

FRANCHISE DISCLOSURE DOCUMENT



TCBY Systems, LLC
a Delaware limited liability company
1717 S. 4800 W.
Salt Lake City, Utah 84104
(801) 412-8890
<https://www.tcby.com/franchise/>
Generalquestions@famousbrandsintl.com

We offer franchises to own and operate TCBY-branded retail outlets in two different formats: a store and a kiosk. Both formats involve the sale of TCBY-branded frozen yogurt and related products.

The total investment necessary to begin operation of a retail store ranges from \$493,630 to \$699,467. This includes \$35,000 that must be paid to us or our affiliate. The total investment necessary to begin operation of a retail kiosk ranges from \$141,400 to \$285,350. This includes \$35,000 that must be paid to us or our affiliate. If you sign an Area Development Agreement for multiple units, you also must pay us \$12,500 for each Store you commit to develop, which amount will be credited against the Initial Franchise Fee.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact our Development Department, at 1717 S. 4800 W., Salt Lake City, Utah 84104, (801) 412-8890 or Generalquestions@famousbrandsintl.com.

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

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

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

Issuance Date: November 21, 2024

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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 and/or litigation only in Delaware. Out-of-state arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate or litigate with the franchisor in Delaware than in your own state.
2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

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

STATE OF MICHIGAN DISCLOSURE NOTICE

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

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

- c. The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
 - d. The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.
- (h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of these assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).
- (i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

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

Any questions regarding this notice should be directed to: Michigan Attorney General's Office, Consumer Protection Division, Attn: Franchise Section, G. Mennen Williams Building – 1st Floor, 525 West Ottawa Street, Lansing, Michigan 48933, Telephone Number: (517) 335-7567.

THE MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.

Note: Despite paragraph (f) above, we intend, and we and you agree to fully enforce the arbitration provisions of the Franchise Agreement. We believe that paragraph (f) is unconstitutional and cannot preclude us from enforcing these arbitration provisions.

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

To simplify the language in this disclosure document, “we” means TCBY Systems, LLC, the franchisor, and “you” means the individual, corporation, or other entity that buys a franchise and signs a Franchise Agreement. If you are a corporation or an entity, a reference to “you” also includes your owners because your owners must sign a personal guaranty and assumption of your obligations.

The Franchisor

We conduct business under the name TCBY Systems, LLC, and various trade names, including “TCBY” and “TCBY Frozen Yogurt.” We are a Delaware limited liability company formed on May 30, 2000, and our principal business address is 1717 S. 4800 W., Salt Lake City, Utah 84104. We disclose our agents for service of process in Exhibit F.

We offer, sell and service franchises for Stores (as defined below). We do not currently own or operate any Stores. We have offered franchises for Stores from June 2000 through March 2015 and from January 2017 to the present. Except as disclosed below, we have never offered franchises for any other concepts, but we may do so in the future.

Our Parent, Affiliates and Predecessors

We are a wholly owned subsidiary of TCBY Franchising Holdco, LLC (“TCBY Holdco”). TCBY Holdco is a wholly owned subsidiary of Famous Brands, LLC (“FB”), which was formerly Mrs. Fields Famous Brands, LLC and previously owned and operated Stores, but currently owns none. FB is a wholly owned subsidiary of Famous Brands International, LLC (“FBI”), which was formerly Mrs. Fields Original Cookies, Inc. but which converted to a limited liability company on June 26, 2020 and changed its name on June 7, 2024. FBI is a wholly owned subsidiary of Famous Brands International Parent, LLC (“FBIP”), which is a wholly owned subsidiary of FB Intermediate Holdco, LLC (“Holdco”), which is a wholly owned subsidiary of Famous Brands International Holdings, LLC (“FBH”). Each of TCBY Holdco, FB and FBI shares our principal business address. The principal business address for each of FBIP, Holdco and FBH is 1330 Avenue of the Americas, 16th Floor, New York, New York 10019. On October 19, 2023, FBIP acquired Mrs. Fields Franchising, LLC and TCBY Systems, LLC (the “Transaction”). As a result, we are now owned and controlled, directly and indirectly, by FBIP, Holdco and FBH. Subsequent to the Transaction, on August 1, 2024, FB completed a restructuring in which TCBY Holdco was established and FB transferred all of its interest in us to TCBY Holdco.

Two of our affiliates have offered franchises for other concepts. Mrs. Fields Franchising, LLC (“MFF”), a Delaware limited liability company which shares our address, offered franchises for Mrs. Fields-branded retail outlets from March 2004 through March 2015. It again began offering franchises for Mrs. Fields-branded retail outlets in January 2017 and has continued to do so since then. MFF does not own or operate any Mrs. Fields-branded stores, and as of December 31, 2023 (the end of our most recent fiscal year), there were 121 franchised Mrs. Fields-branded stores in operation. In addition to offering franchises for TCBY-branded retail businesses from April 2015 through December 2016, Famous Brands Franchising, LLC (“FBF”), a Delaware limited liability company which shares our address, offered franchises during that same period for Mrs. Fields-branded retail outlets and for businesses that were co-branded with both the Mrs. Fields and TCBY brands. In January 2017, FBF assigned all of its interests in the franchises (i) for Mrs. Fields-branded stores to MFF and (ii) for Stores to us. As of the date of this disclosure document, FBF does not offer, operate or own franchises in any line of business.

Other than as disclosed above, no parents, predecessors, or affiliates are required to be disclosed in this Item. Other than as disclosed above, none of our parents, predecessors, or affiliates has owned or offered franchises in any line of business or conducted the type of business that is the subject to the franchise.

Description of the Franchise Offered

We currently offer franchises for retail stores (“Stores”) identified by the Marks (as defined below), which offer those products we periodically approve or require, including premium soft serve frozen yogurt, hand-dipped frozen yogurt and other frozen and non-frozen dessert and treat items, such as cakes and pies, sorbet, smoothies, fresh yogurt, mix-ins, toppings, chocolate, dried fruit, nuts, candies, popcorns and drinks (“Approved Products”). Unless otherwise noted, the term “Store” refers to both Stores and Kiosks. The term “Kiosks” refers to franchised Stores with a smaller footprint than average Stores, typically between 100 and 300 square feet. Kiosks are typically a free-standing structure, generally located in corridors of traditional malls, strip malls, and lifestyle centers. Stores are identified by the “Marks,” which include trademarks, trade names, service marks, logos and other commercial symbols that we periodically authorize franchisees to use to identify their Stores and the Approved Products, including the trademarks and service marks TCBY® and THE COUNTRY’S BEST YOGURT® and the associated trade dress. Certain franchisees have been permitted to operate Mrs. Fields-branded outlets in conjunction with Stores as part of a co-branded location. These franchisees enter into a separate franchise agreement with MFF.

You will acquire a franchise to develop, own and operate a single Store by signing a franchise agreement (a “Franchise Agreement”). A copy of our current form of Franchise Agreement is attached to this disclosure document as Exhibit B. If you enter into a Franchise Agreement, you will be authorized to use the “System” in the operation of your Store. The System includes our business formats, signs, equipment, methods, procedures, designs, layouts, standards, and specifications, including the use of the Marks.

You also may enter into an area development agreement (an “Area Development Agreement”) under which you may acquire the exclusive right to open a certain number of Stores over a defined period of time in a defined area, as we determine, on the basis of the market potential and the size of the designated area. A copy of our current form of Area Development Agreement is attached to this disclosure document as Exhibit C. The term of your Area Development Agreement generally will not be longer than 3-5 years, depending on the number of Stores you agree to open, and generally will require you to open your first Store within 12 months from the date of your Area Development Agreement and open your other Stores as we determine based on the number of Stores you agree to open, usually within a 5 year period.

Periodically in the past we offered, but do not currently offer, TCBY®-branded vending machine franchises, in which a vending machine would sell and dispense assorted TCBY®-branded frozen yogurt products and toppings to individual customers. As of December 31, 2023, we had 11 vending machines in operation, each of which is franchised. In addition, periodically in the past we offered, but do not currently offer, the right to act as an area director, in which an area director would solicit prospective franchisees, assist in the franchise sales process, and perform certain site acquisition and development services. As of December 31, 2023, we had 1 area director in operation.

Market and Competition

The market for your business is the general public. You will also offer several fat-free and/or no sugar added products targeted toward customers who are looking for a low-fat satisfying treat. Sales tend to be seasonal, with the highest sales typically occurring during the warmer months of the year. The difference in sales from season to season varies depending upon the climate where a particular Store is

located. You should consider that the market for frozen yogurt may be impacted by these seasonal changes. The retail frozen yogurt industry is mature and highly competitive.

Stores compete with other frozen yogurt and ice cream shops, all other stores, restaurants and retail outlets that offer dessert and snack items generally and soft-serve frozen desserts and smoothies specifically. You will also compete with convenience stores, quick service restaurants, fast food chains and internet catalog sellers. The market for the products is well developed and competitive.

Some of these competitive stores or outlets are or may be owned, managed, franchised or licensed by one of our affiliates. Your competition includes other existing TCBY franchisees that may operate, or have the right to operate, Stores under different formats or who have entered into agreements with us that contain terms significantly different than those in the Franchise Agreement. Competition may also include sales made by one of our affiliates through alternative channels of distribution, such as Internet sales, gifting, and vending machines. We and our affiliates may also enter into co-branding arrangements, and these activities may compete with you.

Laws and Regulations

In addition to laws and regulations that apply to business generally, Stores may be subject to federal, state, and local laws and regulations pertaining to food labeling, sanitation, and weights and measurement. You should also be aware of federal, state, and local employment laws and regulations, specifically including minimum age and wage requirements. Local law requirements vary by location.

Some states may require franchisees to obtain restaurant, business, occupational, food products, and miscellaneous licenses. Some states also have laws regarding who may secure these licenses. You may also have to obtain health licenses and to comply with health laws and regulations that apply to restaurant and food product sales establishments. You should inquire about these laws and regulations.

We strongly suggest that you consult with an attorney, consultant and/or financial advisor regarding such laws and regulations prior to purchasing a franchise from us. Applicable laws and regulations are subject to change.

ITEM 2 **BUSINESS EXPERIENCE**

Joe Lewis: President and Chief Executive Officer

Mr. Lewis has been our and MFF's President and Chief Executive Officer since October 2023 and Chief Operating Officer since June 2023. From November 2022 to May 2023, Mr. Lewis was President of Pelican Franchise Consulting LLC in Mandeville, Louisiana. From July 2021 to October 2022, Mr. Lewis was President, Chief Executive Officer and General Counsel of Smalls Sliders Franchising LLC in Baton Rouge, Louisiana. From November 2020 to June 2021, Mr. Lewis was President, Chief Executive Officer and General Counsel of Twist Brands LLC, Color Me Mine LLC and Chesapeake Ceramics LLC in Mandeville, Louisiana. From August 2018 to June 2021, Mr. Lewis was also President, Chief Executive Officer and General Counsel of Painting with a Twist, LLC in Mandeville, Louisiana. Mr. Lewis works primarily from New Orleans, Louisiana.

Richard T. Hankins: Senior Director of Development and Real Estate

Mr. Hankins is employed by our parent, FB, and has been our, MFF's, and FB's Senior Director of Development and Real Estate since June 2015. Mr. Hankins primarily works from Bellwood, Pennsylvania.

Brian Mooney: Senior Director of Franchise Operations

Brian Mooney has been our and MFF's Senior Director of Franchise Operations since October 2016, working primarily from Virginia Beach, Virginia.

Corie King: Director of Marketing

Corie King has been our and MFF's Director of Marketing since March 2017, working primarily from Broomfield, Colorado.

Stacey Bertke: Director of Supply Chain Planning

Stacey Bertke has been our and MFF's Director of Supply Chain Planning since August 2022. From July 2020 to July 2022, Ms. Bertke served as Director of Purchasing for Schaffer Partners in Cleveland, Ohio. From April 2020 to June 2020, Ms. Bertke was between positions. Prior to that, Ms. Bertke served as Senior Buyer, General Merchandise Manager, Divisional Merchandise Manager, Buyer and Product Manager for Enesco Properties LLC from October 2009 to March 2020 in Richmond Heights, Ohio. Ms. Bertke primarily works from Cleveland, Ohio.

Chris Sabido: Director of Training, Talent & Culture

Chris Sabido has been our and MFF's Director of Training, Talent & Culture since December 2023. From December 2019 to November 2023, Mr. Sabido was General Manager for Whole Foods Market in Winter Park, Florida. From February 2017 to December 2019, Mr. Sabido was Associate General Manager for Whole Foods Market in Gainesville, Florida. Mr. Sabido primarily works from Orlando, Florida.

Dawn Capobianco: Controller

Dawn Capobianco has been our and MFF's Controller since May 2024. From April 2023 to February 2024, Ms. Capobianco was Financial Controller for Partners Coffee in Brooklyn, New York. Prior to that, Ms. Capobianco was Senior Manager Finance at Pomptonian Food Service from November 2023 to March 2023. From August 2022 to October 2022, Ms. Capobianco was between positions. From January 2022 to July 2022, Ms. Capobianco was Controller for JJ Nuts in Fairfield, New Jersey. From May 2021 to December 2021, Ms. Capobianco was between positions. Prior to that, Ms. Capobianco was Vice President of Finance and Human Resources at Innovare Medical Media in Branchburg, New Jersey from September 2017 to April 2021.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

We offer an individual unit franchise and territory development rights under a multiple unit or area development franchise.

Individual Unit Franchise Agreement

The “Initial Franchise Fee” for an individual unit franchise is \$35,000 for each Store. You will pay the Initial Franchise Fee when you sign the Franchise Agreement.

The Initial Franchise Fee is \$25,000 if you are an honorably discharged veteran of the United States military or if you are an existing franchisee. We also offer a first responders discount for law enforcement officers, firefighters, and emergency medical technicians who have at least 10 years of experience. Qualified first responders will be eligible for a discount of 20% of the Initial Franchise Fee. This discount does not apply to a renewal fee. If you choose to operate a Mrs. Fields-branded outlet in conjunction with your Store as part of a co-branded location, you will be eligible for a discount of 50% of the Initial Franchise Fee for the Mrs. Fields-branded outlet. We may modify or eliminate these discounted Initial Franchise Fee programs at any time.

Except as described above, the Initial Franchise Fee is uniform and deemed fully earned by us when we sign the Franchise Agreement and is not refundable under any circumstances.

During fiscal year 2023, we charged an initial fee ranging from \$2,500 to \$35,000.

Area Development Agreement

If you sign an Area Development Agreement, you will pay a lump sum “Development Fee” when you sign the Area Development Agreement. Unless you are an existing franchisee (see below), the Development Fee is calculated at the rate of \$12,500 for each Store that you are authorized to develop after the first franchise. In addition to the Development Fee, you must sign a Franchise Agreement and pay the Initial Franchise Fee for your first Store at the same time you sign the Area Development Agreement. You will be required to sign a Franchise Agreement for each additional Store and pay the remaining portion of the Initial Franchise Fee of \$12,500 at least 4 months before each Store is scheduled to open or when you sign the lease for the Store, whichever occurs first. For example, if you enter into an Area Development Agreement to establish your first Store and four additional Stores, you will sign a Franchise Agreement and pay an Initial Franchise Fee of \$35,000 for your first Store and a Development Fee of \$50,000 for the right to develop four additional Stores. Development Fees will be applied to the Initial Franchise Fees for each additional Store opened under your Area Development Agreement. The Development Fee is not refundable under any circumstances.

If you are a current TCBY franchisee, you will pay a Development Fee at the rate of \$12,500 (one-half of the Initial Franchise Fee of \$25,000) for each Store that you are authorized to develop when you sign the Area Development Agreement. You will be required to sign a Franchise Agreement for each Store and pay the remaining portion of the Initial Franchise Fee of \$12,500 at least 4 months before your Store is scheduled to open or before you sign the lease for the Store, whichever occurs first.

Limited Incentive Program for Existing Franchisees

We are offering, until March 31, 2025, an incentive program for existing TCBY franchisees. Under this incentive program, current franchisees will pay a reduced Initial Franchise Fee of \$15,000 for a single

franchise and for each Store you are authorized to develop under an Area Development Agreement. As a result, if you are a current franchisee and sign an Area Development Agreement, you will pay a Development Fee at the rate of \$7,500 for each Store that you are authorized to develop with the balance of the Initial Franchise Fee for each Store due when you are required to sign the Franchise Agreement for that Store.

ITEM 6
OTHER FEES

Type of Fee¹	Amount	Due Date	Remarks
Royalty ²	6% of Gross Revenue (as defined below)	Weekly on or before the close of business on Wednesday of each week based on your Store's Gross Revenue for the immediately preceding week.	
Brand Fund Contribution	3% of Gross Revenue	Same as royalty fee	See Note 3.
Local Store Marketing	Monthly minimum of \$2,000, beginning at month 3 of operations and continuing for 9 months after opening. After the first year of operations, you must spend a minimum of 2% of Gross Revenue or \$1,000 per month, whichever is greater.	Monthly	See Note 4.
Technology Fee	None currently, but may be charged in the future	Monthly	We reserve the right to charge you a technology fee that we may use to research, develop, maintain, implement, update, upgrade or use System technology. We may adjust the amount of the Technology Fee once per calendar year upon 60 days' notice to you.
Training Fee	None currently, but may be charged in the future	When incurred	We may charge a fee for certain training programs, including the training of replacement managers.
Refresher/Additional Training	Our then-current fee for such training; currently, \$500 per day per person plus travel expenses	When incurred	We may require you, and/or previously trained and experienced managers and employees to attend periodic refresher or additional courses at the times and locations we designate.
Computer System Compliance Fee	The greater of \$500 per month, or the then current monthly rate of the software license.	When incurred	If you do not comply with the required Computer System that we specify, you will be assessed a Computer System Compliance Fee.

Type of Fee ¹	Amount	Due Date	Remarks
Delinquent Opening Fee	\$1,000 per month	When incurred	If you fail to obtain our approval of and secure the Premises for your Store within the 6-month period, at our sole discretion we may charge you a \$1,000 per month Delinquent Opening Fee until you execute a lease, or terminate the Franchise Agreement.
Late Payment Fee	\$100 for each delinquent payment	When the delinquent payment is due.	
Late Reporting Fee	\$100 for each delinquent report	When the delinquent report is due and continuing to be due for each period that the report remains delinquent.	
Interest Expenses	A rate equal to the lesser of the highest rate allowed under applicable law or 1.5% per month	Payable at the same time you make a delinquent payment.	Payable on any amount overdue to us.
New Supplier Testing	The costs we incur in evaluating a proposed supplier	When incurred	Due if you request our approval of a new proposed supplier.
Advertising Cooperative	Not currently applicable but may be established in the future (and determined by members of the Cooperative).	If established, the timing of contributions will be established by members of the Cooperative.	If established, the amount of required contributions to the Cooperative will be determined by a majority vote of the Stores that are members of the Cooperative, with each member Store having one vote, regardless if the member is a franchisee-owned or company-owned Store (subject to our approval).
Audit	Cost of financial audit	15 days after receipt of audit or inspection report.	You must pay the costs of the audit or inspection only if the audit results show an understatement of Gross Revenue of more than 2% or if the need for an audit was a result of your default under the Franchise Agreement in failing to provide records and reports in a timely manner.
Transfer Fee	50% of then-current Initial Franchise Fee for existing franchisees	Payable before or upon final closing of transfer.	We will not charge a transfer fee if the transfer is of ownership interests among your existing Entity Owners (as defined in Item 15) and the names and identity of all Entity Owners remains the same following the transfer.
Renewal Fee	20% of then-current Initial Franchise Fee	Payable upon renewal	You must meet other conditions to renew the Franchise Agreement.
Interim Management Fees	10% of Gross Revenue during the period of management	As incurred	Incurred if we elect to manage your Store pending our purchase of that Store, or we assume management of your Store in the case of your voluntary abandonment.
Costs and Attorneys' Fees; Indemnification	Will vary under circumstances	Upon occurrence	If we or an affiliate prevail in any proceeding or litigation against you, you must pay the costs and attorneys' fees incurred. You and each of your Entity Owners also have indemnification obligations to us and our affiliates.

Type of Fee ¹	Amount	Due Date	Remarks
Lost Revenue Damages	Will vary under the circumstance	Within 15 days of our termination of your Franchise Agreement based on your default.	Payable only if we terminate your Franchise Agreement for your breach. See Note 5.
National Convention and Regional Meetings Fee	A reasonable fee for each of your attendees, although, currently, we do not charge you this fee.	Upon demand	You or at least one of your Entity Owners (if you are an Entity) and, when we request, the manager of Your Store and/or an approved trainer if you are a multi-unit franchisee must attend all mandatory national conventions and regional meetings.
Fee for Failing to Attend Mandatory National Convention or Regional Meeting	A reasonable fee for you and each of your required representatives, although, currently, we do not charge you this fee.	Upon demand	

General Comments:

1. All fees are uniformly imposed (unless otherwise noted), payable to us or our affiliate and are non-refundable except as explained below. If we or our affiliates do not actually receive your payments on the due date, they will be deemed delinquent.

2. We will determine from time to time the method by which you must pay royalties and all other fees and amounts due us or our affiliates under the Franchise Agreement or relating to your Store. We currently require payment of all such amounts by pre-authorized electronic bank transfer, and you must sign all documents necessary to allow us to initiate debit entries and/or credit correction entries to your designated bank account for that purpose.

3. “Gross Revenue” means the aggregate of all revenue, in whatever form (including the value of all barter, exchange, trade or other credit), attributed to the operation of your Store (whether or not in compliance with this Agreement) based on the gross (undiscounted) price of all products and services sold at or through your Store and all other revenue sources, but excluding all federal, state or municipal sales, use, or service taxes collected from customers and paid to the appropriate taxing authority. Gift certificate, gift card and similar program payments will be included in Gross Revenue consistent with the policies periodically stated in the Operations Manual. Gross Revenue also includes all insurance proceeds you receive for loss of business due to a casualty or a similar event.

4. You must spend at least the minimum required amount on approved local marketing and promotion of your Store (“Local Store Marketing”). You must provide us with a quarterly and annual statement of your Local Store Marketing expenditures. If you do not spend the minimum required amount on Local Store Marketing, you must deposit with us the difference between what you did spend and the minimum required amount for deposit in the Brand Fund.

5. You will be charged lost revenue damages if we terminate the Franchise Agreement as a result of your breach, at an amount equal to the net present value of the Royalty and Brand Fund Contributions that would have become due had the Franchise Agreement not been terminated, from the date of termination to the earlier of: (a) 5 years following the date of termination, or (b) the scheduled expiration of the term of the Franchise Agreement (the “Measurement Period”). Lost Revenue Damages will be calculated as follows: (1) the number of calendar months in the Measurement Period, multiplied by (2) the aggregate of the Royalty and Brand Fund Contributions multiplied by (3) the average monthly Gross Revenue of your Store during the 12 full calendar months immediately preceding the termination date; provided, that if as of the termination date, your Store has not been operating for at least 12 months, the

average monthly Gross Revenue of all Stores operating under the same Marks during the entirety of our fiscal year immediately preceding the termination date. You will pay us Lost Revenue Damages within 15 days after the Franchise Agreement is terminated, or on any later date that we determine.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is Made
	Store	Kiosk			
Initial Franchise Fee (Note 1)	\$35,000	\$35,000	Lump Sum	Upon signing Franchise Agreement	Us
Travel and living expenses while training (Note 2)	\$2,000 - \$3,000	\$2,000 - \$3,000	Lump sum, as incurred	As incurred during training	Suppliers
Real estate lease (Note 3)	Note 3	Note 3	Note 3	Note 3	Note 3
Improvements and Equipment (Note 4)	\$418,130 - \$600,917	\$62,400 - \$189,700	As agreed with suppliers	As incurred	Suppliers
Opening Product and Soft Goods Inventory (Note 5)	\$1,500 - \$10,000	\$5,000 - \$10,000	As agreed with suppliers	As incurred	Suppliers
Grand opening promotion, if opening a new store (Note 6)	\$10,000	\$10,000	Lump sum	As incurred	Suppliers
Local Store Marketing (Note 7)	\$2,000	\$2,000	As agreed with suppliers	As incurred	Suppliers
Deposits and other prepaid expenses (Note 7)	\$4,000 - \$5,000	\$4,000 - \$5,000	Lump sum	Before opening	Landlord and other suppliers
Professional fees (Note 8)	\$9,000 - \$10,000	\$9,000 - \$10,000	Lump sum or as arranged by providers	As incurred	Attorneys, accountants, and other consultants
Insurance (3 months) (Note 9)	\$2,500 - \$3,500	\$2,500 - \$3,500	Lump sum or installments, as determined by insurance carriers	Before or upon signing of Franchise Agreement	Insurance carriers
Computer hardware and software (Note 10)	\$1,500 - \$8,050	\$1,500 - \$5,150	Lump sum	As incurred	Suppliers
Additional funds (3 months) (Note 11)	\$8,000 - \$12,000	\$8,000 - \$12,000	Lump sum, as incurred	As incurred	Employees and other suppliers
Totals	\$493,630 - \$699,467	\$141,400 - \$285,350			

General Comments:

This table estimates the initial investment required to develop a single Store or a Kiosk. All payments you make to us or an affiliate are non-refundable unless otherwise stated. Payments you make to parties other than us or an affiliate may be refundable at the option of the other party. Neither we nor an affiliate offers any financing, directly or indirectly, to you.

NOTES:

1. The Initial Franchise Fee is \$25,000 if you are an existing franchisee or if you participate in our veterans' discount program. In addition, qualifying first responders receive a discount of 20% of the Initial Franchise Fee.

2. You are responsible for any incidental expenses that you and your personnel incur while attending our initial training program, including car rental, gas, airline tickets, meals, hotel room, entertainment, salaries, and benefits.

3. If you do not currently own adequate space, you must lease the space for your Store. Typical locations are shopping malls, and strip shopping centers. The average Store size ranges from 600 to 900 square feet. The average size of a Kiosk is typically 100 to 300 square feet but may vary widely. Typical locations are located in malls and lifestyle centers. You will make rental payments to the landlord and the amount of your monthly rental payments will vary greatly from site to site and are affected by a number of factors, including location, size, visibility, accessibility, and competitive market conditions, but will generally range between \$65 and \$270 per square foot. In addition to rental payments, your lease may require other payments to the landlord, such as payments for shopping center or building operating expenses, common area maintenance expenses, food court expenses, merchants' association assessments, and other miscellaneous assessments. Your lease may also require you to spend a certain amount on advertising and promotion for your Store. Because these payments vary widely from lease to lease, we cannot estimate the amount you may be required to pay for these or other similar items.

4. These estimates include construction costs (labor and material) for typical tenant improvements and remodeling to prepare a site for operation of a Store or Kiosk as well as estimated costs for necessary trade fixtures, such as display cases, signage, counters and work tables, and equipment, such as ovens, refrigerators, beverage dispensers, coffee preparation and dispensing equipment, small wares and cash registers. At select Stores, we may permit the build-out of drive-through services, and the estimates in this Item 7 include the costs to build a drive-through at Stores. The estimates also include construction management costs, general conditions, builder's risk/liability insurance and financing costs. If you develop a new store, we will provide you with prototypical plans and specifications at no additional cost to you, but you must also employ and pay an architect or engineer to prepare a site plan and other construction documents to adapt these plans and specifications to city, state and local building codes and to the specific site chosen for your Store. We may require you to use a commercial contractor that we approve and our designated architect, and, as such, this amount also includes our approved vendor's fee in assisting you with the site design and architectural plans of the premises of the Store (the "Premises"), which we estimate to be between \$6,000 and \$14,000. These estimates do not include lease costs. Your actual construction costs will depend on numerous factors, such as the condition of the Premises, duration of the building process (delays), union labor requirements, contractors' fees, signage, availability of materials and equipment, interest rates, and the insurance coverage you choose. A modular, prefabricated Kiosk store is a free-standing Store that is operated within a mall, shopping center or other site, but is not a permanent, in-line structure. It is, however, usually operated under a long-term lease. The modular unit is assembled using prefabricated components built off-site, often at a savings over traditional construction methods. It is typically most appropriate for high-traffic center court or corridors within larger metropolitan malls. If you find a site that we approve for installation of this type of unit, you must purchase components from a vendor or vendors we designate.

5. This estimate includes supplies, opening inventory, accounting forms and systems, soft goods, such as napkins, cups, and other paper goods, utensils, packaging materials and other required items. The costs will vary depending upon your inventory levels and storage space.

6. You must spend a minimum of \$10,000 on a grand opening advertising and promotional program that we mandate or approve.

7. The Local Store Marketing obligations begin at month 3 of operations. This amount is the minimum you may spend during month 3 of operations.

8. You may be required to pay a security deposit under your real estate lease and other deposits for utilities and insurance premiums. Lease security deposits are typically due upon signing and can potentially be refundable if you do not default on your lease. Your lease may also require you to pay the last month's rent in advance. Deposits for utility services are typically required at the time the service is applied for and may or may not be refundable. You must confirm all of the specific deposits required. The amount for licenses and permits can vary significantly, and you should verify specific amounts with local authorities.

9. You should have an attorney to review the real estate lease or sublease, the franchise documents, or to assist in forming a corporation, partnership, or limited liability company. You may also retain an accountant for advice in establishing and operating your franchise business and filing necessary tax forms and returns. This amount also includes our approved vendor's fees to assist you in securing a lease for the Premises of the Store, which we estimate to be between \$3,000 and \$6,000.

10. You must obtain and maintain certain types and amounts of insurance. Insurance costs depend on policy limits, types of policies, nature and value of physical assets, Gross Revenue, number of employees, wages paid, square footage, location, business contents, and other factors bearing on risk exposure. Insurance providers may require an annual payment, semi-annual installments or monthly installments. This estimate contemplates monthly installments for 3 months. These estimates also include workers' compensation insurance, which are based on wages, which will vary from state to state. You should review the rates in the state in which you are opening the Store for an estimate of the premium you will be required to pay.

11. The computer hardware and software costs for a Store includes initial computer hardware and installation costs, three months of POS software, gift card and internet costs for one (for the low range) to two terminals (for the high range). The range for computer hardware and software costs for a Kiosk covers only the costs associated with one terminal.

12. This range represents the additional funds we estimate you will require to operate the Store for the first 3 months. These figures include estimated payroll costs. However, they do not include the salary for the store manager, on the assumption that you will manage the Store. We have based the estimates provided in the table above upon our and our franchisees' experience establishing and operating Stores. You should review these figures carefully with a business adviser before making any decision to enter into a Franchise Agreement.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Development of Your Store

In developing and operating your Store, you must: (i) use only the fixtures, furnishings, equipment and signs that we require and have approved for Stores as meeting our System Standards; (ii) place or display at the Premises (interior and exterior) only the signs, emblems, lettering, logos and display materials that we approve in writing; (iii) use the computer equipment and operating software, including any point-of-sale or electronic cash register ("Computer System") that we specify from time to time; and (iv) purchase the products and services only from those vendors, distributors, suppliers and producers that we approve or specify.

Approved Suppliers: Standards and Specifications

As described above in this Item 8, we have approved designated suppliers as the only permitted providers of certain items, including certain products, services (such as credit card processing), signs, furnishings, the Approved Products, the Computer System and fixtures and equipment. We develop the specifications and standards for these items. We may issue to you or to our approved suppliers (except as we deem necessary for purposes of production) the specifications of these items. If we do issue these specifications to you or modify the specifications, it will be through the Operations Manual. We will provide to you a list of approved suppliers in writing, but do not provide you a list of criteria in connection with how we approve suppliers.

You may not deviate from our approved products and services without our prior written approval. If you request our approval of a new supplier and we choose to evaluate your proposed supplier, we may require you to reimburse us the reasonable costs we incur in making this evaluation, which will be a flat rate based on our actual out-of-pocket expenses to evaluate the proposed supplier. We will advise you of our decision on your request within a reasonable time (typically within 60 days) after our receipt of the information we request from you or from the proposed supplier regarding the supplier's qualifications. We may impose limits on the number of approved suppliers. We may elect to withhold approval of a supplier or revoke approval of a supplier, if, at any time, the supplier fails to meet our criteria.

You may use in your Local Store Marketing, including any social media activities, only those materials that we provide or make available to your or for which we have given our prior written approval. You must submit your proposed materials for our review at least 15 days before your proposed use. We may provide you with copies of advertising, marketing and promotional formats and materials for use in your Store, which we have prepared using Brand Fund Contributions we have collected from Stores. While we expect to provide some of these materials without charge, we may charge you for these materials or require that you pay certain shipping and related expenses associated with delivering them to you.

You must use our designated real estate broker to evaluate potential sites, unless we otherwise agree in writing. In addition, we may require you to use our designated architect to assist you with the site design and architectural plans for the Premises.

You must contract with our designated vendor for the technology platform that will collect monthly financial statements for the Store. You must submit monthly, quarterly and annual financial statements to us through the technology platform using a standardized chart of accounts. If you fail to provide the required financial statements, we may require you to use one of our preferred bookkeepers at your expense.

Neither we nor any of our affiliates is currently an approved or designated supplier, but we may be so in the future. None of our officers currently owns an interest in any approved or designated supplier.

