 67209	(316) 247-7833
16301 W. 87thSt, Lenexa, KS 66219	(913) 227-0700	1605 North Rock Road, Wichita, KS 67206	(316) 636-1136
315 Southwind Place, Manhattan, KS 66502	(785) 539-7500	1211 E North Ave, Belton, MO 64012	(816) 318-9632
7070 Martway, Mission, KS 66202	(913) 722-0900	605 NE Coronado Dr, Blue Springs, MO 64014	(816) 220-3034
15108 West 119th Street, Olathe, KS 66062	(913) 782-4300	18800 East 40 Highway, Independence, MO 64055	(816) 795-9800
20120 West 153rd Street, Olathe, KS 66062	(913) 397-8383	6286 NW Barry Road, Kansas City, MO 64154	(816) 708-1195
8803 West 75th Street, Overland Park, KS 66204	(913) 381-8111	8580 North Church Rd., Kansas City, MO 64157	(816) 792-1991
6800 West 135th St., Overland Park, KS 66223	(913) 239-8300	311 NE Douglas, Lee's Summit, MO 64154	(816) 453-2770
7871 West 159th Street, Overland Park, KS 66085	(913) 336-1755	2405 Grand Boulevard, Kansas City, MO 64108	(816) 221-3800
11401 College Blvd, Overland Park, KS 66210	(913) 327-5418	4700 Pennsylvania Avenue, Kansas City, MO 64112	(816) 931-8181
11022 Metcalf Road, Overland Park, KS 66212	(913) 345-8790	10229 Stateline Road, Kansas City, MO 64114	(816) 942-3648
8300 Mission Road, Prairie Village, KS 66206	(913) 381-8885	1410 NE Douglas, Lee's Summit, MO 64063	(816) 524-4500
2375 South 9th Street, Ste A, Salina, KS 67401	(785) 493-8190	3171 West Broadway, Sedalia, MO 65301	(660) 827-7254
10606 Shawnee Mission Pkwy, Shawnee Mission, KS 66203	(913) 962-8080	1209 North Belt Hwy, St. Joseph, MO 64506	(816) 364-3030
1421 South Wanamaker, Topeka, KS 66604	(785) 272-2100	1686 NW Chipman, Summit Woods, MO 64081	(816) 246-0021

KENTUCKY**Franchisee:**

Army & Air Force Exchange Services
3911 S. Walton Walker Blvd, Dallas, TX 75236 (214) 312-2011

Franchised Units:

Fort Campbell Army Base
2840 Bastogne Avenue, Ft Campbell, KY 42223 (270) 640-7073

LOUISIANA**Southern Louisiana****Franchisee:**

Southern Bread LLC
1855 South Ingram Mill Road, Springfield, MO 65804 (417) 887-7677

Franchised Units:

Our Lady of the Lake Hospital			
5000 Hennessey Drive, Baton Rouge, LA 70808	(225) 256-4775	2622 Johnston Street, Lafayette, LA 70503	(337) 806-9617
7877 Jefferson Highway, Baton Rouge, LA 70809	(225) 325-3180	3404 Nelson Road, Lake Charles, LA 70605	(337) 502-4592
3304 Patrick F Taylor Hall, Baton Rouge, LA 70803	(225) 578-8844	4848 Veterans Blvd, Metairie, LA 70006	(504) 293-4760
70411 Highway 21, Covington, LA 70433	(985) 801-0729	309 North Carrollton Ave, New Orleans, LA 70119	(504) 648-2736
2424 Manhattan Blvd, Harvey, LA 70058	(504) 362-5033	70 Town Center Parkway, Slidell, LA 70458	(985) 685-3271

MARYLAND**Maryland Market****Franchisee:**

Lemek, LLC
8184 Lark Brown Road, Elkridge, MD 21075 (443) 552-0700

Franchised Units:

1022 Beards Hill Road, Aberdeen, MD 21001	(410) 272-3980	9412 Livingston Rd, Fort Washington, MD 20744	
3412 Merchant Blvd, Abington, MD 21009	(410) 569-3573	17754 Garland Groh Blvd, Hagerstown, MD 21742	(301) 714-1662
2341 Forest Drive, Annapolis, MD 21401	(410) 573-2804	2849 Jessup Road, Jessup, MD 20794	(240) 294-3196
13521 Connecticut Ave., Aspen Hill, MD 20906	(301) 598-7190	3 Shining Willow Way, LaPlata, MD 20646	(301) 934-8204
3600 Boston Street, Baltimore, MD 21224	(410) 522-2940	10531 E. Martin Luther King Hwy, Lanham, MD 20720	(301) 352-3673
6307 ½ York Road, Baltimore, MD 21212	(410) 433-9174	14806 Baltimore Avenue, Laurel, MD 20707	(301) 490-1331
5 Bel Air South Parkway, Bel Air, MD 21015	(410) 569-6980	3301 Corridor Marketplace, Laurel, MD 20724	(301) 497-2305
10914 Baltimore Avenue, Beltsville, MD 20705	(301) 931-6707	1451 West Nursery Road, Linthicum Heights, MD 21090	(410) 789-3512
7201 Wisconsin Ave, Bethesda, MD 20814	(301) 656-5235	12641-300 Ocean Gateway, Ocean City, MD 21842	(410) 213-2130
3921 Town Center Blvd., Bowie, MD 20716	(301) 352-5165	18141 Town Center Drive, Olney, MD 20832	(301) 774-4304
22903 Old Rolling Way, California, MD 20619	(301) 863-8305	10160 Reisterstown, Suite 10, Owings Mills, MD 21117	(410) 356-5718
6600 Baltimore National Pike, Catonsville, MD 21228	(410) 747-0071	8125 Ritchie Highway, Pasadena, MD 21122	(410) 544-6400
8823 Woodyard Road, Clinton, MD 20735	(301) 868-2851	878 Costly Way, Prince Frederick, MD 20678	(443) 486-4612
110 Shawan Rd, Ste. 108, Cockeysville, MD 21030	(410) 329-1134	1780 E. Jefferson Street, Rockville, MD 20852	(301) 881-5515
6345 Dobbin Road, Columbia, MD 21045	(410) 772-8632	219 East Middle Lane, Rockville, MD 20850	(301) 762-3785
8933 Ocean Gateway, Easton, MD 21601	(410) 763-8230	14921 Shady Grove Rd., Rockville, MD 20850	(301) 545-1874
6300 Georgetown Rd., Eldersburg, MD 21784	(410) 552-4137	8640 Pulaski Highway, Rosedale, MD 21237	(410) 238-0887
1700 Kingfisher Dr., Ste. 13, Frederick, MD 21701	(301) 663-9406	2815 North Salisbury Boulevard, Salisbury, MD 21801	(410) 202-0668
5600 Urbana Pike, Frederick, MD 21703	(301) 662-9700	8541 Georgia Avenue, Silver Spring, MD 20910	(301) 495-0860
8190 Westside Blvd., Fulton, MD 20759	(240) 547-1479	12285 Tech Road, Silver Springs, MD 20904	(301) 680-7940
498 North Fredrick Ave, Gaithersburg, MD 20877	(240) 632-2546	2135 York Road, Timonium, MD 21093	(410) 453-9840
285 Kentlands Blvd, Gathersburg, MD 20878	(301) 926-0510	1238 Putty Hill Road, Towson, MD 21286	(410) 821-9111
1402 South Main Chapel Way, Gambrills, MD 21054	(410) 721-9041	3266 Bennett Creek Ave, Urbana, MD 21704	(240) 436-2130
19965 Century Blvd, Germantown, MD 20874	(301) 515-5777	3070 Technology Place, Waldorf, MD 20603	(301) 374-2760
20680 SenecaMeadowsPkwy, Germantown, MD 20876	(301) 540-3136	200 East Clifton Boulevard, Westminster, MD 21157	(410) 857-0642
6643 Governor Ritchie Hwy, Glen Burnie, MD 21061	(410) 766-6356	5110 Campbell Blvd., White Marsh, MD 21236	(410) 933-0775

Franchisee:

University of Maryland, College Park (Self-Operated)
1150 South Campus Dining Hall 7093 Preinkert Dr, College Park, MD 20740 (301) 314-8044

Franchised Units:

University of Maryland
3972 Campus Drive, College Park, MD 20740 (301) 314-2033

MASSACHUSETTS**North Boston, Western Massachusetts, Southern New Hampshire, and Southern Maine Markets****Franchisee:**

PR Restaurants, L.L.C.
1 Speen Street, #205, Framingham, MA 01701 (781) 444-1121

Franchised Units:

213 Burlington Road, Bedford, MA 01730	(339) 970-3407	50 Boston Turnpike, Shrewsbury, MA 01545	(508) 798-9949
57 Dodge Street, Beverly, MA 01915	(978) 998-6860	1179 East Columbus Avenue, Springfield, MA 01105	(413) 233-4881
B.I.D. Hospital, 364 Brookline Ave, Boston, MA 02115	(617) 505-1390	21 New Boston Road, Sturbridge, MA 01566	(774) 922-1860
121 Brookline Avenue, Boston, MA 02215	(617) 275-2158	433 Paradise Rd. Vinnin Sq., Swampscott, MA 01907	(781) 598-1188
289 Huntington Avenue, Boston, MA 02115	(617) 425-8565	1030 Main Street, Waltham, MA 02451	(781) 899-2116

115 Stuart Street, Boston, MA 02116	(617) 638-3260	2 Worcester Road, Webster, MA 01570	(508) 671-0110
400 Franklin Street, Braintree, MA 02184	(781) 356-0602	935 Riverdale Street, West Springfield, MA 01089	(413) 214-6333
1301 Belmont Street, Brockton, MA 02301	(508) 587-1520	600 Union St, Westborough, MA 01581	(508) 898-3400
5 White Street, Cambridge, MA 02140	(617) 547-0816	2 Cornerstone Square, Westford, MA 01886	(978) 692-2863
66 Park Hurst Road, Chelmsford, MA 01824	(978) 654-7990	201 University Ave, Bldg. Q, S401, Westwood, MA 02090	(781) 471-2069
601 Memorial Dr, Ste G, Chicopee, MA 01020	(413) 593-1800	300 Mishawum Rd., Woburn, MA 01801	(781) 376-9660
8 Allstate Ave. (Southbay), Dorchester, MA 02125	(617) 602-4961	120 Goldstar Blvd, Worcester, MA 11606	(508) 856-7007
450 N. Main St, East Longmeadow, MA 01028	(413) 525-8006	759 Turner Street, Auburn, ME 04210	(207) 795-0173
130 Providence Hwy, East Walpole, MA 02032	(508) 668-0280	37 Xavier Loop, Ste. 3, Augusta, ME 04330	(207) 621-9899
400 Cochituate Road, Framingham, MA 01701	(508) 626-3636	130 Shops Way, Biddeford, ME 04005	(207) 284-0400
351 Russell St., #351B, Hadley, MA 01035	(413) 387-6336	343 Gorham Road, South Portland, ME 04106	(207) 780-1212
2 Highland Common East, Suite 100, Hudson, MA 01749	(978) 763-8160	75 Topsham Fair Mall Rd, Topsham, ME 04086	(207) 373-1635
100 Commercial Road, Leominster, MA 01453	(978) 534-8855	11 Main Street, Westbrook, ME 04092	(207) 591-6767
430 Market Street, Lynnfield, MA 01940	(781) 334-4061	7 Colby Court, Bedford, NH 03110	(603) 641-0500
197 L Boston Post Road, Marlborough, MA 01752	(508) 281-6161	75 Fort Eddy Road, Concord, NH 03301	(603) 226-8966
8 Steeple Street, Mashpee, MA 02649	(508) 477-4073	198 Manchester Road, Derry, NH 03038	(603) 432-3056
91 Medway Road, Milford, MA 01757	(508) 244-6005	841 Central Avenue, Dover, NH 03820	(603) 743-5100
70 Worcester-Providence Tpke, Millbury, MA 01527	(508) 865-6756	2B Ash Brook Road, Keene, NH 03431	(603) 357-9100
188 Boston Road, N Billerica, MA 01862	(978) 330-7386	52 March Avenue, Manchester, NH 03103	(603) 627-2443
841 Worcester Street, Natick, MA 01760	(508) 907-6226	590 Amherst Street, Nashua, NH 03063	(603) 821-6021
55 Storey Avenue, Newburyport, MA 01959	(978) 465-0646	8 Spit Brook Road, Nashua, NH 03060	(603) 891-2133
58 Peters Street, North Andover, MA 01845	(978) 682-8636	4 Plaistow Road, Plaistow, NH 03865	(603) 378-0374
156 Church Street, Pembroke, MA 02359	(781) 499-1107	1465 Woodbury Ave, Portsmouth, NH 03801	(603) 559-9000
635 Merrill Road, Pittsfield, MA 01201	(413) 443-3200	92 Cluff Crossing Road, Salem, NH 03079	(603) 952-2360
138 Colony Place, Plymouth, MA 02360	(508) 830-3844	700 Lafayette Road, Seabrook, NH 03874	(603) 474-2020
300 New State Highway, Raynham, MA 02767	(508) 824-0182	267 Plainfield Road, West Lebanon, NH 03784	(603) 298-9838

South Boston Market**Franchisee:**

Boston Bread, LLC

1855 South Ingram Mill Road, Springfield, MO 65804

(417) 887-7677

Franchised Units:

B. & W. Hospital, 75 Francis St, Boston, MA 02115
 Children's Hospital, 300 Longwood Avenue, Boston, MA 02115
 200 High St, Boston, MA 02110
 34 Cambridge Street, Burlington, MA 01803
 100 Independence Way, Danvers, MA 01923
 687 Providence Highway, Dedham, MA 02026
 25 Mystic View Road, Everett, MA 02149
 270 Franklin Village Drive, Franklin, MA 02038
 1401 Washington Street, Hanover, MA 02339

(617) 379-1200
 (617) 934-7107
 (617) 951-1330
 (781) 272-1365
 (978) 646-9942
 (781) 493-6543
 (617) 387-8135
 (508) 553-3534
 (781) 829-9900

790 Iyannough Road, Hyannis, MA 02601
 499 Riverside Ave., Medford, MA 02155
 100 Highland Ave, Needham, MA 02492
 46 Shops at 5 Way, Plymouth, MA 02360
 200 Hancock Street, Quincy, MA 02171
 647 Broadway, Saugus, MA 01906
 1334 Park Street, Stoughton, MA 02071
 1100 Lexington Street, Waltham, MA 02452
 11 Mount Auburn Street, Watertown, MA 02472

(508) 862-8015
 (617) 420-0180
 (781) 453-4005
 (508) 732-8954
 (617) 328-5473
 (781) 941-2220
 (781) 297-0975
 (781) 547-5655
 (617) 923-2918

Southern Massachusetts, Eastern Connecticut and the state of Rhode Island Markets**Franchisee:**

Howley Bread Group, Ltd

159 Crocker Park Blvd, Ste. 290, Westlake, OH 44145

(440) 808-1600

Franchised Units:

1214 Farmington Ave., Bristol, CT 06010
 110 Albany Turnpike, #400, Canton, CT 06016
 130 Elm Street, Enfield, CT 06082
 1600 Southeast Road, Farmington, CT 06032
 2450 Main Street, Glastonbury, CT 06033
 220 Route 12, Groton, CT 06340
 160 River Road, Suite 175, Lisbon, CT 06351
 179 Deming St, Unit E, Manchester, CT 06045
 3120 Berlin Turnpike, Newington, CT 06111
 100 Hemlock Ave, Suite 100, South Windsor, CT 06074
 365 Queen Street, Southington, CT 06489
 903 Hartford Turnpike, Waterford, CT 06385
 2534 Albany Avenue, West Hartford, CT 06117

(860) 585-2501
 (860) 693-9513
 (860) 962-6556
 (860) 676-0758
 (860) 659-0005
 (860) 446-9980
 (860) 376-9100
 (860) 791-6050
 (860) 667-8008
 (860) 644-2259
 (860) 621-3536
 (860) 437-8300
 (860) 231-9511

1129 Silas Deane Road, Wethersfield, CT 06109
 1250 S. Washington St, N. Attleborough, MA 02760
 84 Dartmouth Mall, North Dartmouth, MA 02747
 103 Taunton Street, Plainville, MA 02762
 201 Highland Avenue, Seekonk, MA 02771
 4000 Chapel View Blvd, #150, Cranston, RI 02920
 1000 Division Street, East Greenwich, RI 02818
 613 George Washington Hwy, Lincoln, RI 02865
 43 Providence Place, Providence, RI 02903
 473 Putnam Pike, Smithfield, RI 02828
 160 Old Tower Road, Wakefield, RI 02879
 1000 Bald Hill Rd, Warwick, RI 02886

(860) 676-0758
 (508) 695-5568
 (508) 994-9640
 (508) 643-4515
 (508) 336-1401
 (401) 946-4766
 (401) 541-9088
 (401) 333-3718
 (401) 248-0020
 (401) 233-7633
 (401) 788-0102
 (401) 320-1511

MICHIGAN**Western Michigan Market****Franchisee:**

Bread of Life, LLC

2211 Encinitas Blvd, Suite 100, Encinitas, CA 92024

(760) 944-070

Franchised Units:

5673 South Franklin Street, Michigan City, IN 46360
 2810 Capital Creek, Battlecreek, MI 49015
 1014 S. State Street, Big Rapids, MI 49307
 1669 Marketplace Drive, Caledonia, MI 49316
 1386 W. Main Street, Gaylord, MI 49735
 1001 South Beacon Blvd., Grand Haven, MI 49417
 5630 28th Street SE, Grand Rapids, MI 49546
 2044 Celebration Avenue, #4, Grand Rapids, MI 49525
 99 Monroe Ave, Grand Rapids, MI 49503
 32 44th Street SW, Grandville, MI 49418

(219) 879-5765
 (269) 719-8887
 (231) 796-2555
 (616) 656-9300
 (989) 705-1003
 (616) 850-9700
 (616) 949-1200
 (616) 363-9100
 (616) 451-4007
 (616) 667-7100

5627 Gull Road, Kalamazoo, MI 49048
 5119 West Main Street, Kalamazoo, MI 49009
 3770 28th Street Southeast, Kentwood, MI 49512
 2111 South Mission St, Mount Pleasant, MI 48858
 1710 East Sherman Blvd., Muskegon, MI 49444
 6278 Westnedge Ave, Portage, MI 49002
 3260 Niles Road, Suite A, St. Joseph, MI 49085
 4400 Lake Michigan Drive NW, Standale, MI 49534
 3675 N US 31 South, Traverse City, MI 49684
 3150 A Alpine Avenue, Walker, MI 49544

(269) 345-8888
 (269) 342-1222
 (616) 957-1100
 (989) 772-0003
 (231) 733-5111
 (269) 373-3800
 (269) 428-0700
 (616) 735-4222
 (231) 932-0442
 (616) 347-3500

3067 West Shore Drive, Holland, MI 49424	(616) 738-2400	5510 Clyde Park Avenue, Wyoming, MI 49509	(616) 249-3180
1285 Boardman Road, Jackson, MI 49202	(517) 783-0800		

MISSOURI**Springfield, Missouri and Tulsa, Oklahoma Markets****Franchisee:**

Manna OKMO, LLC

2211 Encinitas Blvd, Suite 100, Encinitas, CA 92024 (760) 944-1070

Franchised Units:

1729 West 76 Country Boulevard, Branson, MO 65616 (417) 336-4550 4100 S. Campbell Road, Springfield, MO 65807 (417) 886-8833

2101 South Rangeline Road, Joplin, MO 64804 (417) 626-2300 2535 N Kansas Expwy, Springfield, MO 75803 (417) 520-1313

1570 E Battlefield, Springfield, MO 65804 (417) 889-0070 2641 E Sunshine, Springfield, MO 65804 (417) 889-0440

MONTANA**Franchisee:**

Mountain Bread, Inc.

2038 Overland Avenue, Billings, MT 59102 (406) 656-6858

Franchised Units:

110 S. 24th Street West, Billings, MT 59102 (406) 702-1160 2240 Highway 93 North, Kalispell, MT 59901 (406) 314-4120

1660 Vandelay Avenue, Helena, MT 59601 (406) 204-0053 2420 N Reserve Street, Missoula, MT 59808 (406) 203-5636

NEVADA**Las Vegas Market****Franchisee:**

Desert Flour, LLC

0071 Indian Brush Trail, Silverthorne, CO 80498 (970) 668-9666

Franchised Units:

9911 S. Eastern Ave, Henderson, NV 89074 (702) 263-1883 7175 W Lake Mead, #190, Las Vegas, NV 89128 (702) 240-4480

605 Mall Ring Circle, #140, Henderson, NV 89014 (702) 434-4002 7240 S. Rainbow Blvd, Suite C, Las Vegas, NV 89118 (702) 816-3524

1520 E. Craig Rd North, Las Vegas, NV 89080 (702) 430-7884 6081 South Eastern Ave, Las Vegas, NV 89119 (702) 831-4880

8283 Dean Martin Drive, Las Vegas, NV 89139 (702) 476-0600 740 South Rampart Blvd., Las Vegas, NV 89117 (702) 888-0100

5130 S Fort Apache Rd., Las Vegas, NV 89138 (702) 871-5999 2400 S Rancho Drive, Suite 180, Las Vegas, NV 89102 (702) 909-8980

365 Hughes Center Dr, Ste 100, Las Vegas, NV 89169 (702) 545-9200 7890 W Tropical Way, Las Vegas, NV 89149 (725) 229-7712

Reno Market**Franchisee:**

Manna NW LLC

2211 Encinitas Blvd, Suite 100, Encinitas, CA 92024 (760) 944-1070

Franchised Units:4881 Cochise Street, Carson City, NV 89703 (775) 600-4981 885 West 5th Street, Reno, NV 89503 (775) 360-4400

6485 South Virginia Street, Reno, NV 89511 (775) 360-4251

Franchisee:

Compass Group USA, Inc.

2400 Yorkmont Road, Charlotte, NC 28217 (704) 328-4000

Franchised Units:

University of Nevada

1664 N. Virginia Street, Reno, NV 89512 (775) 327-2044

NEW JERSEY**Southern counties of New Jersey and portion of Delaware Markets****Franchisee:**

Lemek Slower Lower, LLC

8184 Lark Brown Road, Elkridge, MD 21075 (443) 552-0700

Franchised Units:

545 Route 70, Brick Township, NJ 08723 (732) 451-6218 584 Middletown Warwick Rd, Middletown, DE 19709 (302) 449-7641

2000 Clements Bridge Road, Deptford, NJ 08096 (856) 251-9000 18423 Coastal Hwy, Rehoboth, DE 19971 (302) 644-4414

545 N. Dupont Highway, Dover, DE 19901 (302) 736-6203 500 Cross Keys Road, Sicklerville, NJ 08081 (856) 629-5624

434 Route 72, Manahawkin, NJ 08050 (609) 997-0228 2 Route 37 West, Suite C1, Toms River, NJ 08753 (732) 244-4032

Franchisee:

American Bread Company LLC

8905 Lake Avenue., Cleveland, OH 44102 (216) 961-6767

Franchised Units:

2501 Mount Holly Road, Burlington, NJ 08016 (609) 479-8000

Franchisee:

Compass Group USA, Inc.

2400 Yorkmont Road, Charlotte, NC 28217 (704) 328-4000

Franchised Units:

Montclair State University

1 Normal Avenue, Montclair, NJ 76010 (973) 655-6013

NEW YORK

Queens, Long Island, Staten Island, and Brooklyn Markets**Franchisee:**

Doherty Breads NYC, LLC
7 Pearl Court, Allendale, NJ 07401 (201) 818-4669

Franchised Units:

1701 Sunrise Hwy, Space A-16, Bay Shore, NY 11706	(631) 968-7303	143 Alexander Ave., Lake Grove, NY 11755	(631) 366-2079
2358 Bell Boulevard, Bayside, NY 11360	(718) 423-7600	136 Portion Road, Lake Ronkonkoma, NY 11779	(631) 585-2703
2375 Merrick Road, Bellmore, NY 11710	(516) 221-1095	345 Rockaway Turnpike, Lawrence, NY 11559	(516) 239-0183
5191 Sunrise Highway, Bohemia, NY 11716	(631) 589-1988	25441 Horace Harding Expy, Little Neck, NY 11362	(718) 224-6320
2044 Montauk Highway, Bridgehampton, NY 11932	(631) 537-2855	38-01 35 th Avenue, Long Island City, NY 11101	(718) 937-4740
345 Adams Street, Brooklyn, NY 11201	(718) 643-0345	5274 Sunrise Highway, Massapequa, NY 11762	(516) 264-7060
528 Gateway Drive, Brooklyn, NY 11239	(718) 647-1876	520 Jericho Turnpike, Mineola, NY 11501	(516) 535-3916
165 Old Country Road, Carle Place, NY 11514	(516) 739-2090	669 Hillside Avenue, New Hyde Park, NY 11040	(516) 358-3250
403 Commack Road, Deer Park, NY 11729	(631) 254-2580	367 Sunrise Highway, Patchogue, NY 11772	(631) 687-1866
2501 Hempstead Turnpike, East Meadow, NY 11554	(516) 644-2650	1082 Old Country Road, Plainview, NY 11803	(516) 681-0260
4097 Jericho Turnpike, East Northport, NY 11731	(631) 858-0789	4959 Nesconset Hwy, Port Jefferson Station, NY 11776	(631) 331-0350
919 Rte 110 North, Farmingdale, NY 11735	(631) 420-5942	137-20 Crossbay Blvd, Ozone Park, NY 11417	(718) 487-9420
1140 Franklin Avenue, Garden City, NY 11530	(516) 873-2534	61-35 Junction Blvd., Rego Park, NY 11374	(718) 271-1010
1 Village Square, Glen Cove, NY 11542	(516) 671-3612	50-5 Metropolitan Ave, Ridgewood, NY 11385	(718) 395-9885
7325 Woodhave Blvd, Glendale, NY 11385	(718) 897-4680	11 Commerce Ave., Riverhead, NY 11901	(631) 727-0277
180 West Montauk Hwy, Hampton Bays, NY 11946	(631) 728-3101	313 Merrick Road, Rockville Centre, NY 11570	(516) 678-6710
399 Nesconset Highway, Hauppauge, NY 11787	(631) 979-2028	1 College Plaza, Selden, NY 11784	(631) 698-1780
201 Broadway Mall, Hicksville, NY 11801	(516) 935-6300	2636 Hylan Blvd, Staten Island, NY 10306	(718) 619-4434
345 Main Street, Huntington, NY 11743	(631) 271-3824	280 Marsh Avenue, Staten Island, NY 10314	(718) 494-2450
160 Walt Whitman Rd, Huntington Station, NY 11746	(631) 424-0060	407 Jericho Turnpike, Syosset, NY 11761	(516) 677-5380
4575 Austin Boulevard, Island Park, NY 11558	(516) 432-4919	2034 Green Acres Road, Valley Stream, NY 11581	(516) 568-6006
1900A Veterans Memorial Hwy, Islandia, NY 11749	(631) 778-8018	1025 W. Montauk Hwy, West Babylon, NY 11704	(631) 661-0990

The Bronx and Westchester Markets**Franchisee:**

Doherty Breads WC Holding, LLC
7 Pearl Court, Allendale, NY 07401 (201) 818-4669

Franchised Units:

340 Baychester, Ave., Bronx, NY 10475	(718) 862-2585	1278 Route 300, Newburgh, NY 12550	(845) 567-0999
11 Merritt Blvd., Fishkill, NY 10475	(845) 897-2066	712 Dutchess Turnpike, Poughkeepsie, NY 12603	(845) 452-2425
444 Route 211 E, Middletown, NY 10940	(845) 344-5900	2020 South Road, Poughkeepsie, NY 12801	(845) 297-3549
3083 East Main St, Mohegan Lake, NY 10547	(914) 528-0014	915 Central Park Ave, Scarsdale, NY 10583	(914) 713-0010
340 Larkin Drive, Monroe, NY 10950	(845) 782-0031	1015 Mall Walk, Yonkers, NY 10704	(914) 375-3691
16 Rockland Plaza, Nanuet, NY 10954	(845) 624-3000		