Gift Card and Loyalty Programs

You must, at your expense, participate in, and honor all provisions of any gift card or loyalty programs we establish, and use any designated providers we specify for such programs.

Insurance

At your expense, you must purchase and maintain for each Store you operate: (1) comprehensive general liability insurance with minimum limits of \$1,000,000 per occurrence and \$2,000,000 annual aggregate; (2) workers' compensation, employer's liability and other insurance to meet the greater of all applicable statutory requirements or the then-current minimum levels of coverage we require; (3) commercial property insurance including, at a minimum, fire, vandalism, theft, burglary, and extended

coverage with limits of at least 100% replacement value of the Store premises, fixtures, equipment and inventory; (4) business interruption/time element coverage in the amounts we require either as a component of or an endorsement to a commercial property insurance policy; (5) automobile liability insurance, including personal injury, wrongful death and property damage, with limits of at least \$1,000,000 per occurrence; (6) data privacy insurance; (7) employment practices liability insurance; and (8) an umbrella liability coverage of \$2,000,000 each occurrence and \$4,000,000 in the aggregate. We periodically may, with prior written notice to you, increase the minimum liability protection requirements, and require different or additional kinds of insurance to reflect inflation or changes in standards of liability. Your general liability policy must name us and our affiliates and any other person that we designate as an additional insured and must meet any other requirements that we designate. If you own more than one Store, (1) we may require you to obtain an umbrella liability policy; and (2) we may allow you to obtain single policy for such Stores provided that we periodically will determine the levels of insurance coverage that you must obtain and other requirements that you must satisfy for each Store covered by such policy.

Required Franchisee Purchases; Rebates

We estimate that the cost of required purchases of products, supplies, fixtures, furnishings, equipment, signs and leases from approved suppliers or otherwise will represent, for Stores, 80% to 90% of your overall purchases of those items in establishing your Store, and 65% to 75% of your overall purchases of those items in operating your Store.

During our fiscal year ended December 31, 2023, we received revenues of \$450,572 as a result of franchisee purchases of products and services. This amount represents 18.3% of our total revenue from all sources during our last fiscal year, which was \$2,295,678. During our fiscal year ended December 31, 2023, our affiliates did not derive any revenue from our franchisees’ required purchases of products or services. We computed these figures from our recent audited financial statements.

In the future, we may continue to receive and our affiliates may receive rebates or other payments from distributors, suppliers and other service providers based (directly or indirectly) on sales to franchisees. These payments have ranged or may range from less than 1% to 20% or more of the amount of those purchases by franchisees.

We or our affiliates may negotiate purchase arrangements, including prices and terms for the benefit of franchisees, with designated and approved suppliers for Stores. We do not participate in any purchasing or distribution cooperatives. We do not provide material benefits to franchisees based on their purchase of particular products or services.

ITEM 9
FRANCHISEE’S OBLIGATIONS

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

Obligation	Section in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Sections 4.1 and 4.2 of Franchise Agreement; Section 4 of Area Development Agreement	Items 6, 7, 8, 11 and 12
b. Pre-opening purchases/leases	Sections 4.2, 4.3, 4.4, 4.6 and 7.2 of Franchise Agreement	Items 5, 6, 7, and 8

Obligation	Section in Agreement	Disclosure Document Item
c. Site development and other pre-opening requirements	Sections 4.3, 4.4, 4.5, and 7.2 of Franchise Agreement; Section 4 of Area Development Agreement	Items 6, 7 and 11
d. Initial and ongoing training	Section 5 of Franchise Agreement	Items 6, 7 and 11
e. Opening	Section 4.5; Section 4 of Area Development Agreement	Items 5, 6, 7 and 11
f. Fees	Section 6; Section 2 of Area Development Agreement	Items 5, 6, 7 and 11
g. Compliance with System Standards and policies/Operations Manual	Sections 5.1, 5.3 and 7.2 of Franchise Agreement	Items 6, 7, 8, 11, 15 and 16
h. Marks and proprietary information	Section 10; Section 9 of Area Development Agreement	Items 8, 13, 14 and 17
i. Restrictions on products/services offered	Sections 2.3, 4.4 and 7.2 of Franchise Agreement	Items 1, 8, 14 and 16
j. Warranty and customer service requirements	Sections 7.2 and 7.6 of Franchise Agreement	Item 11
k. Territorial development and sales quotas	Section 5 of Area Development Agreement	Item 12
l. Ongoing product/service purchases	Sections 2.3, 4.4 and 7.2 of Franchise Agreement	Items 8 and 11
m. Maintenance, appearance, and remodeling requirements	Section 4.3, 4.4 and 7.2 of Franchise Agreement	Items 11, 13 and 17
n. Insurance	Section 7.8 of Franchise Agreement	Items 6, 7 and 11
o. Advertising	Sections 4.6 and 9 of Franchise Agreement	Items 5, 6, 7, 11 and 13
p. Indemnification	Section 15.4 of Franchise Agreement	Item 6
q. Owner's participation/management/staffing	Sections 7.2, 7.3 and 7.11 of Franchise Agreement	Items 11 and 15
r. Records and reports	Sections 7.5 and 8 of Franchise Agreement	Not applicable
s. Inspections and audits	Sections 7.5 and 8 of Franchise Agreement	Item 6
t. Transfer	Section 12; Section 8 of Area Development Agreement	Item 17
u. Renewal	Section 3.1 of Franchise Agreement	Item 17
v. Post-termination obligations	Section 14; Section 7 of Area Development Agreement	Item 17
w. Non-competition covenants	Section 11	Item 17
x. Dispute resolution	Section 17; Section 10 of Area Development Agreement	Item 17

ITEM 10
FINANCING

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

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

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

Assistance Before Opening:

Before you open your Store, we or an affiliate will:

1. Approve or disapprove a site that you propose for your Store. (Franchise Agreement, Section 4.1)
2. Approve or disapprove the Lease (as defined below) that you propose for the Premises. (Franchise Agreement, Section 4.2)
3. If you are developing a new Store, provide you with prototypical plans and specifications on which to model the plans to build out your Store. (Franchise Agreement, Section 4.3(a))
4. Provide you, through the Operations Manual and other materials, the standards and specifications for the fixtures, furnishings, equipment (including computer hardware and software) and signs that you must use. (Franchise Agreement, Sections 4.4 and 5.1)
5. Provide an initial training program for you, or if you are an entity, your Entity Owner (as defined in Item 15) and for your initial store manager. (Franchise Agreement, Section 5.2(a))

Assistance During Operation:

During the operation of your Store, we or an affiliate will:

1. Provide electronic access to the Operations Manual. (Franchise Agreement, Section 5.1)
2. Provide training for any existing or replacement store managers, as explained below. (Franchise Agreement, Section 5.2(b))
3. Provide additional or refresher training programs. (Franchise Agreement, Section 5.2(c))
4. Administer the Brand Fund. (Franchise Agreement, Section 9.1)
5. Provide advertising and marketing services to you as explained below. (Franchise Agreement, Section 9.3)
6. We may periodically advise you regarding various aspects of the operation of your Store. (Franchise Agreement, Section 5.3)
7. We may periodically set a maximum or minimum price that you may charge for products and services offered by your Store. (Franchise Agreement, Section 7.9)

Site Selection

We will identify the Premises on Schedule 3 of the Franchise Agreement at the time we sign the Franchise Agreement. If at the time of signing the Franchise Agreement we have not approved and you have not secured the Premises for your Store, and you subsequently obtain our approval of and secure the Premises for your Store, we and you will sign Alternative Schedule 3 identifying the Premises for your

Store. If we do not approve your proposed site within 30 days of receiving the required information, it is deemed disapproved. Generally, we do not own the Premises of the Store or lease it to you. If you enter into an Area Development Agreement, we and you will have agreed to a Development Schedule which identify the number of Stores you will develop, and the time frame and the area in which the Stores will be developed.

You must use our designated real estate broker when you are evaluating potential sites, unless we agree otherwise in writing. You must locate and obtain our written acceptance of the Premises before you sign a lease or sublease for or begin construction of the Premises. Our approval of the Premises is for our own internal purposes and will, to a large extent, be based on information you provide us with respect to the demographic and commercial characteristics of the proposed Premises. We consider several factors when evaluating a proposed site, including the demographics of the area surrounding the proposed site, the neighborhood, the size of the site, the parking at the site and traffic patterns around the site. We may, at our discretion, assist you in identifying and securing possession of the Premises, including by identifying one or more sites that we believe to be available and that might meet our criteria. We will endeavor to approve or disapprove the Premises within 30 days of receiving all information we request regarding a proposed site from you.

Once we have confirmed, in writing, our approval of your proposed Premises, it will be your responsibility to secure the right to occupy the Premises under an agreement that allows you to develop and operate your Store (the "Lease"). You may not execute the Lease until we have accepted its terms. Our approval will be conditioned on the landlord's agreement, either in the body of the Lease or in a separate addendum or rider, with certain provisions that we determine to be important for the continuity and goodwill of the TCBY brand and for our position as franchisor, including:

- (a) notice of, and the right (but not the obligation) to cure, your default of the Lease;
- (b) agreement that, without the landlord's consent, you can assign to us, our affiliate, or another franchisee your interest under the Lease; and
- (c) a requirement that the landlord disclose to us, upon our request, sales and other information that you furnish to it.

You must provide us with a copy of the fully executed Lease within 15 days after its execution. We will endeavor to approve the Lease within 10 days of receiving it from you, but our failure to do so does not mean we have approved it or that you may execute it. The final Lease is always subject to our approval. If you do not open your Store within 12 months following the date of the Franchise Agreement, we may terminate the Franchise Agreement.

You must do all things necessary to construct and develop your Store in accordance with our System Standards, the Lease, and applicable law. We will furnish you with prototypical plans and specifications for a Store, including requirements for exterior and interior materials and finishes, dimensions, design, image, interior layout, decor, fixtures, equipment, signs, furnishings and color scheme. You must comply with these plans and specifications, as adapted, with our prior written approval, to accommodate the particular shape and dimensions of the Premises and to ensure that the plans and specifications comply with applicable ordinances, building codes and permit requirements and with lease requirements and restrictions. You will submit construction plans and specifications to us for our approval before construction of your Store is commenced, and to submit all revised plans and specifications to us for our approval during the course of construction. In constructing and outfitting your Store, you may use only those materials and items (including furniture, fixtures and equipment) we designate, and you may secure those items from and use only those providers (including an architect and general contractor) that we designate or approve from time to time. We do not deliver or install any of the required furniture, fixtures,

or equipment, but we reserve the right to install signage at your expense. On completion of construction, you will provide us with a set of “as built” plans and specifications. You will assume all risk relating to the construction and development of your Store.

Time to Open

If you are developing a new Store, and you already have an approved Premises, we estimate that it will take between 90 to 150 days between the date you sign the Franchise Agreement or first pay consideration for your franchise, and the date you open your Store. If you do not have an approved Premises, then this estimate could be increased by up to 6 months. The interval may vary depending upon factors such as the weather, the location and condition of the site, your ability to obtain any necessary financing and building, zoning or other permits and approvals, construction delays, completion of required training and so forth. You will not open your Store for business until we approve it for opening. We will not approve it for opening until all required pre-opening training has been completed to our satisfaction, all amounts then owed to use and our affiliates have been paid, you have provided us with a copy of (and we have accepted) your fully executed Lease, and you have provided us with a certificate of insurance issued by your insurance provider confirming that you have procured and fully paid for the insurance required under the Franchise Agreement. If you sign an Area Development Agreement, you must complete development and open all of your Stores according to the Development Schedule.

Operations Manual

To facilitate the training and guidance we provide and to assist you in developing and operating your Store, we will provide you with access to a manual or series of manuals, memos, newsletters and other written communications for your use solely in developing and operating your Store (the “Operations Manual”). The Operations Manual contain both mandatory and suggested specifications, standards and operating procedures, including our “System Standards,” which are the operating procedures, standards, requirements and specifications, whether contained in the Operations Manual or elsewhere, which we may improve, further develop or modify from time to time and which are mandatory in nature so as to comprise the requirements to be followed by Stores, and the use of the Marks in connection therewith. The Operations Manual may be modified by us from time to time to reflect changes in the image, specifications, standards, procedures, Approved Products, System, and System Standards. You may not at any time copy any part of the Operations Manual, either physically or electronically. If there is a dispute relating to the contents of the Operations Manual, the master copy we maintain at our corporate headquarters, will control. The Operations Manual and any passwords that we provide to access it electronically form part of our Confidential Information (as defined in Item 14) and, as such, are subject to the same restrictions as other Confidential Information regarding its use, disclosure and return. As of the date of this disclosure document, the Operations Manual is available online only and contains approximately 388 pages. The table of contents for the Operations Manual is attached as Exhibit D hereto.

Computer System

We require you to obtain our specified Computer System to track sales and facilitate reporting to us. We require the Computer System be purchased from us or a designated supplier. The hardware components include 1 to 3 terminals each with a credit card terminal, receipt printer, cash drawer and router. You must use our designated credit card processor.

Our modification of specifications for the Computer System’s components may require you to incur costs to purchase, lease and/or license new or modified computer hardware and/or software, obtain service and support for the Computer System during the term of the Franchise Agreement and pay any related connection fees. We may require you in the future to purchase additional or different components of the Computer System, including computer hardware and software and connection and other related services,

from a supplier or suppliers we designate, which may include us or our affiliates. You will incur the costs of obtaining the computer hardware and software comprising the Computer System (or additions or modifications). There are no contractual limitations to the frequency and cost of the obligation to upgrade and maintain the Computer System. You are required to establish and maintain a valid email address and authorize us to communicate with you by this method at such address. We may independently access the information and data you collect and gather using any Computer System or other data collection equipment (such as an electronic cash register) we require for your Store, and there is no contractual limit on our right to do so. For defective equipment, products, software or other items purchased by you, you must deal directly with that manufacturer. We are not responsible for claims or damages incurred by you as a result of you using our Computer System. The estimated cost for the purchase of the POS hardware is approximately \$3,500-4,500 and the software company currently charges ongoing fees depending on number of terminals and other auxiliary equipment you may add-on. The software subscription cost is approximately \$1,020-\$2,300 per year. Neither we nor our affiliate have any contractual obligation to maintain, repair, update or upgrade the Computer System.

If you are buying an existing Store with an unapproved cash register system or that does not otherwise comply with our required Computer System and Brand Standards, we will require you or the seller to purchase and install the approved POS system as well as other approved Computer System components in the Store prior to transfer as a condition of our consent to the transfer. If you are remodeling an existing Store with an older cash register or POS system, we will require you to purchase and install our then-current POS system and approved Computer System components.

If you do not comply with the required Computer System that we specify, you will be assessed a Computer System Compliance Fee in the amount of the greater of \$500 per month, or the then-current monthly rate of the software license. In addition, your failure to comply with the required Computer System that we specify will constitute a default under Section 13.1(m) of the Franchise Agreement. To avoid any misunderstanding, any deviation from our required Computer System is subject to our prior written approval.

Training

We will provide you with access to our initial training program on the operation of Stores (the "Initial Training Program"). Before opening your Store for operation, you, and at least one of your Entity Owners (if you are an Entity), and your initial store manager must successfully complete, to our satisfaction, the Initial Training Program. We currently offer much of the Initial Training Program through our online Learning Management System ("LMS"). We offer the Initial Training Program on a rolling and as-needed basis. Our training materials are updated periodically, but may include worksheets, web-based programs, PowerPoint presentations and other materials we specify. You may not allow your Store to be managed by a person who has not completed, to our satisfaction, the Initial Training Program or who we have not otherwise certified to do so. We will not charge an additional fee for up to 2 people to attend or participate in the Initial Training Program.

If you replace your initial store manager, the replacement manager will also be required to complete, to our satisfaction, all phases of the Initial Training Program. We may charge a fee for the training for subsequent managers, which you must pay at least 10 days prior to beginning of training.

With the exception of the Initial Training Program, we may require that you provide initial and/or ongoing training for your other employees using our online library of training modules on our LMS. The online training program may include tests that each trainee must pass before he or she will be deemed to have successfully completed the training program.

We may require you and/or your previously trained and experienced representatives to attend periodic refresher training programs and training programs or courses regarding specific products or processes. We may charge fees for these additional or refresher training courses. Our current fee for additional or refresher training is \$500 per day, per person, plus additional travel and living expenses.

You or at least one of your Entity Owners (if you are an Entity) and, when we request, the Store manager (and/or an approved trainer if you are a multi-unit franchisee) must attend all national conventions and regional meetings that we designate as mandatory. National conventions and regional meetings will take place at the time and locations we designate, and we may charge you a reasonable fee for each of your attendees. Currently, we do not charge a fee, but you will be responsible for any travel and lodging expenses for each of your attendees. We may also charge you a reasonable fee if you or any of your required representatives fails to attend any national convention or regional meeting we designate as mandatory.

You must arrange for and pay all of your and your other representatives' other costs of attending or participating in the Initial Training Program and all other training programs we offer. We will determine the format, content, method of delivery and location of each training program.

The Initial Training Program will include classroom, in-store/on-the-job, computer-based training through the LMS and self-study and is described below:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On the Job Training	Location
Orientation: welcome, overview, company history, vision and values, mission	1	0	LMS, Salt Lake City, Utah or other designated locations
Customer Service: sampling, upselling, complaint handling	1	4	LMS, Salt Lake City, Utah or other designated locations
Equipment: use and care	5	4	LMS, Salt Lake City, Utah or other designated locations
Product: yogurt, toppings, cakes, pies	4	4	LMS, Salt Lake City, Utah or other designated locations
Marketing: local, national, social media	2	1	LMS, Salt Lake City, Utah or other designated locations
People: hiring, training, coaching	2	1	LMS, Salt Lake City, Utah or other designated locations
Regulatory compliance: food safety, OSHA compliance	1	1	LMS, Salt Lake City, Utah or other designated locations
Financial: POS usage, sales reporting, budgeting	4	1	LMS, Salt Lake City, Utah or other designated locations
Administrative: ordering, receiving, inventory, NSO process, scheduling, maintenance	1	1	LMS, Salt Lake City, Utah or other designated locations
Meet with personnel from the Franchisee Support Center	1	0	LMS, Salt Lake City, Utah or other designated locations
Final knowledge assessments	2	0	LMS, Salt Lake City, Utah or other designated locations
TOTALS	24	17	

The training program is overseen by our Director of Training, Talent & Culture, who currently is Chris Sabido. Chris has been our Director of Training, Talent & Culture since December 2023 and has over 30 years of experience in the food and service industry.

Training will also be administered by our Training & Operations Support Manager, who currently is Darren Schmitt. Darren has been our Training & Operations Support Manager since February 2024 and has over 4 years of experience in the food and service industry.

In addition, training will be administered by our Operations and Training Manager, who currently is Kim Browning. In total, Kim has worked for us and our affiliates for approximately 30 years and most recently resumed her role with us in April 2017. Kim has over 30 years of experience in the food and service industry.

Marketing and Advertising

Brand Fund and Brand Fund Contributions

We operate a National Brand Fund (the “Brand Fund”) to generally advertise and promote the Stores and the Marks in the System. You will pay us a monthly national Brand Fund contribution of 3% of your Store’s Gross Revenues (the “Brand Fund Contribution”). We will deposit the Brand Fund Contribution in the Brand Fund that we manage through a separate account. Any Store owned by us or an affiliate will contribute to the Brand Fund on the same basis as franchised Stores. Some franchisees may not be required under their franchise agreement to contribute at the same rate.

We will, without any fiduciary obligation to you, direct or cause our designee to direct the Brand Fund. We will determine the creative concepts, materials and endorsements used and the geographic, market and media placement and allocation. The expenses that may be funded by the Brand Fund Contributions we collect include preparing and producing video, audio, and written materials and electronic media; developing, implementing, and maintaining a website for the System and Stores and related strategies; administering regional and multi-regional marketing and advertising programs, including purchasing trade journal, direct mail, and other media advertising and using advertising, promotion, and marketing agencies and other advisors to provide assistance; administering online advertising and marketing campaigns (including search engine, social media, email, and display ad campaigns); developing and maintaining application software designed to run on computers and similar devices, including tablets, smartphones and other mobile devices, as well as any evolutions or “next generations” of any such devices; implementing a loyalty program or other marketing programs designed to encourage the patronage of Stores; and reimbursing us or our designees for the reasonable salaries and benefits of personnel who manage and administer the Brand Fund, including administrative costs, travel and other expenses reasonably related to administering or directing the Brand Fund and its programs. We may use Brand Fund Contributions to prepare, furnish or offer for sale to you advertising, marketing and promotional formats and materials for your use in your own local marketing efforts.

The Brand Fund Contributions we collect will be accounted for separately from our other funds, and we may segregate them from our other operating funds. We will prepare an annual, unaudited statement of collections and expenses of the Brand Fund, and you may obtain a copy of such statement by making a written request to us. The Brand Fund is intended for general promotion. We do not guaranty any particular result or that our expenditure of Brand Fund Contributions or the conduct of the Brand Fund will directly, indirectly, or proportionally benefit your Store or have any relationship to the amount of Brand Fund Contributions you pay. We are not obligated to spend any amount on advertising in any proximity of your Premises or territory. You agree to have your Store participate, in accordance with the rules and requirements we establish for the Brand Fund.

During our fiscal year ended December 31, 2023, Brand Fund Contributions were used as follows: (i) 73% on production, printing, and merchandising; and (ii) 27% on administrative expenses (including salaries of advertising/marketing executives and employees of ours or our affiliates).

The Brand Fund has not been used, and we do not intend to use it, for advertising principally directed at the sale of franchises. Currently, there is no advertising council composed of franchisees, though there may be one in the future.

Local Marketing

In addition to paying Brand Fund Contributions and participating in the Brand Fund, you must spend at least \$2,000 per month for marketing purposes in your Territory, beginning 3 months after opening your Store and continuing for 9 months after opening. You must use the Local Store Marketing on approved local marketing and promotion of your Store. You must provide us with a quarterly and annual statement of your Local Store Marketing expenditures. If you do not spend the minimum required amount on Local Store Marketing, you must deposit with us the difference between what you did spend and the minimum required amount for deposit in the Brand Fund. We will deposit such amounts into the Brand Fund to be spent on local marketing and promotional activities in, near or attempting to target the geographic area of your Store, including marketing and promotional activities on the Internet. You may use in your Local Store Marketing, including any social media activities, only those materials that we provide or make available to you or for which we have given our prior written approval. You must submit your proposed materials for our review at least 15 days prior to your proposed use. After the first year of operations, you must spend each month the greater of (a) 2% of Gross Revenue, or (b) \$1,000. Your Local Store Marketing must include the creation of an annual marketing plan, which we must approve.

We may also require you to participate in a social media technology platform (“Social Media Technology Platform”). A portion of your Local Store Marketing will be designated for the Social Media Technology Platform. We intend to use the Brand Fund to pay the remaining cost of the Social Media Technology Platform. The Social Media Platform will allow you to upload templates of social media content to the Social Media Technology Platform to be posted on social media sites such as Instagram, Facebook and other sites.

Grand Opening Advertising

If you are developing a new Store or Kiosk, you must spend a minimum of \$10,000 on a grand opening advertising and promotional program that we require or approve. You must submit a grand opening plan containing details about your planned grand opening promotion, and obtain our approval of the plan, at least 60 days before your opening date.

Advertising Materials

We may develop and market special mandatory promotional items for Stores and require you to maintain a representative inventory of these promotional items to meet public demand. The source of the advertising material is generally in-house advertising resources. We will make these items available to you at our direct cost plus a reasonable mark-up and any shipping, handling and storage charges. If you do not place minimum orders of products and other items necessary for a mandatory promotion or product roll-out by a certain date, we may send, or direct suppliers to send, an automatic shipment of a specified minimum quantity of such products and items to you, and you must accept and pay for them upon receipt. We may also conduct coupon or discount promotions. In such case, we may require you to accept coupons or discounts that are issued or communicated by us or our affiliates and presented at your Store by your customers. You may receive certain compensation for these coupons when you tender them to us based on our System Standards.

Advertising Cooperatives

We may designate any geographical area for purposes of establishing a regional advertising and promotional cooperative (“Cooperative”), and to determine whether a Cooperative is applicable to your Store. If a Cooperative exists or is established for the area in which your Store is located, you must join and participate in the activities of the Cooperative. Each Cooperative will be organized and governed in a form and manner, and will commence and cease operations on the dates we determine. If a Cooperative is formed in your market, we will make available to you any documents governing the operation of your Cooperative, including any rules relating to membership. Each Cooperative will be organized for the exclusive purpose of administering regional advertising programs and standardizing advertising materials for use by the members in local advertising. No promotional or advertising plans or materials may be used by a Cooperative or furnished to its members without our prior approval. We will determine the amount and timing of the required contributions to the Cooperative and all activities and other decisions of the Cooperative with input from the Stores that are members of the Cooperative. All required contributions of the Cooperative will be payable to the Cooperative. If a Cooperative is established, Company-owned Stores may be required to contribute to the Cooperative at the same rate as franchisee-owned Stores. All such contributions and decisions will be subject to our approval, which we will not unreasonably withhold. Contributions will be payable to the Cooperative or us or our designee if we are administering the accounting and vendor payments of the Cooperative.

Internet Use

You may not advertise your Store or the Approved Products over the internet (or any other form of electronic commerce) or establish a related site on the World Wide Web without our prior written consent. Your general conduct on the internet (or any other form of electronic commerce) and specifically your use of the Marks is subject to the provisions of the Franchise Agreement and our Brand Standards. You will follow our policies and procedures as they may be communicated to you periodically in the Operations Manual or otherwise regarding the use of social media and similar methods of communication. You must obtain our prior written consent prior to your use of the Marks or any content using the Marks on social media, in any form available now or in the future, including but not limited to Facebook, Instagram and Twitter, and your failure to obtain such consent will constitute a breach of the Franchise Agreement. We also have the right to monitor, edit and/or delete any social media content you may post that does not meet our Brand Standards. We require you to have access to the internet from the Premises and to submit all sales activity through the Computer System through a pre-approved router and internet connection. We also require you establish and maintain a valid email address and authorize us to communicate with you by this method at such address.

Pricing

We may periodically set a maximum or minimum price that you may charge for products and services offered by your Store. If we impose such a maximum or minimum price for any product or service, you may charge any price for the product or service up to and including our designated maximum price or down to and including our designated minimum price. The designated maximum and minimum prices for the same product or service may, at our option, be the same. For any product or service for which we do not impose a maximum or minimum price, we may require you to comply with an advertising policy adopted by us which will prohibit you from advertising any price for a product or service that is different than our suggested retail price. Although you must comply with any advertising policy we adopt, you will not be prohibited from selling any product or service at a price above or below the suggested retail price unless we impose a maximum price or minimum price for such product or service where permitted by law.

ITEM 12 **TERRITORY**

Franchise Agreement

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. Except for those rights you may receive under an Area Development Agreement, you receive no minimum territory, and you must obtain our approval of the location of your Store. You are not granted an exclusive area or protected territory around the Premises within which we or our affiliates agree not to issue franchises or operate competing businesses. Our affiliate, MFF, may operate or franchise others to operate outlets located near Stores. MFF outlets offer specialty snacks and desserts such as cookies, brownies, cakes, muffins. The principal trademarks used by MFF are Mrs. Fields® and Mrs. Fields Cookies®. One or more of these outlets may already be located near your proposed Store, or may be established near the Store in the future. Additionally, we or our affiliates may establish, acquire or co-brand new concepts operating under different trademarks and those outlets may be located near the Store. We have no system or method for resolving conflicts between our franchisees and franchisees of these competing concepts. As stated in Item 1, we share our principal address with MFF, and we have no plans to maintain physically separate offices or training facilities from MFF.

We and our affiliates may, anywhere in the world, issue franchises, grant licenses for products or services, and conduct any other business or activities, with or without the Marks and in any type of distribution channel, including the internet, regardless of whether such activities are competitive with your Store. We have not yet established other franchises or company-owned Stores that sell or lease similar products or services under a different trademark, but we may do so in the future. There are no restrictions on these activities and neither we nor our affiliates will be required to provide you with any compensation for, or any right to participate in, any such activities.

You may not operate your Store at any site other than the Premises without our prior written approval. In addition, you may only offer and sell finished Approved Products that have been approved for sale over the counter to retail customers from your Store, and may not sell Approved Products or any materials, supplies, or inventory bearing the Marks at any other location or through any alternative channel of distribution without our prior written consent. “Alternative channels of distribution” include the operation of a food cart or kiosk, sales through the Internet (or any other form of electronic commerce), vending machine sales, and mail order and telephone sales. You may, however, (i) offer and sell Approved Products as part of off-site catering events and company account programs, provided you or a third-party local delivery company deliver (and do not engage a major air/ground shipping carrier to deliver) Approved Products that meet System Standards for freshness the same day they are made and the sales are not part of a mail order program; (ii) offer samples of Approved Products at or directly in front of your Store or other locations near your Store as approved by your landlord; or (iii) upon our prior written approval, offer and sell Approved Products from a table, kiosk or cart at satellite locations that we approve. You may not sell to anyone any materials, supplies, or inventory used to prepare any Approved Products. You may not sell any Approved Products to any person or entity purchasing the Approved Products for resale.

Your Franchise Agreement does not grant you the ability to relocate, any options, rights of first refusal or similar rights to acquire additional franchises.

Area Development Agreement

If you enter into an Area Development Agreement, you will receive certain protected rights to develop more than one Store within a designated geographic area (the “Designated Area”) to be described

in Exhibit A attached to the Area Development Agreement. The size of the Designated Area will vary, depending on the number of Stores you intend to open, the population density, and the demographics in the area in which you desire to operate. The Designated Area is described by a written description or map in an attachment to your Area Development Agreement and shows the metropolitan area, zip codes, cities, counties, or other political subdivisions or market areas designated by physical boundaries like streets, highways or physical landforms and is usually determined by density of population and demographics. We will not establish another franchised or company-owned Store or Kiosk in the Designated Area so long as you meet the Development Schedule, satisfy our minimum capital requirements to develop the Store, comply with all other provisions described in the Area Development Agreement and you otherwise comply with the provisions of each related Franchise Agreement. As described above, however, we have certain rights under Area Development Agreement and each Franchise Agreement to sell products and services using the Marks or other marks using similar or dissimilar channels of distribution in the Designated Area. If you do not comply with the Development Schedule and the Area Development Agreement, we may terminate the Area Development Agreement or terminate your protected rights to develop Stores in the Designated Area and grant individual or multiple unit franchises within the Designated Area to third parties.

ITEM 13
TRADEMARKS

Under the Franchise Agreement, we grant you the right to operate a Store under the Marks. The following are the principal Marks registered on the Principal Register of the U.S. Patent and Trademark Office (“USPTO”):

Principal Trademark	U.S. Registration No.	Principal/Supplemental Register of the United States Patent and Trademark Office	Date of Registration
	6,047,327	Principal	May 5, 2020
TCBY FROZEN YOGURT	3,999,551	Principal	July 19, 2011
THE COUNTRY'S BEST YOGURT	1,672,857	Principal	January 21, 1992 Renewed: March 1, 2012
TCBY	1,463,784	Principal	November 3, 1987 Renewed: September 27, 2017
TCBY	1,415,353	Principal	October 28, 1986 Renewed: November 1, 2016
TCBY THE COUNTRY'S BEST YOGURT	1,415,194	Principal	October 28, 1986 Renewed: November 1, 2016

We have filed all required renewals and affidavits with the USPTO. There are no currently effective material determinations of the USPTO, Trademark Trial and Appeal Board, the Trademark Administrator of any state, or any court, nor are there any pending infringements, opposition or cancellation proceedings or any pending material litigation, involving the Marks described above. There are no agreements currently in effect which significantly limit our rights to use or franchise the use of these Marks.

Your right to use the Marks is derived solely from the Franchise Agreement and is limited to your conduct of business in compliance with the Franchise Agreement and all applicable standards, specifications, operating procedures and rules that we require.

You must use the applicable Marks as the sole identification of your Store and you must identify yourself as the independent owner in the manner we require. You may not use any Mark as part of any corporate or trade name or with any prefix, suffix or other modifying words, terms, designs or symbols

(other than logos franchised to you under the Franchise Agreement), or in any modified form, including on any sites on the Internet or World Wide Web, as an Internet domain name, or as part of an electronic mail address without prior written approval from us. You must follow all other policies and procedures relating to the Marks, as contained in the Operations Manual. You must display all applicable Marks in the manner we require, and you must use the registration symbol “®” in using any of the registered Marks. You must refrain from any business or marketing practice which may be injurious to our business and the good will associated with the Marks or Stores. We may require you to modify or discontinue use of any Mark or use one or more additional or substitute trade or service marks if we determine that it becomes advisable at any time. You must comply with our directions in this regard. We are not required to reimburse you for your expenses in modifying or discontinuing the use of a Mark and substituting a different Mark or for any loss of goodwill associated with any modified or discontinued Mark or for any expenditures made by you to promote a modified or substitute Mark.

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 in any Mark, and you must not communicate with any person other than us or our counsel about the infringement, challenge or claim. We and our affiliates may take the action we deem appropriate and control exclusively any litigation, USPTO proceeding or any other administrative or court proceeding concerning any Mark. You must sign any instruments and documents, render assistance and do those things as, in the opinion of our legal counsel, may be necessary or advisable to protect and maintain our interests in any litigation or USPTO or other proceeding or otherwise to protect and maintain our interests in the Marks.

We will take the action we think appropriate. 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 and for all costs you reasonably incur in defending any claim brought against you or any proceeding in which you are named as a party, if you have timely notified us of the claim or proceeding and have otherwise complied with the requirements of the Franchise Agreement. At our option, we and our affiliates are entitled to defend and control the defense of any proceeding arising out of your authorized use of any Mark. We do not know of any infringing uses that could materially affect your use of the Marks.

ITEM 14

PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

Except as noted below, we and our affiliates do not own any patents or copyrights that are material to the Franchise. As of the date of this disclosure document, there are no patents or copyrights registered or pending, and no patent applications that are material to the Franchise.

We and our affiliates claim copyrights in the Operations Manual, construction plans, specifications and materials, printed advertising, promotional, sales, training and management materials and in related items you will use in operating your Franchise. We and our affiliates have not registered these copyrights with the U.S. Registrar of Copyrights.

There are currently no effective determinations of the U.S. Copyright Office or any court regarding any of the copyrights. There are no agreements currently in effect which significantly limit our rights to use or franchise the copyrighted materials. Also, there are no superior prior rights or infringing uses actually known to us which could materially affect your use of the copyrighted materials in any state.

Your right to use the copyrights is derived solely from the Franchise Agreement and is limited to your conduct of business in compliance with the Franchise Agreement and all applicable standards, specifications, operating procedures and rules that we require. We may require you to modify or discontinue use of any of the materials in which we claim copyrights if we determine that it becomes

advisable at any time. In that case, you must comply with our directions to modify or discontinue the use of those materials within a reasonable time after notice from us.

You must immediately notify us if you learn that any person may be using our copyrighted materials without our consent or authorization. You must also immediately notify us of any challenge to your use of any copyright or claim by any person of any rights in any copyright. You must not communicate with any person other than us or our counsel about any challenge or claim to any copyright. We and our affiliates may take the action we deem appropriate and the right to control exclusively any litigation, U.S. Copyright Office proceeding or any other administrative proceeding concerning any copyright. You must sign any instruments and documents, render assistance and do those things as, in the opinion of our legal counsel, may be necessary or advisable to protect and maintain our interests in any litigation or Copyright Office or other proceeding or otherwise to protect and maintain our interests in the copyrights.

We will compensate and reimburse you for all damages for which you are held liable in any proceeding arising out of your authorized use of any copyright and for all costs you reasonably incur in defending any claim brought against you or any proceeding in which you are named as a party, if you have timely notified us of the claim or proceeding and have complied with your obligations under the Franchise Agreement. At our option, we or our affiliates are entitled to defend and control the defense of any proceeding arising out of your use of any copyright.

We and our affiliates also own the Confidential Information (as defined below) and claim copyrights in the Confidential Information. Portions of the Confidential Information required in the operation of your business will be communicated to you. However, you will not acquire any interest in any Confidential Information, other than the right to utilize Confidential Information disclosed to you in operating your Store during the term of the Franchise Agreement. You may only use the Confidential Information as outlined in the Franchise Agreement. "Confidential Information" includes any information relating to the Approved Products or the development or operation of Stores, including site selection criteria; trade secrets; recipes and methods for the preparation of Approved Products; methods, techniques, formats, standards, specifications, systems, procedures, sales and marketing techniques and knowledge of and experience in the development and operation of Stores; marketing programs for Stores; knowledge of specifications for and suppliers of certain Approved Products, materials, supplies, equipment, furnishings and fixtures; customer data; and knowledge of the operating results and financial performance of Stores, including your Store.

We and our affiliates will own and have the perpetual right to use and authorize other Stores to use, and you must fully and promptly disclose to us, all ideas, concepts, formulas, recipes, methods and techniques relating to the development and/or operation of a yogurt, frozen yogurt, ice cream, dessert or retail snack food business and the products those businesses sell or might sell, including those that are conceived or developed by you and/ or your employees during the term of the Franchise Agreement. You agree that we shall have the perpetual right to use and authorize other to use such ideas, concepts, methods and techniques and, if incorporated in the System for the development and/or operation of Stores, such ideas, concepts, methods and techniques shall become our sole and exclusive property without any consideration to you. You must not, however, test, offer or sell any new products without our prior written consent.

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

We recommend that you participate personally in the direct operation of your Store, although the Franchise Agreement does not specifically obligate you to do so. However, you must either manage your

Store yourself, or use a full time “on Premises” manager. The manager need not have an equity interest in the franchisee entity to act as manager. We do not impose any restrictions on who you hire as manager. Both you (or one of your Entity Owners, if you are an entity) and the manager of your Store must complete all phases of our training program to our satisfaction and must participate in all other activities required to open your Store. Replacement managers must also satisfactorily complete all phases of our training program.

If you are an entity, each Entity Owner (as defined below) must guarantee your obligations under the Franchise Agreement by signing the Guaranty attached to the Franchise Agreement, a copy of which is included in Exhibit B to the Franchise Agreement. We also will require your Entity Owner’s spouse to sign the Guaranty.

We may require certain key employees (including you and any Entity Owner or manager) to sign a confidentiality agreement. In addition, we may require each manager of a Store to agree to the non-competition covenants described in Item 17 of this disclosure document.

An Entity Owner means, with respect to an entity, any shareholder owning directly or beneficially five percent (5%) or more of any class of securities of the entity; any general partner or co-venturer in the entity; any partner in a limited liability partnership or member in a limited liability company owning directly or beneficially 5% or more of the ownership interests in the limited liability partnership or limited liability company; the trustees or administrators of any trust or estate; and any beneficiary of a trust or estate owning, directly or beneficially, five percent (5%) or more of the interests in the trust or estate. If any Entity Owner within the scope of this definition is itself an entity (including an Entity Owner that is an Entity Owner because of this sentence), the term “Entity Owner” also includes Entity Owners (as defined in the preceding sentence) in the entity. It is the intent of this definition to “trace back” and include within the definition of Entity Owner each natural person owning the requisite interests to qualify as Entity Owners.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

In operating your Store, you must use and offer for sale all of, and only, the Approved Products and any other products or services that we mandate or approve from time to time for you to sell at the Premises. The Approved Products that you initially are authorized to offer at your Store are explained in the Operations Manual (as defined in Item 11). In the future, we may change or add to the Approved Products that you are authorized to offer at the Premises and notify you of such changes or additions, as we determine, through references to the Operations Manual, bulletins and other written materials, electronic computer messages, telephonic conversations, and/or consultations at our offices or at your Store. There are no limits on our right to make such changes.

You may not use your Store for any purpose other than the operation of a Store in compliance with the Franchise Agreement. You may not: (a) offer Approved Products or materials, supplies, or inventory bearing the Marks at any site other than the Premises of your Store, (b) offer for sale any materials, supplies or inventory used in the preparation of any of the Approved Products; or (c) sell any Approved Products to any person or entity purchasing the Approved Products for resale. You may only sell Approved Products to retail customers.

We otherwise do not impose any restrictions regarding the customers to whom you may sell authorized products or services.

ITEM 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Sections 1(q) and 2.1	10 years from the date the Franchise Agreement is fully executed.
b. Renewal or extension of the term	Section 3.1	You may renew for 1 additional 10-year term subject to conditions.
c. Requirements for you to renew or extend	Section 3.1	Provide at least 90 but no more than 180 days prior notice; sign then current Franchise Agreement (which may contain materially different terms and conditions than your original Franchise Agreement); Franchisee and their Affiliates and respective agents must execute a general release of all claims; refurbish and remodel the Premises at our request; remain in good standing with us during the initial term; satisfy all monetary obligations; retain the Premises for the renewal term; pay a renewal fee; follow our then-current renewal process, including any requirements for additional training and delivery of certain financial statements and records.
d. Termination by you	N/A	Not applicable (subject to state law).
e. Termination by us without cause	N/A	Not applicable.
f. Termination by us with cause	Section 13	We may terminate for cause.
g. "Cause" defined - curable defaults	Sections 13.1 and 13.2	You will have the following cure periods for the following defaults: (1) you have 48 hours to cure failure to comply with certain System Standards and health requirements; (2) you have 10 days to cure failure to make payments; and (3) you have 30 days to cure any other default of Franchise Agreement or any other agreement with us or an affiliate not listed above or in "17.h." below.
h. "Cause" defined - non-curable defaults	Section 13	We may terminate the Franchise Agreement immediately, upon written notice but without an opportunity to cure for: insolvency/bankruptcy, unauthorized transfer, material misrepresentation or omission in franchise application and other adverse developments, unauthorized use of Marks or Confidential Information, abandonment, breach of lease, understatement of Gross Revenue; failure to pay taxes, failure of two consecutive store inspections; two or more breaches within a 12 month period or three breaches over the term of the Franchise Agreement, financing defaults, defaults of other agreements with us or our Affiliates, failure to secure the Store Premises, possession or use of unauthorized products, failure to complete training or failure to open the Store for business within the required time period.
i. Your obligations on termination/non-renewal	Sections 14.1, 14.3, and 14.4	Pay us all amounts owed, close the Store for business, discontinue the use of the Marks, de-identify as a franchisee, deliver all materials containing the Marks, cancel all fictitious names, transfer all telephone numbers and directory listings to us, discontinue use of all Confidential Information and return any materials loaned to you, provide evidence that you have complied with all of the above within 30 days of the expiration or termination and comply with post-term covenants.

Provision	Section in Franchise Agreement	Summary
j. Assignment of contract by us	Section 12.1	No restriction on our right to transfer or assign.
k. "Transfer" by you – defined	Section 1(s)	"Transfer" means the voluntary or involuntary, direct or indirect transfer, assignment, sale, gift, pledge, mortgage, hypothecation or other disposition (including those occurring by operation of law and a series of transfers that in the aggregate constitute a Transfer) of any of your interest in the Franchise Agreement, your Store or its assets (other than in the ordinary course of business), your right to possession of the Premises, or a direct or indirect ownership interest in you.
l. Our approval of transfer by you	Sections 12.2, 12.3 and 12.4	All transfers subject to our prior written approval. We will not unreasonably withhold approval if specified requirements are met. Transfers to a wholly owned corporation or limited liability company do not require our consent.
m. Conditions for our approval of transfer	Section 12.3	Transferee is of good moral character, transferee has sufficient business experience and resources, transferee completes our training program, you have paid all amounts owed to us or our Affiliates and third-party creditors, you and the transferee enter into our form of assignment and assumption agreement, transferee enters into our then-current form of franchise agreement, you or the transferee pays a transfer fee, we have approved the material conditions of the transfer including price, if any part of the sales price was financed you and transferee agree to subordinate that interest to our and our Affiliates' interest, you agree to comply with the post-term covenants not to compete as set forth in the Franchise Agreement, landlord consents to the transfer (if applicable), you or the transferee agrees to refurbish the Store, you and the transferee, at your cost, use a licensed escrow professional or other qualified third party acceptable to us to conduct the closing, and you and the transferee have complied with any other conditions we may reasonably require.
n. Our right of first refusal to acquire your business	Section 12.5	We can match any offer to purchase the interests proposed to be transferred, with the right to substitute cash for other forms of payment, equal credit to the offer, no less than 60 days to close the purchase, and the right to receive all customary representations and warranties.
o. Our option to purchase your business	Sections 14.2 and 16	We may, at our option, purchase your Store upon termination of Franchise Agreement unless we are in default. Under the security agreement contained in Section 16 of the Franchise Agreement we may exercise all rights of a secured creditor granted to us by law, in addition to our other rights under this Agreement if you default.
p. Your death or disability	Section 12.6	If you are an individual, upon your death or permanent disability or, if you are an Entity, upon the death or permanent disability of an individual owner of a Controlling Interest in you, the executor, administrator, conservator or other personal representative of that person will transfer his interest in this Agreement or his Controlling Interest in you within six (6) months from the date of death or permanent disability, to a transferee approved by us.
q. Non-competition covenants during the term of the franchise	Section 11.1	You, your Entity Owner(s) (and their direct family members) and your managers will not: (1) have any direct or indirect interest in a Competitive Business (as defined below); (2) perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business; (3) divert or attempt to divert business to a Competitive Business; or (4) use or duplicate the System or System Standards for any other endeavor. A "Competitive Business" means any business that operates, grants franchises or licenses to others to operate, acts as a landlord to, or otherwise provides products, services or assistance

Provision	Section in Franchise Agreement	Summary
		to a restaurant, retail outlet or other food service business (other than a TCBY Store operated pursuant to a franchise agreement with us or our affiliate) which offers or sells fresh or frozen yogurt, smoothies ice cream or other frozen desserts or similar items as primary or featured items or for which the sale of fresh or frozen yogurt, smoothies ice cream or other frozen desserts or similar items (either individually or in the aggregate) accounts for at least 10% of its sales during any calendar month.
r. Non-competition covenants after the franchise is terminated or expires	Section 11.2	For 2 years after termination of the Franchise Agreement, you will not have any direct or indirect interest as an owner, investor, partner, director, officer, employee, consultant, representative or agent or in any other capacity in any Competitive Business located or operating within (a) 10 miles of your Store, or (b) 10 miles of any Store, except Stores that you operate under agreements with us or our Affiliates. If we purchase your Store pursuant to our right in Section 14.5 of the Franchise Agreement, this non-competition covenant will extend to 3 years.
s. Modification of the agreement	Sections 11.4, 18.1, 18.2 and 18.7	Subject to automatic modification to conform to mandatory provisions of applicable law. Other modifications require mutual consent.
t. Integration/merger clause	Sections 18.5(c)	Only the terms of Franchise Agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable. However, nothing in the Franchise Agreement is intended to disclaim the representations made in this disclosure document.
u. Dispute resolution by arbitration or mediation	Section 17.8	All controversies, disputes, or claims (notwithstanding temporary restraining orders or preliminary injunctive relief) between us or our Affiliates, on the one hand, and you and your Affiliates, on the other hand, must be submitted to the American Arbitration Association for binding arbitration in accordance with the then-current Commercial Arbitration Rules of the American Arbitration Association; and proceedings will be conducted at a suitable location chosen by the arbitrator in Wilmington, Delaware. These provisions may be subject to applicable state law.
v. Choice of forum	Section 17.5	Disputes must be conducted in Wilmington, Delaware (subject to applicable state law).
w. Choice of law	Section 17.4	Delaware law, unless superseded by applicable federal or state law.

AREA DEVELOPMENT AGREEMENT

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

Provision	Section in Area Development Agreement	Summary
a. Length of the franchise term	Section 6	Varies
b. Renewal or extension of the term	N/A	Not applicable
c. Requirements for you to renew or extend	N/A	Not applicable
d. Termination by you	N/A	Not applicable
e. Termination by us without cause	N/A	Not applicable

Provision	Section in Area Development Agreement	Summary
f. Termination by us with cause	Section 7	We can terminate only if you default under the Franchise Agreement or Area Development Agreement
g. "Cause" defined - curable defaults	Section 7(B)	30 days to cure defaults under the Area Development Agreement
h. "Cause" defined – non-curable defaults	Section 7(A)	Repeated noncompliance, bankruptcy, you attempt to subfranchise or sublicense in any manner
i. Your obligations on termination/non-renewal	Section 7(D)	All rights revert to us and right develop Stores within the Designated Area will cease
j. Assignment of contract by us	Section 8(A)	No restriction on our right to transfer
k. "Transfer" by you – defined	Section 8(B)	May transfer with our approval
l. Our approval of transfer by you	Section 8(B)	We have the right to approve all transfers
m. Conditions for our approval of transfer	Section 8(B)	Compliance with terms of Area Development Agreement, our approval or proposed transferee, purchase price of undeveloped franchised does not exceed then-current development fees we charge franchisees under an Area Development Agreement; proposed transferee completes our training program, payment of transfer fee, executed general release
n. Our right of first refusal to acquire your business	N/A	Not applicable
o. Our option to purchase your business	N/A	Not applicable
p. Your death or disability	N/A	Not applicable
q. Non-competition covenants during the term of the franchise	N/A	Not applicable
r. Non-competition covenants after the franchise is terminated or expires	N/A	Not applicable
s. Modification of the agreement	Section 11	Requires writing by both parties
t. Integration/merger clause	Section 11	Only terms of Area Development Agreement are binding, provided that this provision does not disclaim representations made in the FDD
u. Dispute resolution by arbitration or mediation	Section 10	Same as Franchise Agreement
v. Choice of forum	Section 10	Same as Franchise Agreement
w. Choice of law	Section 10	Same as Franchise Agreement

ITEM 18
PUBLIC FIGURES

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

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the

information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

The Data Set

The data set represents unaudited historical data that we received from 74 traditional Stores in which TCBY is the dominant brand (with over 60% of sales for such Stores derived from TCBY) for calendar year 2023 (“Calendar Year 2023”).

As of the end of Calendar Year 2023, there were 145 Stores in operation, all of which were owned by third-party franchisees. For the data set used in this Item 19, we excluded from that group (a) 8 Stores which opened during Calendar Year 2023 (and were not open and operational for 12 months as of the end of Calendar Year 2023); and (b) 62 non-traditional Stores (those that, for example, are only open part time, that operate seasonally, that are located in non-traditional locations such as gas stations or are operated as an add-on to another primary brand). The non-traditional Stores were excluded for two reasons: (1) because of the wide variation in factors that made them non-traditional and (2) because the focus of our sales efforts is on selling franchises for traditional locations.

Data Presented

To determine the average Gross Revenue for each group shown in the tables below, we took the group’s total Gross Revenue, then divided that number by the number of Stores in the group. For example, to determine the average Gross Revenue for the Stores that made up the entire data set, we added the Gross Revenue of all 74 Stores for Calendar Year 2023, then we divided that number by 74.

In the results below, we also report, for each group, the range and the median. The range reflects the low and high data point for each group. The median is the data point that is the center of all data points used for the group, except that, in a given group of Stores where there is an even number of Stores, the median is derived by adding the two numbers in the middle of the data set for the given group of Stores, then dividing that number by two.

“Gross Revenue” means the aggregate of all revenue, in whatever form (including the value of all barter, exchange, trade or other credit), attributed to the operation of your Store (whether or not in compliance with this Agreement) based on the gross (undiscounted) price of all products and services sold at or through your Store and all other revenue sources, but excluding all federal, state or municipal sales, use, or service taxes collected from customers and paid to the appropriate taxing authority. Gift certificate, gift card and similar program payments will be included in Gross Revenue as and in accordance with the policies set forth from time to time in the Operations Manual. Gross Revenue also includes all insurance proceeds you receive for loss of business due to a casualty or a similar event. This is the same definition of Gross Revenue on which you will be required to pay royalties and Brand Fund Contributions.

In Table 1 below, we report the results for all Stores in the data set by quartile. Each quartile represents 25% of the 74 Stores that form the data set. In Table 2, we present data for the entire data set but have reported the results based on the decade in which the Store originally opened.

The Results

**Table 1: Gross Revenue for Calendar Year 2023
by Quartile**

Quartiles	Average Gross Revenue	Number and Percentage of Stores Attaining or Exceeding Average Gross Revenue	Median Gross Revenue	Lowest Gross Revenue	Highest Gross Revenue
Top Quartile	\$719,417	7 of 18 (39%)	\$659,613	\$527,249	\$1,357,629
2 nd Quartile	\$438,917	10 of 18 (56%)	\$451,715	\$349,811	\$521,071
3 rd Quartile	\$290,490	8 of 19 (42%)	\$282,836	\$244,034	\$344,156
Bottom Quartile	\$189,506	11 of 19 (58%)	\$192,321	\$119,793	\$239,837
Total	\$404,999	36 of 74 (49%)	\$340,612	\$119,793	\$1,357,629

**Table 2: Gross Revenue for Calendar Year 2023
by Decade in which the Store Originally Opened**

Fiscal Year in which the Store Originally Opened	Average Gross Revenue	Number and Percentage of Stores Attaining or Exceeding Average Gross Revenue	Median Gross Revenue	Lowest Gross Revenue	Highest Gross Revenue
2014 to 2023	\$346,948	12 of 36 (33%)	291,166	127,722	993,474
2004 to 2013	\$449,848	11 of 21 (52%)	474,233	119,793	908,016
1994 to 2003	\$439,510	5 of 14 (36%)	365,467	184,233	1,357,629
1984 to 1993	\$626,626	1 of 3 (33%)	606,460	521,071	752,346
Total	\$404,999	29 of 74 (39%)	340,612	119,793	1,357,629

Notes to Item 19

1. The numbers provided in this Item 19 do not reflect the expenses associated with operating a Store (and, thus, do not reflect gross or net profit).
2. **Some outlets have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.**
3. Because the data set is comprised entirely of franchised Stores, the data is based on the unaudited results that franchisees reported to us directly or through their Stores' point-of-sale system.
4. The data is historical data received from franchised Stores and not a projection of your potential future performance.
5. Written substantiation for the financial performance representations above will be made available to prospective franchisees upon reasonable request.

Other than the preceding financial performance representation, TCBY Systems, LLC, does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial

performance information or projections of your future income, you should report it to the franchisor's management by contacting our Chief Executive Officer, Joe Lewis, TCBY Systems, LLC, 1717 S. 4800 W., Salt Lake City, Utah 84104, (801) 412-8890, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

TABLE NUMBER 1

Systemwide Outlet Summary
For Years 2021 to 2023⁽¹⁾

Store Type	Year ⁽¹⁾	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	202	172	-30
	2022	172	168	-4
	2023	168	151	-17
	2023	151	145	-6
Company-Owned	2021	0	0	0
	2022	0	0	0
	2023	0	0	0
	2023	0	0	0
Total	2021	202	172	-30
	2022	172	168	-4
	2023	168	151	-17
	2023	151	145	-6

(1) The numbers in these Item 20 tables reflect information as of July 1, 2023, July 2, 2022, and July 3, 2021 as our prior fiscal years ended as of those dates. Following the Transaction described in Item 1, our fiscal year end currently is December 31. As a result, we have added a row to disclose information for the balance of calendar year 2023.

TABLE NUMBER 2

Transfers of Outlets from Franchisee to New Owners (other than the Franchisor)
For Years 2021 to 2023

State	Year	Number of Transfers
Alabama	2021	0
	2022	0
	2023	1
	7/1/2023 – 12/31/2023	0
Arkansas	2021	0
	2022	3
	2023	1
	7/1/2023 – 12/31/2023	0

State	Year	Number of Transfers
California	2021	1
	2022	0
	2023	0
	7/1/2023 – 12/31/2023	0
Florida	2021	1
	2022	0
	2023	0
	7/1/2023 – 12/31/2023	0
Georgia	2021	1
	2022	0
	2023	0
	7/1/2023 – 12/31/2023	0
Illinois	2021	0
	2022	0
	2023	0
	7/1/2023 – 12/31/2023	1
Maryland	2021	0
	2022	1
	2023	0
	7/1/2023 – 12/31/2023	0
Michigan	2021	0
	2022	1
	2023	2
	7/1/2023 – 12/31/2023	0
Mississippi	2021	1
	2022	0
	2023	0
	7/1/2023 – 12/31/2023	0
North Carolina	2021	0
	2022	1
	2023	0
	7/1/2023 – 12/31/2023	0
South Carolina	2021	1
	2022	0
	2023	7
	7/1/2023 – 12/31/2023	5
Tennessee	2021	1
	2022	2
	2023	1
	7/1/2023 – 12/31/2023	0
West Virginia	2021	0
	2022	0
	2023	1
	7/1/2023 – 12/31/2023	0
Total	2021	6
	2022	8
	2023	14
	7/1/2023 – 12/31/2023	6

(1) The numbers in these Item 20 tables reflect information as of July 1, 2023, July 2, 2022, and July 3, 2021 as our prior fiscal years ended as of those dates. Following the Transaction described in Item 1, our fiscal year end currently is December 31. As a result, we have added a row to disclose information for the balance of calendar year 2023.

TABLE NUMBER 3

**Status of Franchised Outlets
For Years 2021 to 2023**

State	Year	Outlets at the Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Alabama	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
	7/1/23-12/31/23	5	0	0	0	0	0	5
Alaska	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	7/1/23-12/31/23	1	0	0	0	0	0	1
Arizona	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	0	0	0	0	0	0	1
	7/1/23-12/31/23	1	0	0	0	0	1	0
Arkansas	2021	6	0	0	0	0	0	6
	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	2	4
	7/1/23-12/31/23	4	0	0	0	0	0	4
California	2021	14	0	0	0	0	2	12
	2022	12	0	0	0	0	0	12
	2023	12	0	0	0	0	2	10
	7/1/23-12/31/23	10	0	0	0	0	0	10
Colorado	2021	5	0	0	0	0	2	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	7/1/23-12/31/23	3	0	0	0	0	0	3
Connecticut	2021	1	0	0	0	0	1	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	7/1/23-12/31/23	0	0	0	0	0	0	0
Delaware	2021	2	0	0	0	0	1	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	7/1/23-12/31/23	1	0	0	0	0	0	1
Florida	2021	5	1	0	0	0	3	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	1	2
	7/1/23-12/31/23	2	0	0	0	0	0	2
Georgia	2021	6	0	0	0	0	1	5
	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	1	4
	7/1/23-12/31/23	4	0	0	0	0	0	4
Idaho	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	2	1
	7/1/23-12/31/23	1	0	0	0	0	0	1

State	Year	Outlets at the Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Illinois	2021	27	0	0	0	0	2	25
	2022	25	0	0	0	0	2	23
	2023	23	0	0	0	0	2	21
	7/1/23-12/31/23	21	1	0	0	0	2	20
Indiana	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
	7/1/23-12/31/23	4	0	0	0	0	0	4
Iowa	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	7/1/23-12/31/23	1	0	0	0	0	0	1
Louisiana	2021	7	0	0	0	0	1	6
	2022	6	1	0	0	0	0	7
	2023	6	0	0	0	0	1	6
	7/1/23-12/31/23	6	0	0	0	0	0	6
Maryland	2021	3	0	0	0	0	1	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	7/1/23-12/31/23	2	1	0	0	0	0	3
Michigan	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	2	3
	7/1/23-12/31/23	3	0	0	0	0	0	3
Minnesota	2021	1	0	0	0	0	1	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	7/1/23-12/31/23	0	0	0	0	0	0	0
Mississippi	2021	6	0	0	0	0	2	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
	7/1/23-12/31/23	4	0	0	0	0	0	4
Missouri	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	7/1/23-12/31/23	1	0	0	0	0	0	1
Nebraska	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	7/1/23-12/31/23	2	0	0	0	0	0	2
Nevada	2021	4	0	0	0	0	0	4
	2022	4	1	0	0	0	0	5
	2023	5	0	0	0	0	0	5
	7/1/23-12/31/23	5	0	0	0	0	1	4
New Jersey	2021	5	1	0	0	0	3	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	7/1/23-12/31/23	3	0	0	0	0	0	3

State	Year	Outlets at the Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
New Mexico	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	7/1/23-12/31/23	2	0	0	0	0	0	2
New York	2021	9	0	0	0	0	2	7
	2022	7	0	0	0	0	0	7
	2023	7	0	0	0	0	0	7
	7/1/23-12/31/23	7	1	0	0	0	0	8
North Carolina	2021	20	0	0	0	0	3	17
	2022	17	0	0	0	0	0	17
	2023	17	0	0	0	0	1	16
	7/1/23-12/31/23	16	0	0	0	0	1	15
North Dakota	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	2	0
	2023	0	0	0	0	0	0	0
	7/1/23-12/31/23	0	0	0	0	0	0	0
Ohio	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	7/1/23-12/31/23	1	0	0	0	0	0	1
Pennsylvania	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	7/1/23-12/31/23	2	0	0	0	0	0	2
South Carolina	2021	14	0	0	0	0	0	14
	2022	14	0	0	0	0	0	14
	2023	14	0	0	0	0	2	12
	7/1/23-12/31/23	12	0	0	0	0	2	10
Tennessee	2021	10	0	0	0	0	1	9
	2022	9	0	0	0	0	0	9
	2023	9	1	0	0	0	2	8
	7/1/23-12/31/23	8	0	0	0	0	1	7
Texas	2021	17	0	0	0	0	5	12
	2022	12	0	0	0	0	1	11
	2023	11	1	0	0	0	0	12
	7/1/23-12/31/23	12	0	0	0	0	1	11
Utah	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	7/1/23-12/31/23	1	0	0	0	0	0	1
Virginia	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	1	3
	2023	3	0	0	0	0	1	2
	7/1/23-12/31/23	2	0	0	0	0	0	2
Washington	2021	2	0	0	0	0	1	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	7/1/23-12/31/23	1	0	0	0	0	0	1

State	Year	Outlets at the Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
West Virginia	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	7/1/23-12/31/23	1	0	0	0	0	0	1
Wisconsin	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	1	1
	2023	1	0	0	0	0	1	1
	7/1/23-12/31/23	1	0	0	0	0	0	1
Wyoming	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	7/1/23-12/31/23	1	0	0	0	0	0	1
TOTALS	2021	202	2	0	0	0	32	172
	2022	172	3	0	0	0	7	168
	2023	168	2	0	0	0	19	151
	7/1/23-12/31/23	151	3	0	0	0	9	145

(1) The numbers in these Item 20 tables reflect information as of July 1, 2023, July 2, 2022, and July 3, 2021 as our prior fiscal years ended as of those dates. Following the Transaction described in Item 1, our fiscal year end currently is December 31. As a result, we have added a row to disclose information for the balance of calendar year 2023.

TABLE NUMBER 4

**Status of Company-Owned Outlets
For Years 2021 to 2023**

State	Year	Outlets at the Start of the Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at the End of the Year
Total	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	7/1/23-12/31/23	0	0	0	0	0	0

(1) The numbers in these Item 20 tables reflect information as of July 1, 2023, July 2, 2022, and July 3, 2021 as our prior fiscal years ended as of those dates. Following the Transaction described in Item 1, our fiscal year end currently is December 31. As a result, we have added a row to disclose information for the balance of calendar year 2023.

TABLE NUMBER 5

**Projected Openings
As of December 31, 2023**

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company- Owned Outlets in the Next Fiscal Year
California	0	1	0
Florida	0	1	0
Georgia	1	0	0
Mississippi	3	0	0

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company- Owned Outlets in the Next Fiscal Year
New York	0	1	0
North Carolina	0	2	0
Pennsylvania	0	1	0
South Carolina	0	2	0
Texas	0	3	0
TOTAL	4	11	0

Exhibit E to this disclosure document discloses all of our franchisees, addresses, and telephone numbers as of the end of our most recent fiscal year (ended December 31, 2023), as well as all outlets who ceased to operate during our last fiscal year, or franchisees who failed to communicate with us within 10 weeks of the date of this disclosure document. If you buy a franchise for a Store, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last 3 fiscal years, franchisees have signed confidentiality clauses. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the TCBY 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.

We have not created, sponsored, or endorsed any trademark-specific franchisee organization associated with the System, and no such organization has asked to be included in this disclosure document.

ITEM 21 **FINANCIAL STATEMENTS**

Exhibit A contains the audited consolidated financial statements of TCBY Franchising Holdco, LLC (TCBY Holdco) for the period from August 1, 2024 (date of formation) to August 31, 2024. Following the Transaction, we are now owned by a new parent entity and cannot provide the otherwise required three years of financial statements. TCBY Holdco has absolutely and unconditionally guaranteed to assume our duties and obligations to you under the Franchise Agreement if we become unable to perform our duties and obligations. The Guarantee of Performance is attached to this Disclosure Document as Exhibit A.

ITEM 22 **CONTRACTS**

The following agreements proposed for use regarding the offering of a Store are attached to this disclosure document:

- Exhibit B – Franchise Agreement
- Exhibit C – Area Development Agreement
- Exhibit H – Sample Release Agreement
- Exhibit I – Disclosure Acknowledgment Agreement

ITEM 23
RECEIPTS

Attached as Exhibit J to this disclosure document are detachable acknowledgments of receipt. Please sign and return to us our copy of the receipt (Copy for Franchisor), and sign and retain for your records your copy of the receipt (Copy for Prospective Franchisee).

EXHIBIT A

FINANCIAL STATEMENTS AND GUARANTEE OF PERFORMANCE

• **Consolidated Financial Statements**

• **TCBY Franchising**
• **Holdco, LLC**

• For the Period from August 1, 2024 (date of formation)
• to August 31, 2024



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To the Member
TCBY Franchising Holdco, LLC
Salt Lake City, Utah

Independent Auditor's Report

Opinion

We have audited the consolidated financial statements of TCBY Franchising Holdco, LLC (the Company), which comprise the consolidated balance sheet as of August 31, 2024 and the related consolidated statements of income, changes in member's equity and cash flows for the period from August 1, 2024 (date of formation) to August 31, 2024, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of August 31, 2024 and the results of its operations and its cash flows for the period from August 1, 2024 (date of formation) to August 31, 2024 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

GBQ Partners LLC

Cincinnati, Ohio
November 12, 2024

TCBY FRANCHISING HOLDCO, LLC
Consolidated Balance Sheet
August 31, 2024

ASSETS	
Current Assets	
Cash	\$ -
Accounts receivable	441,991
Prepaid expenses and other current assets	29,800
Due from related party	479,458
Total current assets	951,249
Noncurrent Assets	
Deferred expenses	21,227
Intangible assets, net	9,549,669
Goodwill, net	2,679,176
Property and equipment, net	51,955
Other assets	50,000
Total noncurrent assets	12,352,027
TOTAL ASSETS	
	\$ 13,303,276
LIABILITIES AND MEMBER'S EQUITY	
Current Liabilities	
Accounts payable	225,214
Accrued expenses	260,492
Accrued compensation	154,117
Gift card liability, net	409,523
Current portion of deferred revenue	5,419
Total current liabilities	1,054,765
Noncurrent Liabilities	
Deferred revenue, net of current portion	123,306
Total noncurrent liabilities	123,306
Total liabilities	1,178,071
Member's Equity	
	12,125,205
TOTAL LIABILITIES AND MEMBER'S EQUITY	
	\$ 13,303,276

The accompanying notes are an integral part of the consolidated financial statements.