Franchisee:

Applegreen USA Travel Plazas LLC
208 Harristown Road, Glen Rock, NJ 07452

Franchised Units:

NYSTA Pembroke SB 8319 Indian Falls Road, Corfu, NY 14036	(585) 597-3014	Ramapo Service Plaza 99 Waldron Terrace, Sloatsburg, NY 10974	(551) 321-1172
NYSTA New Baltimore Service Area Mile Post 127 North & South, Hannacroix, NY 12087	(838) 217-6562	NYSTA Plattekill NB Service Plaza 65 Plattekill Ardonia Rd, Wallkill, NY 12589	(845) 762-4532
NYSTA Thruway Access Road NY State Thruway Mile Post 168 West, Pattersonville, NY 12137	(845) 762-4532	Oneida Service Plaza (Southbound) 5365 New York State Thruway, Westmoreland, NY 13490	(315) 853-3605

Franchisee:

Army & Air Force Exchange Services
3911 S. Walton Walker Blvd, Dallas, TX 75236 (214) 312-2011

Franchised Units:

Fort Drum Army Base
10730 Enduring Freedom Drive, Fort Drum, NY 13603 (315) 773-0065

Franchisee:

Sodexo Operations, LLC
915 Meeting Street, 15th Floor, North Bethesda, MD 20852 (301) 987-4000

Franchised Units:

Rensselaer Polytechnic Institute
110 8th Street, Troy, NY 12180 (704) 359-0246

NORTH CAROLINA**Winston-Salem Market****Franchisee:**

Raising Dough NC, LLC
3900 East Market Street, Warren, OH 44484 (330) 856-3176

Franchised Units:

1843 Hendersonville Road, Asheville, NC 28803	(828) 277-4042	2400 Penny Road, High Point, NC 27265	(336) 812-4593
40 Peaks Center Lane, Asheville, NC 28805	(828) 575-2341	970 South Main St, Kernersville, NC 27284	(336) 993-4863
1180 Blowing Rock Rd, Boone, NC 28607	(828) 268-2226	574 River Highway, Mooresville, NC 28117	(704) 662-6433
563 Huffman Mill Rd., Burlington, NC 27215	(336) 586-0222	675 West Fleming Drive, Morganton, NC 28655	(828) 544-5332
3107 Gammon Lane, Clemmons, NC 27012	(336) 766-3898	825 East Innes Street, Salisbury, NC 28144	(704) 738-0165
Moses Cone Hospital, 1121 N. Church St, Greensboro, NC 27401	(336) 894-2436	964 Glenway Drive, Suite B, Statesville, NC 28635	(704) 253-2819

1604A Highwoods Blvd., Greensboro, NC 27410	(336) 854-0118	2209 Cloverdale Avenue, Winston-Salem, NC 27103	(336) 722-0900
2645 Lawndale Drive, Greensboro, NC 27408	(336) 545-8912	2901 Reynolda Road, Winston-Salem, NC 27106	(336) 793-5576
4203A W. Wendover Ave. Greensboro, NC 27407	(336) 834-0085	100 Hanes Square Shop Circle, Winston-Salem, NC 27103	(336) 794-2033
160 Coolridge Street, Hendersonville, NC 28739	(828) 233-5460	1880 N. Eastman Road, Kingsport, TN 37664	(423) 245-9018
2260 Highway 70 SE, Hickory, NC 28602	(828) 624-0272	3140 Peoples Street, Johnson City, TN 37604	(423) 952-2253
1911 N. Main Street, High Point, NC 27262	(336) 899-8916		
Franchisee:			
Host Kind			
6905 Rockledge Dr, Bethesda, MD 20817			
Franchised Units:			
Charlotte Airport, 5501 R C Josh Birmingham Parkway, Charlotte, NC 28208	(704) 359-0246	Charlotte Airport, 5501 E Rotunda 5501 Josh Birmingham Parkway Charlotte, NC 28208	(704) 208-4842
Franchisee:			
Army & Air Force Exchange Services			
3911 S. Walton Walker Blvd, Dallas, TX 75236	(214) 312-2011		
Franchised Units:			
2240 Rock Merritt Avenue, Fort Liberty, NC 28307	(910) 339-0366		
Franchisee:			
Sodexo Operations, LLC			
915 Meeting Street, 15 th Floor, North Bethesda, MD 28052	(301) 987-4000		
Franchised Units:			
Cape Fear Valley Hospital			
3314 Melrose Road, Fayetteville, NC 28304	(910) 615-0180		
OHIO			
Cincinnati Market			
Franchisee:			
Cadle Limited Liability Company			
3900 East Market Street, Warren, OH 44484	(330) 856-3176		
Franchised Units:			
4318 Alexandria Pike, Cold Spring, KY 41076	(859) 441-0528	8420 Winton Road, Cincinnati, OH 45231	(513) 931-9800
622 Buttermilk Pike, Crescent Springs, KY 41017	(859) 916-6049	7510 Wooster Pike, Cincinnati, OH 45227	(513) 873-8708
2911 Dixie Highway, Crestview Hills, KY 41017	(859) 331-7558	120 Calhoun Street, Clifton, OH 45219	(513) 961-6300
7150 Houston Road, Florence, KY 41042	(859) 371-9010	6104 Harrison Ave, Dent, OH 45247	(513) 574-1341
169 Pavilion Parkway, Newport, KY 41071	(859) 392-7878	5875 Dixie Highway, Fairfield, OH 45014	(513) 879-3030
9085 US 42, Suite A, Union, KY 41091	(859) 384-0792	3417 Princeton Rd, Hamilton, OH 45011	(513) 893-8500
11033 Reed Hartman Hwy., Blue Ash, OH 45242	(513) 793-1323	5095 Deerfield Blvd., Mason, OH 45040	(513) 770-0160
8501 Beechmont Ave, Cincinnati, OH 45255	(513) 232-8300	5270 Kings Mill Road, Mason, OH 45040	(513) 336-0374
9530 Colerain Avenue, Cincinnati, OH 45251	(513) 741-4315	1066 State Route 28, Milford, OH 45150	(513) 831-8700
876 Eastgate Drive, Cincinnati, OH 45245	(513) 421-1980	9444 Civic Centre Blvd., West Chester, OH 45069	(513) 755-7041
8115 Montgomery Road, Cincinnati, OH 45236	(513) 791-4336	8210 Market Place Dr, West Chester, OH 45069	(513) 860-0047
3806 Paxton Avenue, Cincinnati, OH 45209	(513) 871-1772	7725 Voice of America Ctr Dr, West Chester, OH 45069	(513) 779-5511
Cleveland Market			
Franchisee:			
Candall Group, Inc.			
3900 East Market Street, Warren, OH 44484	(330) 856-3176		
Franchised Units:			
ClvdClnC 400 Akron General Ave #2224, Akron, OH 44307	(234) 888-7032	9587 Mentor Avenue, Mentor, OH 44060	(440) 639-1176
790 Arlington Ridge, Akron, OH 44319	(330) 475-7913	7373 Mentor Avenue, Mentor, OH 44060	(440) 975-9022
55 Springside Drive, Akron, OH 44333	(330) 670-9347	18020 Bagley Road, Middleburg Heights, OH 44130	(440) 234-6900
1670 W. State Street, Alliance, OH 44601	(330) 823-8404	26086 Brookpark Road, North Olmsted, OH 44070	(440) 801-9023
7998 Leavitt Road, Amherst, OH 44001	(440) 986-5993	12500 Beard Street, New Springfield, OH 44443	(330) 542-9830
46402 Middle Ridge Road, Amherst, OH 44001	(440) 985-1805	3500 E. South Range Rd, New Springfield, OH 44443	(330) 542-9747
8000 Oak Point Dr, Amherst, OH 44001	(440) 985-2000	5675 Youngstown-Warren Rd, Niles, OH 44446	(330) 505-3395
35680 Chester Road, Avon, OH 44011	(440) 937-4646	6543 Strip Avenue NW, North Canton, OH 44720	(330) 433-1922
8480 E Washington St, Bainbridge, OH 44023	(440) 543-3000	3205 Lorain Road, North Ridgeville, OH 44039	(440) 327-2500
7685 Market Street, Boardman, OH 44512	(330) 726-1082	8109 West Ridgewood Drive, Parma, OH 44129	(440) 885-7033
7121 South Avenue, Boardman, OH 44512	(330) 965-9997	19705 Center Ridge Rd, Rocky River, OH 44116	(440) 331-0555
8447 Chippewa Drive, Brecksville, OH 44141	(440) 717-1437	7337 Broadview Road, Seven Hills, OH 44131	(216) 328-1274
5090 Tiedeman Road, Brooklyn, OH 44144	(216) 362-8130	5382 Abbe Road, Sheffield Village, OH 44035	(440) 934-8008
1405 Parschen Boulevard, Brunswick, OH 44212	(330) 220-4408	6130 Kruse Drive, Solon, OH 44139	(440) 914-0523
4205 Boardman Canfield Rd, Canfield, OH 44406	(330) 533-7401	13901 South Cedar Road, South Euclid, OH 44118	(216) 932-3578
4668 Belpar Street NW, Canton, OH 44718	(330) 493-1895	1059 Graham Road, Stow, OH 44224	(330) 922-8006
9500 Euclid Ave, Cleveland, OH 44195	(216) 445-4011	4338 Kent Road, Stow, OH 44224	(330) 475-0503
11490 Euclid Ave, Cleveland, OH 44106	(216) 231-2900	17800 Royalton Road, Strongsville, OH 44136	(440) 846-0377
689 Howe Avenue, Cuyahoga Falls, OH 44221	(330) 928-0112	8928 Darrow Road, Twinsburg, OH 44087	(330) 486-0600
38295 Chestnut Ridge Road, Elyria, OH 44035	(440) 219-4029	135 Great Oaks Trail, Wadsworth, OH 44281	(330) 336-4600
2855 West Market Street, Fairlawn, OH 44333	(330) 869-2093	3641 Elm Road NE, Warren, OH 44483	(330) 372-3390
118 West Streetsboro Rd #23, Hudson, OH 44236	(330) 463-5665	4103 Richmond Rd, Warrensville Heights, OH 44122	(216) 910-1090
6700 Rockside Road, Independence, OH 44131	(216) 447-3090	26137 Detroit Road, Westlake, OH 44145	(440) 899-4944
4031 Cascades Boulevard, Kent, OH 44240	(330) 968-4131	5503 Mahoning Avenue, Youngstown, OH 44515	(330) 259-0099
14701 Detroit Road, Lakewood, OH 44107	(216) 920-1030	2501 West 12th Street, Erie, PA 16505	(814) 833-9101
8233 Golden Link Boulevard, Macedonia, OH 44056	(330) 467-6060	4299 Buffalo Rd, Erie, PA 16510	(814) 899-8290
2010 Lincoln Way East, Massillon, OH 44646	(330) 837-1384	1935 Keystone Drive, Erie, PA 16509	(814) 866-7588
Hillcrest Hospital 6780 Mayfield Rd., Mayfield, OH 44124	(440) 484-2180	4014 Peach Street, Erie, PA 16509	(814) 864-2643

6036 Mayfield Road, Mayfield Heights, OH 44124	(440) 646-2233	2390 East State Street, Hermitage, PA 16148	(724) 346-6242
4065 Pearl Road, Medina, OH 44256	(330) 721-4728		
Columbus Market			
Franchisee:			
CAD Capital, LLC			
3900 East Market Street, Warren, OH 44484	(330) 856-3176		
Franchised Units:			
685 W. Waterloo Street, Canal Winchester, OH 43310	(614) 834-8501	729 Hebron Road, Heath, OH 43056	(740) 322-6238
1391 N. Bridge Street, Chillicothe, OH 45601	(740) 771-4127	1531 Hilliard Rome Rd., Hilliard, OH 43228	(614) 335-6100
880 W. 3rd Avenue, Columbus, OH 43212	(614) 486-9500	8104 Old Troy Pike, Huber Heights, OH 45424	(937) 237-0045
451 W. 10th Avenue, Columbus, OH 43210	(614) 247-1924	1374 Ety Road, Lancaster, OH 43130	(740) 654-8902
2924 East Broad Street, Columbus, OH 43209	(614) 559-9500	2330 Elida Road, Lima, OH 45805	(419) 222-3700
6887 East Broad, Columbus, OH 43213	(614) 864-3500	1830 Harding Hwy, Lima, OH 45801	(419) 229-9797
3625 Fishinger Blvd., Columbus, OH 43026	(614) 876-9900	1402 Lexington Avenue, Mansfield, OH 44907	(419) 755-5566
300 West Lane Ave., Columbus, OH 43201	(614) 299-4401	2070 Walker Lake Rd, Mansfield, OH 44903	(419) 774-9700
611 East Livingston Ave., Ste A, Columbus, OH 43205	(614) 444-5105	1623 Mt. Gilead Rd, Marion, OH 43302	(740) 386-5100
3874 Morse Rd, Columbus, OH 43219	(614) 416-2600	1091 Lydia Drive, Marysville, OH 43040	(937) 303-9710
8811 Orion Place, Columbus, OH 43240	(614) 515-4434	1555 Coshocton Avenue, Mt. Vernon, OH 43050	(740) 399-5100
3278 Tremont Road, Columbus, OH 44321	(614) 583-2600	5477 New Albany Road W, New Albany, OH 43054	(614) 855-8701
6589 Artesian Run, Suite C, Delaware, OH 43015	(740) 990-4513	9755 Liberty Market Way, Powell, OH 43065	(614) 761-3100
750 W Central Avenue, Delaware, OH 43015	(740) 362-1001	2374 Taylor Square Drive, Reynoldsburg, OH 43068	(614) 860-0500
6108 Parkcenter Circle, Dublin, OH 43017	(614) 761-8900	7170 Fourwinds Court, Sunbury, OH 43075	(740) 362-0110
6665 Perimeter Loop Road, Dublin, OH 43017	(614) 760-9650	555 South State Street, Westerville, OH 43081	(614) 865-1212
6120 Sawmill Road, Dublin, OH 43017	(614) 764-9700	3934 Burbank Rd, Wooster, OH 44691	(330) 345-8080
9194 N. Main Street, Englewood, OH 45415	(937) 832-7919	85 Worthington Mall, Ste 120, Worthington, OH 43085	(614) 785-9600
91 North Hamilton Road, Gahanna, OH 43230	(614) 342-7130	3780 Frazeyburg Road, Zanesville, OH 43701	(740) 487-1492
1786 Stringtown Road, Grove City, OH 43123	(614) 539-3102		
Dayton Market			
Franchisee:			
CAD Capital, LLC			
3900 East Market Street, Warren, OH 44484	(330) 856-3176		
Franchised Units:			
2751 Fairfield Commons, Beavercreek, OH 45431	(937) 426-3900	6130 Wilmington Pike, Dayton, OH 45459	(937) 848-4900
49 Chestnut Street, Beavercreek, OH 45440	(937) 426-7300	4110 Far Hills Avenue, Kettering, OH 45429	(937) 296-0500
821 Lyons Road, Dayton, OH 45459	(937) 432-9010	10551 Innovation Drive, Miamisburg, OH 45342	(937) 247-0700
1203 Brown Street, Dayton, OH 45409	(937) 223-6700	1950 North Bechtle Ave., Springfield, OH 45504	(937) 390-1600
3281 Dayton-Xenia Road, Dayton, OH 45434	(937) 412-0147	1920 West Main Street, Troy, OH 45373	(937) 335-4200
6550 Miller Lane, Dayton, OH 45414	(937) 890-1500		
Franchisee:			
Compass Group USA, Inc.			
2400 Yorkmont Road, Charlotte, NC 28217	(704) 328-4000		
Franchised Units:			
Miami University			
550 E Spring Street, Room 1006, Oxford, OH 45056	(513) 593-8157		
Franchisee:			
Sodexo Operations, LLC			
915 Meeting Street, 15 th Floor, North Bethesda, MD 20852	(301) 987-4000		
Franchised Units:			
Promedica Hospital			
2142 North Cove Blvd., Toledo, OH 43606	(567) 861-0130		
OKLAHOMA			
Oklahoma City Market			
Franchisee:			
Manna OKMO, LLC			
2211 Encinitas Blvd, Suite 100, Encinitas, CA 92024	(760) 944-1070		
Franchised Units:			
2201 West Detroit Road, Broken Arrow, OK 74012	(918) 258-7700	10600 S Pennsylvania, Oklahoma City, OK 73107	(405) 378-8353
1472 South Bryant Ave., Edmond, OK 73034	(405) 844-5525	12417 96th Street North, Owasso, OK 74055	(918) 272-6331
7181 Southeast 29th Street, Midwest City, OK 73110	(405) 869-0550	1624 East 15th Street, Tulsa, OK 74133	(918) 583-5454
2101 South Telephone Road, Moore, OK 73160	(405) 300-7114	5601 East 41st Street, Tulsa, OK 74135	(918) 663-1600
2200 West Main Street, Norman, OK 73069	(405) 447-0000	7110 S. 101st East Avenue, Tulsa, OK 74133	(918) 250-0196
6410 SW 3rd Street, Oklahoma City, OK 73127	(405) 789-3972	10752 South Memorial Drive E., Tulsa, OK 74133	(918) 970-4039
4225 W Memorial Rd, Oklahoma City, OK 73134	(405) 302-0500	7547A S. Olympia Avenue W., Tulsa, OK 74132	(918) 447-0023
3321 NW Expwy, Oklahoma City, OK 73112	(405) 840-8222	113 West Hall of Fame Ave., Stillwater, OK 74075	(405) 385-0276
7101 NW Expressway, Oklahoma City, OK 73116	(405) 722-0084		
OREGON			
Portland, OR and portions of Washington Markets			
Franchisee:			
Manna NW LLC			
2211 Encinitas Blvd, Suite 100, Encinitas, CA 92024	(760) 944-1070		
Franchised Units:			
320 Airport Road SE, Albany, OR 97322	(541) 666-5799	799 Lancaster Drive, Suite 110 NE, Salem OR 97301	(971) 239-4650

3435 SW Cedar Hills Blvd, Ste A, Beaverton, OR 97005
 12190 SE 82nd Avenue, Clackamas, OR 97086
 355 Northwest 4th Street, Corvallis, OR 97330
 1017 NW Civic Drive, Gresham, OR 97030
 7202 NE Cornell Road, Hillsboro, OR 97124
 6110 Keizer Boulevard, Keizer, OR 97317
 3 Garfield St, Medford, OR 97501
 11563 NE Glenn Widing Drive, Portland, OR 97220
 14000 N. Tomahawk Island Drive, Portland, OR 97217

(503) 643-5920
 (503) 654-7900
 (541) 738-8277
 (503) 665-6951
 (503) 547-8284
 (503) 393-2827
 (541) 930-3131
 (503) 251-9796
 (503) 285-0200

2825 Commercial Street, Salem, OR 97302
 21174 SW Langer Farms Parkway, Sherwood, OR 97140
 2810 Gateway Street, Springfield, OR 97477
 10230 SW Washington Square Road, Tigard, OR 97223
 7149 SW Nyberg Street, Tualatin, OR 97062
 3000 Sprague Lane, Woodburn, OR 97071
 207 Three Rivers Drive, Kelso, WA 98626
 915 SE 164th Avenue, Suite 104, E.Vancouver, WA 98683
 7200 NE Highway 99, Vancouver, WA 98665

(503) 362-3404
 (503) 822-4430
 (541) 225-6532
 (503) 495-5915
 (503) 691-2162
 (503) 981-0404
 (360) 846-2660
 (360) 892-5322
 (360) 258-2149

PENNSYLVANIA

Metro Philadelphia, central New Jersey and portion of Delaware Markets

Franchisee:

American Bread Company LLC

8905 Lake Avenue., Cleveland, OH 44102

(216) 961-6767

Franchised Units:

2311 Concord Pike, Wilmington, DE 19803
 5619 Concord Pike, Wilmington, DE 19803
 3650 Kirkwood Highway, Wilmington, DE 19808
 2010 Rte 70 E, Bldg F, Ste A, Cherry Hill, NJ 08002
 531 Soloman Way, Freehold, NJ 07728
 4715 State Route 9, Howell, NJ 07731
 500 South Route 73, Space E-17, Marlton, NJ 08053
 776 Route 35, Middletown, NJ 07748
 1500 Nixon Drive, Moorestown, NJ 08057
 48 Centerton Road, Mount Laurel, NJ 08054
 1050 Broad Street, Shrewsbury, NJ 07702
 1140 White House Road, Ste. 3, Voorhees, NJ 08043
 2007 Route 35, Wall Township, NJ 07719
 601 South Trooper Road, Audubon, PA 19403
 2603 Street Road, Bensalem, PA 19020
 1991 Sproul Road, Broomall, PA 19008
 51 Town Center Drive, Collegetown, PA 19426
 48 Ridge Pike, Conshohocken, PA 19428
 73 Old Dublin Pike, Doylestown, PA 18901
 151 East Swedesford Rd., Exton, PA 19341
 152 East Street Road, Feasterville, PA 19053

(302) 428-1796
 (302) 477-9880
 (302) 998-6080
 (856) 317-9222
 (732) 308-1605
 (732) 730-0025
 (856) 797-0035
 (732) 706-0202
 (856) 802-0777
 (856) 234-1009
 (732) 935-1600
 (856) 772-2400
 (732) 282-0283
 (610) 631-7733
 (215) 639-2046
 (610) 325-5340
 (610) 489-4765
 (484) 530-5070
 (215) 345-1380
 (610) 524-1626
 (215) 355-7158

116 Township Line Road, Havertown, PA 19083
 1641 Fairway Valley Road, Jenkintown, PA 19046
 150 Allendale Rd, King of Prussia, PA 19406
 1345 East Lincoln Hwy., Levittown, PA 19056
 5 Morehall Road, Suite 100, Malvern, PA 19355
 1075 W Baltimore Pike, Suite A, Media, PA 19063
 101 Germantown Pike, Ste. 5, Norristown, PA 19401
 21 Airport Sq Shopping Ctr, North Wales, PA 18966
 48 North 12th Street, Philadelphia, PA 19107
 200 S. 40th Street, Philadelphia, PA 19104
 3900 City Avenue, Philadelphia, PA 19131
 9898 E. Roosevelt Blvd, Philadelphia, PA 19115
 202 Shoemaker Road, Pottstown, PA 19464
 139 N. West End Boulevard, Quakertown, PA 18951
 1022 Baltimore Pike, Springfield, PA 19064
 1521 Main St, Warrington, PA 18976
 267 E Swedesford Rd, Wayne, PA 19087
 1115 Westchester Rd, West Chester, PA 19382
 30 Park Avenue, Willow Grove, PA 19090
 278 E Lancaster Ave, Wynnewood, PA 19096

(610) 446-1041
 (215) 886-2380
 (610) 265-1498
 (215) 269-0522
 (610) 644-2144
 (610) 892-3753
 (610) 277-6550
 (215) 412-9000
 (215) 574-7678
 (215) 222-1821
 (215) 877-1474
 (215) 677-1571
 (704) 359-0246
 (215) 536-8506
 (610) 690-2450
 (215) 491-7844
 (610) 688-4978
 (610) 431-1130
 (215) 657-7600
 (610) 896-0564

Pittsburgh and portions of West Virginia Markets

Franchisee:

Pan Pennsylvania LLC

225 Bush Street, Suite 1800, San Francisco, CA 94104

(415) 835-9700

Franchised Units:

500 Winchester Ave, Ashland, KY 41101
 7800 Mall Ring Rd, St. Clairsville, OH 43950
 506 ½ Pike Street, Suite A, Marietta, OH 45750
 4960 Route 8, Allison Park, PA 15101
 156 Falon Lane, Logan Town Center, Altoona, PA 16602
 5243 Library Road, Bethel Park, PA 15102
 1025 Washington Pike, Bridgeville, PA 15017
 330 New Castle Road, Butler, PA 16001
 4127 Washington Rd., Canonsburg, PA 15317
 20111 Route 19, Cranberry Township, PA 16066
 300 Greengate Center Circle, Greensburg, PA 15601
 5256 Route 30, Greensburg, PA 15601
 400 Town Centre Drive, Johnstown, PA 15904
 100 Wagner Rd, Monaca, PA 15061
 4172 William Penn Highway, Monroeville, PA 15146
 9898 University Blvd., Moon Township, PA 15108
 1500 Washington Road, Mount Lebanon, PA 15228
 4899 Wm. Penn Hwy., Murrysburg, PA 15668
 8901 Route 30, North Huntingdon, PA 15642
 666 Allegheny River Blvd., Oakmont, PA 15139
 136 Bakery Square Blvd, Pittsburgh, PA
 3401 Boulevard of the Allies, Pittsburgh, PA 15213
 5430 Centre Avenue, Pittsburgh, PA 15232
 623 Clairton Blvd., Pittsburgh, PA 15236

(606) 329-0439
 (740) 695-7445
 (740) 760-8530
 (724) 443-8888
 (814) 204-0073
 (412) 854-2007
 (412) 220-7512
 (724) 282-0349
 (724) 942-5728
 (724) 779-5060
 (724) 552-0399
 (724) 853-6896
 (814) 619-0166
 (724) 775-7950
 (412) 856-6899
 (412) 262-1939
 (412) 388-1303
 (724) 733-0890
 (724) 978-0436
 (412) 794-8013
 (412) 363-5434
 (412) 683-9616
 (412) 687-2177
 (412) 655-8380

8800 Covenant Avenue, Pittsburgh, PA 15237
 3800 Forbes Avenue, Pittsburgh, PA 15213
 942 Freeport Road, Pittsburgh, PA 15238
 1900 Greentree Road, Pittsburgh, PA 15220
 5301 Grove Road, Pittsburgh, PA 15236
 250 McHolme Road, Pittsburgh, PA 15275
 400 Penn Center Blvd., Pittsburgh, PA 15235
 1000 Ross Park Mall Dr #VC12A, Pittsburgh, PA 15237
 295 Settlers Ridge Dr, Pittsburgh, PA 15205
 U.of P. Med. Cntr, 3550 Terrace St, Pittsburgh, PA 15213
 7217 McKnight Road, Ross Township, PA 15237
 105 Matthew Dr., South Uniontown, PA 15401
 2021 Butler Logan Road, Tarentum, PA 15084
 107 Trinity Point, Washington, PA 15301
 210 W. Bridge St., West Homestead, PA 15120
 12071 Perry Highway, Wexford, PA 15090
 905 Ring Road, Barboursville, WV 25504
 1410 N. Eisenhower Drive, Beckley, WV 25801
 2830 Mountaineer Blvd., Charleston, WV 25309
 103 Emily Drive, Clarksburg, WV 26301
 65 Liberty Square, Hurricane, WV 25526
 357 Patterson Drive, Morgantown, WV 26505
 506 Cabela Drive, Triadelphia, WV 26059
 810 Grand Central Avenue, Vienna, WV 26105

(412) 364-3602
 (412) 683-3727
 (412) 799-0210
 (412) 732-3480
 (412) 892-8011
 (412) 747-0460
 (412) 816-5820
 (412) 366-3424
 (412) 446-0300
 (412) 743-0085
 (412) 635-9481
 (724) 439-8670
 (724) 274-8262
 (724) 225-9778
 (412) 464-1244
 (724) 934-1044
 (304) 302-5700
 (304) 250-0070
 (304) 746-4090
 (304) 624-0892
 (681) 235-3100
 (304) 598-3901
 (304) 547-0315
 (304) 485-8392

Franchisee:

Aramark Food and Support Services Group, Inc

1101 Market Street, Philadelphia, PA 19107

(800) 272-6275

Franchised Units:

Temple University

1800 North Broad St, Philadelphia, PA 19122

(215) 204-6162

SOUTH CAROLINA

Portions of South Carolina and Georgia Markets**Franchisee:**

Cadle Limited Liability Company
3900 East Market Street, Warren, OH 44484 (330) 856-3176

Franchised Units:

254 Robert C. Daniel Pkwy, Augusta, GA 30909	(706) 738-8922	106 Percival Road, Suite 100, Columbia, SC 29206	(803) 708-5695
4237 Washington Rd., Suite 4, Evans, GA 30809	(706) 860-1580	1321 Robert's Branch Parkway, Columbia, SC 29203	(803) 708-9198
5144 Bluegrass Trail, Grovetown, GA 30813	(706) 604-6023	100 Woody Jones Blvd., Florence, SC 29501	(843) 629-8511
1190 East Oglethorpe, Hinesville, GA 31313	(912) 448-0061	5416 Sunset Boulevard, Lexington, SC 29072	(803) 359-3652
234 Pooler Parkway, Pooler, GA 32561	(850) 932-0459	1135 Muhlenbergia Dr, Suite 103, Mt. Pleasant, SC 29466	(843) 375-6488
8108 Abercorn Street, Ste. 106-107, Savannah, GA 31406	(912) 961-0905	1370 S. Commons Drive, Myrtle Beach, SC 29588	(843) 215-0040
810 Buckhead Drive, Statesboro, GA 30458	(912) 764-8989	101 Debo Drive, Myrtle Beach, SC 29579	(843) 236-3315
1953 Whiskey Road, Aiken, SC 29803	(803) 648-0448	2135 Ashley Phosphate Road, North Charleston, SC 29406	(843) 572-7388
1264 Fording Island Drive, Bluffton, SC 29910	(843) 757-5611	5070 International Blvd., North Charleston, SC 29418	(843) 529-2626
2000 Sam Rittenberg Blvd., Charleston, SC 29407	(843) 556-0991	1296 Hwy 17 N, North Myrtle Beach, SC 29582	(843) 663-0221
6080-C Garners Ferry Rd., Columbia, SC 29209	(803) 647-9822	9480 Dorchester Road, Summerville, SC 29485	(843) 870-8936
933 Gervais Street, Columbia, SC 29201	(803) 799-3060	1311 Main Street, Summerville, SC 29483	(843) 695-0500
277 Harbison Blvd., Columbia, SC 29212	(803) 407-5773		

Franchisee:

Aramark Food and Support Services Group, Inc.
1101 Market Street, Philadelphia, PA 19107 (800) 272-6275

Franchised Units:

University of South Carolina
1400 Green Street, Columbia, SC 29208 (803) 576-7256

TENNESSEE**Franchisee:**

Southern Bread LLC
1855 S. Ingram Mill Road, Springfield, MO 65804 (417) 887-7677

Franchised Units:

2213 Stadium Blvd, Jonesboro, AR 72401	(870) 972-8708	417 Market Street, Chattanooga, TN 37402	(423) 266-2253
1303 West Walnut Avenue Ste #1, Dalton, GA 30720	(706) 260-2624	503 Northgate Mall Drive, Chattanooga, TN 37343	(423) 877-0223
2620 Battlefield Parkway, Ft. Oglethorpe, GA 30742	(706) 806-2293	375 Paul Huff Highway, Cleveland, TN 37312	(423) 472-5444
249 Ridgeway, Flowood, MS 39232	(601) 919-0068	7850 Poplar Ave, Germantown, TN 38138	(901) 759-1439
4600 Hardy Street, Hattiesburg, MS 39402	(601) 261-2539	1145 Vann Drive, Ste 107, Jackson, TN	(731) 215-6084
7501 Goodman Road, Olive Branch, MS 38654	(662) 890-1985	4893 North Broadway St., Knoxville, TN 37918	(865) 688-2393
1902 West Jackson Avenue, Oxford, MS 38655	(662) 234-3793	4855 Kingston Pike, Knoxville, TN 37919	(423) 450-1002
1000 Highland Colony Pkwy #5001, Ridgeland, MS 39157	(601) 790-6261	205 North Peters Road, Knoxville, TN 37923	(865) 769-4292
733 Louisville Rd., Alcoa, TN 37801	(865) 379-2306	4530 Poplar Ave, Ste 101, Memphis, TN 38117	(901) 767-3116
8340 US Highway 64, Suite 101, Bartlett, TN 38133	(901) 379-0373	1961 Union Avenue, Memphis, TN 38104	(901) 725-8952
714 North Germantown Pkwy, Cordova, TN 38018	(901) 754-5813	471 S. Illinois Avenue, Oak Ridge, TN 37830	(865) 220-5699
1810 Gunbarrel Road, Chattanooga, TN 37421	(423) 899-2253		

TEXAS**Northwest Houston Market****Franchisee:**

EYM Café of Texas, LLC
450 East John Carpenter Freeway #100, Irving, TX 75062 (214) 819-3800

Franchised Units:

1302 West Davis Street, Conroe, TX 77304	(936) 788-2898	21620 Kukendahl Road, Spring, TX 77379	(281) 288-9900
26003 NW Freeway, Cypress, TX 77429	(281) 758-3100	1448 Louetta Road, Spring, TX 77388	(281) 528-6359
12220 FM 1960 West, Houston, TX 77065	(281) 469-5623	8203 Louetta Road, Spring, TX 77379	(281) 257-4777
19502 Katy Freeway, Houston, TX 77094	(281) 398-6444	3548 Rayford Road, Spring, TX 77386	(281) 907-0211
13704 Northwest Freeway, Houston, TX 77040	(713) 934-9201	3113 College Park Drive, The Woodlands, TX 77384	(936) 272-1400
22521 Tomball Parkway, Ste. 125, Houston, TX 77375	(281) 257-6300	1201 Lake Woodlands Dr., The Woodlands, TX 77380	(281) 363-1058
25546 Kingsland Boulevard, Katy, TX 77494	(281) 392-0450	28403 State Highway 249, Tomball, TX 77377	(281) 516-4747
15607 Highway 105 W, Montgomery, TX 77356	(936) 588-5566		

South, East, and Northeast Houston Markets**Franchisee:**

Rolling Dough Ltd.
13809 Research Blvd, Ste 810, Austin, TX 78750-1838 (512) 401-6550

Franchised Units:

7041 FM 1960 East, Atascocita, TX 77346	(281) 812-4448	10550 Westheimer Road, Suite 100, Houston, TX 77042	(713) 977-0726
6439 Garth Road, Baytown, TX 77521	(281) 421-4042	25665 US Hwy 59 North, Kingwood, TX 77339	(281) 354-2668
4104 Dowlen Road, Beaumont, TX 77706	(409) 347-0702	205 Highway 332 W, Ste B, Lake Jackson, TX 77566	(979) 292-0500
1415 University Drive, College Station, TX 77840	(979) 268-1013	2630 Gulf Freeway, Ste A, League City, TX 77573	(281) 337-3425
851 Dairy Ashford, Houston, TX 77079	(281) 531-0731	5855 Fairmont Pkwy., Pasadena, TX 77505	(281) 991-8111
1705 W. Gray, Suite 100, Houston, TX 77019	(713) 523-1180	10621 Broadway, Ste #113, Pearland, TX 77584	(713) 436-3123
7049 N. Highway 6, Houston, TX 77095	(281) 858-5390	2670 Pearland Parkway, Pearland, TX 77581	(832) 736-9160
3151 Ste A W. Holcombe Blvd, Houston, TX 77052	(713) 821-1065	1928 Highway 6, Sugarland, TX 77478	(281) 242-7324
15450 Wallisville Road, Houston, TX 77015	(713) 453-1321	155 El Dorado Blvd., Webster, TX 77339	(281) 286-3273

Franchisee:

PAFS Bread LLC 1225 North Gilbert Road, Mesa, AZ 85203	(480) 329-0149		
Franchised Units: Dallas Fort-Worth Terminal A- Gate 34 2400 Aviation Drive, Dallas, TX 75261	(972) 973-7370		
Franchisee: Aramark Food and Support Services Group, Inc. 1101 Market Street, Philadelphia, PA 19107	(800) 272-6275		
Franchised Units: Southern Methodist University 3140 Dyer Street, Dallas, TX 75205	(214) 768-4300		
Franchisee: Army & Air Force Exchange Services 3911 S. Walton Walker Blvd, Dallas, TX 75236	(214) 312-2011		
Franchised Units: 33012 Legends Way, Fort Cavazos, TX 76544	(254) 213-2602		
Franchisee: Compass Group USA, Inc. 2400 Yorkmont Road, Charlotte, NC 28217	(704) 328-4000		
Franchised Units: University of Texas at Arlington 593 S. Pecan Street, Arlington, TX 76010	(817) 272-2304		
Franchisee: Sodexo Operations, LLC 915 Meeting Street, 15 th Floor, North Bethesda, MD 20852	(301) 987-4000		
Franchised Units: University of Texas – El Paso 500 W. University Ave, Union Bldg Ste 207, El Paso, TX 79968	(915) 747-0126		
UTAH			
Franchisee: American Bread Company LLC 8905 Lake Avenue, Cleveland, OH 44102	(216) 961-6767		
Franchised Units: 887 S. North County Blvd, Sts A-B, Pleasant Grove, UT 84062	(801) 406-8785	4431 W. Tree Sparrow Dr, Riverton, UT 84096	(801) 996-4399
Franchisee: PAFS Bread LLC 1225 North Gilbert Road, Mesa, AZ 85203	(480) 329-0149		
Franchised Units: 776 North Terminal Drive, Salt Lake City, UT 84122	(801) 657-5070		
VIRGINIA			
Western Virginia and part of West Virginia Markets			
Franchisee: Pan Mid-Atlantic, LLC 225 Bush Street, Suite 1800, San Francisco, CA 94104	(415) 835-9700		
Franchised Units: 715 University City Blvd., Blacksburg, VA 24060 1121 Emmet Street, Charlottesville, VA 22903 405 Merchant Walk Sq, Bldg. 1800, Charlottesville, VA 22902 2610 North Franklin, Christianburg, VA 24073 15241 Creativity Drive, Culpepper, VA 22701 295 Burgess Rd., Harrisonburg, VA 22801 3901 Old Forest Road, Lynchburg, VA 24501	(540) 722-4235 (434) 245-6192 (434) 979-0864 (540) 382-0970 (540) 727-0077 (540) 433-6333 (434) 385-1979	4202 Electric Rd., Roanoke, VA 24014 251 W. Lee Hwy #227, Warrenton, VA 20186 1101 Red Top Orchard Road, Waynesboro, VA 22980 2605 South Pleasant Valley Rd, Winchester, VA 22601 888 Foxcroft Avenue, Martinsburg, WV 25401 72 Oak Lee Drive, Ranson, WV 25438	(540) 776-1001 (540) 341-4362 (540) 949-5804 (504) 722-4235 (304) 260-0860 (304) 728-3000
Franchisee: Aramark Food And Support Services Group, Inc. 1101 Market Street, Philadelphia, PA 19107	(800) 272-6275		
Franchised Units: Old Dominion University 4108 Monarch Way, Norfolk, VA 23529	(757) 683-5875	James Madison University 261 East Grace Street, Harrisonburg, VA 22807	(540) 568-8025
Franchisee: Sodexo Operations, LLC 915 Meeting Street, 15 th Floor, North Bethesda, MD 20852	(301) 987-4000		
Franchised Units: University of Mary Washington 1301 College Avenue, Fredericksburg, VA 22401	(540) 654-5641		
WASHINGTON			
Seattle and portions of Washington Markets			
Franchisee: Pan Washington LLC 225 Bush Street, Suite 1800, San Francisco, CA 94104	(415) 835-9700		
Franchised Units:			

1022 Outlet Collection Way SW, Auburn, WA 98010
 1100 Bellevue Way NE, Suite 9, Bellevue, WA 98004
 4004 Factoria Mall SE A6, Bellevue, WA 98006
 1295 East Sunset Drive, Bellingham, WA 98226
 21221 Bothell Evert Hwy, Bothell, WA 98021
 1749 S. Burlington Blvd., Burlington, WA 98233
 7929 Lake Ballinger Way, Edmonds, WA 98026
 304 SE Everett Mall Way, Everett, WA 98208
 2107 South 320th Street, Federal Way, WA 98003
 4751 Point Fosdick Drive, Gig Harbor, WA 98335
 775 NW Gilman Blvd, Issaquah, WA 98027
 521 2nd Place North, Suite 101, Kent, WA 98032

(253) 735-6771
 (425) 453-2600
 (425) 747-2265
 (360) 526-6920
 (425) 424-3933
 (360) 707-0894
 (425) 640-2025
 (425) 265-9531
 (253) 839-2499
 (253) 853-4004
 (425) 369-6180
 (253) 854-1711

1320 Marvin Road NE, Ste. E, Lacey, WA 98516
 5606 Lakewood Towne Ctr Dr, Lakewood, WA 98499
 26535 State Route 169, Maple Valley, WA 98038
 2525 Capital Mall Drive, Olympia, WA 98502
 3610 S. Meridian, Puyallup, WA 98373
 17262 Redmond Way, Redmond, WA 98052
 921 North 10th St., Suite E, Renton, WA 98057
 9995 Silverdale Way, Silverdale, WA 98383
 4502 S. Steel Street, Tacoma, WA 98409
 17250 Southcenter Pkwy, Suite 152, Tukwila, WA 98188
 9324 34th Avenue, Tulalip, WA 98271
 13780 NE 175th Steet, Woodinville, WA 98072

(360) 456-4069
 (253) 588-4669
 (425) 310-0012
 (360) 252-4677
 (253) 445-6590
 (425) 497-0727
 (425) 917-5383
 (360) 698-6801
 (253) 475-6741
 (425) 251-8700
 (360) 716-3366
 (425) 482-7966

EXHIBIT H-2
LIST OF FORMER FRANCHISEES

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

EYM Group 4925 N. O'Conner Road, #200 Irving, TX 75038	In 2024, EYM Group sold 5 Bakery-Cafes to Panera, LLC and continue to operate in Texas.
PBS Foods 4917 Genesta Avenue Encino, CA 91316	In 2024, PBS Foods sold 6 Bakery-Cafes to Panera, LLC and left the system.
Blue Ridge Bread, Inc. 2730 Farmington Heights Charlottesville, VA 22901	In 2024, Blue Ridge Bread, Inc sold 13 Bakery-Cafes in Virginia (11)/West Virginia (2) to Pan Mid-Atlantic, LLC and left the system.
Aramark Food and Support Services Group, Inc. 1101 Market Street Philadelphia, PA 19107	In 2024, Compass Group USA, Inc. assumed operations of 1 Bakery-Cafe in Ohio from Aramark Food and Support Services, Inc. Compass Group USA, Inc. continues to operate in the system.
PAFS Bread, LLC 1225 North Gilbert Road Mesa, AZ 85203	In 2024, PAFS Bread, LLC sold 2 Bakery-Cafes in North Carolina to Host Kind have entered a joint venture agreement with the 2 Bakery-Cafes located in the Charlotte NC airport.
Pan Kansas LLC 225 Bush Street, Suite 1800 San Francisco, CA 94104	In 2024, Pan Kansas LLC closed a Bakery-Cafe Kansas and reopened at a new location.
Lemek, LLC 8184 Lark Brown Road Elkridge, MD 21075	In 2024, Lemek, LLC closed a Bakery-Cafe in Maryland and reopened at a new location.
Boston Bread, LLC 1855 S. Ingram Mill Road, #100 Springfield, MO 65804	In 2024, Boston Bread, LLC closed a Bakery-Cafe in Massachusetts and reopened at a new location.

EXHIBIT I
FINANCIAL STATEMENTS
PANERA BRANDS, INC. GUARANTY

Panera Brands, Inc.

As of December 31, 2024 and December 31, 2023; and for the Fiscal Years
Ended December 31, 2024, December 31, 2023 and December 31, 2022

Panera Brands, Inc.**Index to Consolidated Financial Statements**

<u>Reports of Independent Registered Public Accounting Firms</u>	<u>3</u>
<u>Consolidated Balance Sheets</u>	<u>8</u>
<u>Consolidated Statements of Operations</u>	<u>9</u>
<u>Consolidated Statements of Comprehensive Income (Loss)</u>	<u>10</u>
<u>Consolidated Statements of Cash Flows</u>	<u>11</u>
<u>Consolidated Statements of Changes in Equity and Mezzanine Equity</u>	<u>12</u>
<u>Notes to the Consolidated Financial Statements</u>	<u>13</u>



KPMG LLP
Suite 900
10 South Broadway
St. Louis, MO 63102-1761

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Panera Brands, Inc.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Panera Brands, Inc. and subsidiaries (the Company) as of December 31, 2024 and 2023, the related consolidated statements of operations, comprehensive income (loss), changes in equity and mezzanine equity, and cash flows for each of the years in the three-year period ended December 31, 2024, and the related notes (collectively, the consolidated financial statements). In our opinion, based on our audits and the report of Grant Thornton LLP, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2024, in conformity with U.S. generally accepted accounting principles.

We did not audit the consolidated financial statements of Caribou Coffee Company, Inc., a wholly-owned subsidiary, which statements reflect total assets constituting 12 percent and 11 percent as of December 31, 2024 and 2023, respectively, and total revenues constituting 23 percent, 21 percent, and 20 percent in 2024, 2023 and 2022, respectively, of the related consolidated totals. Those statements were audited by Grant Thornton LLP, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Caribou Coffee Company, Inc., is based solely on the report of Grant Thornton LLP.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB and 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 consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits and the report of Grant Thornton LLP provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication

KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.



of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing a separate opinion on the critical audit matters or on the accounts or disclosures to which they relate.

Indicators of impairment of long-lived assets

As discussed in Note 2 to the consolidated financial statements, the Company evaluates whether events or changes in circumstances have occurred that indicate the remaining estimated useful lives of long-lived assets, including definite-lived intangible assets, may warrant revision or that the remaining balance of an asset may not be recoverable. Property and equipment, net, operating lease assets, and other intangible assets, net as of December 31, 2024 were \$1,001.8 million, \$1,256.4 million, and \$245.4 million, respectively.

We identified the Company's evaluation of events or changes in circumstances that may indicate impairment of long-lived assets at the Panera Bread reportable segment as a critical audit matter. Subjective auditor judgment was required to evaluate the impairment indicators used to assess the Panera Bread reportable segment, including the cash flow thresholds and period of cash flows, as well as the Company's consideration of other qualitative factors.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the Company's identification and evaluation of impairment indicators for each asset group. Specifically, we evaluated the Company's assessment of the cash flows at the asset group level and qualitative factors relevant to the asset groups by:

- inspecting operating and cash flow results by asset groups
- comparing actual operating and cash flow results to historical results and industry trends
- reviewing board and committee meeting minutes and presentation materials to assess whether other events or changes in circumstances had occurred that indicated potential impairment.

Goodwill impairment assessment of certain reporting units in the Panera Bread segment

As discussed in Note 8 to the consolidated financial statements, the goodwill balance related to the Panera Bread segment as of December 31, 2024 was \$4,337.1 million. As discussed in Note 2, the Company assesses goodwill for impairment annually on December 1st, or upon the occurrence of events or changes in circumstances that indicate impairment may exist. Goodwill is tested for impairment by calculating the estimated fair value of the reporting unit and, if the carrying amount of the reporting unit exceeds its estimated fair value, an impairment charge is recorded to goodwill to reduce the carrying value of the reporting unit to its estimated fair value. The Company estimates the fair value of a reporting unit using an income approach and market approach.

We identified the evaluation of the goodwill impairment analysis for certain reporting units in the Panera Bread segment as a critical audit matter. Subjective auditor judgment was required to evaluate forecasted revenue and operating expense assumptions used in the income approach, and the selection of comparable public companies used in the income and market approaches. Specifically, forecasted revenue and operating expenses are based on expected sales trends, development, and operating expenses for which the outcomes are uncertain, and changes to these assumptions and the selected comparable public companies could have had a significant impact on the Company's estimate of the fair value of these reporting units. Additionally, the audit effort associated with the evaluation of the assumptions required specialized skills and knowledge.



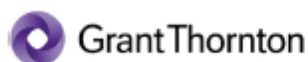
The following are the primary procedures we performed to address this critical audit matter. We evaluated the reasonableness of the Company's forecasted revenue, including expected sales trends and future development, and operating expenses by comparing them to the business initiatives put in place by the Company, historical performance, and external market and industry data. In addition, we involved valuation professionals with specialized skills and knowledge, who assisted in:

- evaluating the Company's forecasted revenue and operating expense assumptions by comparing to publicly available market data for comparable companies
- evaluating the appropriateness of the selected comparable public companies by evaluating the similarities of operating and financial characteristics.

KPMG LLP

We have served as the Company's auditor since 2017.

St. Louis, Missouri
March 27, 2025



GRANT THORNTON LLP
1801 California Street, Suite 3700
Denver, CO 80202

D +1 303 813 4000
F +1 303 839 5711

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Shareholders
Caribou Coffee Company, Inc

Opinion on the financial statements

We have audited the accompanying consolidated balance sheets of Caribou Coffee Company, Inc. (a Delaware corporation) and subsidiaries (the "Company") as of December 31, 2024 and December 26, 2023, the related consolidated statements of operations and comprehensive income, changes in shareholders' equity, and cash flows for the three years ended December 31, 2024, December 26, 2023, and December 27, 2022, and the related notes (collectively referred to as the "consolidated financial statements").

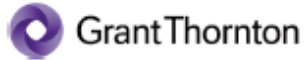
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and December 26, 2023, and the results of its operations and its cash flows for the three years ended December 31, 2024, December 26, 2023, and December 27, 2022, in conformity with accounting principles generally accepted in the United States of America.

Basis for opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included



examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical audit matters

Critical audit matters are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. We determined that there are no critical audit matters.

Grant Thornton LLP

We have served as the Company's auditor since 2015.

Denver, Colorado
March 27, 2025

PANERA BRANDS, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share information)

	December 31, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 126,968	\$ 133,545
Trade accounts receivable, net	62,359	66,523
Other accounts receivable	92,608	103,275
Inventories	53,697	63,537
Prepaid expenses and other	47,727	56,110
Total current assets	383,359	422,990
Property and equipment, net	1,001,824	962,644
Operating lease assets	1,256,359	1,208,897
Other assets:		
Goodwill	4,694,183	4,879,189
Trademarks, net	4,232,500	4,232,500
Other intangible assets, net	245,389	263,152
Deposits and other	25,976	27,305
Total other assets	9,198,048	9,402,146
Total assets	<u>\$ 11,839,590</u>	<u>\$ 11,996,677</u>
Liabilities, Mezzanine Equity and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 144,926	\$ 221,141
Structured payables	49,742	245,366
Accrued expenses	638,451	564,527
Operating lease liabilities - current	195,132	184,276
Current portion of long-term debt	98,075	95,564
Total current liabilities	1,126,326	1,310,874
Operating lease liabilities - non-current	1,155,919	1,119,274
Long-term debt	2,300,174	2,409,179
Deferred income taxes	1,062,459	1,083,381
Warrant liability	567,885	757,982
Other long-term liabilities	187,828	117,096
Total liabilities	6,400,591	6,797,786
Commitments and contingencies (Note 14)		
Mezzanine equity:		
Redeemable noncontrolling interest	216,308	294,777
Stockholders' equity:		
Common stock, \$0.01 par value per share; 70,000,000 shares authorized at December 31, 2024 and December 31, 2023, respectively, and 51,776,251 and 51,789,937 shares issued and outstanding at December 31, 2024 and December 31, 2023, respectively	518	518
Additional paid-in capital	5,140,634	4,937,371
Accumulated other comprehensive income (loss)	19,123	34,437
Retained earnings (accumulated deficit)	59,494	(71,156)
Stockholders' equity	5,219,769	4,901,170
Noncontrolling interest	2,922	2,944
Total stockholders' equity	5,222,691	4,904,114
Total liabilities, mezzanine equity and stockholders' equity	<u>\$ 11,839,590</u>	<u>\$ 11,996,677</u>

The accompanying notes are an integral part of the consolidated financial statements.

PANERA BRANDS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share information)

	For the fiscal year ended		
	December 31, 2024	December 31, 2023	December 31, 2022
Revenues:			
Bakery-cafe sales, net	\$ 3,958,218	\$ 4,101,308	\$ 3,918,536
Franchise royalties, IT and other fees	225,583	232,665	225,937
Franchise advertising	98,312	117,905	116,989
Manufacturing and other product sales	412,041	500,312	495,414
Total revenues	\$ 4,694,154	\$ 4,952,190	\$ 4,756,876
Costs and expenses:			
Bakery-cafe expenses:			
Cost of food and paper products	\$ 1,044,819	\$ 1,138,000	\$ 1,141,782
Labor	1,218,477	1,209,714	1,204,608
Occupancy	327,319	312,977	300,992
Other operating expenses	683,233	701,774	651,978
Total bakery-cafe expenses	3,273,848	3,362,465	3,299,360
Manufacturing and other product cost of sales	321,863	389,977	389,204
Franchise IT and other expenses	38,524	39,755	38,054
Franchise advertising expenses	98,312	117,966	116,989
Depreciation and amortization	251,646	226,202	216,088
General and administrative expenses	433,368	424,641	368,655
Goodwill impairment	158,515	—	—
Pre-opening expenses	12,986	9,120	8,256
Total costs and expenses	4,589,062	4,570,126	4,436,606
Operating profit (loss)	105,092	382,064	320,270
Interest expense, net	124,925	155,399	178,260
Other (income) expense, net	(186,869)	3,430	179,652
Income (loss) before income taxes	167,036	223,235	(37,642)
Income taxes (benefit)	33,400	50,121	13,759
Net income (loss)	\$ 133,636	\$ 173,114	\$ (51,401)
Less: Net income (loss) attributable to noncontrolling interest	2,986	5,003	2,263
Net income (loss) attributable to Panera Brands, Inc.	\$ 130,650	\$ 168,111	\$ (53,664)
Earnings (loss) per common share:			
Basic	\$ 2.34	\$ 3.22	\$ (1.18)
Diluted	\$ (1.08)	\$ 3.11	\$ (1.23)
Weighted average shares of common and common equivalent shares outstanding:			
Basic	51,780	50,317	47,223
Diluted	55,725	54,291	47,223

The accompanying notes are an integral part of the consolidated financial statements.

PANERA BRANDS, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in thousands)

	For the fiscal year ended		
	December 31, 2024	December 31, 2023	December 31, 2022
Net income (loss)	\$ 133,636	\$ 173,114	\$ (51,401)
Other comprehensive income (loss), net of tax:			
Unrealized gains (losses) on cash flow hedging instruments, net of tax of \$(9,008), \$14,145, and \$(20,656)	27,607	(43,778)	63,633
Unrealized gains on settlement of interest rate swaps, net of tax of \$(17,284) and \$(4,880)	—	53,563	15,028
Reclassification adjustment for net (gains) losses realized in earnings on cash flow hedging instruments, net of tax of \$14,040, \$13,465, and \$(3,257)	(43,031)	(41,676)	10,035
Foreign currency translation adjustment	(66)	17	27
Other comprehensive income (loss)	(15,490)	(31,874)	88,723
Comprehensive income (loss)	118,146	141,240	37,322
Comprehensive income (loss) attributable to noncontrolling interests	2,810	4,614	3,767
Comprehensive income (loss) attributable to Panera Brands, Inc. .	<u>\$ 115,336</u>	<u>\$ 136,626</u>	<u>\$ 33,555</u>

The accompanying notes are an integral part of the consolidated financial statements.

PANERA BRANDS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

Panera 2025 FDD (254)

	For the fiscal year ended		
	December 31, 2024	December 31, 2023	December 31, 2022
Cash flows from operating activities:			
Net income (loss)	\$ 133,636	\$ 173,114	\$ (51,401)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	251,646	226,202	216,088
Stock-based compensation expense	41,192	32,025	33,782
Deferred income taxes	(15,314)	17,234	21,897
Goodwill impairment	158,515	—	—
Change in fair value of warrant liabilities	(189,867)	3,459	180,576
Other	(21,292)	4,234	35,907
Changes in operating assets and liabilities, excluding the effect of acquisitions and dispositions:			
Trade and other accounts receivable, net	29,258	(13,221)	(16,066)
Inventories	2,052	(1,176)	(9,321)
Prepaid expenses and other	(1,255)	(10,568)	1,476
Deposits and other	(1,499)	7,431	(4,224)
Accounts payable	(71,715)	11,423	55,490
Accrued expenses	41,248	26,184	(76,251)
Operating lease assets and liabilities	(6,600)	(3,486)	(915)
Other long-term liabilities	56,812	6,431	952
Net cash provided by operating activities	406,817	479,286	387,990
Cash flows from investing activities:			
Additions to property and equipment	(283,013)	(281,236)	(229,075)
Acquisitions, net of cash acquired	(3,960)	—	(41,247)
Proceeds from disposal of property and equipment	—	1,714	—
Proceeds from the divestiture of certain operations	211,530	—	—
Proceeds from the settlement of interest rate swaps	—	70,847	19,908
Proceeds from refranchisings	—	7,200	—
Proceeds from sale-leaseback transactions	—	3,430	7,212
Net cash used in investing activities	(75,443)	(198,045)	(243,202)
Cash flows from financing activities:			
Repayments of long-term debt	(103,324)	(603,068)	(2,258,064)
Proceeds from issuance of long-term debt	1,367	2,265	2,007,963
Repayments of borrowings under revolving credit facilities	(220,000)	(160,000)	(1,023,000)
Proceeds from borrowings under revolving credit facilities	210,000	—	796,750
Payment of debt issuance costs	(694)	—	(42,457)
Proceeds from structured payables	187,857	735,704	919,713
Payments on structured payables	(383,481)	(860,845)	(903,386)
Acquisitions of noncontrolling interests	(31,259)	(56,335)	(103,353)
Issuance of subsidiary common stock	2,283	1,981	2,407
Issuance of common stock	231	680,983	377,589
Dividends	—	(89,957)	—
Distributions to noncontrolling interests	(931)	(929)	(1,145)
Net cash provided by (used in) financing activities	(337,951)	(350,201)	(226,983)
Net increase (decrease) in cash and cash equivalents	(6,577)	(68,960)	(82,195)
Cash and cash equivalents at beginning of period	133,545	202,505	284,700
Cash and cash equivalents at end of period	\$ 126,968	\$ 133,545	\$ 202,505

The accompanying notes are an integral part of the consolidated financial statements.

PANERA BRANDS, INC. Panera 2025 FDD (255)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY AND MEZZANINE EQUITY

(in thousands)

	Common Stock		Treasury Stock		Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest	Total	Mezzanine Equity Redeemable Noncontrolling Interest
	Shares	Amount	Shares	Amount						
Balance, December 31, 2021	46,173	\$ 462	—	\$ —	\$ 3,918,648	\$ (103,531)	\$ (21,297)	\$ 3,286	\$ 3,797,568	\$ 334,487
Net income (loss)	—	—	—	—	—	(53,664)	—	772	(52,892)	1,491
Stock-based compensation expense	—	—	—	—	—	—	—	—	—	35,194
Unrealized gain on derivative securities, net of tax	—	—	—	—	—	—	62,715	—	62,715	918
Realized loss on derivative securities, net of tax	—	—	—	—	—	—	9,629	—	9,629	406
Acquisitions of noncontrolling interests	(8)	—	—	—	(47,629)	—	—	—	(47,629)	(55,224)
Issuance of subsidiary common stock	—	—	—	—	—	—	—	—	—	2,407
Unrealized gains on settlement of interest rate swaps, net of tax	—	—	—	—	—	—	14,848	—	14,848	180
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(1,145)	(1,145)	—
Issuance of common stock	2,094	21	—	—	377,568	—	—	—	377,589	—
Fair value remeasurements	—	—	—	—	15,609	—	—	—	15,609	(15,609)
Other	—	—	—	—	275	—	27	—	302	(364)
Balance, December 31, 2022	48,259	\$ 483	—	\$ —	\$ 4,264,471	\$ (157,195)	\$ 65,922	\$ 2,913	\$ 4,176,594	\$ 303,886
Net income (loss)	—	—	—	—	—	168,111	—	960	169,071	4,043
Stock-based compensation expense	—	—	—	—	—	—	—	—	—	32,656
Unrealized loss on derivative securities, net of tax	—	—	—	—	—	—	(43,272)	—	(43,272)	(506)
Realized gain on derivative securities, net of tax	—	—	—	—	—	—	(41,205)	—	(41,205)	(471)
Acquisitions of noncontrolling interests	(17)	—	—	—	(13,686)	—	—	—	(13,686)	(42,649)
Issuance of subsidiary common stock	—	—	—	—	—	—	—	—	—	1,981
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(929)	(929)	—
Unrealized gains on settlement of interest rate swaps, net of tax	—	—	—	—	—	—	52,975	—	52,975	588
Dividends	—	—	—	—	—	(82,072)	—	—	(82,072)	(1,782)
Issuance of common stock	3,534	35	—	—	673,948	—	—	—	673,983	7,000
Exercise of warrants	14	—	—	—	—	—	—	—	—	2,614
Fair value remeasurements	—	—	—	—	12,638	—	—	—	12,638	(12,638)
Other	—	—	—	—	—	—	17	—	17	55
Balance, December 31, 2023	51,790	\$ 518	—	\$ —	\$ 4,937,371	\$ (71,156)	\$ 34,437	\$ 2,944	\$ 4,904,114	\$ 294,777
Net income (loss)	—	—	—	—	—	130,650	—	909	131,559	2,077
Stock-based compensation expense	—	—	—	—	—	—	—	—	—	41,503
Unrealized loss on derivative securities, net of tax	—	—	—	—	—	—	27,293	—	27,293	314
Realized gain on derivative securities, net of tax	—	—	—	—	—	—	(42,541)	—	(42,541)	(490)
Acquisitions of noncontrolling interests	(18)	—	—	—	3,652	—	—	—	3,652	(69,053)
Issuance of subsidiary common stock	—	—	—	—	—	—	—	—	—	2,283
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(931)	(931)	—
Common control transactions	—	—	—	—	142,608	—	—	—	142,608	—
Issuance of common stock	3	—	—	—	231	—	—	—	231	1,378
Exercise of warrants	1	—	—	—	—	—	—	—	—	231
Fair value remeasurements	—	—	—	—	56,772	—	—	—	56,772	(56,772)
Other	—	—	—	—	—	—	(66)	—	(66)	60
Balance, December 31, 2024	51,776	\$ 518	—	\$ —	\$ 5,140,634	\$ 59,494	\$ 19,123	\$ 2,922	\$ 5,222,691	\$ 216,308

The accompanying notes are an integral part of the consolidated financial statements.

1. Description of Business and Basis of Presentation

Description of Business

Panera Brands, Inc. ("Panera Brands," the "Company," "we," "us" or "our") operates and franchises bakery-cafes in the fast casual segment of the restaurant industry. Panera Brands is made up of three reportable segments, Panera Bread, Caribou Coffee, and Einstein Bros. Brands. As of December 31, 2024, Panera Brands had approximately 3,769 bakery-cafes system-wide, excluding the 275 Einstein Bros. Brands licensed bakery-cafes, which have lower average unit volumes.

Panera Bread specializes in meeting consumer dining needs by providing high-quality food and targets urban and suburban dwellers and workers by offering a premium specialty bakery-cafe experience with a neighborhood emphasis. In addition to the in-bakery-cafe dining experience, Panera Bread offers nation-wide catering and delivery services that provide breakfast assortments, sandwiches, salads, soups, pasta dishes, drinks, and bakery items using the same high-quality, fresh ingredients enjoyed in bakery-cafes. The Panera Bread segment operates retail bakery-cafe businesses and franchising businesses under the concept names Panera Bread® and Saint Louis Bread Co.®. As of December 31, 2024, the retail operations of Panera Bread consisted of 1,101 company-owned bakery-cafes. Panera Bread franchised 1,115 bakery-cafes as of December 31, 2024. Bakery-cafes are located in urban, suburban, strip mall, regional mall, university and hospital locations and currently operate in the United States and Canada. Most bakery-cafes use freshly prepared dough for their artisan and sourdough breads and bagels. As of December 31, 2024, Panera Bread's fresh dough and other product operations, which supply fresh dough, produce, and other items daily to most company-owned and franchise-operated bakery-cafes, consisted of 13 company-owned production facilities. Panera Bread also sells a broad range of products through grocery, mass wholesalers, club retailers, and other channels in collaboration with licensed business partners as part of its Panera at Home business.

Caribou Coffee sells high-quality premium coffee and espresso-based beverages, and coffee lifestyle items. The Caribou Coffee segment operates, franchises, and licenses branded retail bakery-cafes under the concept name Caribou Coffee®. As of December 31, 2024, the retail operations of Caribou Coffee consisted of 335 company-owned retail locations. Caribou Coffee franchised or licensed 501 bakery-cafes as of December 31, 2024.

Einstein Bros. Brands businesses sell high quality bagels, made-to-order sandwiches, food and other bakery items at their bakery-cafes and also sell branded products through grocery, club and food service distribution channels. The Einstein Bros. Brands segment operates, franchises and licenses branded specialty bagel bakery-cafes. All references to "Einstein Bros. Brands" refer to specialty bagel bakery-cafes operating under the concept names Einstein Bros. Bagels®, Bruegger's Bagels®, Noah's New York Bagels®, and Manhattan Bagel Company®. As of December 31, 2024, the retail operations of Einstein Bros. Brands consisted of 538 company-owned retail locations. Einstein Bros. Brands franchised 179 bakery-cafes as of December 31, 2024, excluding the 275 Einstein Bros. Brands licensed bakery-cafes, which have lower average unit volumes.

Basis of Presentation

The consolidated financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States ("GAAP"). The consolidated financial statements consist of the accounts of Panera Brands, Inc., its wholly owned direct and indirect subsidiaries and investees it controls. All intercompany balances and transactions have been eliminated in consolidation.

Fiscal Year

Panera Brands, Inc.'s fiscal year ends on December 31. Panera Brands, Inc.'s reportable segments, Panera Bread, Caribou Coffee, and Einstein Bros. Brands, have different fiscal year-end dates and different fiscal quarter-end dates than Panera Brands, Inc., with the fiscal year for each of the reportable segments ending on the last Tuesday in December of each year.

For fiscal years 2022, 2023, and 2024, the fiscal year-end date for each reportable segment was December 27, 2022, December 26, 2023, and December 31, 2024, with fiscal year 2024 containing fifty-three weeks for the reportable segments and fiscal years 2022 and 2023 each containing fifty-two weeks for the reportable segments. The difference in fiscal year-end dates between Panera Brands, Inc. and its reportable segments was not deemed to be material. Therefore, there were no adjustments made during consolidation and references in the consolidated financial statements to the reportable segments' financial information, and the amounts, percentages and figures as of or in the fiscal years ended December 31, 2022, December 31, 2023, and December 31, 2024 refer to their respective amounts, percentages and figures as of or in the fiscal years ended December 27, 2022, December 26, 2023, and December 31, 2024, respectively.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recently Adopted Accounting Pronouncements

In November 2023, the Financial Accounting Standards Board (“FASB”) issued guidance which updates reportable segment disclosure requirements primarily through enhanced disclosures about significant segment expenses. The guidance is effective for fiscal years beginning after December 15, 2023, and for interim periods within fiscal years beginning after December 15, 2024. The Company adopted this guidance on January 1, 2024, and added necessary disclosures upon adoption as disclosed in Note 19, Business Segment Information.

Recent Accounting Pronouncements Not Yet Adopted

In December 2023, the FASB issued guidance which updates income tax disclosures related to the rate reconciliation and requires disclosure of income taxes paid by jurisdiction. The guidance also provides further disclosure comparability. The guidance is effective for fiscal years beginning after December 15, 2024. Early adoption is permitted. The guidance is to be applied prospectively; however, retrospective application is permitted. The Company is currently evaluating this guidance to determine its impact on the Company’s disclosures.

In November 2024, the FASB issued guidance that requires public entities to disaggregate, in a tabular presentation, certain income statement expenses into different categories, such as purchases of inventory, employee compensation, depreciation, and intangible asset amortization. The guidance is effective for fiscal years beginning after December 15, 2026. The guidance is to be applied prospectively; however, retrospective application is permitted. The Company is currently evaluating this guidance to determine its impact on the Company's disclosures.

Common Control Transactions

As described in Note 4, Acquisitions and Divestitures, in March 2024, Caribou Coffee sold its roasting operations in Minnesota and its office, coffee, and foodservice contracts to a subsidiary of JDE Peet’s N.V. (“JDEP”). JDEP and the Company are under common control. In conjunction with the sale, Caribou Coffee also licensed the rights to its brand for use in consumer-packaged goods and foodservice channels. As consideration, Caribou Coffee received a payment of \$268.5 million. Caribou Coffee recognized \$211.5 million of the consideration as proceeds from the sale of a business to an entity under common control. The difference between the carrying amount of net assets derecognized, including goodwill of \$27.8 million, and the consideration from the sale of the business of \$211.5 million was accounted for as an equity transaction, an increase in additional paid-in capital of \$142.6 million. Caribou Coffee recognized the remaining \$57.0 million of the consideration as deferred revenue. Caribou Coffee will recognize the deferred revenue on a straight-line basis over the estimated economic life of the arrangement of 25 years.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity at the time of purchase of three months or less to be cash equivalents. The Company maintains cash balances with financial institutions that exceed federally insured limits. The Company has not experienced any losses related to these balances and believes credit risk to be minimal.

Trade Accounts Receivable, net and Other Accounts Receivable

Trade accounts receivable, net consists primarily of amounts due to the Company from its franchisees for purchases of fresh dough and other products from the Company’s fresh dough facilities, royalties due to the Company from franchisee sales, information technology services provided to franchisees, and receivables from credit card and catering on-account sales.

As of December 31, 2024, other accounts receivable consisted primarily of \$23.7 million due from wholesalers of the Company’s gift cards, tenant allowances due from landlords of \$18.1 million, and \$4.1 million due from income tax refunds. As of December 31, 2023, other accounts receivable consisted primarily of \$34.3 million due from wholesalers of the Company’s gift cards, tenant allowances due from landlords of \$15.4 million, and \$6.9 million due from income tax refunds.

The Company maintains allowances for potential uncollectible accounts based on historical losses and existing economic conditions, when relevant. The allowance for doubtful accounts at December 31, 2024 and December 31, 2023 was \$0.5 million and \$0.9 million, respectively.

Inventories

Inventories, which consist of food products, paper goods, and supplies, are valued at the lower of cost or net realizable value, with cost determined under the first-in, first-out method.

Property and Equipment, net

Property, equipment, leasehold improvements, and land are stated at cost less accumulated depreciation. Depreciation is recognized using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are depreciated using the straight-line method over the shorter of their estimated useful lives or the related reasonably assured lease term. Costs incurred in connection with the development of internal-use software are capitalized in accordance with the accounting standard for internal-use software, and are amortized over the expected useful life of the software. The estimated useful lives used for financial statement purposes are:

Leasehold improvements	10 - 20 years
Machinery and equipment	3 - 20 years
Furniture and fixtures	2 - 7 years
Computer software	3 - 5 years

Upon retirement or sale, the cost of assets disposed and their related accumulated depreciation are removed from the Company's accounts. Any resulting gain or loss is credited or charged to operations. Maintenance and repairs are charged to expense when incurred, while certain improvements are capitalized. The total amounts expensed for maintenance and repairs was \$98.9 million, \$98.5 million, and \$85.9 million for fiscal 2024, fiscal 2023, and fiscal 2022, respectively.

Business Combinations

Acquisitions are accounted for as purchases in accordance with the provisions of FASB ASC Topic 805, "Business Combinations," as amended ("ASC Topic 805"). Assets acquired and liabilities assumed are recorded at fair values at the acquisition date with the remainder of the consideration, if any, recorded as goodwill. The Company expenses acquisition-related costs as incurred.

Indefinite-Lived Intangible Assets and Goodwill

Goodwill represents the excess of consideration transferred over the fair value of the net assets acquired and liabilities assumed in a business combination. The Company's indefinite-lived intangible assets consist of the following trademarks: Panera Bread, St. Louis Bread Co., Caribou Coffee, Einstein Bros. Bagels, Noah's New York Bagels, and Bruegger's. We assess the recoverability of indefinite-lived intangible assets and goodwill annually on December 1st, or upon the occurrence of events or changes in circumstances that would indicate impairment may exist.

When assessing the recoverability of the trademarks and goodwill, we may first perform an assessment of qualitative factors. We may elect to skip the qualitative assessment and proceed directly to the quantitative analysis, for any reporting unit or trademark, in any period. If we do not perform a qualitative assessment, or if we determine it is not more-likely-than-not that the fair value of the trademark or reporting unit exceeds its carrying amount, we calculate the estimated fair value of the trademark or reporting unit. If the carrying amount of the trademark or reporting unit exceeds the estimated fair value, an impairment charge is recorded to reduce the carrying value to the estimate fair value.

When estimating the fair value of the Company's trademarks, such determination is made using the relief from royalty method. The relief from royalty method is an income approach that discounts estimates of our theoretical royalty savings from ownership of the trademarks. The fair value of a reporting unit is the price a willing buyer would pay for the reporting unit and is estimated using an income approach and market approach.

In connection with its annual impairment assessment during the fourth quarter of fiscal 2024, the Company identified triggering events that indicated the Panera Bread and St. Louis Bread Co. trademarks and goodwill allocated to the Panera Bread reportable segment's reporting units might be impaired. The triggering events related to negative trends in Panera Bread

comparable same-store sales and a decline in the fair value of Panera Bread's common stock. As a result, the Company performed a quantitative test of the Panera Bread and St. Louis Bread Co. trademarks and the Panera Bread reporting units. The impairment test indicated the fair value of the Panera Bread and St. Louis Bread Co. trademarks exceeded their carrying value by less than 20% and the fair value of the retail reporting unit exceeded its carrying value by less than 10%. The fair value of the franchise reporting unit exceeded its carrying value by more than 100%. However, the fair value of the Panera Bread fresh dough and other product operations reporting unit did not exceed its carrying value, which resulted in an impairment of goodwill of \$158.5 million.

The Panera Bread fresh dough and other product operations reporting unit supplies fresh dough, produce, and other items daily to most company-owned and franchise-operated bakery-cafes. The sales, costs, and operating profit related to the sales to Company-owned bakery-cafes are eliminated in consolidation in the Consolidated Statements of Operations. The valuation of the Panera Bread fresh dough and other product operations reporting unit assumed a reduced profit forecast due to Panera Bread's ongoing transformation of its bakery and supply chain operations, which the Company refers to as the Panera Bread bakery transformation.

In performing the quantitative test of goodwill, the Company primarily used the income approach method of valuation that included the discounted cash flow method and the market approach that included the guideline public company method to determine the fair value of the reporting units. Significant assumptions used to determine fair value under the discounted cash flow method included expected sales trends, bakery-cafe development, and operating expenses for each of the reporting units, and an appropriate discount rate based on the weighted average cost of capital. Significant assumptions used to determine fair value under the guideline public company method included comparable public companies and profitability multiples for each of the reporting units. In performing the quantitative test of the trademarks, the Company used the relief from royalty method. Significant assumptions used to determine fair value under the relief from royalty method included expected sales trends, assumed royalty rates that could be payable if the Company did not own the trademarks, and an appropriate discount rate based on the weighted average cost of capital.

The Company determined there were no such triggering events during fiscal 2024 for the trademarks and reporting units of Caribou Coffee and Einstein Bros. Brands. As a result, during fiscal 2024, for Caribou Coffee and Einstein Bros. Brands, the Company elected to perform a qualitative assessment for its annual review of its trademarks and goodwill to determine whether or not indicators of impairment exist. As a result of the qualitative assessment, no indicators of impairment were identified and no additional indicators of impairment were identified through the end of our fourth fiscal quarter that would require us to test further for impairment.

During fiscal 2023 and fiscal 2022 the Company elected to perform a qualitative assessment for its annual review of its trademarks and goodwill to determine whether or not indicators of impairment exist. As a result of the qualitative assessment, no indicators of impairment were identified and no additional indicators of impairment were identified through the end of our fourth fiscal quarter that would require us to test further for impairment.

Other Intangible Assets

Definite-lived intangible assets recorded in other intangible assets, net in the Consolidated Balance Sheets consists of franchise agreements, a technology-related intangible asset, a non-compete agreement, customer relationships, tradenames and trademarks. Definite-lived intangible assets are amortized over their estimated useful lives, originally estimated at 1 to 25 years. Franchise agreements are amortized over their estimated useful lives, originally estimated at 7 to 25 years. The technology-related intangible asset is amortized over its estimate useful life, originally estimated at 24 years. The acquired non-compete agreement was amortized over its estimated useful life of 1 year. Acquired customer relationships are amortized over their estimated useful lives, originally estimated at 3 to 4 years.

Impairment of Long-Lived Assets

The Company evaluates whether events or changes in circumstances have occurred that indicate the remaining estimated useful lives of long-lived assets, including definite-lived intangible assets, may warrant revision or that the remaining balance of an asset may not be recoverable. When such an event or change in circumstance is identified, the Company compares anticipated undiscounted cash flows from the related asset group with their respective carrying values to determine if the long-lived assets are recoverable. If the sum of the anticipated undiscounted cash flows for the asset group is less than their carrying value, an impairment loss is recognized for the difference between the anticipated discounted cash flows, which approximates fair value, and the carrying value of the long-lived assets.

During fiscal 2024, the Company recognized impairment losses totaling \$3.5 million related to certain underperforming Company-owned bakery-cafes, which included \$2.3 million of equipment and leasehold improvement impairments and \$1.2

PANERA BRANDS, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Panera 2025 FDD (260)

million of right-of-use asset impairments. During fiscal 2023, the Company recognized impairment losses totaling \$1.6 million related to certain underperforming Company-owned bakery-cafes, which included \$1.0 million of equipment and leasehold improvement impairments and \$0.6 million of right-of-use asset impairments. During fiscal 2022, the Company recognized impairment losses totaling \$3.2 million related to certain underperforming Company-owned bakery-cafes, which included \$1.1 million of equipment and leasehold improvement impairments and \$2.1 million of right-of-use asset impairments. The equipment and leasehold improvement impairments were recorded in depreciation and amortization expense in the Consolidated Statements of Operations. The right-of-use asset impairments were recorded in occupancy expense in the Consolidated Statements of Operations.

Accounts Payable

As part of the Company's ongoing efforts to improve cash flow and related liquidity, the Company negotiates with suppliers to optimize terms and conditions, which include the extension of payment terms. The Company also has agreements with third-party administrators to allow participating suppliers to sell payment obligations from the Company to financial institutions, if voluntarily elected by the supplier. Suppliers can sell one or more of the Company's payment obligations at their sole discretion and the rights and obligations of the Company to its suppliers are not impacted. The Company has no economic interest in a supplier's decision to enter into these agreements. The Company's obligations to its suppliers, including amounts due and scheduled payment terms, are not impacted. All outstanding payments owed under the programs are recorded within accounts payable in the Consolidated Balance Sheets, unless designated as structured payables, as described below. All payment activities related to the supplier finance programs are presented within the increase (decrease) in accounts payable line in the Consolidated Statements of Cash Flows, unless designated as structured payables, as described below.

Included in the Company's accounts payable in the Consolidated Balance Sheets as of December 31, 2024 and December 31, 2023 were \$7.4 million and \$44.9 million, respectively, of outstanding payment obligations due to suppliers under the supplier finance programs. The rollforward of outstanding payment obligations under the supplier finance programs was as follows (in thousands):

	For the fiscal year ended December 31, 2024
Obligations outstanding, beginning of period	\$ 44,943
Invoices confirmed during the period	7,372
Invoices paid during the period	(44,943)
Obligations outstanding, end of period	<u>\$ 7,372</u>

Structured Payables

The Company has supply chain financing programs allowing participating suppliers to sell payment obligations from the Company to financial institutions, if voluntarily elected by the supplier, as described above. The Company also utilizes purchase card programs and virtual credit card programs with sponsoring financial institutions, whereby the card sponsors pay amounts on behalf of the Company. The card sponsors will then bill the Company the original payment amount. The Company Credit Facility, as further defined below in Note 12, Debt, provides for the designation of supply chain financing liabilities, among a variety of other liabilities, as "Deposit Obligations" entitled to security of the collateral under the Company Credit Facility. Supply chain financing liabilities designated as "Deposit Obligations" and amounts due to the card sponsors under the purchase card and virtual credit card programs have been classified as "structured payables" in the Consolidated Balance Sheets. Proceeds and payments related to structured payables transactions are recorded as a financing activity in the Consolidated Statements of Cash Flows. As of December 31, 2024 and December 31, 2023, outstanding structured payables were \$49.7 million and \$245.4 million, respectively. The rollforward of outstanding structured payables was as follows (in thousands):

	For the fiscal year ended December 31, 2024
Structured payables outstanding, beginning of period	\$ 245,366
Invoices confirmed during the period	187,857
Invoices paid during the period	(383,481)
Structured payables outstanding, end of period	<u>\$ 49,742</u>

Self-Insurance Reserves

The Company is self-insured for a significant portion of its workers' compensation, group health, and general, auto, and property liability insurance with varying deductibles of as much as \$1.0 million for individual claims, depending on the type of claim. The Company also purchases aggregate stop-loss and/or layers of loss insurance in many categories of loss. The Company utilizes third party actuarial experts' estimates of expected losses based on statistical analyses of the Company's actual historical data and historical industry data to determine required self-insurance reserves. The assumptions are closely reviewed, monitored, and adjusted when warranted by changing circumstances. The estimated accruals for these liabilities could be affected if actual experience related to the number of claims and cost per claim differs from these assumptions and historical trends. As of December 31, 2024 and December 31, 2023, self-insurance reserves were \$77.9 million and \$80.1 million, respectively, and were included in accrued expenses in the Consolidated Balance Sheets. The total amounts expensed for self-insurance were \$99.3 million, \$105.2 million, and \$94.3 million for fiscal 2024, fiscal 2023, and fiscal 2022, respectively.

Income Taxes

We recognize deferred tax assets and liabilities for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted income tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Any effect on deferred tax assets and liabilities from a change in tax rates is recognized in income in the period that includes the enactment date. The Company assesses all available positive and negative evidence to estimate if the existing deferred tax assets will be realized. As of December 31, 2024 and December 31, 2023, a valuation allowance of \$2.7 million and \$36.3 million, respectively, has been recorded for the portion of the deferred tax assets that are not more likely than not to be realized. The valuation allowance as of December 31, 2024 relates to Canadian net operating loss and state credit carryforwards that are not expected to be realized before expirations of the attribute carryforwards. The valuation allowance as of December 31, 2023 primarily relates to capital loss carryforwards for which the Company did not expect to generate sufficient capital gain income to utilize such losses.

In accordance with the authoritative guidance on income taxes, we establish additional provisions for income taxes when, despite the belief that tax positions are fully supportable, there remain certain positions that do not meet the minimum probability threshold, which is a tax position that is more likely than not to be sustained upon ultimate settlement with tax authorities assuming full knowledge of the position and all relevant facts. In the normal course of business, we and our subsidiaries are examined by various federal, state, foreign, and other tax authorities. We regularly assess the potential outcomes of these examinations and any future examinations for the current or prior years in determining the adequacy of its provision for income taxes. We routinely assess the likelihood and amount of potential adjustments and adjusts the income tax provision, the current tax liability and deferred taxes in the period in which the facts that give rise to a revision become known. We classify estimated interest and penalties related to the unrecognized tax benefits as a component of the provision for income taxes in the Consolidated Statements of Operations.

Capitalization of Certain Development Costs

The Company accounts for construction costs in accordance with the accounting standard for real estate in the Company's consolidated financial statements. The Company capitalizes direct costs clearly associated with the acquisition, development, design, and construction of bakery-cafe locations and fresh dough facilities as these costs have a future benefit to the Company. The types of specifically identifiable costs capitalized by the Company include primarily payroll and payroll related taxes and benefit costs incurred by those individuals directly involved in development activities, including the acquisition, development, design, and construction of bakery-cafes and fresh dough facilities. The Company does not consider for capitalization payroll or payroll-related costs incurred by individuals that do not directly support the acquisition, development, design, and construction of bakery-cafes and fresh dough facilities. The Company uses an activity-based methodology to determine the amount of costs incurred for Company-owned projects, which are capitalized, and those for franchise-operated projects and general and administrative activities, which both are expensed as incurred. If the Company subsequently makes a determination that sites for which development costs have been capitalized will not be acquired or developed, any previously capitalized development costs are expensed and included in general and administrative expenses in the Consolidated Statements of Operations.