TCBY FRANCHISING HOLDCO, LLC
Consolidated Statement of Income
For the Period from August 1, 2024 (date of formation)
to August 31, 2024

Revenues	
Royalty fees	\$ 203,490
Marketing and advertising fees	100,793
Franchise related fees	1,599
Other income	10,699
Total revenues	316,581
Operating costs and expenses	
General and administrative expense	182,459
Marketing and advertising expense	51,327
Depreciation and amortization expense	31,350
Total operating costs and expenses	265,136
Net income	\$ 51,445

The accompanying notes are an integral part of the consolidated financial statements.

TCBY FRANCHISING HOLDCO, LLC
Consolidated Statement of Changes in Member's Equity
For the Period from August 1, 2024 (date of formation)
to August 31, 2024

Balance - August 1, 2024 (date of formation)	\$ -
Noncash capital contribution	12,073,760
Net income	51,445
Balance - August 31, 2024	\$ 12,125,205

The accompanying notes are an integral part of the consolidated financial statements.

TCBY FRANCHISING HOLDCO, LLC
Consolidated Statement of Cash Flows
For the Period from August 1, 2024 (date of formation)
to August 31, 2024

Cash Flows from Operating Activities	
Net income	\$ 51,445
Adjustments to reconcile net income to net cash flows provided by operating activities:	
Depreciation and amortization expense	31,350
Accretion of deferred revenues	(1,599)
Changes in operating assets and liabilities:	
Accounts receivable	142,438
Prepaid expenses and other current assets	3,359
Due from related parties	(220,165)
Deferred expenses	172
Accounts payable	(41,488)
Accrued expenses	22,692
Accrued compensation	15,130
Gift card liability	(1,956)
Net cash provided by operating activities	1,378
Cash Flows from Investing Activities	
Purchases of property and equipment	(1,378)
Net cash used by investing activities	(1,378)
Net Increase in Cash	-
Cash - Beginning of Period	-
Cash - End of Period	\$ -
Supplemental Disclosure of Noncash Financing Activities	
Noncash capital contribution from Member	\$ 12,073,760

The accompanying notes are an integral part of the consolidated financial statements.

TCBY FRANCHISING HOLDCO, LLC

Notes to the Consolidated Financial Statements

August 31, 2024

Nature and Scope of Business

TCBY Franchising Holdco, LLC was formed and commenced operations on August 1, 2024 (date of formation) in the state of Delaware. TCBY Franchising Holdco, LLC, its wholly owned subsidiary TCBY Systems, LLC, and its wholly-owned subsidiary TCBY International, LLC (collectively the "Company") develop and franchise retail stores that sell core products, including frozen yogurt through specialty branded concept TCBY. The Company is a wholly owned subsidiary of Famous Brands, LLC ("Member"), which is a wholly owned subsidiary of Famous Brands International, LLC, ("FBI") which is a wholly owned subsidiary of Famous Brands International Parent, LLC ("FBIP").

On August 1, 2024, as part of the formation process, FBIP contributed all assets, liabilities, and rights attributable to the TCBY franchising operations to FBI, who immediately contributed to TCBY Franchising Holdco, LLC. These assets and liabilities included the related trade name, franchise agreements, and goodwill associated with the brand that were derived from FBIP acquiring these assets on October 19, 2023. This formation and contribution aimed to separate the operations of this brand from a related brand, which was previously consolidated into one entity, to better manage and grow the acquired businesses. The assets and liabilities contributed on August 1, 2024 were based on the historical value of the related party contributing and are as follows:

Cash	\$ -
Accounts receivable	584,429
Prepaid and other current assets	33,159
Due from related party	259,293
Property and equipment	50,728
Intangible assets	9,556,419
Goodwill	2,703,625
Deferred expenses	21,399
Other assets	50,000
Accounts payable	(266,702)
Accrued expenses	(237,800)
Accrued compensation	(138,987)
Gift card liability, net	(411,479)
Deferred revenue	(130,324)
Net carrying value	\$ 12,073,760

The Company authorizes franchisees to use certain business formats, systems, methods, procedures, designs, layouts, specifications, trade names and trade name in the United States of America and other countries. The Company licenses the use of its trade name, logos, and recipes to third parties for the distribution of TCBY-branded products through specialty stores and cafes. There were 154 franchised locations operating as of August 31, 2024, inclusive of both domestic and international locations.

See Independent Auditor's Report.

TCBY FRANCHISING HOLDCO, LLC

Notes to the Consolidated Financial Statements

August 31, 2024

Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements have been prepared on an accrual basis in accordance with accounting principles generally accepted in the United States of America ("GAAP").

The Company operates on a calendar year basis; however, the consolidated financial statements present the period from August 1, 2024 (the date of formation) to August 31, 2024.

Principles of Consolidation

The consolidated financial statements include the accounts of TCBY Franchise Holdco, LLC and its wholly owned subsidiary, TCBY Systems, LLC, and its wholly owned subsidiary, TCBY International, LLC. All inter-company accounts and transactions have been eliminated upon consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosures of contingent liabilities in the consolidated financial statements and accompanying notes. From time to time, management evaluates these estimates, including those that relate to the fair value of goodwill and intangible assets, long-lived asset impairments, gift card liabilities, and contingencies. The Company bases its estimates on historical experience and on various assumptions that it believes are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Actual results could differ from those estimates, making it possible that a change could occur in the near term.

Statements of Cash Flows

For purposes of reporting cash flows, cash includes cash on hand and demand deposits held by financial institutions. During the period presented, FBI maintained the Company's cash accounts, collecting revenues and paying expenses allocated to the Company. The net balance due from FBI is included in the due from related party on the consolidated balance sheet.

See Independent Auditor's Report.

TCBY FRANCHISING HOLDCO, LLC
Notes to the Consolidated Financial Statements
August 31, 2024



Summary of Significant Accounting Policies (continued)

Accounts Receivable

The Company's receivables are primarily due from domestic and international franchisees. The Company follows Accounting Standards Codification ("ASC") Topic 326, *Financial Instruments – Credit Losses* (ASC 326) which requires the Company to measure all expected credit losses for financial assets (or a group of financial assets) held at the reporting date based on historical experience, current conditions, and reasonable supportable forecasts. The carrying amount of receivables is reduced by a valuation allowance for expected credit losses, as necessary, that reflects management's best estimate of the amount that will not be collected. This estimation takes into consideration historical experience, current conditions and, as applicable, reasonable supportable forecasts. Actual results could vary from the estimate. Accounts are charged against the allowance when management deems them to be uncollectible. Based on its assessment, management determined that the risk of credit loss was not material; valuation allowance recorded as of August 31, 2024 is considered de minimis. The Company does not accrue finance or interest charges on outstanding balances.

Property and Equipment

Property and equipment are recorded at cost and depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Expenditures that materially extend useful lives of property and equipment are capitalized. Routine maintenance, repairs and renewal costs are expensed as incurred. Gains or losses from the sale or retirement of property and equipment are recorded in current operations.

Goodwill

Goodwill represents the excess of the consideration transferred above the fair value of the assets acquired and liabilities assumed related to acquisitions. See *Nature and Scope of Business*.

Under ASU 2014-02, *Intangibles – Goodwill and Other (Topic 350) Accounting for Goodwill*, the Company has elected to amortize goodwill over a period of 10 years. In addition, the Company has elected to test for goodwill impairment at the Company level when a triggering event occurs. An impairment loss is recognized to the extent the carrying value of the entity exceeds its fair value. During the period ended August 31, 2024, no triggering events were identified. The Company determined that no impairment was required as of August 31, 2024.

See Independent Auditor's Report.

TCBY FRANCHISING HOLDCO, LLC
Notes to the Consolidated Financial Statements
August 31, 2024



Summary of Significant Accounting Policies (continued)

Intangible Assets

The trade name is an indefinite-lived asset recorded at fair value when originally acquired and reflected the distinctive signs, symbols, or words that identify and distinguish the products or services of a company from those of others. The trade name represents valuable intellectual property rights that can contribute significantly to a company's brand recognition, reputation, and competitive advantage.

Acquired franchise agreements are amortized on a straight-line basis using 20 years or remaining term. Acquired franchise agreements relate to franchise rights acquired for future development and are recognized at fair value when originally acquired. Fair value reflects the present value of expected future cash flows associated with the franchise agreements, considering factors such as the brand strength, market conditions, and contractual terms.

Impairment or Disposal of Long-Lived Assets

Long-lived assets, such as property and equipment and intangible assets subject to amortization are reviewed for impairment when events or changes in circumstances indicate that the book value of an asset may not be fully recovered. If events or circumstances indicate that the carrying amount of a long-lived asset may be impaired, the Company will make an assessment of recoverability using an estimate of future undiscounted net cash flows of the related asset or group of assets over the remaining life in measuring whether the assets are recoverable. Impairment of long-lived assets is assessed at the lowest level for which there are identifiable cash flows that are independent of other groups of assets. Impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. The impairment of long-lived assets requires judgments and estimates. If circumstances change, estimates could also change. The Company determined no impairments had occurred during the period ended August 31, 2024.

The Company's trade name is not subject to amortization but is tested for impairment annually or whenever events or changes in circumstances indicate that the asset might be impaired. The Company determined no impairments had occurred during the period ended August 31, 2024.

See Independent Auditor's Report.

TCBY FRANCHISING HOLDCO, LLC
Notes to the Consolidated Financial Statements
August 31, 2024



Summary of Significant Accounting Policies (continued)

Revenue Recognition

Revenue consists of franchise-related fees, including initial franchise and transfer fees, royalty fees, marketing and advertising fees, and other income. The Company recognizes revenue when it satisfies a performance obligation by transferring control over a product or service to a franchisee.

Franchise related fees, deferred revenue, and deferred expenses

The performance obligations under the franchise agreements consist of a franchise license, including a license to use the TCBY brand and Marketing and Advertising Fund ("MAF") management, pre-opening services, such as guidance in selecting sites, assistance in layout and signage for store training and inspections, and ongoing services, such as development of training materials and store location monitoring and inspections.

Deferred revenue includes the initial franchisee fee paid upon execution of the franchise agreement and the renewal fee paid at the expiration of the initial term of the franchise agreement. Fees paid are typically nonrefundable, and in exchange, the Company provides a variety of services outlined above.

Deferred revenue obtained prior to October 19, 2023, is accounted for under ASC 606 as a single performance obligation, which is satisfied over time by providing a right to use the intellectual property over the term of each franchise agreement. Initial and renewal franchise fees and area development fees are recognized as revenue over the term of the respective agreement unless the franchise agreement is terminated early, in which case the remaining initial or renewal franchise fee is fully recognized in the period of termination. Franchise fees paid under Master Franchise Agreements are amortized over the remaining life of the Master Franchise Agreement. The pro rata amount apportioned to each location is accounted for as an initial franchise fee. The accounting treatment of revenue recognition follows how the deferred revenue was accounted for under prior ownership.

The initial franchise fees are included in contract liabilities upon receipt as they are not considered distinct performance obligations under ASC 606. Revenue from the initial franchise fees is recognized at the beginning of the performance obligation and continues throughout the life of the franchise agreements. The Company typically grants franchise rights to franchisees for a term of 10 years. The Company considers the franchise location opening when the performance obligation commences.

For franchise agreements entered into after October 19, 2023 (see *Nature and Scope of Business*), the Company has elected to apply the practical expedient under (ASC) *Revenue from Contracts with Customers* ("Topic 606"), ASU 2021-02 *Franchisors – Revenue from Contracts with Customers* (Subtopic 952-6060 for franchisors and has divided its performance obligations into two components: upfront obligations (satisfied at a point in time) and obligations under the ongoing franchise agreement (satisfied over a period of time).

See Independent Auditor's Report.

TCBY FRANCHISING HOLDCO, LLC
Notes to the Consolidated Financial Statements
August 31, 2024

Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Franchise related fees, deferred revenue, and deferred expenses (continued)

The Company has identified its pre-opening services as a separate and distinct element of its contract satisfied at a point in time because, upon completion, the franchisee has full knowledge of the Company's proprietary methods. Further, most of the Company's direct costs are associated with the recruiting and training of franchisees. The Company calculated upfront revenue in reference to the total transaction price over the term of the initial franchise agreement and an allocation to the specific performance obligations based on their relative stand-alone values. Based on this calculation, the Company is claiming upfront revenue of 80% of the franchise fee. The contract liability resulting from the income deferral will be amortized on a straight-line basis over the remaining term of the franchise agreement.

In the event a franchise agreement is terminated, any remaining deferred revenue is recognized in the period of termination.

The Company has agreements with certain employees to facilitate the sale of franchises. The terms of these agreements require that the Company pay commissions to these employees for each franchise sold. Under ASC 606, these commissions are recorded as deferred expenses and recognized beginning when the performance obligation commences through the life of the franchise agreement, which is the same term over which the revenue is recognized.

The Company has recorded both the current and long-term portions of deferred expenses and deferred revenue. The current portions consist of the Company's commission expense and revenue estimate, which is expected to be recognized within one year of the balance sheet date based on the stores that are expected to commence operations.

A summary of significant changes to the deferred revenue and deferred expenses balances are shown below:

	Deferred Revenue	Deferred Expenses
Balance, August 1, 2024	\$ 130,324	\$ 21,399
Revenue recognition from initial franchise fees	(1,599)	-
Expense recognition from direct costs	-	(172)
Balance, August 31, 2024	\$ 128,725	\$ 21,227

See Independent Auditor's Report.

TCBY FRANCHISING HOLDCO, LLC
Notes to the Consolidated Financial Statements
August 31, 2024

Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Franchise related fees, deferred revenue, and deferred expenses (continued)

The following table illustrates the estimated revenue from franchise stores as of August 31, 2024 to be recognized in the future related to performance obligations that are unsatisfied as of August 31, 2024:

Remaining 2024	\$ 5,419
2025	13,896
2026	13,896
2027	11,649
2028	11,649
2029	11,649
Thereafter	60,567
	<hr/>
	\$ 128,725

Future store openings are subject to adjusted opening schedules and have not been included in the above table as a result.

Royalty Fees

Royalty fees are calculated as a percentage of franchisee sales. Royalty fees represent sales-based payments that are related entirely to the performance obligation under the franchise agreement and are recognized as franchisee sales occur.

Marketing and Advertising Fund

MAF contributions are calculated as a percentage of franchisee sales. MAF contributions paid by franchisees are used for the creation and development of brand advertising, marketing and public relations, merchandising research and related programs, activities and materials. Under Topic 606, MAF contributions will be reflected as a separate line in the revenue section and the related expenses will be reflected as a separate line in the operating costs and expenses on the consolidated statement of income. MAF contributions represent sales-based payments that are related entirely to the performance obligation under the franchise agreement and are recognized as franchisee sales occur.

Other Income

Other income includes gift card breakage and revenue as a result of franchisee purchases of products and services received by the Company from vendors that supply food and supplies to franchisee, and are recognized as revenue as the thresholds of product purchases by the Company's franchisees are met.

See Independent Auditor's Report.

TCBY FRANCHISING HOLDCO, LLC
Notes to the Consolidated Financial Statements
August 31, 2024



Summary of Significant Accounting Policies (continued)

Gift Cards

The Company sells gift cards primarily through certain third-party distributors. These gift cards do not expire or incur a service fee on unused balances. The Company acts as a clearinghouse for its franchisees' gift card transactions. On a monthly basis, franchisees are billed or paid for the gift card sales over or under gift card redemptions at the respective franchisees' store for the month.

Sales of gift cards are initially recorded as a liability at their expected redemption value. The portion of gift cards sold to customers that are never redeemed is recorded as gift card breakage in accordance with Topic 606 or escheated to the state in accordance with laws and guidelines under which the Company is required to adhere to. Under Topic 606, gift card breakage revenue is recognized in proportion to the pattern of gift card redemptions exercised by customers, using an estimated breakage rate based on historical experience. During the period from August 1, 2024 (date of formation) to August 31, 2024, the Company recognized \$0 of breakage income included within other income on the accompanying consolidated statement of income.

Advertising Expenses

The Company expenses all advertising costs as they are incurred. Total advertising costs for the period ended August 31, 2024 were \$9,169, and are included in marketing and advertising expense in the accompanying consolidated statement of income.

Income Taxes

The Company, with the consent of its Member, has elected to be formed as a limited liability company. The Company has also elected to be treated as a partnership for federal and state income tax purposes. In lieu of paying federal and most state taxes at the company level, the Member of a limited liability company is taxed on the Company's taxable income. No provision or liability for federal or state income taxes has been included in the consolidated financial statements.

As of August 31, 2024, the Company had no uncertain tax positions that qualify for either recognition or disclosure in the consolidated financial statements. Additionally, the Company did not incur any interest and penalties related to income taxes.

Concentrations

At times, the Company's bank account balances may exceed federally insured limits. Management monitors the financial condition of the institutions with which it invests; nothing has been identified to suggest any of the institution's financial condition were at risk. The Company has not experienced any losses in such accounts.

See Independent Auditor's Report.

TCBY FRANCHISING HOLDCO, LLC
Notes to the Consolidated Financial Statements
August 31, 2024

Goodwill

Goodwill as of August 31, 2024 is summarized as follows:

	Weighted Average Life in Years	
Goodwill	10	\$ 2,933,922
Accumulated amortization		(254,746)
Net book value		\$ 2,679,176

Amortization expense for the period ended August 31, 2024 was \$24,168.

Amortization expense for the next five years and thereafter is as follows:

Remaining 2024	\$ 97,797
2025	293,392
2026	293,392
2027	293,392
2028	293,392
2029	293,392
Thereafter	1,114,419
Total	\$ 2,679,176

Intangible Assets

Intangible assets as of August 31, 2024 are summarized as follows:

	Amortizable Life (Years)	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Trade name	Indefinite	\$ 8,000,000	\$ -	\$ 8,000,000
Franchise agreements	20	1,620,000	70,331	1,549,669
		\$ 9,620,000	\$ 70,331	\$ 9,549,669

Amortization expense for the period ended August 31, 2024 was \$6,750.

See Independent Auditor's Report.

TCBY FRANCHISING HOLDCO, LLC
Notes to the Consolidated Financial Statements
August 31, 2024

Intangible Assets (continued)

Amortization expense for the next five years and thereafter is as follows:

Remaining 2024	\$ 27,000
2025	81,000
2026	81,000
2027	81,000
2028	81,000
2029	81,000
Thereafter	1,117,669
	<u>1,549,669</u>
	<u>\$ 1,549,669</u>

Member's Equity

The managing member is the entity's sole member and manages the Company's business and affairs. Contributions and distributions shall be made at the member's discretion and when the member determines. See *Nature and Scope of Business*.

Commitments and Contingencies

From time to time the Company is subject to lawsuits and other charges from customers and employees, which are typical within the industry. In the opinion of management, any open matters will not have a material effect upon the financial position of the Company.

Related Party Activity

On August 31, 2024, the Company was due \$479,458 from FBI related to funds collected on behalf of the Company and in custody of FBI. These funds are included in due from related party on the accompanying consolidated balance sheet and are expected to be repaid within one year.

Subsequent Events

Management has evaluated subsequent events through the date of the Independent Auditor's Report, the date on which the consolidated financial statements were available to be issued.

Subsequent to the period end, eight franchise locations closed.

See Independent Auditor's Report.

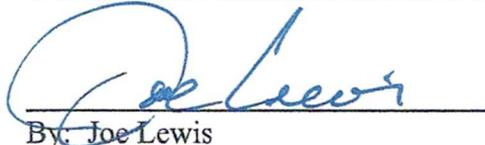
GUARANTEE OF PERFORMANCE

For value received, TCBY Franchising Holdco, LLC, a Delaware limited liability company (the "Guarantor") located at 1717 S. 4800 W., Salt Lake City, Utah 84104 absolutely and unconditionally guarantees to assume the duties and obligations of TCBY Systems, LLC, a Delaware limited liability company, 1717 S. 4800 W., Salt Lake City, Utah 84104 (the "Franchisor") under its franchise registration in each state where the franchise is registered and under its Franchise Agreement identified in its 2024 Franchise Disclosure Document, 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, whichever first occurs. 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 signed this Guarantee of Performance at Mandeville LA,
on the 15th day of November, 2024.

Guarantor:

TCBY FRANCHISING HOLDCO, LLC



By: Joe Lewis

Its: President

EXHIBIT B
FRANCHISE AGREEMENT

FRANCHISE AGREEMENT

BETWEEN

**TCBY SYSTEMS, LLC
1717 S. 4800 W.
Salt Lake City, Utah 84104
(801) 412-8890**

AND

Name(s) of Franchisee

Street

City State ZIP Code

() _____
Area Code Telephone

Franchised Store Information:

Street

City State ZIP Code

() _____
Area Code Telephone

Date of Franchise Agreement

_____, 20____

FRANCHISE AGREEMENT

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FRANCHISE AGREEMENT

TCBY ®

THIS FRANCHISE AGREEMENT (the “**Agreement**”) is made as of the Effective Date between **TCBY SYSTEMS, LLC**, a Delaware limited liability company, whose address is 1717 S. 4800 W., Salt Lake City, Utah 84104 (“**us**”), and _____, a _____, whose address is _____ (“**you**”). The Effective Date is the date on which we sign this Agreement as indicated beneath our signature.

PREAMBLES

We and our Affiliates have expended a considerable amount of time and effort in developing, refining and protecting the Marks, the distinctive business formats and System Standards under which Stores are developed and operate, and the Approved Products they offer and sell (including the recipes for and the methods of preparation of Approved Products to obtain high product quality). We and our Affiliates have franchised and licensed and, in the future, have the right to continue to franchise and license others to operate Stores.

You and, if applicable, your Owners have requested that we grant you a Franchise to develop, own and operate a Store as described in this Agreement. In support of your request, you and, if applicable, your Owners, have provided us with certain information and documentation. In reliance on that information and documentation and on your and, if applicable, your Owners’ representations, we are willing to grant you a Franchise on the terms and conditions contained in this Agreement.

1. DEFINITIONS

Certain terms may be defined where they appear within the text of the Agreement. The following terms have the meanings below:

(a) “**Affiliate**,” means any person or entity that directly or indirectly owns or controls, is directly or indirectly owned or controlled by, or is under common control with a person or entity, now or in the future.

(b) “**Approved Products**,” means products we approve or require from time to time for sale at or from Stores, including premium soft-serve frozen yogurt, hand-dipped frozen yogurt and other frozen and non-frozen dessert and treat items, such as cakes and pies, sorbet, smoothies, fresh yogurt, mix-ins, toppings, chocolate, dried fruit, nuts, candies, popcorns and drinks.

(c) “**Competitive Business**” means any business that operates, grants franchises or licenses to others to operate, acts as a landlord to, or otherwise provides products, services or assistance to a restaurant, retail outlet or other food service business (other than a TCBY Store operated pursuant to a franchise agreement with us or our Affiliate) which offers or sells fresh or frozen yogurt, smoothies, ice cream or other frozen desserts or similar items as primary or featured items or for which the sale of fresh or frozen yogurt, smoothies, ice cream or other frozen desserts or similar items (either individually or in the aggregate) accounts for at least 10% of its sales during any calendar month.

(d) “**Confidential Information**” means any information relating to the Approved Products or the development or operation of Stores, including site selection criteria; trade secrets; recipes and methods for the preparation of Approved Products; methods, techniques, formats, standards, specifications, systems, procedures, sales and marketing techniques and knowledge of and experience in the development and operation of Stores; marketing programs for Stores; knowledge

of specifications for and suppliers of certain Approved Products, materials, supplies, equipment, furnishings and fixtures; customer data; and knowledge of the operating results and financial performance of Stores, including Your Store.

(e) **“Controlling Interest”** means an interest, the ownership of which empowers the holder to exercise a material influence over the management, policies or personnel of an Entity. Ownership of five percent (5%) or more of the equity or voting securities of a corporation, limited liability company or limited liability partnership or ownership of any general partnership interest in a general or limited partnership will be deemed conclusively to constitute a Controlling Interest in the corporation, limited liability company, or partnership, as the case may be.

(f) **“Entity”** means a corporation, general partnership, joint venture, limited partnership, limited liability partnership, limited liability company, trust, estate or other business entity.

(g) **“Entity Owner”** means, with respect to an Entity, any shareholder owning directly or beneficially five percent (5%) or more of any class of securities of the Entity; any general partner or co-venturer in the Entity; any partner in a limited liability partnership or member in a limited liability company owning directly or beneficially 5% or more of the ownership interests in the limited liability partnership or limited liability company; the trustees or administrators of any trust or estate; and any beneficiary of a trust or estate owning, directly or beneficially, five percent (5%) or more of the interests in the trust or estate. If any Entity Owner within the scope of this definition is itself an Entity (including an Entity Owner that is an Entity Owner because of this sentence), the term “Entity Owner” also includes Entity Owners (as defined in the preceding sentence) in the Entity. It is the intent of this definition to “trace back” and include within the definition of Entity Owner all natural persons owning the requisite interests to qualify as Entity Owners.

(h) **“Franchise”** means the non-exclusive, non-transferable (except as provided herein, and non-sublicensable right and license, as described in this Agreement, to develop, own and operate a Store as described in this Agreement.

(i) **“Gross Revenue”** means the aggregate of all revenue, in whatever form (including the value of all barter, exchange, trade or other credit), attributed to the operation of Your Store (whether or not in compliance with this Agreement) based on the gross price of all products and services sold at or through Your Store and all other revenue sources, including fees for any delivery, catering and other approved off-site activities, but excluding all approved customer discounts and all federal, state or municipal sales, use, or service taxes collected from customers and paid to the appropriate taxing authority. Gift certificate, gift card and similar program payments will be included in Gross Revenue consistent with the policies periodically stated in the Operations Manual. Gross Revenue also includes all insurance proceeds you receive for loss of business due to a casualty or similar event.

(j) **“Marks”** means trademarks, trade names, service marks, logos and other commercial symbols that we authorize franchisees from time to time to use to identify their Stores and the Approved Products, including the trademarks and service marks TCBY® and THE COUNTRY’S BEST YOGURT® and the associated Trade Dress.

(k) **“Operations Manual”** means the manual or series of manuals, memos, newsletters and other written communications that we provide or make available to you for your use solely in developing and operating Your Store. The Operations Manual contain both mandatory and suggested specifications, standards and operating procedures, including System Standards, regarding various aspects of developing and operating Stores and may be modified by us from time to time to

reflect changes in the image, specifications, standards, procedures, Approved Products, System, and System Standards.

(l) “**Premises**” means the physical location at which you are authorized to develop, own and operate Your Store under this Agreement.

(m) “**Restricted Person**” means you; each of your Entity Owners, if you are an Entity; and the spouses, natural and adopted children, and siblings of any of you and your Entity Owners.

(n) “**Store**” means a retail snack, dessert, and beverage outlet selling any Approved Products for on- or off-premises consumption and other products and services specified by us. Stores include carts and kiosks, and other satellite units we approve to sell the Approved Products.

(o) “**System**” means our business formats, signs, equipment, methods, procedures, designs, layouts, standards and specifications, including the use of the Marks and the Trade Dress, which we have the right to modify in the future.

(p) “**System Standards**” means the operating procedures, standards, requirements and specifications, whether contained in the Operations Manual or elsewhere, which we have the right to improve, further develop or modify from time to time and which are mandatory in nature so as to comprise the requirements to be followed by Stores, and the use of the Marks in connection therewith.

(q) “**Term**” means the period beginning on the Effective Date and ending on the 10th anniversary of that date.

(r) “**Trade Dress**” means the designs, color schemes, decor and images which we authorize and require our franchisees to use in connection with the operation of a Store, which we or our Affiliates have the right to revise and further develop from time to time.

(s) “**Transfer**” means the voluntary or involuntary, direct or indirect transfer, assignment, sublicense, sale, gift, pledge, mortgage, hypothecation or other disposition (including those occurring by operation of law and a series of transfers that in the aggregate constitute a Transfer) of any of your interests in this Agreement, Your Store or its assets (other than in the ordinary course of business), your right to possession of the Premises, or a direct or indirect ownership interest in you.

(t) “**Your Store**” means the Store that you are authorized to develop, own and operate pursuant to this Agreement.

2. GRANT OF FRANCHISE

2.1. Grant of Franchise. We grant you the Franchise for the Term and subject to the terms and conditions of this Agreement. The Franchise is specific to the Premises identified on Schedule 3; however, if at the time of signing this Agreement we have not accepted and you have not secured the Premises for Your Store, you will have six (6) months from the Effective Date to obtain our acceptance of and secure the Premises for Your Store. If you subsequently obtain our acceptance of and secure the Premises for Your Store within the 6-month period, we and you will sign Alternative Schedule 3 **identifying** the Premises for Your Store. If you fail to obtain our acceptance of and secure the Premises for Your Store within the 6-month period, however, we have the right to terminate this Agreement. For purposes of this Agreement, to “**secure the Premises for Your Store**” means that you have either (i) signed a Lease (defined below) that we have accepted as described in Section 4.2 below, if you are leasing or subleasing the Premises; or (ii) taken possession of the Premises, if you own the Premises. You hereby accept the

Franchise and undertake the obligation to operate Your Store using the System in accordance with the System Standards.

2.2. No Exclusivity. You are not granted an exclusive area or protected territory around the Premises within which we or our Affiliates agree not to issue franchises or operate competing businesses. We and our Affiliates have the right, anywhere in the world, to issue franchises, grant licenses for products or services, and conduct any other business or activities, with or without the Marks and in any type of distribution channel, regardless whether such activities are competitive with Your Store. We and our Affiliates will not be required to provide you with any compensation for, or any right to participate, in any such of activities.

2.3. Approved Products. In operating Your Store, you must offer all Approved Products and may offer for sale only those Approved Products that we approve from time to time for you to sell at the Premises. The Approved Products that you initially are authorized to offer at Your Store are explained in the Operations Manual. In the future, we have the right to change or add to the Approved Products that you are authorized to offer at the Premises and notify you of such changes or additions, as we determine, through references to the Operations Manual, bulletins and other written materials, electronic computer messages, telephonic conversations, and/or consultations at our offices or at Your Store.

3. **SUCCESSOR FRANCHISE**

3.1. Renewal. You have the one-time option to acquire a successor franchise for an additional 10-year term subject to the following:

(a) You must give us written notice of your intention to acquire a successor franchise between 90 and 180 days prior to expiration of the Term;

(b) You must sign our then-current form of Franchise Agreement, the terms and conditions of which may be materially different than those contained in this Agreement, including with respect to fees and charges and performance criteria. The successor franchise agreement will be amended to acknowledge that Your Store is then in operation, to provide for payment of the fee described in clause (h) below instead of an initial franchise fee, and to remove any further rights to secure another successor franchise agreement;

(c) You, your Affiliates, and your and their respective officers, directors, owners, and agents must execute a general release of any and all claims against us, our Affiliates and our and their respective officers, directors, owners, agents and employees;

(d) At our request, you must refurbish, remodel, redecorate, and renovate Your Store at the commencement of the renewal term to meet our then-current System Standards for Stores, including designs and service systems, computer and point-of-sale equipment, and Trade Dress;

(e) You must have complied with all of the terms and conditions of this Agreement or any other agreement between you and us during the Term;

(f) All amounts you owe to us, our Affiliates or your suppliers or creditors, whether pursuant to this Agreement or otherwise, must have been paid in full prior to acquiring the successor franchise, and must have been paid in a timely manner throughout the Term;

(g) You must have the right to maintain the Premises for at least the duration of the term of the successor franchise, and you must provide a copy of the Lease to us;

(h) You must pay us a fee in the amount of twenty percent (20%) of the then-current initial franchise fee; and

(i) You must follow our then-current renewal process, which may require you to deliver certain financial statements and other records and reports to us, attend additional training and cooperate in any audits and/or inspections we may conduct or require.

If we determine that you have met all of the conditions described above prior to the expiration of the Term, we will provide you with an execution copy of the form of Franchise Agreement to be entered into for the successor franchise term. If you do not execute and return the successor Franchise Agreement to us within 30 days of your receipt, then you will be deemed to have withdrawn your notice of renewal, and this Agreement will terminate at the end of the Term.