The Company capitalized \$10.7 million, \$12.2 million, and \$11.1 million during fiscal 2024, fiscal 2023, and fiscal 2022, respectively. The Company amortizes capitalized development costs for each bakery-cafe and fresh dough facility using the straight-line method over the shorter of their estimated useful lives or the related reasonably assured lease term and includes such amounts in depreciation and amortization in the Consolidated Statements of Operations. In addition, the Company assesses the recoverability of capitalized costs through the performance of impairment analyses on an individual bakery-cafe and fresh

dough facility basis pursuant to the accounting standard for property and equipment, net specifically related to the accounting for the impairment or disposal of long-lived assets.

Deferred Financing Costs

Debt issuance costs incurred in connection with term loan borrowings are capitalized and amortized to interest expense using the effective interest method. Debt issuance costs incurred in connection with revolving credit facilities are capitalized and amortized to interest expense using the straight-line method.

Revenue Recognition

Revenue is measured based on consideration specified in contracts with customers. The Company recognizes revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. Taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction, that are collected by the Company from a customer, are excluded from revenue. Delivery costs, including freight associated with our fresh dough and other product sales, are accounted for as fulfillment costs and are included in operating costs.

The Company records revenues from bakery-cafe sales, net of discounts and incentives, upon delivery of the related food and other products to the customer. Revenues from manufacturing and other product sales are recorded upon delivery to the franchisees. The Company distributes product to grocery stores through direct distribution networks, as well as independent distributors who do not take title to the inventory, and revenue is recognized when the product is delivered to the grocer. In addition, the Company has distributors where title does pass to the distributor, and, therefore, revenue is recorded upon delivery to the distributor. Revenues are reported excluding sales, use or other transaction taxes that are collected from customers and remitted to taxing authorities.

Franchise royalties are recognized as revenue in the period in which the sales are reported to have occurred based on contractual royalty rates applied to the net franchise sales. The Company also recognizes as revenue certain information technology-related fees for access to and the usage of proprietary systems by our franchisees, primarily composed of fees calculated based on a percentage of franchise sales occurring on our digital channels. Franchise opening fees are recognized as revenue over the term of each respective franchise bakery-cafe agreement.

When there is no legal obligation to remit the unredeemed gift card balance in the relevant jurisdiction, we recognize gift card breakage income under the proportional method, where recognition of breakage income is based upon the historical redemption rate of unredeemed gift cards. Gift card breakage income is included as a component of bakery-cafe sales, net in the Consolidated Statements of Operations. During fiscal 2024, fiscal 2023, and fiscal 2022, the Company recognized gift card breakage as a component of bakery-cafe sales, net of \$32.8 million, \$30.6 million, and \$23.6 million, respectively. Incremental direct costs related to the sale of gift cards are deferred until the associated gift card is redeemed or breakage is deemed appropriate.

The Company maintains a customer loyalty program in which customers earn rewards based on registration in the program and purchases within bakery-cafes. The Company records the full retail value of loyalty program rewards as a reduction of net bakery-cafe sales and a liability is established within accrued expenses in the Consolidated Balance Sheets as rewards are earned while considering historical redemption rates. The accrued liability related to the Company's loyalty program was \$17.5 million and \$18.0 million as of December 31, 2024 and December 31, 2023, respectively. Costs associated with coupons are classified as a reduction of net bakery-cafe sales in the period in which the coupon is redeemed.

National advertising fund contributions received from franchise-operated bakery-cafes are recognized as franchise advertising revenues in the Consolidated Statements of Operations. Although these revenues are restricted to be used only for advertising, the Company has determined there are no performance obligations associated with the franchise advertising contributions that are separate from its royalty payment stream and, as a result, these franchise contributions and the related expenses are presented gross in the Consolidated Statements of Operations. Franchise advertising costs are expensed when the related franchise advertising revenues are recognized, as the Company is obligated to expend such revenues on advertising.

All revenue is recognized net of any discounts, returns, allowances, and sales incentives, including coupon redemptions and rebates.

Pre-Opening Expenses

Pre-opening expenses directly associated with the opening of new bakery-cafe locations, which consists primarily of pre-opening rent expense, labor, and food costs incurred during in-store training and preparation for opening, but exclude manager training costs which are included in labor expense in the Consolidated Statements of Operations, are expensed when incurred.

Lease Accounting

The Company leases land, buildings or both for most of its bakery-cafes, fresh dough facilities, and support centers. Right-of-use assets and liabilities are recognized upon lease commencement for operating leases based on the present value of lease payments over the lease term. Right-of-use assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. Subsequent amortization of the right-of-use asset and accretion of the lease liability for an operating lease is recognized as a single lease cost, on a straight-line basis, over the lease term. The Company cannot determine the interest rate implicit in its leases. Therefore, the discount rate used in determining the present value of lease payments represents the Company's incremental borrowing rate, which is determined based on the risk-free rate, adjusted for the risk premium attributed to the Company's credit rating for a secured or collateralized instrument. Leases with an initial term of 12 months or less are not recorded in the Consolidated Balance Sheets.

The length of the Company's lease terms, which often include renewal options, is an important factor in determining the appropriate accounting for leases including the initial classification of the lease as finance or operating as well as the timing of recognition of rent expense over the duration of the lease. Renewal option periods are included in determining the term of its leases when failure to renew the lease would impose a penalty on the Company in such an amount that a renewal appears to be reasonably certain at the commencement of the lease. The Company recognizes rent expense for its operating leases on a straight-line basis over the lease term. The lease term for most bakery-cafe leases is the initial non-cancelable lease term plus one renewal option period, which generally equates to an aggregate of 15 years. The lease term on most fresh dough facility leases is the initial non-cancelable lease term plus one to two renewal option periods, which generally equates to an aggregate of 20 years. In addition, certain of the Company's lease agreements provide for scheduled rent increases during the lease terms or for rental payments commencing at a date other than the date of initial occupancy. The Company includes any rent escalations and construction period and other rent holidays in its determination of straight-line rent expense. Therefore, rent expense for new bakery-cafes is charged to expense beginning on the date at which the Company has the right to control the use of the property. Certain of the Company's lease agreements also contain provisions that require additional rental payments based upon net bakery-cafe sales volume, which the Company refers to as contingent rent. Contingent rent is accrued each period as the liability is incurred, in addition to the straight-line rent expense noted above. This results in variability in occupancy expense over the term of the lease in bakery-cafes where the Company pays contingent rent.

Right-of-use assets are assessed for impairment in accordance with the Company's policy on the impairment of long-lived assets, which is performed annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The Company reassesses lease classification and remeasures right-of-use assets and lease liabilities when a lease is modified and that modification is not accounted for as a separate new lease or upon certain other events that require reassessment in accordance with ASC 842. The difference between operating lease rental expense recognized in the Company's Consolidated Statements of Operations and cash payments for operating leases is recognized within the operating lease assets and liabilities line of the operating activities section in the Consolidated Statements of Cash Flows.

Landlord allowances and incentives received are recorded as a reduction of the operating lease asset in the Consolidated Balance Sheets. Additionally, payments made by the Company and reimbursed by the landlord for improvements deemed to be lessor assets have no impact on the Consolidated Statements of Operations. The Company considers improvements to be a lessor asset if all of the following criteria are met:

- the lease specifically requires the lessee to make the improvement;
- the improvement is fairly generic;
- the improvement increases the fair value of the property to the lessor; and
- the useful life of the improvement is longer than the lease term.

The Company reports the period-to-period change in the landlord receivable within the operating activities section in its Consolidated Statements of Cash Flows.

Foreign Currency Translation

As of December 31, 2024, the Company had 10 franchise-operated bakery-cafes in Canada which use the Canadian Dollar as their functional currency. Assets and liabilities are translated into U.S. dollars using the current exchange rate in effect at the balance sheet date, while revenues and expenses are translated at the weighted-average exchange rate during the fiscal period. The resulting translation adjustments are recorded as a separate component of accumulated other comprehensive income (loss) ("AOCI") in the Consolidated Balance Sheets and Consolidated Statements of Changes in Equity and Mezzanine Equity. Gains

and losses resulting from foreign currency transactions have not historically been significant and are included in other (income) expense, net in the Consolidated Statements of Operations.

Derivative Instruments

The Company records all derivatives in the Consolidated Balance Sheets at fair value. The Company does not enter into derivative instruments for trading purposes. For derivative instruments that are designated and qualify as cash flow hedges, the effective portion of the derivative's gain or loss is reported as component of other comprehensive income and recorded in accumulated other comprehensive income, net of tax in the Consolidated Balance Sheets. The gain or loss is subsequently reclassified into earnings when the hedged exposure affects earnings. To the extent that the change in the fair value of the contract corresponds to the change in the value of the anticipated transaction, the hedge is considered effective. Once established, cash flow hedges generally remain designated as such until the hedged item impacts earnings, or the anticipated transaction is no longer likely to occur.

Fair Value of Financial Instruments

The carrying amounts of cash, accounts receivable, accounts payable, and accrued expenses approximate their fair values due to the short-term nature of these assets and liabilities. The fair value of the Company's interest rate swaps are determined based on a discounted cash flow analysis on the expected future cash flows of each derivative. This analysis reflects the contractual terms of the derivatives and uses observable market-based inputs, including interest rate curves and credit spreads. The fair value of the Company's redeemable noncontrolling interests is estimated using a market approach, which estimates the value of the stock based upon comparison to comparable public companies in a similar line of business. From the comparable public companies, a representative market value multiple is determined and then applied to the Company's financial metrics.

Stock-Based Compensation

The Company accounts for stock-based compensation in accordance with the accounting standard for stock-based compensation, which requires the Company to measure and record compensation expense in the Company's consolidated financial statements for all stock-based compensation awards using a fair value method.

The Company maintains various stock compensation plans that provide for the granting of non-qualified stock options and restricted stock units ("RSUs") to officers, key employees and certain non-employees. The plans include provisions for the grantee, after the satisfaction of a six-month holding period, to put the vested shares to the respective company in exchange for the current fair value of the shares. The Company has the option to call outstanding vested shares in exchange for the current fair value of the shares. RSUs are valued based on the grant-date fair value of the shares. The fair value of the shares is estimated using a market approach, which estimates the value of the stock based upon comparison to comparable public companies in a similar line of business. From the comparable public companies, a representative market value multiple is determined and then applied to the Company's financial metrics.

The Company accounts for stock options and RSUs as equity classified awards. The compensation expense recognized by the Company over the vesting period is based on the grant-date fair value of the stock and the number of units expected to vest. The Company estimates forfeitures at the time of grant and revises those estimates in subsequent periods if actual forfeitures differ or are expected to differ.

Asset Retirement Obligations

The Company recognizes the future cost to comply with lease obligations at the end of a lease as it relates to tangible long-lived assets in accordance with the accounting standard for the asset retirement and environmental obligations ("ARO") in the Company's consolidated financial statements. Most lease agreements require the Company to restore the leased property to its original condition, including removal of certain long-lived assets the Company has installed, at the end of the lease. A liability for the fair value of an asset retirement obligation along with a corresponding increase to the carrying value of the related long-lived asset is recorded at the time a lease agreement is executed. The Company amortizes the amount added to property and equipment, net and recognizes accretion expense in connection with the discounted liability over the reasonably assured lease term. The estimated liability is based on the Company's historical experience in closing bakery-cafes, fresh dough facilities, and support centers and the related external cost associated with these activities. Revisions to the liability could occur due to changes in estimated retirement costs or changes in lease terms. As of December 31, 2024 and December 31, 2023, the net ARO asset included in property and equipment, net was \$18.9 million and \$6.2 million, respectively, and the net ARO liability included in other long-term liabilities was \$35.8 million and \$21.5 million, respectively. ARO accretion expense was \$0.8 million, \$1.7 million, and \$0.9 million for fiscal 2024, fiscal 2023, and fiscal 2022, respectively.

Redeemable Noncontrolling Interest

The Company has provisions to purchase shares held by its subsidiaries' employees under various stock-based compensation plans, due to employee put options. If these put options were exercised, the Company would be required to purchase the employees' equity interests, at their fair market value. These noncontrolling interests subject to employee put options constitute redeemable equity interests and are therefore classified as mezzanine equity and carried at the greater of their cost after attribution of income or loss or their fair value in the Company's Consolidated Balance Sheets.

The fair value of the redeemable noncontrolling interests was estimated using a market approach, which estimates the value of the stock based upon comparison to comparable public companies in a similar line of business. From the comparable public companies, a representative market value multiple is determined and then applied to the Company's financial metrics.

Variable Interest Entities

The Company applies relevant accounting standards for variable interest entities ("VIE"), which defines the process for how an enterprise determines which party consolidates a VIE. The enterprise that consolidates the VIE (the primary beneficiary) is defined as the enterprise with (1) the power to direct activities of the VIE that most significantly affect the VIE's economic performance and (2) the obligation to absorb losses of the VIE or the right to receive benefits from the VIE. The Company does not possess any ownership interests in franchise entities or other affiliates. The franchise agreements are designed to provide the franchisee with key decision-making ability to enable it to oversee its operations and to have a significant impact on the success of the franchise, while the Company's decision-making rights are related to protecting its brand. Based upon its analysis of all the relevant facts and considerations of the franchise entities and other affiliates, the Company has concluded that these entities are not variable interest entities and they have not been consolidated as of either December 31, 2024 or December 31, 2023.

Advertising Costs

The Company's contributions to the national advertising and marketing administration funds are recorded as part of other operating expenses and general and administrative expenses in the Consolidated Statements of Operations, while the Company's own local bakery-cafe media costs are recorded as part of other operating expenses in the Consolidated Statements of Operations. The Company records advertising costs as expense in the period in which the costs are incurred. The Company's advertising costs include national, regional, and local expenditures utilizing primarily radio, billboards, social networking, Internet, television, and print. The total amount recorded as advertising expense was \$151.4 million, \$174.0 million, and \$160.2 million for fiscal 2024, fiscal 2023, and fiscal 2022, respectively.

Franchise advertising costs are accrued and expensed when the related franchise advertising revenues are recognized, as the Company is obligated to expend such revenues on advertising. Franchise advertising costs are included in franchise advertising expenses in the Company's Consolidated Statements of Operations. Franchise advertising expenses were \$98.3 million, \$118.0 million, and \$117.0 million for fiscal 2024, fiscal 2023, and fiscal 2022, respectively.

3. Lease Accounting

The components of lease expense in the Consolidated Statements of Operations were as follows (in thousands):

	For the fiscal year ended		
	December 31, 2024	December 31, 2023	December 31, 2022
Operating lease expense	\$ 271,918	\$ 257,477	\$ 250,873
Variable lease expense	72,359	71,571	65,001
Total lease expense	<u>\$ 344,277</u>	<u>\$ 329,048</u>	<u>\$ 315,874</u>

Supplemental cash flow information related to leases (in thousands):

PANERA BRANDS, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Panera 2025 FDD (266)

	For the fiscal year ended		
	December 31, 2024	December 31, 2023	December 31, 2022
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases	\$ 281,420	\$ 260,877	\$ 252,912
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 194,108	\$ 146,865	\$ 172,253

The weighted-average remaining lease terms and discount rates were as follows:

	December 31, 2024		December 31, 2023	
	Weighted-Average Remaining Lease Term (Years)	Weighted-Average Discount Rate (1)	Weighted-Average Remaining Lease Term (Years)	Weighted-Average Discount Rate (1)
Operating Leases	8.3	6.2 %	8.2	6.4 %

(1) The Company cannot determine the interest rate implicit in its leases. Therefore, the discount rate used in determining the present value of lease payments represents the Company's incremental borrowing rate, which is determined based on the risk-free rate, adjusted for the risk premium attributed to the Company's credit rating for a secured or collateralized instrument.

Future lease payments under non-cancelable operating leases as of December 31, 2024 were as follows (in thousands):

Fiscal Year	Operating Leases
2025	\$ 265,587
2026	260,998
2027	229,865
2028	193,288
2029	157,943
Thereafter	648,008
Total future minimum lease payments	1,755,689
Less: imputed interest	(404,638)
Present value of minimum lease payments	\$ 1,351,051

4. Acquisitions and Divestitures

Caribou Commercial Divestiture

In March 2024, Caribou Coffee sold its roasting operations in Minnesota and its office, coffee, and foodservice contracts to a subsidiary of JDE Peet's N.V. ("JDEP"). JDEP and the Company are under common control. In conjunction with the sale, Caribou Coffee also licensed the rights to its brand for use in consumer-packaged goods and foodservice channels. As consideration, Caribou Coffee received a payment of \$268.5 million. Caribou Coffee recognized \$211.5 million of the consideration as proceeds from the sale of a business to an entity under common control. The difference between the carrying amount of net assets derecognized, including goodwill of \$27.8 million, and the consideration from the sale of the business of \$211.5 million was accounted for as an equity transaction, an increase in additional paid-in capital of \$142.6 million. Caribou Coffee recognized the remaining \$57.0 million of the consideration as deferred revenue, as it has a continuing performance obligation to support the use of its brand by JDEP, including providing access to certain intellectual property. Caribou Coffee will recognize the deferred revenue on a straight-line basis over the estimated economic life of the arrangement of 25 years. Caribou Coffee's obligations to maintain the Caribou brand and other intellectual property are generally constant throughout the term of the arrangement. Accordingly, a straight-line recognition pattern is reflective of how Caribou Coffee will satisfy its performance obligations.

In connection with the transaction with JDEP, Caribou Coffee entered into a supply agreement with JDEP under which JDEP will roast and supply coffee beans and Caribou-branded consumer-packaged goods for sale in Caribou Coffee retail locations. The supply agreement has an initial period of ten years, with three ten-year renewal terms.

Panera Bread Franchisee Acquisitions

Fiscal 2024

During fiscal 2024, the Company acquired substantially all the assets and certain liabilities of 11 Panera Bread bakery-cafes for consideration of approximately \$4.3 million. Approximately \$4.0 million of the purchase price was paid at closing, with \$0.3 million retained by the Company for certain holdbacks.

The following table summarizes the final allocation of the total consideration to the fair values of the assets acquired and liabilities assumed (in thousands):

Total consideration	\$ 4,255
Fair value of assets acquired and liabilities assumed:	
Cash and cash equivalents	\$ 27
Inventories	128
Prepaid expenses and other	143
Property and equipment	3,071
Operating lease assets	12,795
Accrued expenses	(264)
Operating lease liabilities	(12,795)
Other long-term liabilities	(98)
Net assets acquired	3,007
Excess purchase price allocated to goodwill	\$ 1,248

The Consolidated Statements of Operations include the results from the bakery-cafes from the acquisition date.

Goodwill determined through the purchase price allocation was entirely allocated to the Panera Bread segment, and goodwill of approximately \$1.2 million is expected to be deductible for tax purposes.

Fiscal 2022

PANERA BRANDS, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Panera 2025 FDD (268)

During fiscal 2022, the Company acquired substantially all the assets and certain liabilities of 20 Panera Bread bakery-cafes for consideration of approximately \$43.5 million. Approximately \$41.3 million of the purchase price was paid at closing, with \$2.2 million retained by the Company for certain holdbacks.

The following table summarizes the final allocation of the total consideration to the fair values of the assets acquired and liabilities assumed (in thousands):

Total consideration	\$ 43,517
Fair value of assets acquired and liabilities assumed:	
Cash and cash equivalents	\$ 70
Inventories	423
Prepaid expenses and other	101
Property and equipment	13,192
Operating lease assets	24,101
Other intangible assets	17,800
Accrued expenses	(694)
Operating lease liabilities	(19,398)
Other long-term liabilities	(116)
Net assets acquired	35,479
Excess purchase price allocated to goodwill	\$ 8,038

The Consolidated Statements of Operations include the results from the bakery-cafes from the acquisition date.

Goodwill determined through the purchase price allocation was entirely allocated to the Panera Bread segment, and goodwill of approximately \$12.7 million is expected to be deductible for tax purposes.

5. Fair Value Measurements

The following tables summarize the assets and liabilities measured at fair value on a recurring basis (in thousands):

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2024				
Cash and cash equivalents	\$ 126,968	\$ 126,968	\$ —	\$ —
Interest rate swaps	660	—	660	—
Total assets	\$ 127,628	\$ 126,968	\$ 660	\$ —
Interest rate swaps	\$ 4,484	\$ —	\$ 4,484	\$ —
Vested Existing Warrants	567,885	—	—	567,885
Total liabilities	\$ 572,369	\$ —	\$ 4,484	\$ 567,885
Redeemable noncontrolling interest	\$ 137,730	\$ —	\$ —	\$ 137,730
Total mezzanine equity	\$ 137,730	\$ —	\$ —	\$ 137,730

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2023				
Cash and cash equivalents	\$ 133,545	\$ 133,545	\$ —	\$ —
Interest rate swaps	10,353	—	10,353	—
Total assets	\$ 143,898	\$ 133,545	\$ 10,353	\$ —
Interest rate swaps	\$ 32,955	\$ —	\$ 32,955	\$ —
Vested Existing Warrants	752,777	—	—	752,777
Unvested Existing Warrants	5,205	—	—	5,205
Total liabilities	\$ 790,937	\$ —	\$ 32,955	\$ 757,982
Redeemable noncontrolling interest	\$ 283,788	\$ —	\$ —	\$ 283,788
Total mezzanine equity	\$ 283,788	\$ —	\$ —	\$ 283,788

The carrying value of cash and cash equivalents approximates fair value because of the short-term nature of these instruments. The fair value of the Company's interest rate swaps are determined based on a discounted cash flow analysis on the expected future cash flows of each derivative. This analysis reflects the contractual terms of the derivatives and uses observable market-based inputs, including interest rate curves and credit spreads. The fair value of the vested Existing Warrants and unvested Existing Warrants are collectively described in Note 17. As described in Note 2, redeemable noncontrolling interests are carried at the greater of their cost after attribution of income or loss or their fair value in the Company's Consolidated Balance Sheets. The fair value of the redeemable noncontrolling interests is estimated using a market approach, which estimates the value of the stock based upon comparison to comparable public companies in a similar line of business. From the comparable public companies, a representative market value multiple is determined and then applied to the Company's financial metrics.

The fair value of non-financial assets measured at fair value on a non-recurring basis, which is classified as Level 3 in the fair value hierarchy, is determined based on appraisals or sales prices of comparable assets and estimates of future cash flows. As of December 31, 2024, long-lived assets held and used with a carrying amount of \$6.1 million associated with certain underperforming Company-owned bakery-cafes were determined to have a fair value of \$2.6 million, resulting in an impairment loss of \$3.5 million. As of December 31, 2023, long-lived assets held and used with a carrying amount of \$3.5 million associated with certain underperforming Company-owned bakery-cafes were determined to have a fair value of \$1.9 million, resulting in an impairment loss of \$1.6 million.

6. Inventories

Inventories consisted of the following (in thousands):

	December 31, 2024	December 31, 2023
Bakery-cafes	\$ 39,281	\$ 39,039
Coffee	733	10,903
Fresh dough facilities and manufacturing	3,740	4,633
Contract manufacturing	9,943	8,962
Total	\$ 53,697	\$ 63,537

7. Property and Equipment, net

Major classes of property and equipment consisted of the following (in thousands):

	December 31, 2024	December 31, 2023
Leasehold improvements	\$ 1,078,569	\$ 971,937
Machinery and equipment	601,164	574,293
Computer software	386,709	342,155
Furniture and fixtures	237,621	219,953
Smallwares	42,864	43,497
Construction in progress	60,004	59,184
	2,406,931	2,211,019
Less: accumulated depreciation	(1,405,107)	(1,248,375)
Property and equipment, net	<u>\$ 1,001,824</u>	<u>\$ 962,644</u>

The Company recorded depreciation expense related to these assets of \$233.8 million, \$207.9 million, and \$197.5 million for fiscal 2024, fiscal 2023, and fiscal 2022, respectively. Depreciation expense for fiscal 2024, fiscal 2023, and fiscal 2022 includes equipment and leasehold improvement impairments of \$2.3 million, \$1.0 million, and \$1.1 million, respectively.

8. Goodwill

The following is a reconciliation of the beginning and ending balances of the Company's goodwill by reportable segment (in thousands):

	For the fiscal year ended December 31, 2024		
	Panera Bread	Caribou Coffee	Einstein Bros. Brands
Goodwill	\$ 4,494,376	\$ 162,682	\$ 222,131
Accumulated impairment loss	—	—	—
Balance at January 1, 2024	4,494,376	162,682	222,131
Acquisition of franchise-operated bakery-cafes	1,248	—	—
Caribou Commercial Divestiture	—	(27,762)	—
Goodwill impairment	(158,515)	—	—
Other	23	—	—
Balance at December 31, 2024	<u>\$ 4,337,132</u>	<u>\$ 134,920</u>	<u>\$ 222,131</u>

	For the fiscal year ended December 31, 2023		
	Panera Bread	Caribou Coffee	Einstein Bros. Brands
Goodwill	\$ 4,494,456	\$ 162,682	\$ 222,131
Accumulated impairment loss	—	—	—
Balance at January 1, 2023	4,494,456	162,682	222,131
Other	(80)	—	—
Balance at December 31, 2023	<u>\$ 4,494,376</u>	<u>\$ 162,682</u>	<u>\$ 222,131</u>

As described in Note 2, Summary of Significant Accounting Policies, during fiscal 2024, the Company recognized an impairment of \$158.5 million for the goodwill of the Panera Bread fresh dough and other product operations reporting unit. The Company did not record a goodwill impairment charge in fiscal 2023 or fiscal 2022. At December 31, 2024, cumulative goodwill impairments were \$158.5 million.

9. Other Intangible Assets

PANERA BRANDS, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Panera 2025 FDD (271)

Other intangible assets consisted of the following (in thousands):

	December 31, 2024			December 31, 2023		
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Intangible assets not subject to amortization:						
Trademarks	\$4,232,500	\$ —	\$4,232,500	\$4,232,500	\$ —	\$4,232,500
Total intangible assets not subject to amortization	4,232,500	—	4,232,500	4,232,500	—	4,232,500
Intangible assets subject to amortization:						
Trademarks	3,700	(3,700)	—	3,700	(3,700)	—
Franchise agreements	303,705	(115,388)	188,317	303,705	(102,507)	201,198
Other definite-lived intangible assets	109,772	(52,700)	57,072	109,772	(47,818)	61,954
Total other intangible assets subject to amortization	417,177	(171,788)	245,389	417,177	(154,025)	263,152
Total other intangible assets	\$4,649,677	\$ (171,788)	\$4,477,889	\$4,649,677	\$ (154,025)	\$4,495,652

Amortization expense related to the trademarks, franchise agreements and other definite-lived intangible assets was approximately \$17.8 million, \$18.3 million, and \$18.6 million for fiscal 2024, fiscal 2023, and fiscal 2022, respectively, and is included in depreciation and amortization expense in the Consolidated Statements of Operations.

The weighted average remaining life for trademarks, franchise agreements, and other definite-lived intangible assets as of December 31, 2024 was approximately 16.6 years. Future amortization expense related to the franchise agreements and other definite-lived intangible assets as of December 31, 2024 is estimated to be approximately: \$15.2 million in fiscal 2025, \$15.2 million in fiscal 2026, \$15.2 million in fiscal 2027, \$15.1 million in fiscal 2028, \$15.1 million in fiscal 2029 and \$169.6 million thereafter.

10. Accrued Expenses

Accrued expenses consisted of the following (in thousands):

	December 31, 2024	December 31, 2023
Gift card liability	\$ 172,001	\$ 192,453
Compensation and related employment taxes	108,197	97,258
Insurance	78,149	80,406
Taxes, other than income tax	42,103	38,003
Share repurchase	34,108	—
Deferred revenue	23,577	19,455
Capital expenditures	18,013	29,650
Loyalty program	17,462	18,023
Utilities	8,880	8,434
Advertising	4,381	7,943
Interest due - debt	3,967	5,399
Other	127,613	67,503
Total	\$ 638,451	\$ 564,527

11. Contract Liabilities

Contract liabilities consist of gift card liabilities, deferred franchise opening fees, and deferred information technology-related fees.