4. SITE SELECTION, LEASE OF PREMISES AND DEVELOPMENT OF YOUR STORE

4.1. Site Selection. You must locate and obtain our written acceptance of the Premises before you sign a lease or sublease for or begin construction of the Premises. You must use our designated real estate broker to evaluate potential sites, unless we otherwise agree in writing. Our acceptance of the Premises is for our own internal purposes and will, to a large extent, be based on information you provide us with respect to the demographic and commercial characteristics of the proposed Premises. Our acceptance does not constitute a representation or warranty of any kind as to the suitability of the Premises for Your Store or for any other purpose. You must make your own determination in that regard. Our criteria may change, the commercial characteristics of the Premises may change, and there are no guarantees with respect to the continued suitability of the Premises or its potential for success. Those factors are beyond our control, and we will not be responsible to you if the Premises do not meet your expectations. We may assist you in identifying and securing possession of the Premises, including by referring you to brokers and identifying one or more sites that we believe to be available and that might meet our criteria. Our assistance does not replace your own diligence and investigation, and you may not rely on any assistance we provide for any purpose whatsoever.

4.2. Your Obligation to Secure Possession. Once we have confirmed, in writing, our acceptance of your proposed Premises, it will be your responsibility to secure the right to occupy the Premises under an agreement that allows you to develop and operate Your Store in accordance with this Agreement for the duration of the Term (for ease of reference, that agreement will be referred to as the “**Lease**”). However, you agree not to execute the Lease until we have accepted its terms. In addition, you and the landlord of the Store Premises must sign a “Lease Addendum” in the form attached hereto as Schedule 4.

Our acceptance of a Lease does not constitute an express or implied warranty by us of the successful operation or profitability of a Store operated at the Premises or that the terms of the Lease are as favorable to you as they might be. Our acceptance means only that we believe the Lease meets criteria we have established for our own internal purposes. If, after we accept your proposed Lease, you sign it, you do so based on your own diligence and acceptance of the terms and conditions contained in the Lease. You must provide us with a copy of the fully executed Lease within 15 days after its execution.

4.3. Development of Your Store. You are responsible, at your expense, for doing all things necessary to construct and develop Your Store in accordance with our System Standards, the Lease, and applicable law. We will furnish you with prototypical plans and specifications for a Store, including requirements for exterior and interior materials and finishes, dimensions, design, image, interior layout, decor, fixtures, equipment, signs, furnishings and color scheme. You must comply with these plans and specifications, as adapted, with our prior written approval, to accommodate the particular shape and

dimensions of the Premises and to ensure that the plans and specifications comply with applicable ordinances, building codes and permit requirements and with lease requirements and restrictions. You agree to submit construction plans and specifications to us for our approval before construction of Your Store is commenced, and you agree to submit all revised plans and specifications to us for our approval during the course of construction. In constructing and outfitting Your Store, you may use only those materials and items (including furniture, fixtures and equipment) we designate, and you may secure those items from and use only those providers (including an architect and general contractor) that we designate or approve from time to time. We may require you to use our designated architect to assist you with site design and architectural plans for the Premises. On completion of construction, you also agree to provide us with a set of “as built” plans and specifications. You acknowledge and agree that you assume all risk relating to the construction and development of Your Store, and our designation or approval of your architect, contractor, construction plans and specifications does not constitute an express or implied representation or warranty of any kind as to the quality of such construction or development or the success of Your Store.

4.4. Fixtures, Furnishings, Equipment, Signs and Computer Systems. In developing and operating Your Store, you agree to do each of the following:

(a) Use only the fixtures, furnishings, equipment and signs that we require and have approved for Stores as meeting our System Standards;

(b) Place or display at the Premises (interior and exterior) only the signs, emblems, lettering, logos and display materials that we approve in writing; provided, however, that we have the right to install all required signs at the Premises at your sole expense; and

(c) Use the computer equipment and operating software, including any point-of-sale or electronic cash register (“**Computer System**”) that we specify from time to time. You must use our designated credit card processor. We have the right to require you to obtain specified computer hardware and/or software and modify specifications for and components of the Computer System from time to time from designated suppliers which may include us and our affiliates. Our modification of specifications for the Computer System’s components may require you to incur costs to purchase, lease and/or license new or modified computer hardware and/or software, obtain service and support for the Computer System during the Term and pay any related connection fees. We have the right to require you in the future to purchase additional or different components of the Computer System, including computer hardware and software and connection and other related services, from a supplier or suppliers we designate, which may include us or our Affiliates. You agree to incur the costs of obtaining the computer hardware and software comprising the Computer System (or additions or modifications). There are no contractual limitations to the frequency and cost of the obligation to upgrade and maintain the Computer System We have the right to independently access the information and data you collect and gather using any Computer System or other data collection equipment (such as an electronic cash register) we require for Your Store. For defective equipment, products, software or other items purchased by you, you must deal directly with that manufacturer. We are not responsible for claims or damages incurred by you as a result of you using our Computer System. If you do not comply with the required Computer System that we specify, you will be assessed a Computer System Compliance Fee in the amount of the greater of \$500 per month, or the then current monthly rate of the software license. In addition, your failure to comply with the required Computer System that we specify shall constitute a default under Section 13.1(m) of this Agreement. Any deviation from our required Computer System is subject to our prior approval.

You agree that all fixtures, furnishings, equipment, signs and computer systems used in connection with the operation of Your Store will be free and clear of all liens, claims and encumbrances, except for liens, claims or encumbrances asserted by us and except for third-party purchase money security interests.

If you acquire an existing Store with an unapproved cash register system or that does not otherwise comply with our required Computer System and Brand Standards, we will require you or the selling franchisee to purchase and install the approved POS system as well as other approved Computer System components in the Store prior to transfer as a condition to our consent to the transfer. If you remodel an existing Store with an older cash register or POS system, we will require you to purchase and install our then-current POS system and approved Computer System components.

4.5. Opening Your Store. You will not open Your Store for business until we approve it for opening. We will not approve it for opening until all required pre-opening training has been completed to our satisfaction, all amounts then owed to us and our Affiliates have been paid, you have provided us with a copy of (and we have accepted) your fully executed Lease, you have provided us with a certificate of insurance issued by your insurance provider confirming that you have procured and fully paid for the insurance required under this Agreement.

Subject to your compliance with the conditions set forth in this Section 4.5, you agree to open Your Store for business no later than the “**Start Date**,” which is the date that is 150 days after either: (i) the Effective Date, if at the time of signing this Agreement we have identified the Premises on Schedule 3 attached to this Agreement; or (ii) the date you and we sign Alternative Schedule 3 identifying the Premises for Your Store. Your Start Date is listed on Schedule 3 or Alternative Schedule 3, as applicable.

If you do not open your store by the Start Date, we have the right to (a) extend the Start Date, (b) charge you a \$1,000 per month Delinquent Opening fee, or (c) terminate your Agreement.

4.6. Grand Opening Promotion. You agree to conduct a grand opening advertising and promotion program for Your Store in a manner that we approve, commencing within 30 days either before or after the opening of Your Store, as we may reasonably designate. The grand opening program shall conform to our requirements and shall utilize the media and advertising formats we designate. You must submit a grand opening plan containing details about your planned grand opening promotion, and obtain our approval of the plan, at least sixty (60) days before your Start Date. You must spend for the grand opening program an amount we determine, which will be a minimum of \$10,000.

5. TRAINING AND GUIDANCE

5.1. Operations Manual. To facilitate the training and guidance we provide and to assist you in developing and operating Your Store, we will, during the Term and provided you remain in compliance with this Agreement, provide you with access to a copy of our Operations Manual. You may not at any time copy any part of the Operations Manual, either physically or electronically. If there is a dispute relating to the contents of the Operations Manual, the master copy we maintain at our corporate headquarters, will control. The Operations Manual and any passwords that we provide to access it electronically form part of our Confidential Information and, as such, are subject to the same restrictions as other Confidential Information regarding its use, disclosure and return.

5.2. Training. We will provide training to you as described in this Section. You agree to comply with all of our training requirements as described below. We will charge an additional fee for attendance or participation in our training programs only as described below, but in every instance, you must arrange for and pay all of your and your other representatives’ other costs of attending or participating in the initial training program and all other training programs we offer. We will determine the format, content, method of delivery and location of each training program. We currently offer much of the initial training program through our online Learning Management System (“LMS”).

(a) Initial Training. We will provide you with access to our initial training program on the operation of Stores. Before opening Your Store for operation, you, at least one of your Entity

Owners (if you are an Entity), and your initial store manager must successfully complete, to our satisfaction, our initial training program. You may not allow Your Store to be managed by a person who has not completed, to our satisfaction, our initial training program or who we have not otherwise certified to do so. We will not charge an additional fee for up to two (2) people to attend or participate in the initial training program.

(b) Replacement Managers. If you replace your initial store manager, the replacement manager will also be required to complete, to our satisfaction, all phases of our initial training program. We may charge a fee for the training for subsequent managers, which you will be required to pay at least ten (10) days prior to the beginning of training.

(c) Refresher and Additional Training. We have the right to require you and/or your previously trained and experienced representatives to attend periodic refresher training programs and training programs or courses regarding specific products or processes. We may charge fees for these additional or refresher training courses.

(d) National Conventions and Regional Meetings. You or at least one of your Entity Owners (if you are an Entity) and, when we request, Your Store manager and/or an approved trainer if you are a multi-unit franchisee must attend all national conventions and regional meetings that we designate as mandatory. National conventions and regional meetings will take place at the time and locations we designate, and we may charge you a reasonable fee for each of your attendees. We may also charge you a reasonable fee if you or any of your required representatives fails to attend any national convention or regional meeting we designate as mandatory.

(e) Employee Training. With the exception of the initial training program, we may require that you provide initial and/or ongoing training for your other employees using our online library of training modules on our LMS. The online training program includes tests that each trainee must pass before he or she will be deemed to have successfully completed the training program.

5.3. Other Guidance and Operating Assistance. Although we do not have an obligation to do so, we may advise you from time to time regarding various aspects of the operation of Your Store, including with respect to System Standards, operating procedures, purchasing fixtures, furnishings, equipment, signs, Approved Products, materials and supplies, and advertising and promotional programs. We will determine and control the form, format, method of delivery, and timing of any guidance and assistance we furnish or make available to you. You agree that we will not be liable to you or any other person, and you waive all claims for liability or damages of any type (whether direct, indirect, incidental, consequential, or exemplary), on account of any guidance or operating assistance offered by us in accordance with this Section 5.3, except to the extent caused by our gross negligence or intentional misconduct.

6. FEES

6.1. Initial Franchise Fee. You must pay us, on your execution of this Agreement, a nonrecurring, non-refundable initial franchise fee in the amount of \$35,000. The initial franchise fee will be deemed fully earned by us when we sign this Agreement and is not refundable.

6.2. Continuing Royalty Fees. You also agree, for the entire Term, to pay us a continuing royalty fee (“**Royalty**”) equal to six percent (6%) of Your Store’s Gross Revenue. Unless we provide otherwise in the Operations Manual, each Royalty payment will be due on or before the close of business on Wednesday of each week based on the Your Store’s Gross Revenue for the preceding week as defined by us from time to time.

6.3. Technology Fee. We reserve the right to charge you a technology fee that we may use, in our discretion, to research, develop, implement, maintain, update or upgrade technology for the System (the

“**Technology Fee**”). If implemented, the Technology Fee will be due at the same time and in the same manner as the Royalty, unless we specify otherwise in writing. We may adjust the Technology Fee once per calendar year upon sixty (60) days’ notice to you.

6.4. **Method and Application of Payments.** We will determine from time to time the method by which you must pay Royalty and all other fees and amounts due us or our Affiliates under this Agreement or relating to Your Store. We currently require payment of all such amounts by pre-authorized electronic bank transfer, and you agree to sign all documents necessary to allow us to initiate debit entries and/or credit correction entries to your designated bank account for that purpose. You agree to maintain, at all times, a balance in your designated bank account sufficient to allow the appropriate amount to be debited from your account. If you do not timely provide us with a report of your Gross Revenue to allow us the opportunity to calculate the amount of fees you owe, we have the right to estimate in good faith Your Store’s Gross Revenue for the missing period and debit your account in an amount equal to the fees that would be due based on such estimation. In making our good faith estimate, we may consider the last report of Gross Revenues that we received from you, any seasonal sales trends, and any system-wide averages and other pertinent information available to us. You are responsible for any penalties, fines or other similar expenses associated with the pre-authorized bank transfers described in this Section. Regardless of any designation by you, we have the right to apply any payments by you to any of your past-due indebtedness to us or our Affiliates.

6.5. **Late Fees; Interest on Late Payments.** To compensate us for the administrative and management costs resulting from your late payment or late report, we may charge a \$100 late fee for each delinquent payment, due when the delinquent payment is due, and for each delinquent report, due when the delinquent report is due. We will continue to charge a late fee for each period that the fee or report remains delinquent. These fees are neither interest nor a penalty. All amounts you owe to us or our Affiliates will bear interest from their due date until paid at a rate equal to the lesser of the highest rate allowed under applicable law or 1.5% per month, payable when the corresponding delinquent payment is made. You agree that this Section 6.5 does not constitute our or our Affiliates’ agreement to accept payments after they are due or a commitment by us or our Affiliates to extend credit to you or otherwise to finance the operation of Your Store.

6.6. **No Right of Offset.** You have no right of “offset” and will not withhold payment, for any reason, of any Royalties, Brand Fund Contributions or any other payment due to us under this Agreement or any other agreement.

7. **OBLIGATIONS RELATING TO OPERATIONS**

7.1. **Compliance with Laws and Good Business Practices.** You must secure and maintain in force throughout the Term all required licenses, permits and certificates relating to the operation of Your Store and operate Your Store in full compliance with all applicable laws, ordinances and regulations, including PCI compliance standards. You agree to comply and assist us in our compliance efforts, as applicable, with any and all laws, regulations, Executive Orders or otherwise relating to anti-terrorist activities, including the U.S. Patriot Act, Executive Order 13224, and related U.S. Treasury or other regulations. In connection with such compliance efforts, you agree not to enter into any prohibited transactions and to properly perform any currency reporting and other activities relating to Your Store as may be required by us or by law. You and your Entity Owners confirm that you are not listed in the Annex to Executive Order 13224 (or any other present and future laws, policies, lists, and other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war) and agree not to hire any person so listed or have any dealing with a person so listed (the Annex is currently available at <http://www.treasury.gov>). You are solely responsible for ascertaining what actions must be taken by you to comply with all such laws, orders or regulations. Notwithstanding the foregoing, in the event any guidance or recommendation issued by any federal, state, or local authority directly or indirectly affects the

operation of Your Store, you will not close Your Store unless you obtain our prior written consent. In all dealings with your customers, suppliers, us 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 might injure our business or the goodwill associated with the Marks or other Stores. You agree to comply with our website privacy policy, as it may be amended periodically; you further agree to comply with any requests to return or delete consumer personal information, whether requested by us or directly by the consumer, as required by applicable data sharing privacy laws. You must notify us in writing within three business days of: (1) the commencement of any action, suit or proceeding relating to Your Store; (2) the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality relating to Your Store; (3) any notice of violation of any law, ordinance or regulation relating to Your Store; (4) receipt of any notice of complaint from the Better Business Bureau, any local, state or federal consumer affairs department or division, or any other government or independent third party involving a complaint from a client or potential client relating to Your Store; and (5) written complaints from any customer. You must immediately provide to us copies of any documentation you receive of events in (1) through (5) above and resolve the matter in a prompt and reasonable manner in accordance with good business practices.

7.2. Compliance with System Standards. The operation of Your Store in accordance with the System Standards is essential to preserve the goodwill of the Marks and all Stores within the System. Therefore, you agree that you will maintain and operate Your Store in accordance with each of the System Standards. We have the right to modify the System Standards from time to time, and you acknowledge that the modifications may obligate you to invest additional capital in Your Store and to incur higher operating costs. If, at any time in our reasonable judgment, Your Store does not meet our then-current System Standards, we will notify you, specifying in reasonable detail the actions to be taken by you to comply with System Standards. If you fail or refuse to initiate promptly and timely complete the necessary actions as set forth in the notice, in addition to any of our other rights to enforce this Agreement, we will have the right (but not the obligation) to enter Your Store premises and complete the necessary actions described in the notice. You will reimburse us for the entire cost thereof upon demand. You agree to cooperate fully with us in connection with any of our actions under this Section.

7.3. Restrictions on Operations. You may not operate Your Store at any site other than the Premises without our prior written consent. In addition, you may only offer and sell finished Approved Products that have been approved for sale over the counter to retail customers from Your Store, and may not sell Approved Products or any materials, supplies, or inventory bearing the Marks at any other location or through any alternative channel of distribution without our prior written consent. “**Alternative channels of distribution**” include, but are not limited to, the operation of a food cart or kiosk, sales through the Internet (or any other form of electronic commerce), vending machine sales, and mail order and telephone sales. Notwithstanding the above restrictions, you may: (i) offer and sell Approved Products as part of off-site catering events and company account programs, provided you or a third-party local delivery company deliver (and do not engage a major air/ground shipping carrier to deliver) Approved Products that meet System Standards for freshness the same day they are made and the sales are not part of a mail order program; (ii) engage in delivery of Approved Products from your Store according to the standards and specifications we periodically specify; (iii) offer samples of Approved Products at or directly in front of Your Store or other locations near Your Store as approved by your landlord; or (iv) upon our prior written approval, offer and sell Approved Products from a table, kiosk or cart at satellite locations that we approve. You may not sell to anyone any materials, supplies, or inventory used in the preparation of any Approved Products. Further, you may not sell any Approved Products to any person or entity purchasing the Approved Products for resale.

7.4. Internet Use. You may not advertise Your Store or the Approved Products over the internet (or any other form of electronic commerce) or establish a related site on the world wide web without our

prior written consent. Your general conduct on the internet (or any other form of electronic commerce) and specifically your use of the Marks is subject to the provisions of this Agreement and our Brand Standards. Without limiting the foregoing, you agree to follow our policies and procedures as they may be communicated to you periodically in the Operations Manual or otherwise regarding the use of social media and similar methods of communication. You must obtain our written consent prior to your use of the Marks or any content using the Marks on social media, in any form available now or in the future, including but not limited to Facebook, Instagram and Twitter, and your failure to obtain such consent shall constitute a breach of this Agreement. We also have the right to monitor, edit and/or delete any social media content you may post that does not meet our Brand Standards. Further, you acknowledge that we have the right to require you to have access to the internet from the Premises and to submit all sales activity through the Computer system through a pre-approved router and internet connection. We also have the right to require you to establish and maintain a valid email address and authorize us to communicate with you by this method at such address.

7.5. Our Right to Inspect Your Store. We and our designated agents have the right to, at any reasonable time and without prior notice to you, to inspect the Premises, to observe, photograph and record Your Store's operations for such consecutive or intermittent periods as we deem necessary, to remove samples of any Approved Products, materials or supplies for testing and analysis, to interview Your Store's personnel and customers, to inspect your Computer System (including hardware, software, security, configurations, connectivity, and data access), and to access, inspect and copy any books, records and documents relating to the operation of Your Store. You agree to cooperate fully with us in connection with any of our inspections, observations, photographing, videotaping, product removal and interviews.

7.6. Surveys. You will present to your customers such evaluation forms as we periodically require and will participate in and request your customers to participate in any surveys performed by or on our behalf.

7.7. Good Standing and Guaranties by Entity Owners. If you are an Entity:

(a) you represent and warrant to us that you are and will, throughout the Term, remain in good standing under the laws of the state of your incorporation or formation and in all other states in which you are required to qualify; and

(b) each of your Entity Owners will execute our the-current form of Guaranty pursuant to which they will personally assume and guaranty your performance of each and every obligation under this Agreement.

7.8. Insurance. Throughout the Term, you must maintain in force at your sole expense comprehensive insurance policies that comply with our specifications as to amount and type of coverage, which we may specify from time to time in writing. You must purchase and maintain for each Store you operate: (1) comprehensive general liability insurance with minimum limits of \$1,000,000 per occurrence and \$2,000,000 annual aggregate; (2) workers' compensation, employer's liability and other insurance to meet the greater of all applicable statutory requirements or the then-current minimum levels of coverage we require; (3) commercial property insurance including, at a minimum, fire, vandalism, theft, burglary, and extended coverage with limits of at least 100% replacement value of the Store premises, fixtures, equipment and inventory; (4) business interruption/time element coverage in the amounts we require either as a component of or an endorsement to a commercial property insurance policy; (5) automobile liability insurance, including personal injury, wrongful death and property damage, with limits of at least \$1,000,000 per occurrence; (6) data privacy insurance; (7) employment practices liability insurance; and (8) an umbrella liability coverage of \$2,000,000 each occurrence and \$4,000,000 in the aggregate. Your general liability policy must name us and our affiliates and any other person that we designate as an additional insured and must meet any other requirements that we designate. If you own more than one Store, (1) we

may require you to obtain an umbrella liability policy; and (2) we may allow you to obtain single policy for such Stores provided that we periodically will determine the levels of insurance coverage that you must obtain and other requirements that you must satisfy for each Store covered by such policy. We place no restriction on what insurance carrier you use to obtain the coverage outlined above. We may periodically change the amounts of coverage required under these insurance policies, require a minimum rated insurance carrier, or require different or additional insurance coverages (including reasonable excess liability insurance) at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances.

You release and relieve us and our Affiliates, and all of our and their officers, directors, shareholders, employees, agents, successors, assigns, contractors, and invitees and waive your entire right of recovery against us and our Affiliates and all of our officers, directors, shareholders, employees, agents, successors, assigns, contractors, and invitees for loss or damage arising out of or incident to the perils required to be insured against under this Section, which perils occur in, on or about the Premises or relate to the operation of Your Store, whether due to the negligence of us or our Affiliates or you or any of our or your related parties.

The requirements we impose regarding insurance are for our own purposes. You must assess whether our requirements are sufficient for your own needs or to comply with applicable law. Your compliance with the insurance requirements herein, and the availability of insurance coverage to defend and indemnify us, will not relieve you of your obligations under the defense, indemnification, and hold harmless provisions of this Agreement, which are separate and independent. If any of your insurers denies or limits coverage to us for any claim falling within the scope of the applicable policy or your obligations herein, then you will provide that defense and indemnity directly. Your requirements regarding insurance are not affected by any insurance we maintain ourselves.

7.9. Pricing. Unless prohibited by applicable law, we may periodically set a maximum or minimum price that you may charge for products and services offered by Your Store. If we impose such a maximum or minimum price for any product or service, you may charge any price for the product or service up to and including our designated maximum price or down to and including our designated minimum price. The designated maximum and minimum prices for the same product or service may, at our option, be the same. For any product or service for which we do not impose a maximum or minimum price, we may require you to comply with an advertising policy adopted by us which will prohibit you from advertising any price for a product or service that is different than our suggested retail price. Although you must comply with any advertising policy we adopt, you will not be prohibited from selling any product or service at a price above or below the suggested retail price unless we impose a maximum price or minimum price for such product or service.

7.10. Information Security. You must implement all administrative, physical and technical safeguards necessary to protect any information that can be used to identify an individual, including names, addresses, telephone numbers, e-mail addresses, employee identification numbers, signatures, passwords, financial information, credit card information, biometric or health data, government-issued identification numbers and credit report information (“**Personal Information**”) in accordance with applicable law and industry best practices. It is entirely your responsibility (even if we provide you any assistance or guidance in that regard) to confirm that the safeguards you use to protect Personal Information comply with all applicable laws and industry best practices related to the collection, access use, storage, disposal and disclosure of Personal Information. If you become aware of a suspected or actual breach of security or unauthorized access involving Personal Information, you will notify us immediately and specify the extent to which Personal Information was compromised or disclosed.

7.11. Employees, Agents and Independent Contractors. You acknowledge and agree that you are solely responsible for all decisions relating to employees, agents, and independent contractors that you

may hire to assist in the operation of Your Store. You agree that any employee, agent or independent contractor that you hire will be your employee, agent or independent contractor, and not our employee, agent or independent contractor. You also agree that you are exclusively responsible for the terms and conditions of employment of your employees, including recruiting, hiring, firing, training, compensation, work hours and schedules, work assignments, safety and security, discipline, and supervision. You agree to manage the employment functions of Your Store in compliance with federal, state, and local employment laws.

8. REPORTS AND RECORD KEEPING

8.1. Accounting, Reports and Financial Statements. You agree to establish and maintain a bookkeeping, accounting, record keeping and data processing system conforming to the requirements and formats that we prescribe. You agree to furnish to us reports relating to Your Store by the delivery method and in such form and content as we prescribe from time to time. These reports include, but are not limited to, the following:

(a) Gross Revenue Reports. On or before noon on Wednesday of each week, a report of Your Store's Gross Revenue for the previous week;

(b) Monthly Financial Reports. Within 25 days after the end of each calendar month, a profit and loss statement for Your Store for the previous calendar month and a year-to-date statement of financial condition as of the end of the previous calendar month;

(c) Semi-Annual Reports. By January 31 and July 31 each year, a balance sheet for Your Store as of December 31 and June 30, respectively;

(d) Tax Returns. Within ten (10) days after the returns are filed, exact copies of federal and state income, sales and any other tax returns and the other forms, records, books and other information as we have the right to periodically require;

(e) Loan Status. By January 15, April 15, July 15 and October 15 of each calendar year, reports on the status (including the outstanding balance, then-current payment amounts, and whether such loan is in good standing) of any loans outstanding as of the previous calendar quarter for which Your Store or any of Your Store's equipment is collateral. You must also deliver to us, within five (5) days after your receipt, copies of any default notices you receive from any of such lenders. You agree that we or our affiliates may contact your banks, other lenders, and vendors to obtain information regarding the status of loans of the type described herein and your accounts (including payment histories and any defaults), and you hereby authorize your bank, other lenders, and vendors to provide such information to us and our affiliates; and

(f) Local Store Marketing. By January 31 of each calendar year, provide us with evidence of your Local Store Marketing (as defined in Section 9.2) obligations for the prior calendar year in the format we require.

Further, at our request, you will provide current financial information for each of your Entity Owners who personally guaranty your obligations as necessary to demonstrate the ability of such Entity Owners to satisfy their financial obligations under their individual guarantees.

You agree to verify and sign each report and financial statement in the manner we prescribe. We may disclose data derived from these reports. Moreover, we may, as often as we deem appropriate (including on a daily basis), access the point-of-sale system and retrieve all information relating to the operation of Your Store. You agree to preserve and maintain all records in a secure location at Your Store for at least three (3) years (including sales checks, purchase orders, invoices, payroll records, customer lists,

check stubs, sales tax records and returns, cash receipts and disbursement journals, and general ledgers). We also have the right to require you to have audited or reviewed financial statements or other financial reports that we reasonably designate prepared and submitted to us on an annual basis.

You must obtain, at your expense, from our designated vendor the technology platform that will collect monthly financial statements for the Store. You must submit monthly, quarterly and annual financial statements to us through the technology platform using a standardized chart of accounts. If you fail to provide the required financial statements, we may require you to use one of our preferred bookkeepers at your expense to prepare the required financial statements.

8.2. **Our Right to Audit.** At any time during business hours and without prior notice to you, we and our representatives have the right to inspect and audit the business records, bookkeeping and accounting records, sales and income tax records and returns and other records of Your Store as well as your books and records. You agree to fully cooperate with our representatives to conduct any inspection or audit. If an inspection or audit discloses an understatement of Your Store's Gross Revenue, you will pay to us, within 15 days after receipt of the inspection or audit report, the continuing fees due on the amount of the understatement, plus interest (at the rate and on the terms provided in Section 6.5) from the date originally due until the date of payment. Further, if inspection or audit is made necessary by your failure to furnish reports, supporting records or other information as required by this Agreement, or to furnish the reports, records or information on a timely basis, or if an understatement of Gross Revenue for the period of any audit is determined by the audit or inspection to be greater than two percent (2%), then within 15 days after receipt of the inspection or audit report, you will reimburse us for the cost of the audit or inspection, including the charges of attorneys and any independent accountants and the travel expenses, room and board and compensation of our employees. If you fail to cooperate with our audit, or are unwilling or unable to provide us with sufficient records, including the records and reports that you are required to maintain under this Agreement, to complete the audit to our reasonable satisfaction, we may establish a reasonable estimation of your Gross Revenue based on the data available to us (which may include records regarding product purchases, percentage rent reports or other information obtained from third parties) and collect from you any estimated amount that we deem was underreported or underpaid pursuant to this Agreement. These remedies are in addition to our other remedies and rights under this Agreement or applicable law, and our right to audit will continue for two (2) years following expiration or termination of this Agreement.

9. **MARKETING AND PROMOTION**

9.1. **Brand Fund.** We operate a national brand fund (the "**Brand Fund**") to generally advertise and promote the Stores and the Marks in the System. You will pay us a monthly national Brand Fund contribution of three percent (3%) of your Store's gross Revenues (the "**Brand Fund Contribution**").

(a) **Administration of the Brand Fund.** We will, without any fiduciary obligation to you, direct or cause our designee to direct the Brand Fund. We will determine the creative concepts, materials and endorsements used and the geographic, market and media placement and allocation. The expenses that may be funded by the Brand Fund Contributions we collect include preparing and producing video, audio, and written materials and electronic media; developing, implementing, and maintaining a website for the System and Stores and related strategies; administering regional and multi-regional marketing and advertising programs, including purchasing trade journal, direct mail, and other media advertising and using advertising, promotion, and marketing agencies and other advisors to provide assistance; administering online advertising and marketing campaigns (including search engine, social media, email, and display ad campaigns); developing and maintaining application software designed to run on computers and similar devices, including tablets, smartphones and other mobile devices, as well as any evolutions or "next generations" of any such devices; implementing a loyalty program or other marketing programs designed to encourage the

patronage of Stores; and reimbursing us or our designees for the reasonable salaries and benefits of personnel who manage and administer the Brand Fund, including administrative costs, travel and other expenses reasonably related to administering or directing the Brand Fund and its programs. We have the right, at our option, to use Brand Fund Contributions to prepare, furnish and/or offer for sale to you advertising, marketing and promotional formats and materials for your use in your own local marketing efforts.

(b) Accounting for the Brand Fund Contributions. The Brand Fund Contributions we collect will be accounted for separately from our other funds, and we may, but will not be required to, segregate them from our other operating funds. If you make a written request within 90 days following the end of our fiscal year, we will make available to you no later than 120 days after the end of our fiscal year, an annual statement of Brand Fund Contributions collected and costs incurred for the Brand Fund during the prior fiscal year. We are not required to have this statement independently audited.

(c) Benefits to Individual Stores. The Brand Fund is intended for general promotion. We do not guaranty any particular result or that our expenditure of Brand Fund Contributions or the conduct of the Brand Fund will directly, indirectly, or proportionally benefit Your Store or have any relationship to the amount of Brand Fund Contributions you pay.

(d) Your Participation in the Brand Fund. You agree to have your Store participate, in accordance with the rules and requirements we establish for the Brand Fund.

9.2. Your Advertising and Promotional Activities. In addition to paying Brand Fund Contributions and participating in the Brand Fund, you must spend at least \$2,000 per month for marketing purposes in the geographic area of your Store, beginning three (3) months after opening your Store and continuing for nine (9) months after opening (“**Local Store Marketing**”). You must use the Local Store Marketing on approved local marketing and promotion of your Store. You must provide us with an annual statement evidencing your Local Store Marketing expenditures. If you do not spend the minimum required amount on Local Store Marketing, you must deposit with us the difference between what you did spend and the minimum required amount for deposit in the Brand Fund. We will deposit such amounts into the Brand Fund to be spent on local marketing and promotional activities in, near or attempting to target the geographic area of your Store, including marketing and promotional activities on the Internet. You may use in your Local Store Marketing, including any social media activities, only those materials that we provide or make available to you or for which we have given our prior written approval. You must submit your proposed materials for our review at least 15 days prior to your proposed use. After the first year of operations, you must spend each month the greater of (a) 2% of Gross Revenue, or (b) \$1,000. Your Local Store Marketing must include the creation of an annual marketing plan, which we must approve.

We also may require you to participate in a social medial technology platform (“**Social Media Technology Platform**”) and allocate a portion of your Local Store Marketing for the Social Media Technology Platform.

9.3. Our Advertising Materials. From time to time, we may provide you with copies of advertising, marketing and promotional formats and materials for use in Your Store, which we have prepared using Brand Fund Contributions we have collected from Stores. While we expect to provide some of these materials without charge, we reserve the right to charge you for these materials or require that you pay certain shipping and related expenses associated with delivering them to you. In addition, we have the right to develop and market special mandatory promotional items for Stores and require you to maintain a representative inventory of these promotional items to meet public demand. In such case, we will make these items available to you at our direct cost plus a reasonable mark-up and any shipping, handling and storage charges. If you do not place minimum orders of products and other items necessary for a mandatory

promotion or product roll-out by a certain date, we have the right to send, or direct suppliers to send, an automatic shipment of a specified minimum quantity of such products and items to you, and you must accept and pay for them upon receipt. We also have the right to conduct coupon or discount promotions. In such case, we have the right to require you to accept coupons or discounts that are issued or communicated by us or our Affiliates and presented at Your Store by your customers. You may receive certain compensation for these coupons when you tender them to us in accordance with our System Standards.

9.4. Advertising Cooperatives. We have the right to designate any geographical area for purposes of establishing a regional advertising and promotional cooperative (“**Cooperative**”), and to determine whether a Cooperative is applicable to Your Store. If a Cooperative exists or is established for the area in which Your Store is located, you must join and participate in the activities of the Cooperative. Each Cooperative will be organized and governed in a form and manner, and will commence and cease operations on the dates, we determine. Each Cooperative will be organized for the exclusive purpose of administering regional advertising programs and standardizing advertising materials for use by the members in local advertising. No promotional or advertising plans or materials may be used by a Cooperative or furnished to its members without our prior approval. We will determine the amount and timing of the required contributions to the Cooperative and all activities and other decisions of the Cooperative with input from the Stores that are members of the Cooperative. Contributions will be payable to the Cooperative or us or our designee if we are administering the accounting and vendor payments of the Cooperative.

9.5. Participation in Certain Programs and Promotions. You must use your best efforts to promote and advertise your Store and must participate in all advertising and promotional programs we establish in the manner we direct. You must, at your expense, participate in, and honor all provisions of any gift card and/or loyalty program that we have established or may establish and as we may modify, as further described in the Operations Manual.

10. **USE OF THE MARKS AND CONFIDENTIAL INFORMATION**

10.1. Ownership and Goodwill of Marks. You acknowledge that we or our Affiliates are the exclusive owners of the Marks and that your right to use the Marks is derived solely from this Agreement and is limited to the conduct of business in compliance with this Agreement and all applicable System Standards, specifications and operating procedures that we require. Any unauthorized use of the Marks by you will constitute a breach of this Agreement and an infringement of our rights in the Marks. You agree that your use of the Marks and any goodwill established by that use will be for our and our Affiliates’ exclusive benefit. This Agreement does not confer any past, present or future goodwill or other interests in the Marks upon you, other than the right to operate Your Store in compliance with this Agreement.

10.2. Limitations on Your Use of Marks. You agree to use the Marks applicable to the type of Store you are operating under this Agreement as the sole identification of Your Store. You will not use any Mark as part of any corporate or trade name or with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos licensed to you under this Agreement), or in any modified form, nor may you use any Mark in connection with the performance or sale of any unauthorized services or products or in any other manner not expressly authorized in writing by us. You agree to display the Marks prominently at Your Store and on materials used to promote Your Store, in each case, only in the manner we direct or approve in writing. You agree to refrain from any business or marketing practice which may be injurious to Your Store, our business and the goodwill associated with the Marks and other Stores. You agree to give such notices of trade and service mark registrations as we specify and to obtain such fictitious or assumed name registrations as may be required under applicable law. You may not use any Mark as part of an electronic mail address or on any sites on the internet or world wide web or as part of any internet domain name or address.

10.3. Discontinuance of Use of Marks. We have the right to require you to modify or discontinue use of any Marks or use one or more additional or substitute trade or service marks if we determine it is advisable to do so at any time. You agree to comply with our directions in that regard. We will not be required to reimburse you for your expenses in modifying or discontinuing the use of a Mark and substituting a different Mark or for any loss of goodwill associated with any modified or discontinued Mark or for any expenditures made by you to promote a modified or substitute Mark.

10.4. Infringements and Claims. You agree to immediately notify us of any apparent infringement of or challenge to your use of any Mark or claim by any person of any rights in any Mark, and you will not communicate with any person other than us or our counsel in connection with the infringement, challenge or claim. We and our Affiliates will have the right to take the action we deem appropriate and control exclusively any litigation, U.S. Patent and Trademark Office proceeding or any other administrative or court proceeding arising out of any such infringement, challenge or claim or otherwise relating to any Mark. You agree to execute any instruments and documents, render such assistance and do those things as, in the opinion of our legal counsel, may be necessary or advisable to protect and maintain our interests in any litigation or U.S. Patent and Trademark Office or other proceeding or otherwise to protect and maintain our interests in the Marks. If you have timely notified us of the claim or proceeding and have otherwise complied with this Agreement, 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 in compliance with this Agreement. You will allow us and our Affiliates to control the defense of any proceeding arising out of your authorized use of any Mark.

10.5. Non-Disparagement. You agree not to (and to use your best efforts to cause your current and former owners, officers, directors, principals, agents, partners, employees, representatives, attorneys, spouses, affiliates, successors and assigns not to) disparage or otherwise speak or write negatively, directly or indirectly, of us, our Affiliates, any of our or our Affiliates' directors, officers, employees, representatives or affiliates, current and former franchisees or developers of us or our Affiliates, the Marks, the System, any Store (including Your Store), any business using the Marks, any other brand or service-marked or trademarked concept of us or our Affiliates, or which would subject the TCBY brand or such other brands to ridicule, scandal, reproach, scorn, or indignity, or which would negatively impact the goodwill of us, the TCBY brand or such other brands.

10.6. Concepts Developed by You. You may not test, offer, or sell any new products without our prior written consent. As between us and you, we are the sole owner of all right, title, and interest in and to the System and any Confidential Information. All improvements, developments, derivative works, enhancements, or modifications to the System and any Confidential Information (collectively, "**Innovations**") made or created by you, your employees or your contractors, whether developed separately or in conjunction with us, shall be owned solely by us. You represent, warrant, and covenant that your employees and contractors are bound by written agreements assigning all rights in and to any Innovations developed or created by them to you. To the extent that you, your employees or your contractors are deemed to have any interest in such Innovations, you hereby agree to assign, and do assign, all right, title and interest in and to such Innovations to us. To that end, you shall execute, verify, and deliver such documents (including assignments) and perform such other acts (including appearances as a witness) as we may reasonably request for use in applying for, obtaining, perfecting, evidencing, sustaining, and enforcing such ownership rights in and to the Innovations, and the assignment thereof. Your obligation to assist us with respect to such ownership rights shall continue beyond the expiration or termination of this Agreement. If we are unable for any reason, after reasonable effort, to secure your signature on any document needed in connection with the actions specified in this Section, you hereby irrevocably designate and appoint us and our duly authorized officers and agents as your agent and attorney in fact, which appointment is coupled with an interest and is irrevocable, to act for and on your behalf to execute, verify, and file any such documents and to do all other lawfully permitted acts to further the purposes of this Section with the same

legal force and effect as if executed by you. The obligations of this Section shall survive any expiration or termination of the Agreement.

10.7. Confidential Information. During the Term, we may disclose certain Confidential Information to you. You are not acquiring any interest in Confidential Information, other than the right to utilize the portions of it we disclose to you in the operation of Your Store during the Term. Your use or duplication of any Confidential Information in any other business will constitute an unfair method of competition and a violation of this Agreement. The Confidential Information is proprietary, includes our trade secrets and is disclosed to you solely on the condition that you agree not to use Confidential Information in any other business or capacity, to maintain the absolute confidentiality of Confidential Information during and after the Term, not to make unauthorized copies of, disclose or distribute any portion of Confidential Information, and to adopt and implement all reasonable procedures that we prescribe to prevent unauthorized use or disclosure of Confidential Information, including restrictions on disclosure of Confidential Information to your employees and compliance with the requirement that certain key employees execute confidentiality agreements as a condition of employment.

11. COVENANTS NOT TO COMPETE

11.1. In-Term Non-Compete and Non-Solicitation. We would be unable to protect the Confidential Information against unauthorized use or disclosure and would be unable to encourage a free exchange of ideas and information among Stores if you or the manager of Your Store were permitted to hold interests in or perform services for a Competitive Business. We have granted the Franchise to you in consideration of and reliance upon your agreement to deal exclusively with us. Therefore, during the Term, no Restricted Person and no manager of Your Store will:

- (a) Have any direct, indirect or beneficial interest in a Competitive Business, except other Stores operated by you under franchise agreements with us or any of our Affiliates;
- (b) Perform services as a director, officer, manager, employee, consultant, representative, agent, landlord or otherwise for a Competitive Business, except other Stores operated by you under franchise agreements with us or any of our Affiliates;
- (c) Divert or attempt to divert any actual or potential business or customer of Your Store to a Competitive Business; or
- (d) Directly or indirectly appropriate, use or duplicate the System or System Standards, or any portion thereof, for use in any other business or endeavor.

11.2. Post-Term Non-Compete and Non-Solicitation. You agree that all Restricted Persons will also be bound by the restrictions described in Section 11.1 above for a period of two (2) years following the expiration or termination of this Agreement for any reason other than as a result of our default (three (3) years if we purchase Your Store as provided in Section 14.2), except that the restrictions described in clauses (a) through (c) in Section 11.1 will apply only with respect to Competitive Businesses that are located or operating within ten (10) miles of Your Store and within ten (10) miles of any other Store.

11.3. Validity and Application of Restrictions. You represent to us that you and the other Restricted Persons have skills and abilities of a general nature and have other opportunities for exploiting those skills. Consequently, enforcement of the covenants made in this Section 11 will not deprive you or them of their personal goodwill or ability to earn a living. Nothing in this Section 11 is intended to or will prohibit the ownership by any Restricted Person of two percent (2%) or less of the shares of a class of securities of a Competitive Business that are listed on a public stock exchange or traded on the over-the-counter market.

11.4. Enforcement of Non-Competes. If any covenant in this Agreement which restricts competitive activity is deemed by a court to be unenforceable by virtue of its scope, but would be enforceable by reducing any part or all of the covenant, you and we agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction in which enforcement is sought.

12. TRANSFERS

12.1. Transfers by Us. This Agreement is fully transferable by us and will inure to the benefit of any transferee or other legal successor to our interest in this Agreement. We may delegate the performance of any portion or all of our obligations under this Agreement to third-party designees, whether these designees are our agents or independent contractors with whom we have contracted to perform these obligations.

12.2. Restrictions on Transfers by You. Your rights and duties created by this Agreement are personal to you, and we have granted this Agreement to you in reliance upon our perceptions of the individual or collective character, skill, aptitude, attitude, business ability and financial capacity of you and, if you are not an individual, your Entity Owners. Accordingly, you may not delegate any of your obligations under this Agreement, and you may not engage in or permit any Transfer without our prior written approval. Any Transfer without our approval will constitute a breach of this Agreement and will be void and of no effect.

12.3. Conditions for Our Approval of a Proposed Transfer. You must give us 60 days' prior written notice of any proposed Transfer. Your notice must include a description of the proposed Transfer and such information as we require about the persons involved in the proposed Transfer. If you are in full compliance with this Agreement, we will not unreasonably withhold our approval of a Transfer that meets all of the following requirements:

(a) Character. The proposed transferee and, if the proposed Transfer involves an Entity, the Entity Owners, must, in our determination, be of good moral character and otherwise meet our then applicable standards for owners of Stores;

(b) Business Experience and Financial Capacity. The transferee and, if the transferee is an Entity, its Entity Owners must, in our determination, have sufficient business experience, aptitude and financial resources given the nature of the proposed Transfer;

(c) Training. The proposed transferee and/or its senior management personnel have completed to our satisfaction our then-current training program for transferees after signing the franchise documents set forth herein, but prior to assuming operations of the Store;

(d) Satisfaction of Obligations. You have paid all amounts owed for purchases by you from us and our Affiliates and all other amounts owed to us or our Affiliates and third-party creditors;

(e) Execution of Assignment and Assumption Agreement. You and your transferring Entity Owners, if you are an Entity, the transferee and its Entity Owners, if the transferee is an Entity, and us have entered into our then-current form of assignment and assumption agreement, pursuant to which: (i) the transferee has agreed to be bound by and has expressly assumed all of the terms and conditions of this Agreement for the remainder of its term; (ii) the transferee's Entity Owners, if any, have executed our then-current form of guaranty; and (iii) you and your Entity Owners, if any, have agreed to release us and our Affiliates and our and their respective officers, directors, employees and agents from any and all claims;

(f) Execution of New Agreement at Our Option. In addition to entering into our then-current assignment and assumption agreement, at our option, the transferee has executed our then-current form of Franchise Agreement for a term equal to the remainder of the current Term, and if the transferee is an Entity, each Entity Owner of the transferee has executed our then-current form of guaranty;

(g) Payment of Transfer Fees. You or the transferee pays us a transfer fee equal to fifty percent (50%) of then-current initial franchise fee for existing franchisees, a portion of which may be a non-refundable deposit that you or the transferee must pay to us when you submit your request for our consent to the Transfer. However, we will not charge a transfer fee if the Transfer is among your existing Entity Owners and the names and identity of all Entity Owners remain the same following the Transfer;

(h) Approval of Terms of Transfer. We have approved the material terms and conditions of the Transfer, including the price and terms of payment. However, our approval of a Transfer does not ensure the transferee's success nor should the transferee rely upon our approval of the Transfer in determining whether to acquire Your Store;

(i) Subordination. If you (or your Entity Owners) finance any part of the sale price of the transferred interest, you and the Entity Owners have agreed that all obligations of the transferee under any promissory notes, agreements or security interests reserved by you (or your Entity Owners) will be subordinate to the transferee's obligations to us and our Affiliates;

(j) Non-Competition and Other Post-Term Obligations. Each Restricted Person who, as a result of the Transfer, will no longer have an interest in you or Your Store has executed a non-competition agreement acknowledging the application of the post-term covenants described in Section 11.2 and otherwise agrees to all other post-term obligations as though the Agreement had expired on the date of the Transfer;

(k) Landlord Consent. If required, the landlord of the Premises consents to the assignment or sublease of the Premises to the transferee;

(l) Refurbishment. You or the transferee has agreed to any refurbishment of the Store required by us to bring the Store in compliance with the then-current System Standards and Trade Dress;

(m) Licensed Escrow Professional. You and the transferee, at your cost, use a licensed escrow professional or other qualified third party acceptable to us to conduct the closing of the Transfer. We have the right to require that all documents and fees payable to us shall be deposited into escrow prior to the time that your transferee attends our training program, together with escrow instructions in form and content satisfactory to us providing for a final closing of the proposed Transfer after the transferee successfully completes all required training; and

(n) Other Conditions. You and your transferring Entity Owners, if you are an Entity, have complied with any other conditions that we reasonably require from time to time as part of our transfer policies.

In connection with any assignment permitted under this Section 12.3, you will provide us with all documents to be executed by you and the proposed transferee at least 30 days prior to execution, and you will provide us with a copy of all fully executed documents and agreements that were signed in connection with the Transfer.

12.4. Transfer to a Wholly Owned Entity. If you are in full compliance with this Agreement, you will have the right to transfer your rights in this Agreement to an Entity which will conduct no business other than the business contemplated by this Agreement, which you actually manage and in which you maintain management control and own and control 100% of the equity and voting power of all issued and outstanding capital stock or other ownership interests. If a transfer is made under this Section 12.4, you will remain personally liable under this Agreement as if the transfer to the Entity had not occurred, and we reserve the right to require you to execute our then-current form of personal guaranty. The articles of formation and other governing documents of the Entity will recite that the issuance and assignment of any interest in the corporation or limited liability company is restricted by the terms of this Section 12, and all issued and outstanding stock certificates and other documents representing ownership interests in you will bear a legend reciting or referring to these restrictions.

12.5. Our Right of First Refusal. If you or one or more of your Entity Owners desires to make a Transfer, you or the Entity Owner will obtain a bona fide, executed written offer and an earnest money deposit (in the amount of five percent (5%) or more of the offering price) from a responsible and fully disclosed purchaser and will immediately submit to us a true and complete copy of such offer, which will include details of the payment terms of the proposed sale, the sources and terms of any financing for the proposed purchase price, a list of the owners of record and beneficial owners of any offeror that is an Entity, and a list of the individuals ultimately owning or controlling the offeror. If the offeror or an owner of the offeror is a publicly held Entity, you will also submit to us copies of the most current annual and quarterly reports of the publicly held Entity. To be a valid, bona fide offer, the proposed purchase price will be denominated in a dollar amount. The offer must apply only to an interest in you or this Agreement and may not include an offer to purchase any other property or rights of you or your Entity Owners. However, if the offeror proposes to buy any other property or rights from you or your Entity Owners under a separate, contemporaneous offer, the price and terms of purchase offered to you or your Entity Owners for the interest in you or this Agreement will reflect the bona fide price offered for that interest and will not reflect any value for any other property or rights. We will have the right, exercisable by written notice delivered to you or your Entity Owners within 30 days from the date of delivery of an exact copy of the offer to us, to purchase the interests proposed to be Transferred for the price and on the terms and conditions contained in the offer except that (a) we have the right to substitute cash for any form of payment proposed in the offer, (b) our credit will be deemed equal to the credit of any proposed purchaser, (c) we will have not less than 60 days to close the purchase, and (d) we will have the right to receive from you all customary representations and warranties given by the seller of the assets of a business or equity interest in an Entity, as applicable, including representations and warranties as to ownership, condition of and title to assets, absence of liens and encumbrances relating to the ownership interest and assets, and validity of contracts and liabilities affecting the assets being purchased, contingent or otherwise. If we do not exercise our right of first refusal, you (or your Entity Owners) may complete the proposed Transfer as and on the terms outlined in the offer, subject to our approval of the proposed Transfer and transferee as provided in Sections 12.2 and 12.3. However, if the sale to the purchaser is not completed within 120 days after delivery of the offer to us, or if there is a material change in the terms of the sale, our right of first refusal will be extended for 30 days after the expiration of the 120-day period or after the material change in the terms of the sale.

12.6. Death or Permanent Disability. If you are an individual, upon your death or permanent disability or, if you are an Entity, upon the death or permanent disability of an individual owner of a Controlling Interest in you, the executor, administrator, conservator or other personal representative of that person will transfer his interest in this Agreement or his Controlling Interest in you within a reasonable time, not to exceed six (6) months from the date of death or permanent disability, to a third party approved by us. A transfer under this Section 12.6, including transfer by devise or inheritance, will be subject to all of the terms and conditions for Transfers contained in Sections 12.2 and 12.3, and unless transferred by gift, devise or inheritance, subject to the terms of Section 12.5. Failure to dispose of such interest within the specified period of time will constitute a breach of this Agreement. For purposes of this Agreement,

the term “**permanent disability**” means a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent you or an owner of a Controlling Interest in you from supervising the operation of Your Store for a period of six (6) months from the onset of such disability, impairment or condition.

12.7. Effect of Consent to Transfer. Our consent to a Transfer will not constitute a waiver of any claims we may have against the transferor nor be deemed a waiver of our right to demand full compliance by the transferee with the terms or conditions of this Agreement.

12.8. Preparation of a Financial Report by You. We have the right to require you to prepare and furnish to a prospective transferee and/or us such financial reports and other data relating to Your Store and its operations as we deem necessary or appropriate for the prospective transferee and/or us to evaluate the Store and the proposed transfer. You agree that we have the right to confer with prospective transferees and furnish them with information concerning Your Store and the proposed transfer without being held liable to you, except for intentional misstatements made to any such transferee. Any such information furnished by us to prospective transferees is for the sole purpose of permitting the transferees to evaluate Your Store and the proposed transfer and shall not be construed in any manner or form whatsoever as financial performance representations, or representations or claims of success or failure.

13. **DEFAULT AND TERMINATION**

13.1. Your Defaults. You will be in default under the terms of this Agreement, and we may terminate this Agreement, effective immediately on written notice, if any of the following occur:

(a) Insolvency. You file a petition in bankruptcy or for reorganization or for an arrangement pursuant to any federal or state bankruptcy law or any similar federal or state law, or are adjudicated a bankrupt or make an assignment for the benefit of creditors or admit in writing your inability to pay your debts generally as they become due, or if a petition or answer proposing the adjudication of you as bankrupt or your reorganization pursuant to any federal or state bankruptcy law or any similar federal or state law is filed in any court and you consent to or acquiesce in the filing thereof or such petition or answer is not discharged or denied within 60 days after the occurrence of any of the foregoing, or if a receiver, trustee or liquidator of you or of all or substantially all of your assets or your interest in this Agreement is appointed in any proceeding brought by you, or if any such receiver, trustee or liquidator is appointed in any proceeding brought against you and is not discharged within 60 days after the occurrence thereof, or if you consent to or acquiesce in such appointment (any such event described in this Section 13.1(a) being referred to as an “**Insolvency Event**”);

(b) Unauthorized Transfer. A Transfer occurs in violation of the provisions of Section 12;

(c) Failure to Complete Training. You or your initial store manager fails to complete all phases of the initial training program to our satisfaction;

(d) Misstatements and Other Adverse Developments. You (or, if you are an Entity, any Entity Owner) have made any material misrepresentation or omission in your application for the Franchise, are convicted by a trial court of or plead no contest to a felony or to any other crime or offense that, in our determination, may adversely affect the goodwill associated with the Marks, or if you engage in any conduct which, in our determination, may adversely affect the reputation of any Store or the goodwill associated with the Marks;

- (e) Unauthorized Use of Marks or Confidential Information. You or an Entity Owner make any unauthorized use of the Marks or any unauthorized use or disclosure of Confidential Information;
- (f) Abandonment. You abandon or fail actively to operate Your Store for three (3) consecutive days unless Your Store has been closed for a purpose approved in advance by us in writing or because of fire, flood or other casualty or government order;
- (g) Breach of Lease; Loss of Right of Possession. You are in breach of any of your obligations under your Lease or you lose the right to possession of the Premises;
- (h) Failure to Comply with Certain System Standards and Health Requirements. You fail or refuse to comply with System Standards relating to the cleanliness or sanitation of Your Store, or you violate any health, safety or sanitation law, ordinance or regulation and, in any event, do not correct the failure or violation within 48 hours of our written notice or notice from a governmental agency regarding a violation;
- (i) Understatements of Gross Revenue. You understate Your Store's Gross Revenue in any report or financial statement by an amount greater than two percent (2%);
- (j) Failure to Make Payments. You or any of your Affiliates fail, after 10 days' prior written notice, to make payments, when due, of any amounts due to us or our Affiliates under this Agreement or any other agreement with us or our Affiliates, or fail to make payments, when due, of any amounts due to vendors, distributors, suppliers or landlords of the Store that relate to the Store's operation;
- (k) Failure to Pay Taxes. You fail to pay any federal or state income, sales or other taxes due with respect to Your Store's operations unless you are in good faith contesting your liability for the taxes;
- (l) Failure of Inspection. You fail to achieve a passing score reasonably established by us on two (2) consecutive announced or unannounced store inspections conducted by us or our agents;
- (m) Other Breaches. You fail to comply with any other provision of this Agreement or any System Standard and do not correct the failure within 30 days following our written notice of the failure;
- (n) Repeated Breaches. You fail on two (2) or more separate occasions within any period of 12 consecutive months or on three (3) occasions during the Term: (i) to submit when due reports or other data, information or supporting records; (ii) to pay when due the continuing fees or other payments due to us or our Affiliates; or (iii) to otherwise comply with this Agreement, whether or not the failures to comply are corrected after notice thereof is delivered to you;
- (o) Financing Defaults. You default with respect to any of your obligations to us or any other lender under any financing provided to you in connection with this Franchise Agreement or a purchase of Your Store's assets;
- (p) Default of any Other Agreement. You default in the performance or observance of any of your obligations under any other agreement with us or our Affiliates and do not correct the default within the cure periods, if any, provided under such agreements;

(q) Failure to Secure Store Premises. You fail to obtain our approval of and secure the Premises for Your Store within the six (6) month period described in Section 2.1 of this Agreement, if at the time of signing this Agreement we have not identified the Premises on Schedule 3 attached to this Agreement;

(r) Failure to Open Store by Start Date. You fail to open the Store by your Start Date, as described in Section 4.5 of this Agreement; or

(s) Possession or Use of Unauthorized Products. You possess or use unauthorized products at the Premises of Your Store, as specified periodically by us in the Operations Manual or otherwise.

13.2. Other Rights and Remedies. If you cure any default after the applicable cure period has expired, we still have the right to terminate this Agreement. In any event, our right to terminate this Agreement is in addition to whatever other rights and remedies are available to us. Without limiting the foregoing, we reserve the right to interrupt your product shipments or ordering privileges instead of or in addition to exercising our right to terminate this Agreement, or to require you to sign our then-current form of Franchise Agreement if we choose to rescind our termination of this Agreement. We also reserve the right (but not the obligation) to take actions necessary to cure the default at your sole expense and to establish reasonable conditions that you must satisfy to cure any default, such as requiring you to pay for a year of monthly Store inspections if you commit a default relating to Section 13.1(l).

13.3. Assumption of Management. If you abandon the operation of Your Store or if we are deciding whether to exercise our right to purchase Your Store as described in Section 14.2 below, we have the right, at our option, to enter the Premises and assume the management of Your Store for any period of time we deem appropriate. If we assume management of Your Store, we will appoint a manager who will maintain Store operations. All funds from the operation of Your Store during the period of management by our appointed manager will be kept in a separate fund, and all expenses of Your Store, including compensation, other costs, and travel and living expenses of our appointed manager, will be charged to such fund. As compensation for such management services, we will charge such fund ten percent (10%) of the Gross Revenue of Your Store during the period of our management. Operation of Your Store during any such period will be on your behalf, provided that we will have a duty only to utilize our good faith effort and will not be liable to you for any debts or obligations incurred by Your Store or to any of your creditors for any merchandise, materials, supplies or services purchased by Your Store during any period in which Your Store is managed by our appointed manager. You will maintain in force for Your Store all insurance policies required by this Agreement. Our right to assume management of Your Store pursuant to this Section is in addition to and does not affect our right to terminate this Agreement under Section 13.1.

14. **POST-TERM OBLIGATIONS**

14.1. Your Obligations. You agree that, on expiration or termination of this Agreement, you and, as applicable, the Restricted Persons, will do the following:

(a) Payment of Amounts Owed to Us and Others. Pay us within 15 days after the date of termination or expiration of this Agreement, or such later date as the amounts due to us are determined, all fees and other amounts you owe us or our Affiliates, including all interest due thereon.

(b) Discontinue Use of Marks.

(i) Immediately close Your Store for business to customers and cease to sell, directly or indirectly, any products or services of any kind and in any manner from the Premises and/or using the Marks, unless we direct you otherwise in connection with our exercise of our option to purchase pursuant to Section 14.2;

(ii) Not directly or indirectly at any time or in any manner (except with respect to other Stores owned and operated by you) identify yourself or any business as a current or former Store, or as a franchisee, licensee or dealer of us or our Affiliates, use any Mark, any colorable imitation of a Mark or other indicia of a Store in any manner or for any purpose or utilize for any purpose any trade name, trade or service mark or other commercial symbol that suggests or indicates a connection or association with us or our Affiliates;

(iii) Deliver to us all signs, sign-faces, sign-cabinets, marketing materials, forms, invoices and other materials containing any Mark or otherwise identifying or relating to a Store and allow us, without liability, to remove all such items from Your Store;

(iv) Take such action as may be required to cancel all fictitious or assumed name or equivalent registrations relating to your use of any Mark;

(v) If we do not purchase Your Store as provided in Section 14.2, make the changes to the exterior and interior appearance of Your Store to distinguish the Trade Dress as are reasonably required by us;

(vi) Deliver all materials and supplies identified by the Marks in full cases or packages to us for credit and dispose of all other materials and supplies identified by the Marks within 30 days after the effective date of termination of this Agreement;

(vii) Notify the telephone company and all telephone and online directory publishers of the termination of your right to use any telephone and facsimile numbers and any regular, classified or other telephone and online directory listings associated with any Mark and to authorize transfer of those rights to us, or at our direction, our designee. You agree that, as between you and us, we have the right to and interest in all telephone and facsimile numbers and directory listings associated with any Mark. You authorize us and appoint us and any of our officers as your attorney in fact, to direct the telephone company and all telephone and online directory publishers to transfer any telephone and facsimile numbers and directory listings relating to Your Store to us, or our designee, should you fail or refuse to do so, and the telephone company and all telephone and online directory publishers may accept such direction or this Agreement as conclusive of our exclusive rights in the telephone and facsimile numbers and directory listings and our authority to direct their transfer; and

(viii) Furnish us, within 30 days after the effective date of termination, with evidence satisfactory to us of your compliance with the obligations in this Section 14.1(b). If you fail to fulfill any of the obligations contained in this Section 14.1(b), we have the right, at our option, to perform such obligations at your expense.

(c) Discontinuance of Use of Confidential Information. Immediately cease to use any Confidential Information disclosed to you pursuant to this Agreement in any business or otherwise and you will return to us all copies of the Operations Manual and any other confidential materials which we have loaned to you.

(d) Compliance with Post-Term Covenants. Immediately comply with the post-term covenants described in Section 11.2 above.

14.2. Our Option to Purchase Your Store.

(a) **Option to Purchase.** On expiration or termination of this Agreement other than as a result of our default, we will have the right, at our option, exercisable by giving written notice thereof within 60 days from the date of such termination or expiration, to acquire from you, free and clear of all liens or encumbrances, Your Store, your right to possess the Premises, any or all of the Approved Products, materials, and supplies that are in good and saleable condition and not obsolete or discontinued (the “**Inventory**”), and any or all of the equipment, furnishings, signs, and the other tangible assets of Your Store (collectively, with the Inventory, the “**Assets**”). We have the right to assign this option to purchase and our rights under this Section. We will be entitled to all customary warranties and representations in connection with our purchase, including representations and warranties as to ownership, condition of and title to the Assets, no liens and encumbrances on the Assets, and validity of contracts and agreements and liabilities benefiting us or affecting the Assets, contingent or otherwise.

(b) **Purchase Price.** The purchase price for the Assets will be the net realizable value of the tangible assets in accordance with the liquidation basis of accounting (not the value of Your Store as a going concern) (“**Liquidation Value**”). If you dispute the calculation of the Liquidation Value, the purchase price will be determined by one independent accredited appraiser designated by us who will calculate the purchase price applying the criteria specified above. We agree to select the appraiser within 15 days after we receive the financial and other information necessary to calculate the purchase price (if you and we have not agreed on the purchase price before then). You and we will share equally the appraiser’s fees and expenses. The appraiser must complete its calculation within 30 days after its appointment. The purchase price will be the appraiser’s determination of the Liquidation Value, applying the appropriate mechanism as described above. We will have the right to set off against and reduce the purchase price by any and all amounts owed by you to us or our Affiliates.

(c) **Payment of Purchase Price.** Closing of the purchase will take place on a date we select that is within 90 days after (1) your receipt of our notice of exercise of this option to purchase Your Store, or (2) the purchase price is determined as described in paragraph (b) above. The purchase price will be paid in cash at the closing of the purchase, at which time you will deliver instruments transferring to us good and merchantable title to the Assets purchased, free and clear of all liens and encumbrances and with all sales and other transfer taxes paid by you, and with all licenses or permits of Your Store which may be assigned or transferred. If the closing of the purchase does not occur within the specified time period because you fail to act diligently in connection with the purchase, the purchase price will be reduced by ten percent (10%). The purchase price will be further reduced by ten percent (10%) per month for each subsequent month you fail to act diligently to consummate the purchase. Prior to closing, you and we will comply with the applicable Bulk Sales provisions of the Uniform Commercial Code as enacted in the state where Your Store is located.

(d) **Lease of Premises.** In connection with the purchase, you will also deliver to us an assignment of the Lease (or, if assignment is prohibited, a sublease for the full remaining term and on the same terms and conditions as your Lease). If you own the Premises of Your Store, you agree to lease the Premises to us pursuant to the terms of our standard lease.

(e) **Interim Management.** If we exercise the option to purchase Your Store, pending the closing of such purchase, we have the right to appoint a manager to maintain the operation of Your Store or, at our option, require you to close Your Store during such time period without removing any assets. If we appoint a manager to maintain the operation of Your Store pending closing of such purchase, we will have the right to manage Your Store under the same terms and conditions as described in Section 13.3.

(f) Termination of Franchise Agreement. Upon the closing of the purchase of the Assets and satisfaction by you of all of your obligations under this Agreement accruing through the closing, this Agreement will terminate.

14.3. Lost Revenue Damages. If we terminate this Agreement because of your breach or if you terminate this Agreement without cause, you and we agree that it would be difficult, if not impossible, to determine the amount of damages that we would suffer due to the loss or interruption of the revenue stream we otherwise would have derived from your continued payment of Royalty and Brand Fund Contributions through the remainder of the Term. Therefore, you and we agree that a reasonable estimate of such damages, less any cost savings we might have experienced (the “**Lost Revenue Damages**”), is an amount equal to the net present value of the Royalty and Brand Fund Contributions that would have become due had this Agreement not been terminated, from the date of termination to the earlier of: (a) five (5) years following the date of termination, or (b) the scheduled expiration of the Term (the “**Measurement Period**”). Lost Revenue Damages will be calculated as follows: (1) the number of calendar months in the Measurement Period, multiplied by (2) the aggregate of the Royalty and Brand Fund Contribution percentages, multiplied by (3) the average monthly Gross Revenue of Your Store during the 12 full calendar months immediately preceding the termination date; provided, that if as of the termination date, Your Store has not been operating for at least 12 months, the average monthly Gross Revenue of all Stores operating under the same Marks during the entirety of our fiscal year immediately preceding the termination date. You agree to pay us Lost Revenue Damages, as calculated in accordance with this Section, within 15 days after this Agreement expires or is terminated, or on any later date that we determine. You and we agree that the calculation described in this Section is a calculation only of the Lost Revenue Damages and that nothing herein shall preclude or limit us from proving and recovering any other damages caused by your breach of the Agreement.