The following is a reconciliation of the beginning and ending balances of the Company's gift card liability (in thousands):

	Gift Card Liability
Balance at December 31, 2022	\$ 194,529
Redemptions	(319,135)
Activations	347,703
Gift card breakage income	(30,644)
Balance at December 31, 2023	\$ 192,453
Redemptions	\$ (341,892)
Activations	354,224
Gift card breakage income	(32,784)
Balance at December 31, 2024	\$ 172,001

The following is a reconciliation of the beginning and ending balances of the Company's deferred franchise opening fees and information technology-related fees (in thousands):

	Deferred Franchise Opening and Information Technology-Related Fees
Balance at December 31, 2022	\$ 12,346
Revenue recognized during the period	(2,276)
New deferrals due to cash received and other	4,581
Balance at December 31, 2023	\$ 14,651
Revenue recognized during the period	\$ (2,357)
New deferrals due to cash received and other	2,750
Balance at December 31, 2024	\$ 15,044

The following table summarizes estimated revenue to be recognized in the future related to performance obligations that are unsatisfied as of December 31, 2024 (in thousands):

	Fiscal Years					Thereafter	Total
	2025	2026	2027	2028	2029		
Deferred franchise opening and information technology-related fees	\$ 1,347	\$ 1,166	\$ 1,043	\$ 930	\$ 809	\$ 6,213	\$ 11,508

An additional \$3.5 million of franchise opening fees related to unopened bakery-cafes are included in deferred revenue as of December 31, 2024. Timing of revenue recognition is dependent upon the timing of bakery-cafe openings.

12. Debt

Long-term debt consisted of the following (in thousands):

	December 31, 2024	December 31, 2023
Panera Brands term loan	\$ 1,775,000	\$ 1,875,000
Panera Brands revolving credit facility	626,750	636,750
Other borrowings	6,581	8,538
Aggregate unamortized lender fees and issuance costs	(10,082)	(15,545)
Total carrying amount	2,398,249	2,504,743
Current portion of long-term debt, including unamortized lender fees and issuance costs	98,075	95,564
Long-term debt	\$ 2,300,174	\$ 2,409,179

The following table summarizes annual maturities of debt during the next five fiscal years and thereafter as of December 31, 2024 (in thousands):

Fiscal Years					Thereafter	Total
2025	2026	2027	2028	2029		
\$ 103,324	\$ 889,802	\$ 1,414,985	\$ —	\$ —	\$ 220	\$ 2,408,331

Panera Bread Company Facility

On July 18, 2017, Panera Bread Company, a subsidiary of the Company (“PBC”) entered into a new credit agreement (as amended by that certain Incremental Assumption Agreement and Amendment No. 1 to Credit Agreement, dated as of December 19, 2017, that certain Amendment No. 2 to Credit Agreement, dated as of December 19, 2017, that certain Amendment No. 3 to Credit Agreement, dated as of May 12, 2020 (the “2020 Amendment”) and that certain Amendment No. 4 to Credit Agreement, dated as of March 16, 2021 (the “2021 Amendment”), collectively, the “PBC Facility”). The PBC Facility provided for term loans in an aggregate principal amount of \$2.25 billion and \$875.0 million of revolving commitments. The initial proceeds from the PBC Facility were used to refinance existing indebtedness, fund a portion of the consideration for the acquisition of PBC, and to fund working capital needs.

The Company refinanced the PBC Facility pursuant to the Company Credit Facility (as defined below) on June 15, 2022. All amounts were paid in full.

Caribou Coffee Company, Inc. Facility

On October 5, 2017, Caribou Coffee Company, Inc., a subsidiary of the Company, entered into an amended and restated credit agreement, as amended by that certain First Amendment to Amended and Restated Credit Agreement, dated as of July 20, 2018, that certain Second Amendment, Consent and Waiver to Amended and Restated Credit Agreement, dated as of December 6, 2018, that certain Third Amendment to Amended and Restated Credit Agreement, dated as of May 24, 2019, that certain Fourth Amendment to Amended and Restated Credit Agreement, dated as of June 30, 2020 (the “2020 Caribou Amendment”) and that certain Fifth Amendment to Amended and Restated Credit Agreement, dated as of April 28, 2021 (the “2021 Caribou Amendment”), collectively, the “Caribou Facility”). The Caribou Facility provided for term loans in an aggregate principal amount of \$100.0 million and \$375.0 million of revolving commitments. The initial proceeds from the Caribou Facility were used to refinance existing indebtedness and pay costs associated with an acquisition.

The Company refinanced the Caribou Facility pursuant to the Company Credit Facility (as defined below) on June 15, 2022. All amounts were paid in full.

Parent Company Notes

On April 26, 2021, Pret Panera Company, Inc. (n/k/a Panera Brands, Inc.) entered into a term loan agreement (as amended by that certain Amendment No. 1 to Term Loan Agreement, dated as of April 1, 2022, and by that certain Amendment No. 2 to Term Loan Agreement, dated as of May 17, 2022) (collectively, the “PPC Facility” or the “Parent Company Notes”), which provided loans in an initial aggregate principal amount of \$840.0 million.

On June 15, 2022, in connection with the Company Credit Facility, the Company made a \$340.0 million prepayment on the outstanding loans under the PPC Facility. The \$340.0 million was funded through an issuance of shares pursuant to a certain Subscription Agreement, dated as of June 15, 2022, by and among the Company and Pret Panera Treasury B.V.

The outstanding balance of \$500.0 million of the PPC Facility was repaid in full in June of 2023.

Company Credit Facility

On June 15, 2022, the Company entered into a new credit agreement (the “Company Credit Facility”). The Company Credit Facility provided for term loans in two tranches with an aggregate principal amount of \$1 billion each (collectively, the “Panera Brands term loans”) and a revolving credit facility in an aggregate principal amount of \$1 billion (the “Panera Brands revolving credit facility”). The initial proceeds from the Company Credit Facility were used to refinance existing indebtedness and to fund working capital needs. The revolving credit facility is available for general corporate purposes.

Borrowings under the Company Credit Facility accrue interest at a rate, per annum, equal to, in the case of “base rate” borrowings, the greater of (x) a prime rate, (y) the NYFRB Rate (as defined in the Company Credit Facility) plus 0.50% and (z) the Adjusted Term SOFR Rate (as defined in the Company Credit Facility) for a one month interest period plus a leverage-based margin of 0.25% to 1.00%. In the case of term benchmark borrowings, such borrowings under the Company Credit Facility accrue interest at a rate, per annum, equal to the Adjusted Term SOFR Rate plus a leverage-based margin of 1.25% to 2.00%. Applicable interest rates are subject to a 0.00% SOFR floor. Letter of credit and unused revolver fees accrue based on a leverage-based fee.

The Panera Brands revolving credit facility and one tranche of term loans under the Company Credit Facility matures five years after closing, and the second tranche of term loans under the Company Credit Facility matures three years after closing. The maturity date of any credit facility under the Company Credit Facility may be extended by an additional year with the consent of the applicable lenders. Pursuant to this extension option, each of the Panera Brands revolving credit facility and the five-year term loan tranche may be extended on two occasions and the three-year term loan tranche may be extended on one occasion. The obligations under the Company Credit Facility are collateralized by substantially all of the assets of Panera Brands and certain subsidiaries of Panera Brands that guarantee the Company Credit Facility. On May 7, 2024, the Company extended the maturity date of the second tranche of term loans under the Company Credit Facility from June 15, 2025 to June 15, 2026.

The Company Credit Facility contains customary negative covenants which, among other things, generally limit (with certain exceptions): mergers, amalgamations or consolidations; the incurrence of additional indebtedness (including guarantees); the incurrence of additional liens; the sale, assignment, lease or conveyance or transfer of assets; certain investments and restricted payments (including to the Company); transactions with affiliates; engaging in materially different lines of business; swap agreements; and other activities customarily restricted in similar financing agreements. The Company Credit Facility contains customary affirmative covenants, representations and warranties and events of default. The Company Credit Facility also contains a financial covenant in which the Company shall not permit the Total Net Leverage Ratio (as defined in the Company Credit Facility) to exceed 5.50x. At December 31, 2024, the Company was in compliance with its covenants.

The Company incurred lender fees and issuance costs of approximately \$39.6 million in connection with the issuance of the Company Credit Facility. The Company allocated the lender fees and issuance costs to the Panera Brands revolving credit facility and the Panera Brands term loans. Costs allocated to the Panera Brands term loans are presented in the Consolidated Balance Sheets as a direct deduction from the associated debt. Costs allocated to the Panera Brands revolving credit facility are capitalized and presented in the Consolidated Balance Sheets as an asset. The lender fees and issuance costs are being amortized to expense over the terms of the Panera Brands revolving credit facility and the Panera Brands term loans.

On June 1, 2023, the Company sold 3,424,835 shares of common stock to Panera Brands Holdings L.P., the direct parent of Panera Brands, Inc., in exchange for \$660.0 million. The sale of the common stock to Panera Brands Holdings L.P. in exchange for \$660.0 million satisfied the definition of a “Qualifying IPO” (as defined in the Company Credit Facility).

In connection with the occurrence of the “Qualifying IPO,” the Company repaid \$500.0 million of certain indebtedness of Panera Brands and its subsidiaries, and repaid \$160.0 million of outstanding borrowings under the Panera Brands revolving credit facility.

As of December 31, 2024, the Company had total borrowings of \$2,401.8 million under the Company Credit Facility, composed of Panera Brands term loans of \$1,775.0 million and borrowings under the Panera Brands revolving credit facility of \$626.8 million, and outstanding letters of credit of \$22.0 million, resulting in \$351.2 million of available capacity under the Company Credit Facility. As of December 31, 2023, the Company had total borrowings of \$2,511.8 million under the Company

Credit Facility, composed of Panera Brands term loans of \$1,875.0 million and borrowings under the Panera Brands revolving credit facility of \$636.8 million, and outstanding letters of credit of \$21.3 million, resulting in \$341.9 million of available capacity under the Company Credit Facility.

13. Derivative Financial Instruments

The Company enters into derivative instruments solely for risk management purposes. To the extent the Company's cash-flow hedging instruments are effective in offsetting the variability in the hedged cash flows, and otherwise meet the cash flow hedge accounting criteria, changes in the derivatives' fair value are not included in current earnings but are included in AOCI. These changes in fair value will be reclassified into earnings at the time of the forecasted transaction. By using these instruments, the Company exposes itself, from time to time, to credit risk and market risk. Credit risk is the failure of the counterparty to perform under the terms of the derivative contract. The Company minimizes this credit risk by entering into transactions with high-quality counterparties. Market risk is the adverse effect on the value of a financial instrument that results from changes in interest rates. The Company minimizes this market risk by establishing and monitoring parameters that limit the types and degree of market risk that may be undertaken.

For each of the Company's current swaps, the Company has agreed to exchange with a counterparty the difference between fixed and variable interest amounts calculated by reference to an agreed-upon principal amount. The following table summarizes the Company's interest rate swaps as of December 31, 2024 and December 31, 2023:

Trade Date	Effective Date	Term (in Years)	Initial Notional Amount (in thousands)	Fixed Rate
January 9, 2017	April 3, 2018	10	\$ 187,500	2.37 %
March 5, 2020	February 18, 2020	7	150,000	1.82 %
September 26, 2023	September 28, 2023	4	200,000	4.53 %
September 28, 2023	October 2, 2023	4	200,000	4.57 %
October 3, 2023	October 5, 2023	4	200,000	4.60 %
October 4, 2023	October 6, 2023	4	250,000	4.58 %
October 5, 2023	October 10, 2023	4	200,000	4.51 %
October 10, 2023	October 12, 2023	4	200,000	4.46 %

The interest rate swaps, which have been designated and qualify as cash flow hedges, are recorded at fair value in the Consolidated Balance Sheets. The following table summarizes the estimated fair value of the Company's interest rate swaps (in thousands):

Balance Sheet Location	December 31, 2024	December 31, 2023
Prepaid expenses and other	\$ 660	\$ 10,353
Total assets	\$ 660	\$ 10,353
Other long-term liabilities	\$ 4,484	\$ 32,955
Total liabilities	\$ 4,484	\$ 32,955

Changes in fair value of the interest rate swaps are recorded as a component of AOCI in the Consolidated Balance Sheets. The Company reclassifies the effective gain or loss from AOCI to interest expense in the Consolidated Statements of Operations at the time of the forecasted transaction. The following table presents pre-tax gains and losses on the interest rate swaps recognized in other comprehensive income ("OCI") and reclassified from AOCI to earnings for the periods indicated (in thousands):

	For the fiscal year ended		
	December 31, 2024	December 31, 2023	December 31, 2022
Net gains (losses) recognized in OCI before reclassifications	\$ 27,607	\$ (43,778)	\$ 63,633
Net (gains) losses reclassified from AOCI to earnings	(43,031)	(41,676)	10,035

The Company did not recognize a gain or loss due to hedge ineffectiveness during fiscal 2024, fiscal 2023, or fiscal 2022. The Company does not hold or use derivative instruments for trading purposes. The Company does not have any derivatives that are not designated as hedging instruments and has not designated any non-derivatives as hedging instruments.

During fiscal 2023, the Company settled nine interest rate swap contracts and deferred a gain of \$70.8 million, \$53.6 million net of deferred tax liabilities, in AOCI. During fiscal 2022, the Company settled two interest rate swap contracts and deferred a gain of \$19.9 million, \$15.0 million net of deferred tax liabilities, in AOCI. These gains will be amortized as a reduction of net interest expense during the period in which the hedged forecasted transactions affect earnings.

As of December 31, 2024, a net of tax gain of approximately \$14.7 million is expected to be reclassified from AOCI to earnings in the next twelve months.

14. Commitments and Contingencies

Lease Guarantees

As of December 31, 2024, the Company guaranteed 114 operating leases. These guarantees are primarily a result of sales of Company-owned bakery-cafes, pursuant to which the Company exercised its right to assign the lease for the bakery-cafe but remain liable to the landlord for the remaining lease term in the event of a default by the assignee. These guarantees expire on various dates from January 31, 2025 to December 31, 2050, with a maximum potential amount of future rental payments of approximately \$227.2 million as of December 31, 2024. The obligation from these leases will decrease over time as these operating leases expire. The Company performed an analysis of the facts and circumstances of each such lease and each such assignee's performance to determine whether it was probable that it would be required to perform under any guarantees and has recorded a liability of \$0.4 million for these guarantees as of December 31, 2024. Applicable assignees continue to have primary liability for these operating leases. As of December 31, 2024, future commitments under these leases were as follows (in thousands):

Fiscal Years					Thereafter	Total
2025	2026	2027	2028	2029		
\$ 19,203	\$ 18,781	\$ 18,427	\$ 17,280	\$ 17,221	\$ 136,267	\$ 227,179

Legal Proceedings

The Company is subject to various legal proceedings, claims, and litigation that arise in the ordinary course of its business. Defending lawsuits requires significant management attention and financial resources and the outcome of any litigation, including the matter described above, is inherently uncertain. The Company believes accruals for these matters are adequately provided for in its consolidated financial statements. The Company does not believe the ultimate resolution of these actions will have a material adverse effect on its consolidated financial statements. However, a significant increase in the number of these claims, or one or more successful claims under which the Company incurs greater liabilities than is currently anticipated, could materially and adversely affect its consolidated financial statements.

Other

The Company is subject to on-going federal and state income tax audits and sales and use tax audits. The Company does not believe the ultimate resolution of these actions will have a material adverse effect on its consolidated financial statements. However, a significant increase in the number of these audits, or one or more audits under which the Company incurs greater liabilities than is currently anticipated, could materially and adversely affect its consolidated financial statements. The Company believes accruals for these matters are adequately provided for in its consolidated financial statements.

15. Income Taxes

Income (loss) before income taxes consisted of (in thousands):

	For the fiscal year ended		
	December 31, 2024	December 31, 2023	December 31, 2022
United States	\$ 167,372	\$ 223,457	\$ (37,330)
Canada	(336)	(222)	(312)
Income (loss) before income taxes	<u>\$ 167,036</u>	<u>\$ 223,235</u>	<u>\$ (37,642)</u>

The components of the provision (benefit) for income taxes are as follows (in thousands):

	For the fiscal year ended		
	December 31, 2024	December 31, 2023	December 31, 2022
Current taxes:			
U.S. federal	\$ 35,894	\$ 20,171	\$ (15,570)
U.S. state and local	12,210	12,370	7,176
Foreign	610	346	256
Total current taxes	<u>48,714</u>	<u>32,887</u>	<u>(8,138)</u>
Deferred taxes:			
U.S. federal	(14,588)	14,102	26,929
U.S. state and local	(726)	3,132	(5,032)
Foreign	—	—	—
Total deferred taxes	<u>(15,314)</u>	<u>17,234</u>	<u>21,897</u>
Total provision (benefit) for income taxes	<u>\$ 33,400</u>	<u>\$ 50,121</u>	<u>\$ 13,759</u>

A reconciliation of the statutory U.S. federal income tax rate to the Company's effective tax rate is as follows:

	For the fiscal year ended		
	December 31, 2024	December 31, 2023	December 31, 2022
Statutory U.S. federal rate	21.0 %	21.0 %	21.0 %
State taxes	5.4	5.6	(23.8)
Non-deductible expenses	2.0	1.1	(8.7)
Inventory donations	(1.4)	(1.1)	5.1
Stock based compensation	(0.1)	(1.3)	18.1
U.S. federal tax credits	(5.4)	(4.8)	30.8
Uncertain tax position accrual	2.0	1.2	3.6
Prior period adjustments	—	(1.3)	0.9
Changes in valuation allowance	(0.1)	0.3	0.4
Tax rate changes	—	1.9	19.1
Mark to market adjustment of warrant liabilities	(23.9)	0.3	(100.8)
Goodwill impairment	19.9	—	—
Other, net	0.6	(0.4)	(2.3)
Effective tax rate	<u>20.0 %</u>	<u>22.5 %</u>	<u>(36.6)%</u>

The effective tax rate in fiscal 2024 differed from the U.S. federal statutory rate primarily do to state tax expense, the impact of certain tax credits, non-taxable fair value adjustments on outstanding warrants, and the impact of the non-deductible goodwill

PANERA BRANDS, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Panera 2025 FDD (278)

impairment. The effective tax rate in fiscal 2023 differed from the U.S. federal statutory rate primarily due to state tax expense, the impact of certain tax credits and stock-based compensation. The effective tax rate in fiscal 2022 differed from the U.S. federal statutory rate primarily due to state tax expense, tax rate changes, federal tax credits, stock-based compensation, as well as non-taxable fair value adjustments on outstanding Parent Company warrants.

The tax effects of the significant temporary differences which comprise the deferred tax assets and liabilities were as follows (in thousands):

	December 31, 2024	December 31, 2023
Deferred tax assets:		
Net operating loss carryforwards	\$ 11,862	\$ 12,893
Interest deduction carryforward	30,332	41,042
Leasing	356,759	342,496
Federal credit carryforwards	1,942	21,892
Capital loss carryforward	—	32,426
Other	175,719	146,320
Less: valuation allowance	(2,736)	(36,315)
Total deferred tax assets	\$ 573,878	\$ 560,754
Deferred tax liabilities:		
Intangibles	\$ 1,175,032	\$ 1,176,097
Property and equipment	119,164	133,046
Leasing	330,943	319,625
Other	11,198	15,367
Total deferred tax liabilities	\$ 1,636,337	\$ 1,644,135
Net deferred tax liability	\$ 1,062,459	\$ 1,083,381

The Company assesses all available positive and negative evidence to estimate if the existing deferred tax assets will be realized. As of December 31, 2024 and December 31, 2023, a valuation allowance of \$2.7 million and \$36.3 million, respectively, has been recorded for the portion of the deferred tax assets that are not more likely than not to be realized. The valuation allowance as of December 31, 2024 relates to Canadian net operating loss and state credit carryforwards that are not expected to be realized before expirations of the attribute carryforwards. The valuation allowance as of December 31, 2023 primarily relates to capital loss carryforwards for which the Company did not expect to generate sufficient capital gain income to utilize such losses. Realization of net deferred tax assets generally is dependent on generation of taxable income in future periods. While the Company believes its forecast of future taxable income is reasonable, actual results will inevitably vary from management's forecasts. Such variances could result in adjustments to the valuation allowance on deferred tax assets in future periods, and such adjustments could be material to the financial statements.

As of December 31, 2024, the Company had tax effected net operating loss carryforwards of approximately \$0.8 million and \$9.1 million for federal and state tax purposes, respectively. If not utilized, these carryforwards will begin to expire in 2031 and 2025 for federal and state tax purposes, respectively. As of December 31, 2024, the Company had tax effected foreign net operating loss carryforwards of approximately \$2.0 million. If not utilized, these carryforwards will begin to expire in 2037.

As of December 31, 2024, the Company had various tax credit carryforwards of approximately \$1.9 million and \$0.8 million for federal and state tax purposes, respectively. While the federal and state tax credits can generally be carried forward 20 years and 10 years, respectively, if not utilized these tax credits will begin to expire in 2025.

The Company files income tax returns in the U.S. federal jurisdiction and various state and foreign jurisdictions. These jurisdictions have varying statutes of limitations. While tax years prior to 2020 would generally be closed for federal tax assessment purposes, the Internal Revenue Service ("IRS") commenced an examination of our U.S. income tax returns for the tax year ended December 31, 2019 in the fourth quarter of 2021. The exam is still in progress as of December 31, 2024.

Unrecognized tax benefits are included in accrued liabilities and deferred income taxes in the Consolidated Balance Sheets. The following is a reconciliation of the beginning and ending balances of unrecognized tax benefits (in thousands):

PANERA BRANDS, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Panera 2025 FDD (279)

	December 31, 2024	December 31, 2023
Balance as of January 1	\$ 30,237	\$ 22,897
Additions for tax positions - prior years	19,439	3,013
Reductions for tax positions - prior years	—	—
Additions for tax positions - current year	10,043	4,650
Settlements with taxing authorities	—	—
Lapse of the statute of limitations	—	(323)
Balance as of December 31	<u>\$ 59,719</u>	<u>\$ 30,237</u>

Approximately \$28.7 million and \$25.0 million of unrecognized income tax benefits as of December 31, 2024 and December 31, 2023, respectively, would, if recognized, impact the annual effective tax rate. The Company does not believe that changes in its uncertain tax benefits will result in a material impact during the next twelve months.

The Company classifies all interest and penalties related to uncertain tax positions as income tax expense. Accruals for interest and penalties, excluding the tax benefits of deductible interest, were \$14.0 million and \$9.3 million as of December 31, 2024 and December 31, 2023, respectively.

The Company has not recorded United States deferred income taxes on its non-U.S. subsidiaries' undistributed earnings because such amounts are intended to be reinvested outside the United States indefinitely, with the exception of current year earnings. The additional tax obligation associated with the repatriation of earnings generated outside of the United States would not have a material impact on the Company's consolidated financial statements.

As disclosed in Note 4, Acquisitions and Divestitures, in March 2024, Caribou Coffee sold its roasting operations in Minnesota and its office, coffee, and foodservice contracts to a subsidiary of JDEP. JDEP and the Company are under common control. In conjunction with the sale, Caribou Coffee also licensed the rights to its brand for use in consumer-packaged goods and foodservice channels. As consideration, Caribou Coffee received a payment of \$268.5 million. Caribou Coffee recognized \$211.5 million of the consideration as proceeds from the sale of a business to an entity under common control. The difference between the carrying amount of net assets derecognized, including goodwill of \$27.8 million, and the consideration from the sale of the business of \$211.5 million was accounted for as an equity transaction, an increase in additional paid-in capital of \$142.6 million. Caribou Coffee recognized the remaining \$57.0 million of the consideration as deferred revenue. For tax purposes, the net tax impact recorded in equity was \$14.8 million, resulting from \$46.9 million federal and state income taxes payable associated with the transaction, partially offset by a \$32.1 million release of a previously recorded valuation allowance against capital loss carryforwards.

16. Stockholders' Equity

Common Stock

The Company is authorized to issue 70,000,000 shares of common stock, each with a par value of \$0.01, of which 51,776,251 and 51,789,937 shares were issued and outstanding at December 31, 2024 and December 31, 2023, respectively.

On May 23, 2023, the Company issued 58,994 shares in exchange for a \$11.4 million cash contribution from Pret Panera Treasury B.V. On June 1, 2023, the Company issued 3,424,835 shares in exchange for a \$660.0 million cash contribution from Panera Brands Holdings L.P, the parent entity of Panera Brands, Inc.

On June 15, 2022, the Company issued 1,886,478 shares in exchange for a \$340.0 million cash contribution from Pret Panera Treasury B.V. On November 29, 2022, the Company issued 207,377 shares in exchange for a \$37.6 million cash contribution from Pret Panera Treasury B.V.

Distributions to Stockholders

In September 2023, the Company's Board of Directors declared dividends totaling approximately \$90.0 million, which were paid in October 2023, \$6.1 million of which was paid to holders of vested Existing Warrants as defined in Note 17, Liability Classified Common Stock Warrants.

Accumulated Other Comprehensive Income (Loss)

AOCI reported on the Company's Consolidated Balance Sheets consists of foreign currency translation adjustments and the unrealized gains and losses, net of applicable taxes, on derivative instruments designated and qualifying as cash flow hedges.

The following tables summarize changes in accumulated other comprehensive income (loss), net of tax (in thousands):

	Foreign Currency Translation Adjustment	Cash Flow Hedging Instruments	Accumulated Other Comprehensive Income (Loss)
Balances at December 31, 2022	\$ (24)	\$ 65,946	\$ 65,922
Unrealized gains (losses) on cash flow hedging instruments, net of tax	—	(43,778)	(43,778)
Unrealized gains on settlement of interest rate swaps, net of tax	—	53,563	53,563
Reclassification adjustment for net (gains) losses realized in earnings on cash flow hedging instruments, net of tax	—	(41,676)	(41,676)
Foreign currency translation adjustment	17	—	17
Amounts attributable to noncontrolling interests	—	389	389
Balances at December 31, 2023	\$ (7)	\$ 34,444	\$ 34,437
Unrealized gains (losses) on cash flow hedging instruments, net of tax	—	27,607	27,607
Reclassification adjustment for net (gains) losses realized in earnings on cash flow hedging instruments, net of tax	—	(43,031)	(43,031)
Foreign currency translation adjustment	(66)	—	(66)
Amounts attributable to noncontrolling interests	—	176	176
Balances at December 31, 2024	\$ (73)	\$ 19,196	\$ 19,123

Noncontrolling Interest

Noncontrolling interest in the consolidated financial statements primarily represents joint ownership in certain bakery-cafe locations.

17. Liability Classified Common Stock Warrants

On December 16, 2020, the Company entered into an Omnibus Subscription Agreement (the "Agreement"). Pursuant to the Agreement, on January 25, 2021, the Company consummated the sale of shares of Series A Preferred Stock ("Preferred Stock") with an aggregate notional value of \$680.0 million to certain investors, including existing indirect investors of the Company, JAB, and certain members of management (collectively considered related parties in accordance with ASC 850, "Related Party Disclosures"). The Agreement also provided that each holder of Preferred Stock would receive Existing Warrants exercisable for shares of the Company at an exercise price of \$0.01, resulting in the sale of an aggregate of 680,000 shares of Preferred Stock and Existing Warrants exercisable for 4,014,403 shares of the Company's Common Stock for total consideration of \$680.0 million. On the date of issue, 2,827,045 Existing Warrants immediately vested with the remaining 1,187,358 Existing Warrants vesting on a pro rata basis over the three-year period following the issue date and ceasing to vest upon a Public Listing. If a Public Listing has not occurred within five years of the issue date, then on January 26, 2026, the Company has the obligation to redeem the Existing Warrants based upon a contractual fixed multiple of adjusted EBITDA for the Company for the trailing twelve month period ending December 31, 2025.

The Preferred Stock was subsequently redeemed in May 2021 for \$707.2 million, inclusive of accrued dividends of \$13.3 million and a redemption premium of \$13.9 million. Concurrent with the redemption of the Preferred Stock, the Company

amended the vesting conditions of the unvested Existing Warrants to permit continued vesting after the redemption of the Preferred Stock.

The vested Existing Warrants were accounted for as a liability at the date of issuance and are measured at fair value at each balance sheet date, with the change in fair value recorded as a component of other income (expense), net in the consolidated statements of operations and comprehensive income (loss). During fiscal 2024, fiscal 2023, and fiscal 2022, the Company recorded income of \$189.9 million, expense of \$3.5 million, and expense of \$43.7 million, respectively, related to the change in fair value of the vested Existing Warrants. As of December 31, 2024 and December 31, 2023, the fair value of the vested Existing Warrants was \$567.9 million and \$752.8 million, respectively.

Upon redemption of the Preferred Stock in May 2021 and amendment of the Existing Warrant vesting conditions to permit continued vesting after the redemption of the Preferred Stock, the Company accounted for the outstanding unvested Existing Warrants as a liability, valued at \$35.2 million, through an adjustment to retained earnings. The unvested Existing Warrants were subsequently adjusted to fair value at each balance sheet date, with the change in fair value recorded as a component of other income (expense), net in the consolidated statements of operations and comprehensive income (loss). During fiscal 2024, fiscal 2023, and fiscal 2022, the Company recorded expense of less than \$0.1 million, less than \$0.1 million, and \$136.9 million, respectively, related to the change in fair value of the unvested Existing Warrants.

The key terms and activity of the warrants are summarized as follows:

	Issuance Date	Exercise Price per Share	Existing Warrants Outstanding at Issuance	Existing Warrants Exercised through December 31, 2024	Existing Warrants Outstanding at December 31, 2024
Penny Warrants	January 2021	\$0.01	4,014,403	68,390	3,946,013

As of December 31, 2023, 3,920,100 outstanding Existing Warrants were vested and 27,108 Existing Warrants were unvested and the fair value of the unvested Existing Warrants was \$5.2 million. As of December 31, 2024, all outstanding Existing Warrants were fully vested. In periods prior to fiscal 2024, the fair value of the vested Existing Warrants, as well as the unvested Existing Warrants upon issuance concurrent with redemption of the Preferred Stock, was estimated using a market approach, which estimates the value of the Company's stock based upon comparison of the Company to comparable public companies in a similar line of business. From the comparable public companies, a representative market value multiple is determined and then applied to the Company's financial metrics. The fair value of the unvested Existing Warrants also considered the estimated timing of the planned public offering. As of December 31, 2024, the fair value of the vested Existing Warrants reflects the estimated redemption amount on January 26, 2026, which was based upon the contractual fixed multiple of estimated adjusted EBITDA for the Company for the trailing twelve month period ending December 31, 2025, discounted to present value.

18. Stock-Based Compensation

The Company accounts for stock-based compensation in accordance with the accounting standard for stock-based compensation, which requires the Company to measure and record compensation expense in the Company's consolidated financial statements for all stock-based compensation awards using a fair value method. The Company uses historical data to estimate pre-vesting forfeiture rates. For fiscal 2024, fiscal 2023, and fiscal 2022, total stock-based compensation expense was \$41.2 million, \$32.0 million, and \$33.8 million, respectively. For fiscal 2024, fiscal 2023, and fiscal 2022, the income tax benefit related to stock-based compensation expense was \$10.8 million, \$8.4 million, and \$9.0 million, respectively.

Description of Panera Brands plans

Panera Brands Long-Term Incentive Plan

During 2021, the Company established the Panera Brands Long-Term Incentive Plan (the "PB-LTIP") which provides for the granting of restricted stock units ("RSUs") and stock options of Panera Brands, Inc. to officers, key employees and certain non-employees of the Company. Under the PB-LTIP, executive personnel and other key employees of Panera Brands (collectively, "participants") are awarded RSUs. The RSUs are generally subject to either graded vesting over the 54-months following the grant date or vest on a cliff basis on the 60-month anniversary of the award, with certain of the RSUs granted or issued under the PB-LTIP containing an IPO vesting condition in addition to the service-based condition. Unless otherwise determined by the Board, there is no maximum number of shares with respect to which awards may be granted or issued under the PB-LTIP.

Panera Brands Executive Ownership Plan

During 2021, the Company established the Panera Brands Executive Ownership Plan (the “PB-EOP”). Under the PB-EOP, executive personnel and other key employees of Panera Brands are given the opportunity to purchase shares of the Company. Upon purchase, the participants are awarded matching RSUs, Stock Options, Preferred Shares, or an Other Equity Award (the “Matching Awards”) equivalent to a predetermined ratio of shares purchased. The Matching Awards vest on the 60-month anniversary of the award or such other date as determined by the Remuneration and Nomination Committee of the Company. Certain Matching Awards under the PB-EOP contain an IPO vesting condition in addition to the service-based condition. The PB-EOP includes provisions for the grantee, after vesting and the satisfaction of a six-month holding period, to put the vested shares to the Parent in exchange for the current fair value of the shares. The Company has the option to call outstanding vested shares in exchange for the current fair value of the shares. The fair value of the shares is estimated using a market approach, which estimates the value of the stock based upon comparison to comparable public companies in a similar line of business. From the comparable public companies, a representative market value multiple is determined and then applied to the Company’s financial metrics. Unless otherwise determined by the Board, there is no maximum number of shares with respect to which shares may be purchased or Matching Awards issued under the PB-EOP. During fiscal 2024, less than 0.1 million shares were repurchased for \$7.1 million. In connection with the fiscal 2024 share repurchases, \$3.2 million was paid during fiscal 2024 and \$3.9 million was recorded in accrued expenses in the Consolidated Balance Sheet as of December 31, 2024.

Description of Panera Bread plans

Panera Bread Company Long-Term Incentive Plan

During 2017, the Company established the Panera Bread Company Long-Term Incentive Plan (the “P-LTIP”) which provides for the granting of restricted stock units (“RSUs”) and stock options of Panera Holdings Corp. (the “Parent”) to officers, key employees and certain non-employees of the Company. Under the P-LTIP, executive personnel and other key employees of Panera Bread (collectively, “participants”) are awarded RSUs. The RSUs are generally subject to either graded vesting over the 54-months following the grant date or vest on a cliff basis on the 60-month anniversary of the award. The P-LTIP includes provisions for the grantee, after vesting and the satisfaction of a six-month holding period, to put the vested shares to the Parent in exchange for the current fair value of the shares. The fair value of the shares is estimated using a market approach, which estimates the value of the stock based upon comparison to comparable public companies in a similar line of business. From the comparable public companies, a representative market value multiple is determined and then applied to the Company’s financial metrics. This results in the classification of these awards in mezzanine equity (redeemable noncontrolling interest). The Company is authorized to issue a maximum of 50.0 million shares of the Parent’s common stock pursuant to the P-LTIP. As of December 31, 2024, 1.5 million shares of the Parent’s common stock were available for issuance under the P-LTIP.

Panera Bread Company Executive Ownership Plan

Also during 2017 the Company established the Panera Bread Company Executive Ownership Plan (the “P-EOP”). Under the P-EOP, executive personnel and other key employees of Panera Bread are given the opportunity to purchase shares of the Parent. Upon purchase, the participants are awarded matching RSUs (the “Matching Awards”) equivalent to a predetermined ratio of shares purchased. The Matching Awards vest on the 54-month anniversary of the award or such other date as determined by the Remuneration and Nomination Committee of the Parent. The P-EOP includes provisions for the grantee, after vesting and the satisfaction of a six-month holding period, to put the vested shares to the Parent in exchange for the current fair value of the shares. This results in the classification of these awards in mezzanine equity (redeemable noncontrolling interest). The Company has the option to call outstanding vested shares in exchange for the current fair value of the shares. The fair value of the shares is estimated using a market approach, which estimates the value of the stock based upon comparison to comparable public companies in a similar line of business. From the comparable public companies, a representative market value multiple is determined and then applied to the Company’s financial metrics. During fiscal 2024, fiscal 2023, and fiscal 2022, 0.3 million shares, 0.2 million shares, and 0.6 million shares were repurchased for \$44.7 million, \$37.5 million, and \$97.6 million, respectively. In connection with the fiscal 2024 share repurchases, \$26.0 million was paid during fiscal 2024 and \$18.7 million was recorded in accrued expenses in the Consolidated Balance Sheet as of December 31, 2024. As of December 31, 2024, 1.5 million shares of the Parent’s common stock were available for issuance under the P-EOP.

Description of Caribou Coffee plans

Caribou Coffee Company Long-Term Incentive Plan

During 2013, the Company established the Caribou Coffee Company, Inc. Long-Term Incentive Plan (“C-LTIP”), which provides for the granting of non-qualified stock options and restricted stock to officers and key employees that are generally subject to either graded vesting over the 54-months following the grant date or vest on a cliff basis on the 60-month anniversary

of the award. Restricted stock awards include a six-month holding period before the employee can sell the shares. Non-qualified stock options can be exercised any time after vesting and up to ten years from the date of grant. Upon exercise of options, shares are issued from treasury stock, when available, or new shares are issued. The C-LTIP plan includes provisions for the grantee, after the satisfaction of a six-month holding period, to put the vested shares to the Company in exchange for the current fair value of the shares. This results in the classification of these awards in mezzanine equity (redeemable noncontrolling interest). The Company has the option to call outstanding vested shares in exchange for the current fair value of the shares. The fair value of the shares is estimated using a market approach, which estimates the value of the stock based upon comparison to comparable public companies in a similar line of business. From the comparable public companies, a representative market value multiple is determined and then applied to the Company's financial metrics. The Company is authorized to issue a maximum of 1.3 million shares of its common stock pursuant to the C-LTIP. As of December 31, 2024, 1.3 million shares of the underlying common stock were available for issuance under the C-LTIP.

Caribou Coffee Company Executive Ownership Plan

Also during 2013, the Company established the Caribou Coffee Company, Inc. Executive Ownership Plan ("C-EOP"). The C-EOP allows eligible executive employees and non-employee directors to purchase shares of Caribou Coffee Company, Inc.'s common stock during specified investment periods at an amount that equals or exceeds an investment minimum, which is defined as five percent of the participant's annual base salary divided by the fair market value of a share on the investment date. In no event shall the aggregate value of shares acquired by any participant pursuant to the C-EOP exceed the aggregate investment limit, which is defined as the product of ten and the participant's annual base salary. The C-EOP allows for the granting of matching awards of the number of shares purchased by the participants and vests on the 54-month anniversary of the investment date. The matching awards granted, as well as any shares issued at a discount, under the C-EOP are accounted for as stock-based compensation expense. Shareholders who purchased shares under the C-EOP plan may sell the shares to the Company during specified investment periods for the then current fair value. The fair value of the shares is estimated using a market approach, which estimates the value of the stock based upon comparison to comparable public companies in a similar line of business. From the comparable public companies, a representative market value multiple is determined and then applied to the Company's financial metrics. Shareholders are subject to market risk on the value of their shares. This results in the classification of these awards in mezzanine equity (redeemable noncontrolling interest). During fiscal 2024, fiscal 2023, and fiscal 2022, less than 0.1 million shares, less than 0.1 million shares, and 0.1 million shares of Caribou Coffee Company, Inc.'s common stock, respectively, were repurchased under the C-EOP for \$0.1 million, \$2.4 million, and \$2.8 million, respectively. As of December 31, 2024, 2.0 million shares of Caribou Coffee Company, Inc.'s common stock were available for issuance under the C-EOP.

Caribou Coffee Operating Company Long-Term Incentive Plan

During 2020, the Company established the Caribou Coffee Operating Company ("CCOC") Long-Term Incentive Plan ("CCOC-LTIP"), which provides for the granting of non-qualified stock options and RSUs to officers and key employees with terms identical to the C-LTIP.

Caribou Coffee Operating Company Executive Ownership Plan

Also during 2020, the Company established the CCOC Executive Ownership Plan ("CCOC-EOP") that allows eligible executive employees and non-employee directors to purchase shares of CCOC common stock with terms identical to the C-EOP. During each of fiscal 2024, fiscal 2023, and fiscal 2022, less than 0.1 million shares, respectively, were repurchased for \$0.7 million, \$0.5 million, and \$0.5 million, respectively.

Description of Einstein Bros. Brands plans

Einstein Noah Restaurant Group Long-Term Incentive Plan

During 2020, the Company established the Einstein Noah Restaurant Group, Inc. ("ENRGI") Long-Term Incentive Plan ("ENRGI-LTIP"), which provides for the granting of non-qualified stock options and RSUs to officers and key employees with terms identical to the C-LTIP.

Einstein Noah Restaurant Executive Ownership Plan

Also during 2020, the Company established the ENRGI Executive Ownership Plan ("ENRGI-EOP") that allows eligible executive employees and non-employee directors to purchase shares of ENRGI common stock with terms identical to the C-EOP. During fiscal 2024, fiscal 2023, and fiscal 2022, 0.1 million shares, 0.2 million shares, and less than 0.1 million shares

were repurchased for \$12.2 million, \$12.8 million, and \$0.6 million, respectively. In connection with the fiscal 2024 share repurchases, \$0.7 million was paid during fiscal 2024 and \$11.5 million was recorded in accrued expenses in the Consolidated Balance Sheet as of December 31, 2024.

Restricted Stock Units

For fiscal 2024, compensation expense related to RSUs awarded under the Plans was \$40.3 million, net of capitalized compensation expense of \$3.2 million. For fiscal 2023, compensation expense related to RSUs awarded under the Plans was \$29.9 million, net of capitalized compensation expense of \$1.6 million. For fiscal 2022, compensation expense related to RSUs awarded under the Plans was \$31.6 million, net of capitalized compensation expense of \$2.3 million.

The estimated grant date fair value of each stock-based award under the plans is recognized in the Company's Consolidated Statements of Operations on a straight-line basis over the requisite service period (generally the vesting period). RSUs are valued based on the grant-date fair value of the shares. The fair value of the shares is estimated using a market approach, which estimates the value of the stock based upon comparison to comparable public companies in a similar line of business. From the comparable public companies, a representative market value multiple is determined and then applied to the Company's financial metrics.

For fiscal 2024, the Company recognized income tax expense related to restricted stock vestings of \$0.1 million. For fiscal 2023 and fiscal 2022, the Company recognized an income tax benefit related to restricted stock vestings of \$3.6 million and \$8.5 million, respectively.

As of December 31, 2024, there was \$30.9 million of total unrecognized compensation cost related to PB-LTIP and PB-EOP non-vested RSUs.

As of December 31, 2024, there was \$98.4 million of total unrecognized compensation cost related to P-LTIP and P-EOP non-vested RSUs. This unrecognized compensation cost is expected to be recognized over a weighted average period of approximately 3.0 years.

As of December 31, 2024, there was \$0.4 million of total unrecognized compensation cost related to C-LTIP and C-EOP non-vested RSUs. This unrecognized compensation cost is expected to be recognized over a weighted average period of approximately 2.6 years.

As of December 31, 2024, there was \$6.4 million of total unrecognized compensation cost related to CCOC-LTIP and CCOC-EOP non-vested RSUs. This unrecognized compensation cost is expected to be recognized over a weighted average period of approximately 2.7 years.

As of December 31, 2024, there was \$10.4 million of total unrecognized compensation cost related to ENRGI-LTIP and ENRGI-EOP non-vested RSUs. This unrecognized compensation cost is expected to be recognized over a weighted average period of approximately 2.7 years.

A summary of the status of the RSU activity is set forth below (in thousands, except weighted average fair value):

PANERA BRANDS, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Panera 2025 FDD (285)

	Non-vested Restricted Stock at December 31, 2021	Granted	Vested	Forfeited	Converted	Non-vested Restricted Stock at December 31, 2022
PB-LTIP / PB-EOP						
Shares	288	8	—	(37)	—	259
Weighted Average Fair Value	\$ 150.53	\$ 181.26	\$ —	\$ 144.18	\$ —	\$ 152.38
P-LTIP / P-EOP						
Shares	1,342	237	(403)	(132)	—	1,044
Weighted Average Fair Value	\$ 123.52	\$ 144.79	\$ 101.66	\$ 132.67	\$ —	\$ 143.48
C-LTIP / C-EOP						
Shares	127	4	(26)	—	(63)	42
Weighted Average Fair Value	\$ 53.99	\$ 65.67	\$ 53.10	\$ —	\$ 56.31	\$ 52.18
CCOC-LTIP / CCOC-EOP						
Shares	404	88	(80)	(8)	—	404
Weighted Average Fair Value	\$ 24.50	\$ 30.43	\$ 25.17	\$ 24.51	\$ —	\$ 25.66
ENRGI-LTIP / ENRGI-EOP						
Shares	451	215	(14)	(28)	118	742
Weighted Average Fair Value	\$ 24.49	\$ 34.66	\$ 24.42	\$ 25.73	\$ 34.66	\$ 29.00

	Non-vested Restricted Stock at December 31, 2022	Granted	Vested	Forfeited	Converted	Non-vested Restricted Stock at December 31, 2023
PB-LTIP / PB-EOP						
Shares	259	203	—	(105)	—	357
Weighted Average Fair Value	\$ 152.38	\$ 192.80	\$ —	\$ 142.40	\$ —	\$ 178.29
P-LTIP / P-EOP						
Shares	1,044	245	(137)	(302)	—	850
Weighted Average Fair Value	\$ 143.48	\$ 170.26	\$ 116.41	\$ 148.76	\$ —	\$ 154.49
C-LTIP / C-EOP						
Shares	42	3	(19)	—	—	26
Weighted Average Fair Value	\$ 52.18	\$ 99.13	\$ 52.47	\$ —	\$ —	\$ 56.82
CCOC-LTIP / CCOC-EOP						
Shares	404	172	(36)	(18)	—	522
Weighted Average Fair Value	\$ 25.66	\$ 28.56	\$ 25.17	\$ 29.29	\$ —	\$ 26.52
ENRGI-LTIP / ENRGI-EOP						
Shares	742	100	(149)	(150)	—	543
Weighted Average Fair Value	\$ 29.00	\$ 55.08	\$ 32.58	\$ 27.22	\$ —	\$ 33.34

	Non-vested Restricted Stock at December 31, 2023	Granted	Vested	Forfeited	Converted	Non-vested Restricted Stock at December 31, 2024
PB-LTIP / PB-EOP						
Shares	357	14	(2)	(162)	—	207
Weighted Average Fair Value	\$ 178.29	\$ 137.32	\$ 192.92	\$ 181.04	\$ —	\$ 169.92
P-LTIP / P-EOP						
Shares	850	536	(266)	(132)	—	988
Weighted Average Fair Value	\$ 154.49	\$ 126.56	\$ 146.69	\$ 160.52	\$ —	\$ 139.64
C-LTIP / C-EOP						
Shares	26	3	(13)	(3)	—	13
Weighted Average Fair Value	\$ 56.82	\$ 105.11	\$ 53.48	\$ 73.73	\$ —	\$ 66.21
CCOC-LTIP / CCOC-EOP						
Shares	522	97	(93)	(49)	—	477
Weighted Average Fair Value	\$ 26.52	\$ 37.44	\$ 26.07	\$ 30.64	\$ —	\$ 29.82
ENRGI-LTIP / ENRGI-EOP						
Shares	543	103	(160)	(34)	—	452
Weighted Average Fair Value	\$ 33.34	\$ 66.68	\$ 30.84	\$ 52.43	\$ —	\$ 42.40

Stock Options

For fiscal 2024, fiscal 2023, and fiscal 2022, stock-based compensation expense related to stock options was \$0.9 million, \$2.1 million, and \$0.6 million, respectively. Stock options are generally issued with an exercise price equal to the market price of the underlying common stock on the date of grant.

19. Business Segment Information

Panera Brands operates and franchises bakery-cafes in the fast casual segment of the restaurant industry. Panera Brands is made up of three reportable segments, Panera Bread, Caribou Coffee, and Einstein Bros. Brands. The Company determines its reportable segments based on how the Company's chief operating decision maker (the "CODM"), its Chief Executive Officer, manages the business, allocates resources, makes operating decisions and evaluates operating performance.

As of December 31, 2024, the Company had approximately 3,769 bakery-cafes system-wide, excluding the 275 Einstein Bros. Brands licensed bakery-cafes, which have lower average unit volumes.

Panera Bread specializes in meeting consumer dining needs by providing high-quality food and targets urban and suburban dwellers and workers by offering a premium specialty bakery-cafe experience with a neighborhood emphasis. In addition to the in-bakery-cafe dining experience, Panera Bread offers nation-wide catering and delivery services that provide breakfast assortments, sandwiches, salads, soups, pasta dishes, drinks, and bakery items using the same high-quality, fresh ingredients enjoyed in bakery-cafes. The Panera Bread segment operates retail bakery-cafe businesses and franchising businesses under the concept names Panera Bread® and Saint Louis Bread Co.®. As of December 31, 2024, the retail operations of Panera Bread consisted of 1,101 company-owned bakery-cafes. Panera Bread franchised 1,115 bakery-cafes as of December 31, 2024. Bakery-cafes are located in urban, suburban, strip mall, regional mall, university and hospital locations and currently operate in the United States and Canada. Most bakery-cafes use freshly prepared dough for their artisan and sourdough breads and bagels. As of December 31, 2024, Panera Bread's fresh dough and other product operations, which supply fresh dough, produce, and other items daily to most company-owned and franchise-operated bakery-cafes, consisted of 13 company-owned production facilities. Panera Bread also sells a broad range of products through grocery, mass wholesalers, club retailers, and other channels in collaboration with licensed business partners as part of its Panera at Home business.

Caribou Coffee sells high-quality premium coffee and espresso-based beverages, and coffee lifestyle items. The Caribou Coffee segment operates, franchises, and licenses branded retail bakery-cafes under the concept name Caribou Coffee®. As of December 31, 2024, the retail operations of Caribou Coffee consisted of 335 company-owned retail locations. Caribou Coffee franchised or licensed 501 bakery-cafes as of December 31, 2024.

Einstein Bros. Brands businesses sell high quality bagels, made-to-order sandwiches, food and other bakery items at their bakery-cafes and also sell branded products through grocery, club and food service distribution channels. The Einstein Bros. Brands segment operates, franchises and licenses branded specialty bagel bakery-cafes. All references to "Einstein Bros. Brands" refer to specialty bagel bakery-cafes operating under the concept names Einstein Bros. Bagels®, Bruegger's Bagels®, Noah's New York Bagels®, and Manhattan Bagel Company®. As of December 31, 2024, the retail operations of Einstein Bros. Brands consisted of 538 company-owned retail locations. Einstein Bros. Brands franchised 179 bakery-cafes as of December 31, 2024, excluding the 275 Einstein Bros. Brands licensed bakery-cafes, which have lower average unit volumes.

The accounting policies applicable to each segment are consistent with those described in Note 2, Summary of Significant Accounting Policies. The CODM does not use asset information by segment to evaluate segment performance or allocate resources. As a result, asset information by segment is not disclosed.

PANERA BRANDS, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Panera 2025 FDD (288)

The following tables present revenues, depreciation and amortization, and capital expenditures by segment (in thousands):

	For the fiscal year ended		
	December 31, 2024	December 31, 2023	December 31, 2022
Revenues:			
Panera Bread	\$ 3,632,190	\$ 3,900,713	\$ 3,787,185
Caribou Coffee	380,382	415,974	384,390
Einstein Bros. Brands	681,582	635,503	585,301
Total revenues	<u>\$ 4,694,154</u>	<u>\$ 4,952,190</u>	<u>\$ 4,756,876</u>
Depreciation and amortization:			
Panera Bread	\$ 206,342	\$ 186,131	\$ 175,162
Caribou Coffee	20,694	18,329	18,868
Einstein Bros. Brands	24,610	21,742	22,058
Total depreciation and amortization	<u>\$ 251,646</u>	<u>\$ 226,202</u>	<u>\$ 216,088</u>
Capital expenditures:			
Panera Bread	\$ 197,729	\$ 238,479	\$ 187,879
Caribou Coffee	32,474	18,104	24,263
Einstein Bros. Brands	52,810	24,653	16,933
Total capital expenditures	<u>\$ 283,013</u>	<u>\$ 281,236</u>	<u>\$ 229,075</u>

The following tables summarize segment revenues by category (in thousands):

For the fiscal year ended December 31, 2024				
	Panera Bread	Caribou Coffee	Einstein Bros. Brands	Consolidated
Bakery-cafe sales, net	\$ 3,029,854	\$ 315,509	\$ 612,855	\$ 3,958,218
Franchise royalties, IT and other fees	196,190	9,778	19,615	225,583
Franchise advertising revenue	93,035	1,531	3,746	98,312
Manufacturing and other product sales	313,111	53,564	45,366	412,041
Total revenues	<u>\$ 3,632,190</u>	<u>\$ 380,382</u>	<u>\$ 681,582</u>	<u>\$ 4,694,154</u>

For the fiscal year ended December 31, 2023				
	Panera Bread	Caribou Coffee	Einstein Bros. Brands	Consolidated
Bakery-cafe sales, net	\$ 3,241,745	\$ 302,354	\$ 557,209	\$ 4,101,308
Franchise royalties, IT and other fees	206,539	8,155	17,971	232,665
Franchise advertising revenue	113,558	946	3,401	117,905
Manufacturing and other product sales	338,871	104,519	56,922	500,312
Total revenues	<u>\$ 3,900,713</u>	<u>\$ 415,974</u>	<u>\$ 635,503</u>	<u>\$ 4,952,190</u>

PANERA BRANDS, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Panera 2025 FDD (289)

For the fiscal year ended December 31, 2022

	Panera Bread	Caribou Coffee	Einstein Bros. Brands	Consolidated
Bakery-cafe sales, net	\$ 3,126,424	\$ 278,971	\$ 513,141	\$ 3,918,536
Franchise royalties, IT and other fees	202,511	7,355	16,071	225,937
Franchise advertising revenue	112,972	805	3,212	116,989
Manufacturing and other product sales	345,278	97,259	52,877	495,414
Total revenues	<u>\$ 3,787,185</u>	<u>\$ 384,390</u>	<u>\$ 585,301</u>	<u>\$ 4,756,876</u>

The Company's primary measure of segment income is Adjusted EBITDA. Adjusted EBITDA is defined as net income (loss) excluding depreciation and amortization, interest expense, income tax expense (benefit), certain bakery-cafe costs (asset impairments, lease termination and other closure costs), expenses involved with the divestiture of Au Bon Pain, corporate restructuring and transformation expenses, legal fees and settlements, Parent Company costs, stock-based compensation, as well as certain non-recurring items that we believe do not directly reflect our core operations and may not be indicative of our recurring business operations.