14.4. Continuing Obligations. All obligations which expressly or by their nature survive the termination or expiration of this Agreement will continue in full force and effect subsequent to and notwithstanding termination or expiration and until they are satisfied in full or by their nature expire.

15. **RELATIONSHIP OF THE PARTIES/INDEMNIFICATION**

15.1. Independent Contractors. This Agreement does not create a fiduciary relationship between us and you. We and you are independent contractors and nothing in this Agreement is intended to make either of us a general or special agent, joint venturer, partner or employee of the other for any purpose. You will conspicuously identify yourself in all dealings as the owner of Your Store under a franchise granted by us and will place such other notices of independent ownership on the forms, business cards, stationery, marketing and other materials as we have the right to require from time to time. You agree not to use the Marks or otherwise engage in any conduct which might, in any way, indicate (a) to your employees or anyone else that you are our agent or (b) that might otherwise result in our direct or indirect liability for any of your indebtedness or obligations. You acknowledge that we are in the business of franchising and licensing systems and trademarks for the delivery of goods and services, and we are not in the same business as you are.

15.2. Our Approval and Enforcement. You have the sole right and responsibility for the manner and means by which the day-to-day operation of Your Store is determined and conducted and for achieving your business objectives. Subject to any approval, inspection and enforcement rights reserved to us, this right and responsibility includes the employment, supervision, setting the conditions of employment and discharge for your employees at Your Store, daily maintenance, safety concerns, and the achievement of conformity with the System Standards. Our retention and exercise of the right to approve certain matters, to inspect Your Store and its operation and to enforce our rights, exists only to the extent we believe necessary to protect our and our Affiliates’ interest in the System and the Marks. Neither the retention nor

the exercise is for the purpose of establishing any control, or the duty to take control, over those matters which are clearly reserved to you, nor shall they be construed to do so.

15.3. Taxes. We will have no liability for any sales, use, service, occupation, excise, gross receipts, income, property or other taxes, whether levied upon you or your assets or upon us, arising in connection with your sales or the business conducted by you pursuant to this Agreement, except for taxes that we are required by law to collect from you with respect to purchases from us and except for our own income taxes. Payment of all such taxes will be your responsibility.

15.4. Indemnification. You agree to indemnify, defend, and hold harmless us, our Affiliates, and our and their respective owners, directors, managers, officers, employees, agents, successors, and assignees (the “**Indemnified Parties**”) against, and to reimburse the Indemnified Parties for, all claims, obligations, and damages directly or indirectly arising out of the operation of Your Store, the business you conduct under this Agreement, product liabilities claims or defective manufacturing of Approved Products by you, or your breach of this Agreement, including those alleged to be caused by the Indemnified Party’s negligence, unless (and then only to the extent that) the claims, obligations, or damages are determined to be caused solely by the Indemnified Party’s intentional misconduct in a final, unappealable ruling issued by a court with competent jurisdiction. For purposes of this indemnification, “**claims**” include all obligations, damages (actual, consequential, or otherwise), and costs that any Indemnified Party reasonably incurs in defending any claim against it, including reasonable accountants’, arbitrators’, attorneys’, and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation or alternative dispute resolution, regardless of whether litigation or alternative dispute resolution is commenced. Each Indemnified Party may defend any claim against it at your expense and agree to settlements or take any other remedial, corrective, or other actions. This indemnity will continue in full force and effect subsequent to and notwithstanding this Agreement’s expiration or termination. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a claim against you under this subparagraph. You agree that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover from you under this Section.

15.5. Waiver of Claims. You waive all claims against us for damages to property or injuries to persons arising out of the operation of Your Store.

16. **SECURITY AGREEMENT**

16.1. Security Interest. As security for the performance of your obligations under this Agreement, including payments owed to us or our Affiliates for your purchases, you hereby collaterally assign to us the Lease and grant us a security interest in all of the assets used in or associated with the operation of Your Store, including inventory, accounts, supplies, contracts, cash derived from the operation of Your Store and sale of other assets, and proceeds and products of all those assets. You agree to execute such other documents as we may reasonably request in order to further document, perfect and record our security interest. If you default in any of your obligations under this Agreement, we may exercise all rights of a secured creditor granted to us by law, in addition to our other rights under this Agreement and at law. If a third-party lender requires that we subordinate our security interest in the assets of Your Store as a condition to lending you working capital for the construction or operation of Your Store, we will agree to subordinate pursuant to terms and conditions determined by us. This Agreement will be deemed to be a Security Agreement and Financing Statement and may be filed for record as such in the records of any county and state that we deem appropriate to protect our interests.

17. DISPUTE RESOLUTION

17.1. Injunctive Relief. Nothing in this Agreement, including the provisions of Section 17.8, bars our right to obtain specific performance of the provisions of this Agreement and injunctive relief against any threatened or actual conduct that will cause us, the Marks, or the System loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and temporary or preliminary injunctions. You agree that we may seek such relief from any court of competent jurisdiction in addition to such further or other relief as may be available to us at law or in equity. You agree that we will not be required to post a bond to obtain injunctive relief and that your only remedy if an injunction is entered against you will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by injunction being expressly waived hereby).

17.2. Rights of Parties Are Cumulative. Our and your rights under this Agreement are cumulative and the exercise or enforcement of any right or remedy under this Agreement will not preclude the exercise or enforcement by a party of any other right or remedy under this Agreement which it is entitled by law or this Agreement to exercise or enforce.

17.3. Costs and Attorneys' Fees. The prevailing party in any arbitration or litigation shall be entitled to recover from the other party all damages, costs and expenses, including arbitration and court costs and reasonable attorneys' fees, incurred by the prevailing party in connection with such arbitration or litigation. If we incur expenses in connection with your failure to pay when due amounts owing to us, to submit when due any reports, information or supporting records or otherwise to comply with this Agreement, including court costs, legal and accounting fees, you will reimburse us for any such costs and expenses which we incur.

17.4. Governing Law. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. Sections 1 et seq.). Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other federal law, this Agreement, the Franchise, and all claims arising from the relationship between us and you will be governed by the laws of the state of Delaware, the state in which we were formed, without regard to its conflict of laws rules, except that any state law regulating the offer or sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this section.

17.5. Consent to Jurisdiction. Subject to the obligation to arbitrate under Section 17.8 below, you and the Restricted Persons agree that all actions arising under this Agreement or otherwise as a result of the relationship between you and us must be commenced in Wilmington, Delaware, and you (and each Restricted Person) irrevocably submit to the jurisdiction of that court and waive any objection you (or the owner) might have to either the jurisdiction of or venue in that court.

17.6. Waiver of Punitive Damages and Jury Trial. Except for your obligation to indemnify us for third-party claims under Section 15.4, we and you (and the Restricted Persons) waive to the fullest extent permitted by law any right to or claim for any punitive or exemplary damages against the other and agree that, in the event of a dispute between us and you, the party making a claim will be limited to equitable relief and to recovery of any actual damages it sustains. **WE AND YOU IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING, BROUGHT BY EITHER OF US.**

17.7. Limitation of Claims; Waiver of Class Action. Except for claims arising from your non-payment or underpayment of amounts you owe us, any and all claims arising out of or relating to this Agreement or our relationship with you will be barred unless a judicial or arbitration proceeding is commenced in accordance with this Agreement within one (1) year from the date on which the party asserting the claim knew or should have known of the facts giving rise to the claims. We and you agree

that any proceeding will be conducted on an individual basis and that any proceeding between us and any of our Affiliates, or our and their respective owners, officers, directors, agents, and employees, on the one hand, and you (or your owners, guarantors, affiliates, and employees), on the other hand, may not be: (i) conducted on a class-wide basis, (ii) commenced, conducted or consolidated with any other proceeding, (iii) joined with any claim of an unaffiliated third-party, or (iv) brought on your behalf by any association or agent. No previous course of dealing shall be admissible to explain, modify, or contradict the terms of this Agreement. No implied covenant of good faith and fair dealing shall be used to alter the express terms of this Agreement.

17.8. Arbitration. We and you agree that all controversies, disputes, or claims between us or our Affiliates, and our and their respective owners, officers, directors, agents, and employees, on the one hand, and you and your Affiliates, and your and their owners, officers, directors, agents and employees, on the other hand, arising out of or related to: (1) this Agreement or any other agreement between you (or any of your owners) and us (or any of our Affiliates); (2) our relationship with you; (3) the scope or validity of this Agreement or any other agreement between you (or any of your owners) and us (or any of our Affiliates) or any provision of any of such agreements (including the validity and scope of the arbitration provision under this Section 17.8, which we and you acknowledge is to be determined by an arbitrator, not a court); or (4) any System Standard, must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association. The arbitration proceedings will be conducted by one arbitrator and, except as this Section otherwise provides, according to the American Arbitration Association's then-current Commercial Arbitration Rules. All proceedings will be conducted at a suitable location chosen by the arbitrator that is within Wilmington, Delaware. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). The interim and final awards of the arbitrator shall be final and binding upon each party, and judgment upon the arbitrator's awards may be entered in any court of competent jurisdiction.

The arbitrator has the right to award or include in his or her awards any relief which he or she deems proper, including, without limitation, money damages, pre- and post-award interest, interim costs and attorneys' fees, specific performance, and injunctive relief, provided that the arbitrator may not declare any of the trademarks owned by us or our affiliates generic or otherwise invalid, or award any punitive or exemplary damages against any party to the arbitration proceeding (we and you hereby waiving to the fullest extent permitted by law any such right to or claim for any punitive or exemplary damages against any party to the arbitration proceeding). Further, at the conclusion of the arbitration, the arbitrator shall award to the prevailing party its attorneys' fees and costs.

We and you agree to be bound by the provisions of any applicable contractual or statutory limitations provision, whichever expires earlier. We and you further agree that, in any arbitration proceeding, each party must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding. Any claim which is not submitted or filed as required will be forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either you or us.

We and you agree that arbitration will be conducted on an individual basis and that an arbitration proceeding between us and any of our Affiliates, or our and their respective owners, officers, directors, agents, and employees, on the one hand, and you (or your owners, guarantors, affiliates, and employees), on the other hand, may not be: (i) conducted on a class-wide basis, (ii) commenced, conducted or consolidated with any other arbitration proceeding, (iii) joined with any separate claim of an unaffiliated third-party, or (iv) brought on your behalf by any association or agent. Notwithstanding the foregoing, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute, controversy or claim that otherwise would be subject to arbitration under this Section, then all parties agree that this arbitration clause shall not apply to that dispute, controversy or claim and that such

dispute, controversy or claim shall be resolved in a judicial proceeding in accordance with the dispute resolution provisions of this Agreement.

We and you agree that, in any arbitration arising as described in this Section, the arbitrator shall have full authority to manage any necessary exchange of information among the parties with a view to achieving an efficient and economical resolution of the dispute. The parties may only serve reasonable requests for documents, which must be limited to documents upon which a party intends to rely or documents that are directly relevant and material to a significant disputed issue in the case or to the case's outcome. The document requests shall be restricted in terms of time frame, subject matter and persons or entities to which the requests pertain and shall not include broad phraseology such as "all documents directly or indirectly related to." You and we further agree that no interrogatories or requests to admit shall be propounded, unless the parties later mutually agree to their use.

In any arbitration each side may take no more than three depositions, unless the parties mutually agree to additional depositions. Each side's depositions are to consume no more than a total of 15 hours, and each deposition shall be limited to 5 hours, unless the parties mutually agree to additional time.

The provisions of this Section are intended to benefit and bind certain third-party non-signatories.

The provisions of this Section will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

Any provisions of this Agreement that pertain to judicial proceedings shall be subject to the agreement to arbitrate contained in this Section.

18. GENERAL PROVISIONS

18.1. **Severability.** Each article, section, paragraph, term and provision of this Agreement will be considered severable and if, for any reason, any provision of this Agreement is held to be invalid, contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency or tribunal with competent jurisdiction in a proceeding to which we are a party, that ruling will not impair the operation of, or have any other effect upon, such other portions of this Agreement as may remain otherwise intelligible, and such other portions will continue to be given full force and effect and bind the parties, although any portion held to be invalid will be deemed not to be a part of this Agreement from the date the time for appeal expires, if you are a party thereto, otherwise upon your receipt of a notice of non-enforcement thereof from us.

18.2. **Rights Provided by Law.** If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination or non-renewal of this Agreement than is required under this Agreement, or the taking of some other action not required under this Agreement, or if, under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement is invalid or unenforceable, the prior notice and/or other action required by such law or rule will be substituted for the comparable provisions of this Agreement, and we will have the right to modify the invalid or unenforceable provision to the extent required to be valid and enforceable. You agree to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions of this Agreement any portion or portions which a court may hold to be unenforceable in a final decision to which we are a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order. Such modifications to this Agreement will be effective only in such jurisdiction, unless we elect to give them greater applicability, and will be enforced as originally made and entered into in all other jurisdictions.

18.3. Waivers by Either of Us. Either we or you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice of waiver to the other or such other effective date stated in the notice of waiver. Any waiver granted by us will be without prejudice to any other rights we may have, will be subject to our continuing review and may be revoked by us at any time and for any reason, effective upon delivery to you of 10 days' prior written notice.

18.4. Certain Acts Not to Constitute Waivers. Neither we nor you will be deemed to have waived or impaired any right, power or option reserved by this Agreement (including the right to demand exact compliance with every term, condition and covenant in this Agreement or to declare any breach to be a default and to terminate this Agreement prior to the expiration of its term) by virtue of: (i) any custom or practice of the parties at variance with the terms of this Agreement; (ii) any failure, refusal or neglect of us or you to exercise any right under this Agreement or to insist upon exact compliance by the other with its obligations under this Agreement, including any waiver, forbearance, delay, failure or omission by us to exercise any right, power or option, whether of the same, similar or different nature, with respect to other Stores or franchise agreements; or (iii) our acceptance of any payments due from you after any breach of this Agreement.

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

(a) Our Rights. Whenever this Agreement provides that we have a certain right, that right is absolute and the parties intend that our exercise of that right will not be subject to any limitation or review. We have the right to operate, administrate, develop, and change the System in any manner that is not specifically precluded by the provisions of this Agreement.

(b) Our Reasonable Business Judgment. Whenever we reserve or are deemed to have reserved discretion in a particular area or where we agree or are deemed to be required to exercise our rights reasonably or in good faith, we will satisfy our obligations whenever we exercise reasonable business judgment in making our decision or exercising our rights. A decision or action by us will be deemed to be the result of reasonable business judgment, even if other reasonable or even arguably preferable alternatives are available, if our decision or action is intended, in whole or significant part, to promote or benefit the System generally even if the decision or action also promotes a financial or other individual interest of us. Neither you nor any third party (including a trier of fact), shall substitute its judgment for our reasonable business judgment.

(c) Construction. The preambles and exhibits are a part of this Agreement, which together with this Agreement constitute our and your entire agreement, and there are no other oral or written understandings or agreements between us and you, or oral or written representations by us, relating to the subject matter of this Agreement, the franchise relationship, or Your Store (any understandings or agreements reached, or any representations made, before this Agreement are superseded by this Agreement). Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the Franchise Disclosure Document that we furnish to you. Any policies that we adopt and implement from time to time to guide us in our decision-making are subject to change, are not a part of this Agreement, and are not binding on us. Except as expressly stated, nothing in this Agreement is intended or deemed to confer any rights or remedies upon any person or legal entity not a party to this Agreement. If two or more persons are at any time the owners of the Franchise and Your Store, whether as partners or joint venturers, their obligations and liabilities to us will be joint and several. Unless otherwise specified, all references to a number of days shall mean calendar days and not business days. The term "Your Store" includes all of the assets of the

Store you operate under this Agreement, including its revenue and the Lease. Unless indicated otherwise, the term “including” means “including, without limitation.”

18.6. Notice of Our Potential Profit. We and/or our Affiliates have the right from time to time to make available to you goods, products and/or services for use in Your Store on the sale of which we and/or our Affiliates may make a profit. We and/or our Affiliates have the right from time to time to receive consideration from suppliers, distributors and/or manufacturers related (directly or indirectly) to sales of goods, products or services to you, the promotion of goods, products or services by the System or in consideration of services rendered or rights licensed to such persons. We and/or our Affiliates shall be entitled to use or not use any such profits and/or consideration for any purpose.

18.7. Binding Effect. Subject to the restrictions on Transfers contained in this Agreement, this Agreement is binding upon the parties hereto and their respective executors, administrators, heirs, assigns and successors in interest and will not be modified except by written agreement signed by both you and us.

18.8. Execution. This Agreement may be executed in counterparts which, when taken together, will constitute a single instrument. Signatures transmitted by fax or scanned and emailed will be given the full force and effect of originals.

18.9. Notices and Payments. All written notices and reports permitted or required to be delivered by the provisions of this Agreement will be deemed so delivered at the time delivered by hand; one (1) business day after being placed in the hands of a commercial courier service for next business day delivery; or three (3) business days after placement in the United States Mail by registered or certified mail, return receipt requested, postage prepaid, and will be addressed to the parties at the addresses set forth on the first page of this Agreement or to such other address as a party may specify in a written notice to the other party; provided, however, that any notice we provide to you may be addressed to your attention at Your Store. Any required payment or report not actually received by us during regular business hours on the date due (or postmarked by postal authorities at least two (2) days prior thereto) will be deemed delinquent.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement on the dates shown below and made effective as of the Effective Date.

TCBY SYSTEMS, LLC

FRANCHISEE: _____

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

By: _____
Name: _____
Title (if applicable): _____
Date: _____

(*This is the Effective Date)

SCHEDULE 1

**OWNERSHIP ADDENDUM TO TCBY SYSTEMS, LLC
FRANCHISE AGREEMENT**

1. Form of Owner.

(a) **Individual Proprietorship.** Your owner(s) (is) (are) as follows:

(b) **Corporation, Limited Liability Company, or Partnership.** You were incorporated or formed on _____, under the laws of the State of _____. You have not conducted business under any name other than your corporate, limited liability company, or partnership name unless indicated in the following: _____.

2. **Owners.** The following lists the full name of each person who is one of your owners (as defined in the Franchise Agreement), or an owner of one of your owners, and fully describes the nature of each owner's interest (attach additional pages if necessary).

Owner's Name	Type / Percentage of Interest
_____	_____ %
_____	_____ %
_____	_____ %

TCBY SYSTEMS, LLC

FRANCHISEE: _____

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

By: _____
Name: _____
Title (if applicable): _____
Date: _____

SCHEDULE 2
GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given this ____ day of _____, 20____, by each of the undersigned.

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement (as amended, modified, restated or supplemented from time to time, the “Agreement”) on this date by **TCBY SYSTEMS, LLC** (“us”), each of the undersigned personally and unconditionally (a) guarantees to us and our successors and assigns, for the term of the Agreement and afterward as provided in the Agreement, that _____ (“Franchisee”) will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including the non-competition, confidentiality, and transfer requirements.

Each of the undersigned consents and agrees that: (1) his or her direct and immediate liability under this Guaranty will be joint and several, both with Franchisee and among other guarantors; (2) he or she will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon our pursuit of any remedies against Franchisee or any other person; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which we 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 will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement; and (5) at our request, the undersigned shall present updated financial information to us as reasonably necessary to demonstrate his or her ability to satisfy the financial obligations of Franchisee under the Agreement.

Each of the undersigned waives: (i) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchisee arising as a result of the undersigned’s execution of and performance under this Guaranty; and (ii) acceptance and notice of acceptance by us of his or her undertakings under this Guaranty, notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices to which he or she may be entitled.

If the undersigned guarantor is not an individual, it agrees that it will make no distributions to any persons at any time Franchisee is subject to an uncured notice of default.

Each of the undersigned represents and warrants that, if no signature appears below for such undersigned’s spouse, such undersigned is either not married or, if married, is a resident of a state which does not require the consent of both spouses to encumber the assets of a marital estate.

The provisions contained in Section 17 (*Dispute Resolution*) of the Agreement, including Section 17.3 (*Costs and Attorneys’ Fees*), Section 17.5 (*Consent to Jurisdiction*), and Section 17.8 (*Arbitration*) of the Agreement are incorporated into this Guaranty by reference and shall govern this Guaranty and any disputes between the undersigned and us. If we are required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the undersigned shall reimburse us for any of the above-listed costs and expenses we incur.

By signing below, the undersigned spouse of the Guarantor indicated below, acknowledges and consents to the guaranty given herein by his/her spouse. Such consent also serves to bind the assets of the marital estate to Guarantor's performance of this Guaranty.

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature on the same day and year as this Guaranty and Assumption of Obligations was executed.

GUARANTOR(S)	SPOUSE(S)
Name: _____ Sign: _____ Address: _____ _____ _____	Name: _____ Sign: _____ Address: _____ _____ _____
Name: _____ Sign: _____ Address: _____ _____ _____	Name: _____ Sign: _____ Address: _____ _____ _____

SCHEDULE 3

**TO TCBY SYSTEMS, LLC FRANCHISE AGREEMENT
STORE PREMISES; START DATE**

If at the time of signing this Agreement you have obtained our approval of and secured the Premises for Your Store, the Premises for Your Store and your applicable Start Date are identified below. However, if at the time of signing this Agreement you have not obtained our approval of and secured the Premises for Your Store, we and you will sign an Alternative Schedule 3 identifying the Premises of Your Store and your applicable Start Date, assuming you obtain our approval of and secure the Premises for Your Store within the applicable 6-month period described in Section 2.1 of this Agreement.

1. Premises. You and we agree that Your Store will be located at and only at the following Premises: _____

2. Start Date. You and we agree that the following is the Start Date described in Section 4.5 of the Franchise Agreement: _____

TCBY SYSTEMS, LLC

FRANCHISEE: _____

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

By: _____
Name: _____
Title (if applicable): _____
Date: _____

ALTERNATIVE SCHEDULE 3

**TO TCBY SYSTEMS, LLC FRANCHISE AGREEMENT
STORE PREMISES; START DATE**

This Schedule, with a date of _____, 20____, is attached to and is an integral part of the TCBY SYSTEMS, LLC Franchise Agreement between you and us with a date of _____, 20____ (the “**Franchise Agreement**”).

1. Premises. You and we agree that Your Store will be located at and only at the following Premises: _____

2. Start Date. You and we agree that the following is the Start Date described in Section 4.5 of the Franchise Agreement: _____

3. Defined Terms. All capitalized terms contained in this Exhibit and not defined in this Exhibit will have the same meaning as provided in the Franchise Agreement.

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

TCBY SYSTEMS, LLC

FRANCHISEE: _____

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

By: _____
Name: _____
Title (if applicable): _____
Date: _____

SCHEDULE 4

TO TCBY SYSTEMS, LLC FRANCHISE AGREEMENT LEASE ADDENDUM

This Lease Addendum is entered into as of the date of the Lease Agreement by and between _____, Landlord and _____, Tenant.

Landlord and Tenant are parties to that certain Lease of even date (the Lease) covering the premises located at _____, which Tenant will use to operate a TCBY® store under a Franchise Agreement between Tenant and TCBY Systems, LLC (Franchisor). Landlord and Tenant desire to amend the Lease to protect the various interests of Franchisor.

In consideration of the foregoing and the promises contained in the Lease, the parties agree as follows:

1. Permitted Use. Landlord and Tenant agree that so long as the Franchise Agreement remains in effect, Tenant may use the Lease premises only for a TCBY® store and Tenant may offer for sale and sell at the premises only premium soft-serve frozen yogurt, hand-dipped frozen yogurt, other frozen and non-frozen dessert and treat items, and related products, together with those services, which Franchisor approves.

2. Notice of Default. Landlord will provide Franchisor, by certified US mail or a recognized overnight delivery service at the address provided in Section 9 below, a minimum 30 day notice of any default under the Lease before Landlord initiates any action to terminate the Lease or exercise any remedy for such default.

3. Cure. Either Tenant or Franchisor may cure defaults under the Lease and Landlord will accept performance of obligations due under the Lease, as specified in the Lease, by either Franchisor or Tenant. Franchisor will not, however, be under any obligation to cure any default and nothing herein will require Franchisor at any time to comply with or take any action under the provisions of the Lease.

4. Rights of Franchisor After Cure. If Franchisor commences cure of any default under the Lease within the 30 day notice period described in Section 2 above, and if Franchisor thereafter diligently completes cure, Franchisor may, but will not be obligated to, give notice to Landlord and become Tenant under the Lease, in which event Landlord will not be entitled to terminate the Lease.

5. Assignment and Renewal. Landlord consents to an assignment or transfer of Tenant's rights under the Lease to Franchisor at any time during the term of the Lease; provided that such assignment or transfer is subject to Franchisor's written agreement to accept such assignment or transfer. Landlord will give Franchisor notice of expiration of the term of the Lease at least three months in advance thereof and grant Franchisor the right, but not the obligation, to exercise any then-existing renewal rights under the Lease.

6. Permitted Assignments by the Franchisor. If Franchisor becomes the Tenant under the rights described in Section 5 above, the following language will amend and be superior to any assignment and subletting language stated in the Lease:

Tenant will not be required to obtain Landlord's consent to assign this Lease to: (a) the parent or majority-owned subsidiary or affiliate of Tenant; (b) a person or entity having substantially the same net worth as the Tenant at the time of Transfer (collectively, a "Permitted

Assignment”) or (c) any entity resulting from a (i) merger, (ii) consolidation, (iii) initial public offering, or (iv) sale of the Tenant’s assets. If there is a Permitted Assignment as described herein, Tenant’s obligations under the Lease will terminate as of the effective date of the Permitted Assignment.

7. Right of Entry and Subordination. Landlord will give Franchisor access to the Store at reasonable times on not less than 24 hours’ notice (or such shorter notice as may be reasonable when circumstances dictate) either to inspect the Store for compliance with Franchisor’s requirements, to remove from the Store any items bearing Franchisor’s marks or logos or to take other action permissible under the Agreements between Tenant and Franchisor. Landlord specifically subordinates any lien it may have in such items to Franchisor’s rights as licensor of the marks or logos displayed on items.

8. Vacating Premises. Upon vacating the Lease premises, or termination of the Franchise Agreement or Lease (whichever occurs first), Tenant must remove all signs and materials bearing any of the marks or logos.

9. Notices. Any notices to Franchisor hereunder will be sent to:

TCBY Systems, LLC
1717 S. 4800 W.
Salt Lake City, Utah 84104

10. Benefit. Landlord and Tenant acknowledge that they enter into this Agreement for the express benefit of Franchisor and that Franchisor is an intended beneficiary hereof.

11. Supremacy. This Addendum shall control and supersede any inconsistent provision of the Lease.

The parties have signed this Agreement the day and year first above written.

LANDLORD:

TENANT:

By: _____

Title: _____

By: _____

Title: _____

EXHIBIT C

AREA DEVELOPMENT AGREEMENT

TCBY®
AREA DEVELOPMENT AGREEMENT

THIS AREA DEVELOPMENT AGREEMENT (“**Agreement**”) made and entered into as of the ____ day of _____, 20__ (“**Effective Date**”) among TCBY Systems, LLC, a Delaware limited liability company (“**we**” or “**us**”), and _____ (“**you**”).

INTRODUCTION:

A. We are the owner and developer of a system for establishing, operating, and promoting premium soft-serve frozen yogurt, hand-dipped frozen yogurt, and other related products and services which are prepared in accordance with special methods and recipes (“**Stores**”). The Stores are operated under our valuable trade names, service marks and trademarks, including the service marks TCBY® and THE COUNTRY’S BEST YOGURT® (the “**Marks**”), and pursuant to our distinctive plan for the establishment, operation and promotion of Stores and related system for doing business (“**System**”).

B. You desire to use our System in connection with the development of a certain number of Stores in a specific geographical area as stated herein. We are willing to grant you the right to establish and operate such Stores under the provisions contained below.

AGREEMENTS:

In consideration of the mutual covenants and agreements contained herein, the parties agree as follows:

1. Grant of Development Rights, Reservation of Rights.

A. Your Rights. Subject to the provisions stated below, we hereby grant to you the right to establish and operate for your own account, but not to subfranchise, sublicense or resell, TCBY® franchised businesses (the “**Franchised Businesses**”), each pursuant to the then-current individual TCBY® franchise agreement (“**Franchise Agreement**”). Your rights to develop and establish Franchised Businesses under this Agreement will be limited to the geographic area described on Exhibit A attached hereto (the “**Designated Area**”). So long as you comply with the terms of this Agreement and comply with the terms of the individual Franchise Agreement for each Franchised Business developed under this Agreement, we will not, during the term of this Agreement, establish for our own account or franchise others to operate any Store under the Marks within the Designated Area other than to you pursuant to this Agreement.

B. Rights Reserved. Section 1(A) represents your sole rights to the Designated Area. We (and our affiliates) expressly reserve all rights not granted to you by this Agreement, including the right to:

(1) directly operate, or to grant other persons the right to operate Stores at locations outside the Designated Area;

(2) promote, sell and distribute products and services authorized for sale at Stores under trademarks and service marks other than the Marks through similar or dissimilar channels of distribution inside or outside the Designated Area;

(3) promote, sell and distribute products and services authorized for sale at Stores under the Marks through dissimilar channels of distribution, including by electronic means

such as the Internet, by mail order, catalog, retail store display, through the wholesale sale of products to unrelated retail outlets or distributors, or to grocery stores, convenience stores, or locations other than through TCBY Stores; and

(4) to promote the System and Stores generally, including on the Internet (or any other existing or future form of one or more electronic commerce), and to create, operate, maintain and modify or discontinue the use of websites using the Marks.

2. Development Fee. For the rights described in Section 1 above, you will pay us: (i) an Initial Franchise Fee as provided in the Initial Franchise Agreement for the Franchised Business being developed pursuant to the Initial Franchise Agreement; and (ii) a non-refundable development fee of _____ Dollars (\$ _____) for each of the remaining Franchised Businesses to be developed pursuant to this Agreement (the “Development Fee”). The fees paid to us under this Agreement are fully earned by us upon receipt and non-refundable. The Development Fee for each Franchised Business is credited against the applicable Initial Franchise Fee. The total Development Fee is described on the Development Schedule.

3. Conditions to Develop Additional Franchised Businesses. We will be obligated to enter into a Franchise Agreement for the development of a Franchised Business under this Agreement only if, at the time you intend to enter into a Franchise Agreement for such Store: (1) all amounts due and owing by you to us or our affiliates under or relating to the Initial Franchise Agreement or any Franchise Agreement are paid in full and you otherwise are in good standing under the Initial Franchise Agreement and any other Franchise Agreement; and (2) you are not in default for any reason stated in Section 7 below for which you have received written notice.

4. Development Procedure. Each TCBY® Franchised Business to be developed pursuant to this Agreement will be governed by the terms of the Franchise Agreement that we and you will sign for such Franchised Business, including all provisions applicable to site approval, lease approval, and development of the premises. You must sign a Franchise Agreement for each Store and pay the remaining portion of the Initial Franchise Fee at least four (4) months before the Store is scheduled to open or before you sign the lease for the Store, whichever occurs first. You will not develop any TCBY® Franchised Business at any site which we have not approved in writing and for which there is no Franchise Agreement between the parties.

5. Development Schedule. Your rights under this Agreement are conditioned upon your active development of the Designated Area. You agree to sign Franchise Agreements, and open for business and thereafter maintain in operation within the Designated Area not less than the number of Franchised Businesses within the time frames described in Exhibit A attached hereto (the “**Development Schedule**”).

6. Term. Subject to Section 7 below, the term of this Agreement will commence on the Effective Date and expire earlier of: (a) the date the last Franchised Business required to be developed under this Agreement is open; or (b) the date the last Franchised Business required to be developed under this Agreement must be open under the Development Schedule. This Agreement is not renewable.

7. Default and Termination.

A. You will be in default, and we may, at our option, terminate this Agreement if: (1) you fail to meet the Development Schedule stated herein, (2) you violate any other material provision of this Agreement, (3) you violate any material provision of the Initial Franchise Agreement or any Franchise Agreement, (4) you are declared bankrupt or becomes insolvent, or (5)

you attempt to subfranchise or sublicense in any manner all or part of your rights under this Agreement.

B. Except as described below, you will have thirty (30) days, or such longer period as applicable law may require, after you receive from us a written Notice of Termination within which to remedy any default hereunder, and to provide evidence thereof to us. If you fail to correct the default within that time (or such longer period of time as applicable law may require), this Agreement will terminate without further notice to you effective immediately upon the expiration of the thirty (30) day period (or such longer period as applicable law may require).

C. We may, at our option, terminate this Agreement immediately upon delivery of written notice to you if: (1) you fail to comply with one or more material requirements of this Agreement three (3) or more times during the term of this Agreement ; (2) the nature of your breach is not curable; (3) any default under Sections (4) or (5) in Section 7(A) above; or (4) any default under the Initial Franchise Agreement or any Franchised Business Franchise Agreement for which we are not required to provide you any right to cure.