Adjusted EBITDA is used by the CODM to facilitate comparisons to historical performance and competitors' operating results, develop internal budgets and forecasts in tracking performance, to evaluate the Company's capacity to fund capital expenditures and expand its business, along with serving as a key metric in certain of the Company's compensation programs. Adjusted EBITDA by segment is as follows (in thousands):

For the fiscal year ended December 31, 2024

	Panera Bread	Caribou Coffee	Einstein Bros. Brands	Total From Reportable Segments
Total revenues	\$ 3,632,190	\$ 380,382	\$ 681,582	\$ 4,694,154
Costs and expenses:				
Bakery-cafe expenses:				
Total cost of food and paper products	\$ 790,598	\$ 85,581	\$ 141,103	\$ 1,017,282
Labor	937,901	98,910	173,106	1,209,917
Occupancy	235,246	32,659	59,104	327,009
Other operating expenses	522,993	44,323	99,766	667,082
Total bakery-cafe expenses	\$ 2,486,738	\$ 261,473	\$ 473,079	\$ 3,221,290
Manufacturing and other product cost of sales	236,047	40,638	33,652	310,337
Franchise IT and other expenses	35,248	2,152	1,124	38,524
Franchise advertising expenses	93,035	1,531	3,746	98,312
General and administrative expenses	219,561	37,306	49,232	306,099
Pre-opening expenses	8,372	2,024	2,590	12,986
Total costs and expenses	\$ 3,079,001	\$ 345,124	\$ 563,423	\$ 3,987,548
Other (income) expense, net	1,548	—	—	1,548
Less: Net income (loss) attributable to noncontrolling interest	—	911	821	1,732
Adjusted EBITDA	<u>\$ 551,641</u>	<u>\$ 34,347</u>	<u>\$ 117,338</u>	<u>\$ 703,326</u>

PANERA BRANDS, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Panera 2025 FDD (290)

For the fiscal year ended December 31, 2023

	Panera Bread	Caribou Coffee	Einstein Bros. Brands	Total From Reportable Segments
Total revenues	\$ 3,900,713	\$ 415,974	\$ 635,503	\$ 4,952,190
Costs and expenses:				
Bakery-cafe expenses:				
Total cost of food and paper products	\$ 921,599	\$ 81,814	\$ 134,587	\$ 1,138,000
Labor	961,669	92,867	155,178	1,209,714
Occupancy	226,712	30,233	55,557	312,502
Other operating expenses	567,902	42,284	89,207	699,393
Total bakery-cafe expenses	\$ 2,677,882	\$ 247,198	\$ 434,529	\$ 3,359,609
Manufacturing and other product cost of sales	263,543	82,185	44,250	389,978
Franchise IT and other expenses	36,349	1,850	1,556	39,755
Franchise advertising expenses	113,558	1,008	3,400	117,966
General and administrative expenses	260,134	34,197	46,484	340,815
Pre-opening expenses	6,670	1,501	949	9,120
Total costs and expenses	\$ 3,358,136	\$ 367,939	\$ 531,168	\$ 4,257,243
Other (income) expense, net	(1,432)	—	—	(1,432)
Less: Net income (loss) attributable to noncontrolling interest	—	1,137	663	1,800
Adjusted EBITDA	<u>\$ 544,009</u>	<u>\$ 46,898</u>	<u>\$ 103,672</u>	<u>\$ 694,579</u>

For the fiscal year ended December 31, 2022

	Panera Bread	Caribou Coffee	Einstein Bros. Brands	Total From Reportable Segments
Total revenues	\$ 3,787,185	\$ 384,390	\$ 585,301	\$ 4,756,876
Costs and expenses:				
Bakery-cafe expenses:				
Total cost of food and paper products	\$ 937,904	\$ 73,857	\$ 130,021	\$ 1,141,782
Labor	964,401	91,855	148,352	1,204,608
Occupancy	216,471	27,692	54,405	298,568
Other operating expenses	536,771	37,494	75,788	650,053
Total bakery-cafe expenses	\$ 2,655,547	\$ 230,898	\$ 408,566	\$ 3,295,011
Manufacturing and other product cost of sales	273,127	74,113	41,964	389,204
Franchise IT and other expenses	35,747	982	1,325	38,054
Franchise advertising expenses	112,972	805	3,212	116,989
General and administrative expenses	232,020	29,147	46,602	307,769
Pre-opening expenses	5,426	2,423	407	8,256
Total costs and expenses	\$ 3,314,839	\$ 338,368	\$ 502,076	\$ 4,155,283
Other (income) expense, net	(925)	—	—	(925)
Less: Net income (loss) attributable to noncontrolling interest	—	930	601	1,531
Adjusted EBITDA	<u>\$ 473,271</u>	<u>\$ 45,092</u>	<u>\$ 82,624</u>	<u>\$ 600,987</u>

A reconciliation of total adjusted EBITDA from reportable segments to income (loss) before income taxes is as follows (in thousands):

	For the fiscal year ended		
	December 31, 2024	December 31, 2023	December 31, 2022
Total adjusted EBITDA from reportable segments	\$ 703,326	\$ 694,579	\$ 600,987
Depreciation and amortization	(251,646)	(226,202)	(216,088)
Interest expense, net	(124,925)	(155,399)	(178,260)
Other corporate and unallocated costs	(3,708)	(4,825)	(1,682)
Less: Net income (loss) attributable to noncontrolling interest	2,986	5,003	2,263
Non-GAAP adjustments included in total adjusted EBITDA from reportable segments:			
Bakery-cafe costs(1)	(233)	(827)	(2,256)
Au Bon Pain divestiture(2)	(1,847)	(1,416)	(195)
Corporate restructuring and transformation(3)	(121,292)	(25,362)	(4,790)
Legal proceedings(4)	(10,729)	(16,198)	(2,149)
Parent Company costs(5)	(13,026)	(7,994)	(21,482)
Stock-based compensation	(33,071)	(31,433)	(27,468)
Goodwill impairment	(158,515)	—	—
Other adjustments(6)	179,716	(6,691)	(186,522)
Total non-GAAP adjustments	(158,997)	(89,921)	(244,862)
Income (loss) before income taxes	<u>\$ 167,036</u>	<u>\$ 223,235</u>	<u>\$ (37,642)</u>

(1) Bakery-cafe costs primarily include asset impairments, accelerated depreciation, lease termination and other closure costs involving certain underperforming bakery-cafes resulting from a strategic review of our capital allocation strategy as part of a broader transformation plan.

(2) Expenses for the divestiture of Au Bon Pain primarily include lease termination, accelerated depreciation and other closure costs.

(3) Corporate restructuring and transformation for all periods presented includes employee-related costs and professional service expenses incurred, primarily as part of Panera Bread's broader transformation initiatives to align the organizational structure to effectively execute strategic growth initiatives. Fiscal 2024 also includes expenses associated with Panera Bread's bakery transformation and Panera Bread's menu transformation initiatives.

Corporate restructuring and transformation for fiscal 2024 was primarily composed of employee severance and related benefit costs of \$48.0 million, lease and asset disposal costs, including product obsolescence, totaling \$25.9 million, professional service expenses of \$17.3 million, and incremental advertising of \$16.0 million supporting Panera Bread's menu transformation. Panera Bread's menu transformation was substantially complete by the end of fiscal 2024. The Company anticipates Panera Bread's bakery transformation will be substantially completed by the end of fiscal 2026, with the closure of the remaining Panera Bread production facilities as Panera Bread eliminates reliance on its legacy dough-making production facilities. The Company expects to incur additional expenses of approximately \$35 million to \$50 million through fiscal 2026 related to the Panera Bread bakery transformation initiative. As of December 31, 2024, the Company had an accrual of \$35.3 million for employee severance and related benefit costs which was included in accrued expenses in the Consolidated Balance Sheets.

(4) Legal proceedings includes legal fees and settlements for several distinct legal matters.

(5) Parent Company costs primarily involve interest and general and administrative, and other costs incurred by the Panera Brands holding company entity, which owns the three reportable segments, Panera Bread, Caribou Coffee, and Einstein Bros. Brands.

(6) Other adjustments comprise the net expense (income) associated with fair value adjustments on outstanding warrants described in Note 17, Liability Classified Common Stock Warrants, and other miscellaneous non-recurring activities. Fair value adjustments on outstanding warrants totaled income of \$189.9 million in fiscal 2024 and expense of \$3.5 million and \$180.6 million in fiscal 2023 and fiscal 2022, respectively.

20. Earnings (Loss) Per Share

The following table sets forth the computation of basic and diluted earnings (loss) per share (in thousands, except for per share data):

	For the fiscal year ended		
	December 31, 2024	December 31, 2023	December 31, 2022
Net income (loss) attributable to Panera Brands, Inc.	\$ 130,650	\$ 168,111	\$ (53,664)
Adjustment to net income (loss) attributable to common shareholders . . .	(105)	(249)	(2,252)
Net income (loss) attributable to participating securities	(9,241)	(5,833)	—
Net income (loss) attributable to common shareholders - Basic	\$ 121,304	\$ 162,029	\$ (55,916)
Net income (loss) attributable to Panera Brands, Inc.	\$ 130,650	\$ 168,111	\$ (53,664)
Adjustment to net income (loss) attributable to common shareholders . . .	(105)	(249)	(2,252)
Change in fair value of warrant liabilities	(189,867)	3,459	—
Additional income attributed to noncontrolling interest due to subsidiary potential common shares	(1,009)	(2,458)	(2,304)
Net income (loss) attributable to common shareholders - Diluted	\$ (60,331)	\$ 168,863	\$ (58,220)
Basic weighted average common shares outstanding	51,780	50,317	47,223
Diluted weighted average common shares outstanding	55,725	54,291	47,223
Earnings (loss) per common share:			
Basic	\$ 2.34	\$ 3.22	\$ (1.18)
Diluted	\$ (1.08)	\$ 3.11	\$ (1.23)

Potential dilutive shares consist of unvested RSUs and outstanding time-based options, calculated using the treasury stock method, and vested and unvested penny warrants calculated using the if-converted method. The calculation of dilutive shares outstanding excludes certain unvested RSUs, penny warrants, and outstanding time-based options granted under certain subsidiaries' executive ownership plans and long-term incentive plans, because their inclusion would have been antidilutive. Refer to Note 18, Stock-based Compensation, to the Consolidated Financial Statements for further information about the plans.

The following table summarizes the number of vested and unvested penny warrants, unvested RSUs and time-based options excluded due to antidilution:

	For the fiscal year ended		
	December 31, 2024	December 31, 2023	December 31, 2022
Panera Brands	186,360	63,816	4,040,799
Panera	240,899	—	—
CCCI	—	—	—
CCOC	—	33,832	32,621
Einstein	—	—	—

21. Supplemental Cash Flow Information

The following table sets forth supplemental cash flow information for the periods indicated (in thousands):

	For the fiscal year ended		
	December 31, 2024	December 31, 2023	December 31, 2022
Cash paid during the year for:			
Interest	\$ 158,681	\$ 169,501	\$ 149,643
Income taxes (refunds)	25,174	28,731	9,574
Non-cash investing and financing activities:			
Change in accrued property and equipment purchases	\$ (13,654)	\$ (2,602)	\$ (21,220)

22. Related Party Transactions

Group Cash Pool

In July 2024, the Company became party to a liquidity agreement with Bank Mendes Gans N.V., JAB Holdings B.V., and certain affiliated entities of JAB Holdings B.V. The liquidity agreement aids JAB Holdings B.V. in efficient cash management and reduces the need for external borrowing by the pool participants. Parties to the agreement, including the Company, may deposit funds with or borrow from Bank Mendes Gans N.V., provided that the net balance of funds deposited or borrowed by all pool participants in the aggregate is not less than zero.

During fiscal 2024, the Company did not deposit or borrow any funds within the cash pool. As of December 31, 2024, the Company's balance for the cash pool was zero.

Sales of Coffee to JDEP

As disclosed in Note 4, Acquisitions and Divestitures, in March 2024, Caribou Coffee sold its roasting operations in Minnesota and its office, coffee, and foodservice contracts and licensed the rights to its brand for use in consumer-packaged goods and foodservice channels to a subsidiary of JDEP. Prior to the transaction, Caribou Coffee sold Caribou branded coffee to JDEP and received a royalty for all sales by JDEP of Caribou Coffee branded product. The Company recorded \$8.0 million, \$32.6 million, and \$30.6 million of JDEP coffee bean sales and royalties during fiscal 2024, fiscal 2023, and fiscal 2022, respectively.

Sales to Keurig Dr. Pepper

Caribou Coffee sells Caribou Coffee branded coffee to Keurig Dr. Pepper ("KDP"), an affiliate of the Company. The Company sold \$3.4 million, \$17.3 million, and \$16.4 million of green coffee to KDP during fiscal 2024, fiscal 2023, and fiscal 2022, respectively. The Company also received royalties of \$2.0 million, \$8.2 million, and \$8.6 million from KDP on sales by KDP of Caribou Coffee branded product during fiscal 2024, fiscal 2023, and fiscal 2022, respectively.

23. The HUGS Transactions

Investment Agreement

On November 8, 2021, the Company entered into an Investment Agreement and Plan of Merger (the "Investment Agreement") with USHG Acquisition Corp., a Delaware corporation ("HUGS"), and Rye Merger Sub Inc., a Delaware corporation and wholly owned subsidiary of Panera Brands ("Merger Sub"), pursuant to which Merger Sub would have merged with and into HUGS, with HUGS surviving the merger as a wholly owned subsidiary of Panera Brands (the "Merger"). The Investment Agreement provided that it could be terminated by us or HUGS if the Merger was not completed on or prior to June 30, 2022. On July 1, 2022, the Company delivered a notice of termination to HUGS terminating the Investment Agreement as a result of the Merger not having been completed on or prior to June 30, 2022.

DM Subscription Agreement

In connection with the execution of the Investment Agreement, the Company and Daniel H. Meyer entered into a subscription agreement (the "DM Subscription Agreement"), pursuant to which, among other things, Mr. Meyer agreed to subscribe for and purchase, immediately following the consummation of the initial public offering, and the Company agreed to issue and sell to Mr. Meyer immediately prior to the consummation of the initial public offering, such number of shares of the Company's common stock resulting in gross proceeds to the Company of \$6.0 million, to be purchased and sold at the initial public offering price of the Company's shares of common stock and subject to the conditions set forth in the DM Subscription Agreement. The

DM Subscription Agreement was terminated on July 1, 2022 upon termination of the Investment Agreement, in accordance with its terms.

JAB Subscription Agreement

In connection with the execution of the Investment Agreement, the Company, JAB and HUGS entered into a subscription agreement (the "JAB Subscription Agreement"). Pursuant to the terms of the JAB Subscription Agreement, the Company became obligated upon termination of the Investment Agreement, to issue and sell to JAB the number shares of its common stock equal in value to \$287.5 million, in each case, to be purchased and sold at the initial public offering price of its shares of common stock on the terms and subject to the conditions set forth in the JAB Subscription Agreement. The JAB Subscription Agreement was terminated in connection with the termination of the Investment Agreement.

24. Subsequent Events

On March 25, 2025, the Company extended the maturity date of the second tranche of term loans under the Company Credit Facility from June 15, 2026 to June 15, 2027.

On March 26, 2025, the Company entered into a new credit agreement with Pret Panera III G.P. (the "Pret Panera III G.P. Credit Facility"). The Pret Panera III G.P. Credit Facility provided an unsecured revolving credit facility in an aggregate principal amount of \$250.0 million. The Pret Panera III G.P. Credit Facility matures July 31, 2027. The Pret Panera III G.P. Credit Facility is available for general corporate purposes. The Company has no outstanding balances under the Pret Panera III G.P. Credit Facility.

On March 27, 2025, the Company and JAB Holdings BV amended the 1,595,320 Existing Warrants owned by JAB Holdings BV, extending the repurchase obligation from January 26, 2026, to January 26, 2027.

The Company has evaluated subsequent events through March 27, 2025, the date that the consolidated financial statements were available to be issued.

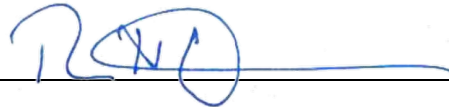
GUARANTEE OF PERFORMANCE

For value received, Panera Brands, Inc., a Delaware corporation (the “Guarantor”), located at 1400 South Highway Drive, Suite 100, Fenton Missouri 63026, absolutely and unconditionally guarantees to assume the duties and obligations of Panera, LLC, located at 1400 South Highway Drive, Suite 100, Fenton Missouri 63026 (the “Franchisor”), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its Franchise Disclosure Document issued April 29, 2025, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, which ever occurs first. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor executes this guarantee at Newton, Massachusetts on the 29th day of April, 2025.

Guarantor: **Panera Brands, Inc.**

By: _____



Print Name: Thomas Dolan

Print Title: Assistant Secretary

EXHIBIT J
DISCLOSURE ADDENDA
FOR REGISTRATION STATES

ADDENDUM TO THE PANERA, LLC FRANCHISE DISCLOSURE DOCUMENT FOR THE STATE OF MARYLAND

Notwithstanding anything to the contrary set forth in the Panera, LLC Franchise Disclosure Document, the following provisions shall supersede and apply to all Franchises offered and sold in the State of Maryland:

1. The following language is added to the end of the “Summary” sections of Item 17(c), entitled Requirements for franchisee to renew or extend, and Item 17(m), entitled Conditions for franchisor approval of transfer:

Any release required as a condition of renewal and/or assignment/transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

1. The following language is added to the end of the “Summary” section of Item 17(h), entitled “Cause” defined – non-curable defaults:

Termination upon insolvency might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.), but we will enforce it to the extent enforceable.

2. The following sentence is added to the end of the “Summary” section of Item 17(v), entitled Choice of forum:

Subject to your arbitration obligation, you may bring suit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

3. The “Summary” section of Item 17(w), entitled Choice of law, is amended to read as follows:

Except for federal law, and except as otherwise required by the Maryland Franchise Registration and Disclosure Law, Missouri law governs.

4. The following language is added to the end of the chart in Item 17:

You must bring any claims arising under the Maryland Franchise Registration and Disclosure Law within 3 years after the grant of the franchise.

5. Pursuant to the Interpretive Opinion “Adopting NASAA Statement of Policy Regarding the Use of Franchise Questionnaires and Acknowledgments” dated January 23, 2023, issued by the State of Maryland Office of the Attorney General Securities Division (the “Division”), the Division requires franchisors selling franchises that are subject to the Maryland Franchise Registration and Disclosure Law to provide the following legend: “No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.”

ADDENDUM TO THE PANERA, LLC FRANCHISE DISCLOSURE DOCUMENT FOR THE STATE OF MINNESOTA

Notwithstanding anything to the contrary set forth in the Panera, LLC Franchise Disclosure Document, the following provisions shall supersede and apply to all Franchises offered and sold in the State of Minnesota:

1. Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
2. With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.
3. The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).
4. Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
5. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.
6. The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.
7. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

ASSURANCE OF DISCONTINUANCE
STATE OF WASHINGTON

To resolve an investigation by the Washington Attorney General and without admitting any liability, we have entered into an Assurance of Discontinuance (“AOD”) with the State of Washington, where we have agreed to remove from our form franchise agreement a provision which restricts a franchisee from soliciting and/or hiring the employees of our other franchisees and/or our employees, which the Attorney General alleges violates Washington state and federal antitrust and unfair practices laws. We have agreed, as part of the AOD, to not enforce any such provisions in any existing franchise agreement, to request that our Washington franchisees amend their existing franchise agreements to remove such provisions, and to notify our franchisees about the entry of the AOD. In addition, the State of Washington did not assess any fines or other monetary penalties against us.

EXHIBIT K

RIDERS TO THE PANERA, LLC AGREEMENTS

**RIDER TO THE PANERA, LLC AGREEMENTS
PURSUANT TO THE MARYLAND FRANCHISE REGISTRATION AND DISCLOSURE LAW**

This Rider to the Panera, LLC Agreements by and between Panera, LLC and Franchisee is dated _____, _____.

In both the Franchise Agreement and Area Development Agreement, the 5th and 6th sentences of Section 1.02 are deleted.

The following language shall be added to Sections 13.02(i) and 15.03 of the Franchise Agreement and 7.02(g) of the Area Development Agreement:

Pursuant to COMAR 02.02.08. 16L, any general release, estoppel or waiver of liability required as a condition of renewal and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

The following language shall be added to the end of Sections 18.02 of the Franchise Agreement and 10.02 of the Area Development Agreement:

However, subject to your arbitration obligations, you may bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

The following sentence is added to the end of Section 19.06 of the Franchise Agreement and 11.06 of the Area Development Agreement:

However, to the extent required by applicable law, Maryland law will apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

The following sentence is added to the end of the Franchise Agreement and Area Development Agreement:

All representations requiring you 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.

Pursuant to the Interpretive Opinion “Adopting NASAA Statement of Policy Regarding the Use of Franchise Questionnaires and Acknowledgments” dated January 23, 2023, issued by the State of Maryland Office of the Attorney General Securities Division (the “Division”), the Division requires franchisors selling franchises that are subject to the Maryland Franchise Registration and Disclosure Law to provide the following legend: “No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.”

All initially capitalized terms not defined herein shall have the same meaning as ascribed to them in the Agreements. Except as expressly modified hereby, the Agreements shall remain in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Rider concurrently with the execution of the Agreements on the day and year first above written.

PANERA, LLC
A Delaware limited liability company

By: _____

Title: _____

FRANCHISEE

(Signature)

(Print Name)

(Signature)

(Print Name)

**RIDER TO THE PANERA, LLC AGREEMENTS
PURSUANT TO THE MINNESOTA FRANCHISES LAW**

This Rider to the Panera, LLC Agreements by and between Panera, LLC and Franchisee is dated _____, _____.

The Franchise Agreement and Area Development Agreement for Panera, LLC shall be amended as follows:

1. Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
2. With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.
3. The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).
4. Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
5. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.
6. The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.
7. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchisee.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Rider concurrently with the execution of the Agreements on the day and year first above written.

PANERA, LLC
A Delaware limited liability company

By: _____

Title: _____

FRANCHISEE

(Signature)

(Print Name)

(Signature)

**RIDER TO THE PANERA, LLC AGREEMENTS
PURSUANT TO THE NORTH DAKOTA FRANCHISE INVESTMENT LAW**

This Rider to the Panera, LLC Agreements by and between Panera, LLC and Franchisee is dated _____, _____.

1. The Franchise Agreement and Area Development Agreement for Panera, LLC shall be amended by the addition of the following:

The parties acknowledge and agree that they have been advised that the North Dakota Securities Commissioner has determined the following agreement provisions are unfair, unjust or inequitable to North Dakota franchisees:

A. Restrictive Covenants: Any provision which discloses the existence of covenants restricting competition contrary to Section 9-08-06, N.D.C.C., without further disclosing that such covenants will be subject to this statute.

B. Situs of Arbitration Proceedings: Any provision requiring that the parties must agree to arbitrate disputes at a location that is remote from the site of the franchisee's business.

C. Restriction on Forum: Any provision requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.

D. Liquidated Damages and Termination Penalties: Any provision requiring North Dakota franchisees to consent to liquidated damages or termination penalties.

E. Applicable Laws: Any provision which specifies that any claims arising under the North Dakota franchise law will be governed by the laws of a state other than North Dakota.

F. Waiver of Trial by Jury: Any provision requiring North Dakota franchisees to consent to the waiver of a trial by jury.

G. Waiver of Exemplary and Punitive Damages: Any provision requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.

H. General Release: Any provision requiring North Dakota franchisees to execute a general release of claims as a condition of renewal or transfer of a franchise.

I. Limitation on Claims. Requiring North Dakota franchisees to consent to a limitation on when claims may be brought.

All initially capitalized terms not defined herein shall have the same meaning as ascribed to them in the Agreements. Except as expressly modified hereby, the Agreements shall remain in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Rider concurrently with the execution of the Agreements on the day and year first above written.

PANERA, LLC
A Delaware limited liability company

By: _____

Title: _____

FRANCHISEE

(Signature)

(Print Name)

(Signature)

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	April 29, 2025
Illinois	April 29, 2025
Indiana	April 29, 2026
Maryland	May 1, 2025
Michigan	April 25, 2025
Minnesota	Pending
New York	April 29, 2025
North Dakota	April 30, 2025
Rhode Island	May 24, 2025
South Dakota	April 30, 2025
Virginia	May 5, 2025
Washington	August 23, 2025
Wisconsin	April 30, 2025

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

ITEM 23
RECEIPT

This disclosure document for Panera summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Panera, LLC (“Panera”) offers you a franchise, Panera must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Applicable state law in (a) Michigan requires us to provide you the Franchise Disclosure Document at least 10 business 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 and (b) New York requires us to provide you the Franchise Disclosure Document the earlier of the first personal meeting or 10 business 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.

If Panera 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 any applicable state agency.

The name, principal business address, and telephone number of the franchise seller offering the franchise is:

Name	Principal Business Address	Telephone Number
Martha Tomas Flynn	1400 South Highway Drive, Suite 100, Fenton MO 63026	314-984-1214
Eric D’Amico	1400 South Highway Drive, Suite 100, Fenton MO 63026	314-984-1215
Matt Scobbie	1400 South Highway Drive, Suite 100, Fenton MO 63026	314-984-2635
Eddie Mills	1400 South Highway Drive, Suite 100, Fenton MO 63026	314-984-1218
Michele Keaveny	1400 South Highway Drive, Suite 100, Fenton MO 63026	314-984-4136
Liz Walsh	1400 South Highway Drive, Suite 100, Fenton MO 63026	314-984-4163

Issuance Date: April 29, 2025

I received a disclosure document dated April 29, 2025. (See the state effective date summary page for state effective dates.) The disclosure document included the following Exhibits and Attachments:

- A AREA DEVELOPMENT AGREEMENT
- B FRANCHISE AGREEMENT
- C-1 ADVERTISING ASSOCIATION MEMBERSHIP AGREEMENT
- C-2 ADVERTISING ASSOCIATION BYLAWS
- D-1 DEVELOPMENT SERVICES AGREEMENT
- D-2 REAL ESTATE SELECTION AND CONSTRUCTION MANAGEMENT SERVICES AGREEMENT
- E FRANCHISEE MASTER AGREEMENT FOR SOFTWARE, HARDWARE AND SUPPORT SERVICES
- F PANERA POLICY MANUAL TABLE OF CONTENTS
- G LIST OF STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS
- H-1 LIST OF CURRENT FRANCHISEES
- H-2 LIST OF FORMER FRANCHISEES
- I FINANCIAL STATEMENTS / PANERA BRANDS, INC. GUARANTY
- J DISCLOSURE ADDENDA FOR REGISTRATION STATES
- K AGREEMENT RIDERS FOR CERTAIN REGISTRATION STATES

FRANCHISEE

Date: _____

(type or print name)

Signature

(sign, date and retain for your records)

ITEM 23
RECEIPT

This disclosure document for Panera summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Panera, LLC (“Panera”) offers you a franchise, Panera must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Applicable state law in (a) Michigan requires us to provide you the Franchise Disclosure Document at least 10 business 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 and (b) New York requires us to provide you the Franchise Disclosure Document the earlier of the first personal meeting or 10 business 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.

If Panera 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 any applicable state agency.

The name, principal business address, and telephone number of the franchise seller offering the franchise is:

Name	Principal Business Address	Telephone Number
Martha Tomas Flynn	1400 South Highway Drive, Suite 100, Fenton MO 63026	314-984-1214
Eric D’Amico	1400 South Highway Drive, Suite 100, Fenton MO 63026	314-984-1215
Matt Scobbie	1400 South Highway Drive, Suite 100, Fenton MO 63026	314-984-2635
Eddie Mills	1400 South Highway Drive, Suite 100, Fenton MO 63026	314-984-1218
Michele Keaveny	1400 South Highway Drive, Suite 100, Fenton MO 63026	314-984-4136
Liz Walsh	1400 South Highway Drive, Suite 100, Fenton MO 63026	314-984-4163

Issuance Date: April 29, 2025

I received a disclosure document dated April 29, 2025. (See the state effective date summary page for state effective dates.) The disclosure document included the following Exhibits and Attachments:

- A AREA DEVELOPMENT AGREEMENT
- B FRANCHISE AGREEMENT
- C-1 ADVERTISING ASSOCIATION MEMBERSHIP AGREEMENT
- C-2 ADVERTISING ASSOCIATION BYLAWS
- D-1 DEVELOPMENT SERVICES AGREEMENT
- D-2 REAL ESTATE SELECTION AND CONSTRUCTION MANAGEMENT SERVICES AGREEMENT
- E FRANCHISEE MASTER AGREEMENT FOR SOFTWARE, HARDWARE AND SUPPORT SERVICES
- F PANERA POLICY MANUAL TABLE OF CONTENTS
- G LIST OF STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS
- H-1 LIST OF CURRENT FRANCHISEES
- H-2 LIST OF FORMER FRANCHISEES
- I FINANCIAL STATEMENTS / PANERA BRANDS, INC. GUARANTY
- J DISCLOSURE ADDENDA FOR REGISTRATION STATES
- K AGREEMENT RIDERS FOR CERTAIN REGISTRATION STATES

FRANCHISEE

Date: _____

(type or print name)

Signature

(sign, date and return to us immediately)