D. During the period from the date we send a notice of default until you cure all violations and defaults specified therein or this Agreement is terminated, we will not be obligated to enter into any Franchised Business Franchise Agreement with you or otherwise perform any obligations pursuant to this Agreement. Upon termination or expiration of this Agreement, all rights licensed herein will automatically revert to us and your exclusive right to develop TCBY® Franchised Businesses within the Designated Area will cease. Termination or expiration of this Agreement will not affect your rights under any individual Franchised Business Franchise Agreements in effect at that time.

E. Termination or expiration of this Agreement will represent a termination or expiration of the rights and license granted herein to you.

8. Assignment.

A. By Us. We may assign this Agreement and such assignment will benefit our successors and assigns. Any such assignment or transfer will require the assignee to fulfill our obligations under this Agreement.

B. By You. You understand and acknowledge that the rights and duties created by this Agreement are personal to you and that we have granted this Agreement in reliance upon your individual or collective character, skill, aptitude, attitude, business ability, and financial capacity (or your owners). Neither this Agreement nor any part or all of your ownership may be voluntarily, involuntarily, directly or indirectly, assigned, sold, or otherwise transferred by you or your owners without our prior written consent. We may impose conditions to any proposed transfer or assignment, including the following:

(1) You are in compliance with the terms of this Agreement, including the Development Schedule, each Franchise Agreement to which you are a party and all other agreements between the parties;

(2) The proposed transferee has been approved by us as meeting our then-current standards and policies for multiple unit franchisees and, at our option, agrees to acquire all of your interest in each Franchised Business developed under this Agreement;

(3) The purchase price for the undeveloped franchises subject to this Agreement does not exceed the then-current development fees we charge franchisees under an area development agreement;

(4) The proposed transferee has completed our training program;

(5) You pay us a transfer fee of _____ Thousand Dollars (\$_____);
and

(6) You (and each owner, if applicable) sign a general release, in form and substance satisfactory to us, of any and all claims against us and our affiliates, officers, directors, employees and agents, except to the extent limited or prohibited by applicable law.

We may expand upon, and provide more details related to, the conditions for transfer and our consent as described in this Section 8(B), and may do so in our Operations Manual or otherwise in writing. Any assignment or transfer without our prior written consent constitutes a breach and conveys no rights to or interests in this Agreement to an assignee. Franchise Agreements may be transferred only pursuant to the terms of that agreement.

9. Marks. You acknowledge that you have no interest in or right to use the Marks. Any rights to use the Marks is derived solely from the Franchise Agreements entered into between you and us. You agree that all use of the Marks and any goodwill established exclusively benefits us. You agree that after termination or expiration of this Agreement, you will not, except with respect to Franchised Businesses you operate under individual Franchise Agreements, directly or indirectly, identify yourself or any business as a franchisee or former franchisee of, or otherwise associated with, TCBY or use in any manner any Mark or trade dress.

10. Enforcement. This Agreement, and any dispute arising hereunder, will be governed by those provisions found in Section 17 of the Initial Franchise Agreement including arbitration, governing law and injunctive relief.

11. Miscellaneous. This Agreement and Exhibit A represent the entire Agreement of the parties relative to its subject and cannot be waived, altered, or rescinded in whole or in part except by an express writing by the parties. Notwithstanding the foregoing, nothing in this Agreement is intended to disclaim the express representations we made in the franchise disclosure document that we furnished to you. The provisions of this Agreement are severable and the invalidity or unenforceability of any of them will not affect the remainder of this Agreement.

We and you have signed this Agreement as of the Effective Date.

“WE”

“YOU”

TCBY SYSTEMS, LLC

(Print Corporate Name)

By _____
Its _____

By _____
Its _____

**EXHIBIT A
TO DEVELOPMENT AGREEMENT**

This Exhibit A is attached to and is an integral part of the TCBY® Area Development Agreement dated _____, 20____, between we and you.

1. Designated Area. The development rights and obligations granted to you under the Agreement to timely develop and open Stores will be within the following described area (or in the map attached):

_____.

2. Development Fee. The total Development Fee for the Franchised Businesses is \$_____. The Development Fee is in addition to the Initial Franchise Fee due under the Initial Franchise Agreement.

3. Development Obligations. You agree to timely sign Franchise Agreements, pay initial franchise fees, and open Franchised Businesses from permanent locations in compliance with the following development schedule.

FRANCHISED BUSINESS NUMBER:	DATE BY WHICH FRANCHISED BUSINESS MUST OPEN	CUMULATIVE NUMBER OF FRANCHISED BUSINESSES TO BE OPEN
		1
		2
		3
		4
		5

APPROVED:

“WE”

TCBY SYSTEMS, LLC

By _____
Its _____

“YOU”

(Print Corporate Name)

By _____
Its _____

EXHIBIT D

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EXHIBIT E

LIST OF CURRENT AND FORMER FRANCHISEES

CURRENT TCBY FRANCHISEES

Franchisee Name	Address	City	State	Phone Number
Ryan Schoonover	300 N Dean Rd	Auburn	Alabama	(334) 826-8828
Adam Bourquard	1919 28th Ave S, Suite 153	Birmingham	Alabama	(205) 870-8229
John Ploen	1301 Gulf Shores Pkwy	Gulf Shores	Alabama	(251) 968-8229
Charles Tiller	2 McFarland Blvd	Northport	Alabama	(205) 758-6855
Charles Tiller	2304 McFarland Blvd E	Tuscaloosa	Alabama	(205) 349-4661
Chris French	800 East Dimond Ctr	Anchorage	Alaska	(907) 522-2560
Jeffrey Zhang	5000 S. Arizona Mills Circle #114	Tempe	Arizona	(888) 522-2979
Clayton Swindle, Justin Stevens	570 E. Centerton Blvd	Centerton	Arkansas	(479) 379-0500
Clayton Swindle, Justin Stevens	1313 Hwy 65 N, Suite G	Harrison	Arkansas	(870) 741-9554
Elly Rumbach	2600 Lakewood Village Pl	North Little Rock	Arkansas	(501) 753-5572
Clayton Swindle, Justin Stevens	2005 Promenade Pointe Blvd	Rogers	Arkansas	(479) 636-8229
Ravinder S. Grewal MGR: Nono	72363 Baker Blvd	Baker	California	(760) 733-4505
Gulam Nabi	2701 Ming Ave	Bakersfield	California	(661) 832-8166
Yousuf Nabi	100 W. Broadway, Ste G002	Glendale	California	(818) 919-9691
Anubhav Jolly	112 Great Mall Dr	Milpitas	California	(408) 649-3258
Mehrad Lashkari Nejad	9301 Tampa Ave	Northridge	California	(818) 407-0404
Cherie Coulter-Weith	72840 Highway 111	Palm Desert	California	(760) 346-4598
David Smith	1151 Galleria Blvd Spc, Ste 276	Roseville	California	(916) 878-5418
Jagwinder K. Kahlon	3201 W Benjamin Holt Dr Ste 18	Stockton	California	(209) 952-8873
Mandeep Gurm	5308 Pacific Ave, Ste 92	Stockton	California	(209) 951-2524
Yui Man Mak	603 Plaza Dr	West Covina	California	(626) 960-7011
Jennifer Brynteson	100 W Troutman, Unit B	Fort Collins	Colorado	(970) 223-4851
Tim and Jennifer Brynteson	4530 Center Place Dr, Ste 336	Greeley	Colorado	(970) 673-8193
Jeffrey Roberts	9645 Washington St, Ste 140	Thornton	Colorado	(720) 872-6459
Abdul Mannan	1531 Christiana Mall	Newark	Delaware	(302) 283-1346
Steven Bracken	2720 S Dixie Hwy, Ste B	Miami	Florida	(305) 441-2613
Thompson Sunderaj	14543 SW 5th St	Pembroke Pines	Florida	(954) 432-5900
Nasim Jina	4920 Roswell Rd NW, Ste 8	Atlanta	Georgia	(404) 252-7437
Mohammad Malik	807 West Ave, Ste B	Cartersville	Georgia	(770) 334-2151
Michael P Murtaugh	532 Crosstown Dr	Peachtree City	Georgia	(770) 631-9803
Bipin Patel	1700 Norman Dr	Valdosta	Georgia	(229) 293-0093
Dave Niblett	1800 N Locust Grove	Meridian	Idaho	(208) 884-8366
Peter Mario Spina	1395 Butterfield Rd	Aurora	Illinois	(630) 851-5585
Lomesh Amin	1650 Premium Outlets Rd, Ste 1245	Aurora	Illinois	(630) 898-9909
Todd Thorstenson	1731 W Kirby Ave	Champaign	Illinois	(217) 607-5090
Host Marriott-Airport	Circular Bldg. #6 O'Hare Field	Chicago	Illinois	(312) 686-6124
Hassan Ismil	444 Chicago Ridge Mall Dr	Chicago Ridge	Illinois	(708) 422-0123
Peter Mario Spina	1700 N State Rd Rte. 31	Elgin	Illinois	(847) 741-5784
Peter Mario Spina	1166 E State St	Geneva	Illinois	(630) 845-9300
Peter Mario Spina	149 E Ogden Ave	Hinsdale	Illinois	(630) 455-5841

Franchisee Name	Address	City	State	Phone Number
Kariyamal Rengalwar	2940 Showplace Dr 100	Naperville	Illinois	(630) 961-8229
Peter Mario Spina	1503 N Aurora Rd	Naperville	Illinois	(630) 995-3243
Marge & Scott Boulanger	2356 E Lincoln Hwy	New Lenox	Illinois	(815) 687-8229
Marge Boulanger	2356 E Lincoln Hwy	New Lenox	Illinois	(815) 687-8229
Lomesh Amin	7501 W Cermak Rd. Ste F1	North Riverside	Illinois	(708) 447-5938
Lomesh B Amin	30 Oakbrook Center	Oak Brook	Illinois	(630) 368-1002
Jim Sheets	6760 West 95th St	Oak Lawn	Illinois	(708) 233-9000
Vyomesh Desai	2840 Route 34	Oswego	Illinois	(630) 554-6443
Peter Mario Spina	1400 W Algonquin Rd	Palatine	Illinois	(847) 907-9479
Marvin (Cheryl) Hufford	1735 State St	Quincy	Illinois	(217) 228-2292
Lomesh Amin	5 Woodfield Mall. Space G119	Schaumburg	Illinois	(224) 520-8471
Victor (Tom) Howard	930 Brook Forest Ave	Shorewood	Illinois	(815) 577-8229
Peter Mario Spina	25W420 Geneva Rd	Wheaton	Illinois	(630) 462-1300
Bud (Ann) Dimaggio	425 US Route 30	Dyer	Indiana	(219) 865-2240
Gabe Keri	6422 E State Blvd	Fort Wayne	Indiana	(260) 493-2795
Jeff Sheets	2216 Southlake Mall	Merrillville	Indiana	(219) 738-2921
Jeff Sheets	2216 Southlake Mall	Merrillville	Indiana	(219) 738-2921
Ryan Jung	208 E Broadway	Council Bluffs	Iowa	(712) 322-4114
Kirit Patel	636 Arlington Creek Center Blvd, Unit D	Baton Rouge	Louisiana	(225) 256-1427
Craig and Holly Schwartz	70488 Hwy 21, #650, Ste 206	Covington	Louisiana	(985) 892-9000
Craig & Holly Schwartz	1680 Highway 59	Mandeville	Louisiana	(985) 626-4770
John Ploen	701 Metairie Rd. Ste 23101	Metairie	Louisiana	(504) 835-2983
Cindy Rogers	1704 East Bert Kouns Loop Industrial Dr	Shreveport	Louisiana	(318) 797-8229
John Ploen	1736 Gause Blvd East	Slidell	Louisiana	(985) 288-0340
Calvin Smith, Elyria Clark	9400 Snowden River Pkwy	Columbia	Maryland	(410) 995-6140
Dennis McGrath	2080 York Rd	Timonium	Maryland	(410) 252-9554
Heather Ritts	17045 Kercheval Ave	Grosse Pointe	Michigan	(313) 885-0384
Heather Ritts	20385 Mack Ave	Grosse Pointe Woods	Michigan	(313) 881-5608
Amy Sook Kim	1421 N Rochester Rd	Rochester Hills	Michigan	(248) 650-2161
Narinder Kaur	1206 Luckney Rd	Flowood	Mississippi	(769) 243-7143
William Carmichael	Macs Mini Mart	Laurel	Mississippi	(601) 425-5900
Clay Swindle	5070 Goodman Rd. Ste 111	Olive Branch	Mississippi	(662) 420-7823
Brent Smith	501 Bramlett Blvd	Oxford	Mississippi	(662) 234-7221
Rick Pavia	5922 Highway 19	Cuba	Missouri	(573) 885-3229
Michael Jonasen MGR: Melissa	216 Westview Plaza	Mc Cook	Nebraska	(308) 345-2322
Angela Greisen	14615 W Maple Rd. Ste 113	Omaha	Nebraska	(402) 496-3981
Gulam Nabi	1300 W Sunset Rd. Ste 1553	Henderson	Nevada	(702) 547-6196
Jerry Whitsett	South Gate 5795 Paradise Rd. T-D	Las Vegas	Nevada	(702) 837-8654
Jerry Whitsett	5795 Paradise Rd. Terminal B	Las Vegas	Nevada	(702) 798-3303
Yousuf Nabi	3200 Las Vegas Blvd, S #3800	Las Vegas	Nevada	(702) 904-7040
David Guido	31900 Las Vegas Blvd South	Primm Valley	Nevada	(702) 679-6680
Hesham El-Dewak	1053 Broadway	Bayonne	New Jersey	(201) 354-9272

Franchisee Name	Address	City	State	Phone Number
Donna McLaughlin	230 N Maple Ave. Ste A-1	Marlton	New Jersey	(856) 983-8229
Jacob Geffner	204 W Englewood Ave	Teaneck	New Jersey	(201) 862-0800
Irma May	Williams & Frenger St	Las Cruces	New Mexico	(505) 646-4001
Curtis Williamson	2812 Sudderth Dr	Ruidoso	New Mexico	(575) 257-7822
Patrick Bruno	2880 Merrick Road	Bellmore	New York	(516) 490-6900
Angela O'Connor	1955 Jericho Tpke	East Northport	New York	(631) 499-1007
Patrick Bruno	158 7th St	Garden City	New York	(516) 741-5132
Todd Whiting	653 Sunrise Highway	Lynbrook	New York	(516) 596-1994
Louis Brienza	10 Washington Ave Plaza	Plainview	New York	(516) 942-8229
Jacob Geffner	2655 Richmond Ave	Staten Island	New York	(718) 831-8229
Jui Trivedi	665 Route 318 A025B	Waterloo	New York	(315) 539-2700
Host Marriott-Airport	5501 Josh Birmingham Pkwy C-C	Charlotte	North Carolina	(704) 359-4469
Samuel Batt	7731 Colony Rd. Ste F-1	Charlotte	North Carolina	(704) 341-2000
Samuel Batt	9864 Rea Rd. Ste C	Charlotte	North Carolina	(704) 341-2002
Samuel Batt	2823 Selwyn Ave. Ste J	Charlotte	North Carolina	(704) 522-7223
Samuel Batt	8502 Park Rd	Charlotte	North Carolina	(704) 556-5955
Samuel Batt	9804 Sandy Rock Place. Unit E	Charlotte	North Carolina	(760) 246-7180
Samuel Batt	14318 Rivergate Pkwy. Ste 200	Charlotte	North Carolina	(704) 583-6199
Samuel Batt	1247 East Blvd. Ste 240	Charlotte	North Carolina	(980) 236-8844
Samuel Batt	16916 Birkdale Commons Pkwy. Ste A	Huntersville	North Carolina	(704) 987-2262
Jocelynn Holleran	9334 Rose Commons Dr. Ste A	Huntersville	North Carolina	(704) 947-9700
Samuel Batt	208 Morganton Blvd	Lenoir	North Carolina	(828) 754-9685
Samuel Batt	3116 Weddington Rd. Ste 700	Matthews	North Carolina	(704) 847-0444
William Juno	1408 Edgewood Dr	Mt. Airy	North Carolina	(336) 789-0800
William Juno	701 W Pine St	Mt. Airy	North Carolina	(336) 789-0900
Anju Sethi	4325 Glenwood Ave,	Raleigh	North Carolina	(919)783-5702
Sam Batt	8133 Kensington Dr. Unit B	Waxhaw	North Carolina	(704) 843-5359
Vijay Siripurapu	948 Eastwood Mall	Niles	Ohio	(330) 652-6841
Ron Barbe	407 McKean Ave	Charleroi	Pennsylvania	(724) 483-9495
Dhrupti Patel	200 Monroeville Mall A10	Monroeville	Pennsylvania	(412) 372-6227
Samuel Batt	2 Windermere Blvd	Charleston	South Carolina	(843) 769-8222
Samuel Batt	520 Folly Rd. Ste 30D	Charleston	South Carolina	(843) 793-4555
Samuel Batt	1390 Tiger Blvd. Ste 302	Clemson	South Carolina	(864) 654-3030
Samuel Batt	940 Market St. Ste 118	Fort Mill	South Carolina	(803) 548-6019
Karen Deaton	7 Brendan Way. Ste A	Greenville	South Carolina	(864) 297-5683
Samuel Batt	1332 Theater Dr	Mount Pleasant	South Carolina	(843) 884-8224
Richard Thames	644 Long Point Rd. Ste H-2	Mount Pleasant	South Carolina	(843) 654-9040
Samuel Batt	1440 Ben Sawyer Blvd. Ste 1200	Mount Pleasant	South Carolina	(843) 972-8000
Samuel Batt	9514 Dorchester Rd. Ste 104	North Charleston	South Carolina	(843) 871-9955
Richard Thames	5060 International Blvd. Ste 102	North Charleston	South Carolina	(843) 740-9099
Samuel Batt	214 Azalea Square Blvd. Unit B	Summerville	South Carolina	(843) 821-1591
Charles Hodge	2000 W Liberty St	Sumter	South Carolina	(803) 934-0708
Clay Swindle, Justin Stevens	7990 US Hwy 64 STE 108	Barlett	Tennessee	(901) 383-7994
Clay Swindle	1730 S. Germantown Rd. Ste 113	Germantown	Tennessee	(901) 381-6200
Dale & Leslie Self	1229 North Eastman Rd. Ste 205	Kingsport	Tennessee	(423) 246-2266
Charles Carruthers	7406 Strawberry Plains Pike	Knoxville	Tennessee	(865) 933-2251

Franchisee Name	Address	City	State	Phone Number
Charles Carruthers	1104 Hwy 321 N	Lenoir City	Tennessee	(865) 986-5110
Clay Swindle, Justin Stevens	5134 Poplar Ave	Memphis	Tennessee	(901) 761-4126
Clay Swindle	2330 Sandstone Dr	Morristown	Tennessee	(423) 587-6212
Charles Carruthers	404 E Emory Rd	Powell	Tennessee	(865) 947-0338
Michael P Trub	303 W Martin L King Jr Blvd	Austin	Texas	(512) 320-8229
Herbert Grebe	5701 W Slaughter Lane. Ste B100	Austin	Texas	(512) 505-8229
Doug Sanders	6402 East Mockingbird Lane	Dallas	Texas	(214) 821-5757
Herbert Grebe	1025 Cannon Dr. Ste 103	Dripping Springs	Texas	(512) 894-2136
Lorena Jordan	123 West Mills Ave. Ste 130	El Paso	Texas	(915) 533-8826
Abdul Awan	5884 San Felipe St	Houston	Texas	(832) 742-5555
Eugene Ning	303 Memorial City Mall. Ste 675	Houston	Texas	(832) 358-3447
Akther Hossain	12149 FM 1960 Rd West	Houston	Texas	(281) 653-9141
Alkesh (AJ) Jariwala	370 West Las Colinas Blvd. Ste 110	Irving	Texas	(214) 614-8958
Ali Samadi	709 W Santa Gertrudis Ave. Ste C	Kingsville	Texas	(361) 592-6200
Assem Zaitoun	2511 Richmond Rd	Texarkana	Texas	(903) 838-0771
William Ramsey	4775 W Panther Creek Dr. Ste 150	Woodlands	Texas	(281) 419-8053
Tianda Xing	2274 S 1300 E. Ste G17	Salt Lake City	Utah	(801) 708-7005
David Cockerham	1115 E Stuart Dr	Galax	Virginia	(276) 236-3036
David Cockerham	49 Farmers Market Dr	Hillsville	Virginia	(276) 728-2799
Murtaza Dhanani	18002 15th Ave Northeast	Shoreline	Washington	(206) 306-0933
Jason Winter	42 Scott Way. Ste 1	Hurricane	West Virginia	(304) 757-8220
Lomesh B Amin	5300 S 76th St	Greendale	Wisconsin	(414) 421-8849
Gary & Cindy Oliver	1400 Del Range Blvd	Cheyenne	Wyoming	(307) 637-5547

TCBY AGREEMENTS SIGNED BUT OUTLETS NOT OPENED

Franchisee Name	Address	City	State	Phone Number	# of Agreements
Brandon Wooldridge	1836 Beach Blvd	Biloxi	MS	770-355-0486	3
Clay Wiggins	2216 Pendleton St.	Albany	GA	229-886-3141	1

FORMER FRANCHISEES WHO HAVE HAD AN OUTLET TERMINATED, CANCELLED, NOT RENEWED, OR OTHERWISE VOLUNTARILY OR INVOLUNTARILY CEASED TO DO BUSINESS UNDER THE FRANCHISE AGREEMENT AND FRANCHISEES THAT HAVE NOT COMMUNICATED WITH US WITHIN 10 WEEKS OF THE ISSUANCE DATE OF THIS DISCLOSURE DOCUMENT

Franchisee Name	City	State	Phone Number
Dawn Covington	Conway	AR	(501) 327-0909
Done Weir	Little Rock	AR	(501) 221-9020
Jeffrey Zhang	Tempe	AZ	(888) 522-2979
Kevin Lum	Pleasanton	CA	(925) 463-9622
Claire Aquino	Westminster	CA	(714) 333-6636
David Schmidli	Saint Augustine	FL	(904) 217-8375
Zahid Rashid	Calhoun	GA	(706) 659-7061
Robin Wallis	Meridian	ID	(208) 898-1482
Diana Mallard	Mountain Home	ID	(208) 587-9048

Franchisee Name	City	State	Phone Number
Kariyamal Rengalwar	Naperville	IL	(630) 961-8229
Lomesh Amin	Oak Brook	IL	(630) 368-1002
Khalid Mohammed	Peoria	IL	(309) 682-4901
Colleen Pushic	Willowbrook	IL	(630) 920-8229
Kami Bland	Lake Charles	LA	(337) 905-2121
Rosalyn Karp	Muskegon	MI	(231) 733-2110
Karissa Canfield	South Lyon	MI	(248) 278-6202
Sam Batt	Charlotte	NC	(704) 556-5955
Samuel Batt	Wilmington	NC	(910) 794-5663
David Guido	Primm Valley	NV	(702) 679-6680
Richard Thames	Mount Pleasant	SC	(843) 654-9040
Richard Thames	North Charleston	SC	(843) 740-9099
Melvin Lane	Yemassee	SC	(843) 726-4954
Mark Vance	Bristol	TN	(423) 573-8229
Scotty Long	Greenville	TN	(423) 638-7674
Dale Self	Kingsport	TN	(423) 246-2266
Charles Crain	Memphis	TN	(901) 552-4727
Assem Zaitoun	Texarkana	TX	(903) 838-0771
John Shorter	Chatham	VA	(434) 432-1544

TRANSFERS

Franchisee Name	City	State	Phone Number
Adam Bourquard	Birmingham	AL	(205) 870-8229
Clay Swindle	Harrison	AR	(870) 741-9554
Ismail Hassan	Chicago Ridge	IL	(708) 422-0123
Heather Ritts	Grosse Pointe	MI	(313) 885-0384
Heather Ritts	Grosse Pointe Woods	MI	(313) 881-5606
Donna McLaughlin	Marlton	NJ	(856) 983-8229
Richard Thames	Charleston	SC	(843) 312-0051
Samuel Batt	Charleston	SC	(843) 312-0051
Richard Thames	Mount Pleasant	SC	(843)972-8000
Richard Thames	Mount Pleasant	SC	(843) 654-9040
Richard Thames	Mount Pleasant	SC	(843) 312-0051
Samuel Batt	Mount Pleasant	SC	(843) 312-0051
Richard Thames	North Charleston	SC	(843) 740-9099
Richard Thames	North Charleston	SC	(843) 871-9955
Samuel Batt	North Charleston	SC	(843)871-9955
Samuel Batt	South Windermere Shopping Centre	SC	(843) 312-0051
Richard Thames	Summerville	SC	(843) 821-1591
Samuel Batt	Summerville	SC	(843) 821-1591
Clay Swindle	Morristown	TN	(423) 587-6212
Jason Winter	Hurricane	WV	(304) 757-8220

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

EXHIBIT F

STATE ADMINISTRATORS / AGENTS FOR SERVICE OF PROCESS

EXHIBIT F

STATE ADMINISTRATORS / 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.

CALIFORNIA

Department of Financial Protection &
Innovation:
Toll Free: 1 (866) 275-2677

Los Angeles

Suite 750
320 West 4th Street
Los Angeles, California 90013
(213) 576-7505

Sacramento

2101 Arena Blvd.
Sacramento, CA 95834
(916) 445-7205

San Diego

1455 Frazee Road, Suite 315
San Diego, California 92108
619) 525-4233

San Francisco

One Sansome Street, Suite 600
San Francisco, California 94104
(415) 972-8559

HAWAII

(state administrator)

Business Registration Division
Department of Commerce and Consumer Affairs
P.O. Box 40
Honolulu, Hawaii 96810
(808) 586-2722

(agent for service of process)

Commissioner of Securities of the Department
of Commerce and Consumer Affairs
335 Merchant Street
Honolulu, Hawaii 96813
(808) 586-2722

ILLINOIS

Franchise Bureau
Office of the Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

INDIANA

(state administrator)

Indiana Secretary of State Securities Division,
E-111
302 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6681

(agent for service of process)

Indiana Secretary of State
201 State House
200 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6531

MARYLAND

(state administrator)

Office of the Attorney General Securities
Division
200 St. Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

(agent for service of process)

Maryland Securities Commissioner at the Office
of the Attorney General Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360
Floor Albany, NY 12231-0001
(518) 473-2492

MICHIGAN

(state administrator)

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

(agent for service of process)

Michigan Department of Commerce,
Corporations and Securities Bureau
P.O. Box 30054
6546 Mercantile Way
Lansing, Michigan 48909

MINNESOTA

(state administrator)

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

(agent for service of process)

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

NEW YORK

(state administrator)

NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, New York 10005
(212) 416-8222 Phone
(212) 416-6042 Fax

(agent for service of process)

New York Department of State
One Commerce Plaza
99 Washington Avenue, 6th

NORTH DAKOTA

North Dakota Securities Department
600 East Boulevard Avenue
State Capitol - Fifth Floor
Bismarck, North Dakota 58505
(701) 328-4712

OREGON

Oregon Division of Financial Regulation
350 Winter Street NE, Suite 410
Salem, Oregon 97301
(503) 378-4140

RHODE ISLAND

Department of Business Regulation Division of
Securities
John O. Pastore Complex
Building 69-1
1511 Pontiac Avenue
Cranston, Rhode Island 02920
(401) 462-9645

SOUTH DAKOTA

Division of Insurance Securities Regulation
124 S. Euclid, Suite 104
Pierre, South Dakota 57501
(605) 773-3563

VIRGINIA

(state administrator)

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

(agent for service of process)

Clerk, State Corporation Commission
1300 East Main Street
Richmond, Virginia 23219
(804) 371-9733

WASHINGTON

(state administrator)

Department of Financial Institutions Securities
Division
P.O. Box 9033
Olympia, Washington 98507-9033
(360) 902-8760

(agent for service of process)

Director
Department of Financial Institutions Securities
Division
150 Israel Road, S.W.
Tumwater, Washington 98501

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
822 Madison Yards Way, North Tower
Madison, Wisconsin 53705
(608) 266-9555

EXHIBIT G
STATE SPECIFIC ADDENDA

**ADDITIONAL DISCLOSURES FOR THE
FRANCHISE DISCLOSURE DOCUMENT OF
TCBY SYSTEMS, LLC**

The following are additional disclosures for the Franchise Disclosure Document of TCBY Systems, LLC required by various state franchise laws. Each provision of these additional disclosures will only apply to you if the applicable state franchise registration and disclosure law applies to you.

1. **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 acknowledgement signed or agreed to by you in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by us, any franchise seller, or any other person acting on behalf of us. This provision supersedes any other term of any document executed in connection with the Franchise.

CALIFORNIA

1. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

2. SECTION 31125 OF THE CALIFORNIA CORPORATIONS CODE REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT, IN A FORM CONTAINING THE INFORMATION THAT THE COMMISSIONER MAY BY RULE OR ORDER REQUIRE, BEFORE A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE.

3. OUR WEBSITE, franchise.tcb.com HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION AT www.dfpi.ca.gov.

4. The following is added at the end of Item 3:

Neither we, our parent, predecessor or affiliates nor any person in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. Sections 78a *et seq.*, suspending or expelling such persons from membership in that association or exchange.

5. The following is added at the end of Item 6:

The maximum interest rate allowed in California is 10%.

6. The following paragraphs are added at the end of Item 17:

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

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

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

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

The Franchise Agreement requires binding arbitration. The arbitration will occur in Delaware with costs being borne as described in the Franchise Agreement. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as the Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The Franchise Agreement requires you to sign a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 might void a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000 – 31516). Business and Professions Code Section 20010 might void a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

7. The following paragraph is added to the end of Item 19:

The earnings claims figures do not reflect the costs of sales, operating expenses or other costs or expenses that must be deducted from gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Franchise Business. Franchisees or former franchisees listed in the Franchise Disclosure Document may be one source of this information.

ILLINOIS

1. Illinois law governs the franchise agreement.
2. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.
3. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

4. Franchisee's rights upon Termination and Non-Renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

MARYLAND

1. The following 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**:

However, any release required as a condition of renewal, relocation, sale and/or assignment/transfer will not apply to claims or liability arising under the Maryland Franchise Registration and Disclosure Law.

2. The following is added to the end of the "Summary" section of Item 17(h), entitled **"Cause" defined – non-curable defaults**:

The Franchise Agreement provides for termination upon bankruptcy. This provision 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.

3. The following sentence is added to the end of the "Summary" section of Item 17(v), entitled **Choice of forum**, and 17(w), entitled **Choice of Law**:

You may bring suit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

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.

MINNESOTA

1. **Maximum Late Fee.** The following is added at the end of the chart in Item 6:

Notwithstanding the foregoing, the maximum late payment fee shall be \$30 as governed by Minnesota Statute 604.113.

2. **Renewal, Termination, Transfer and Dispute Resolution.** The following is added at the end of the chart in Item 17:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) of the Franchise Agreement and 180 days' notice for non-renewal of the Franchise Agreement.

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibits us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes 1984, Chapter 80C, or your rights to any procedure, forum or

remedies provided for by the laws of the jurisdiction. Those provisions also provide that no condition, stipulation or provision in the Franchise Agreement will in any way abrogate or reduce any of your rights under the Minnesota Franchises Law, including, if applicable, the right to submit matters to the jurisdiction of the courts of Minnesota.

Any release required as a condition of renewal, relocation, sale and/or transfer/assignment will not apply to the extent prohibited by applicable law with respect to claims arising under Minn. Rule 2860.4400D.

NEW YORK

To the extent the New York General Business Law, Article 33, §§680 - 695 applies, the terms of this Addendum apply.

1. The following information is added to the cover page of the Franchise Disclosure Document.

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT F OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CAN NOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is to be added at the end of Item 3:

With the exception of what is stated above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal, or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature, or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

Item 5, Additional Disclosures.

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

3. The following is added to the end of the “Summary” sections of Item 17(c), titled “Requirements for a franchisee to renew or extend,” and Item 17(m), entitled “Conditions for franchisor approval of transfer”:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the “Summary” section of Item 17(d), titled “Termination by franchisee”:

You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the “Summary” sections of Item 17(v), titled “Choice of forum,” and Item 17(w), titled “Choice of law”:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or the franchisee by Article 33 of the General Business Law of the State of New York

6. Franchise Questionnaires and Acknowledgements--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.

7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

NORTH DAKOTA

1. **Lost Revenue Damages.** The Item 6 line item entitled **Lost Revenue Damages** will not be enforced to the extent prohibited by applicable law.

2. The following 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:**

However, any release required as a condition of renewal, sale and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

3. The following is added to the end of the “Summary” section of Item 17(r), entitled **Non-competition covenants after the franchise is terminated or expires:**

Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota; however, we and you will enforce the covenants to the maximum extent the law allows.

4. The “Summary” section of Item 17(u), entitled **Dispute resolution by arbitration or mediation** is deleted and replaced with the following:

To the extent required by the North Dakota Franchise Investment Law (unless such requirement is preempted by the Federal Arbitration Act), arbitration will be at a site to which we and you mutually agree.

5. The “Summary” section of Item 17(v), entitled **Choice of forum**, is deleted and replaced with the following:

You must sue us in a Court in the State of Delaware, except that, subject to your arbitration obligation, and to the extent required by the North Dakota Franchise Investment Law, you may bring an action in North Dakota.

6. The “Summary” section of Item 17(w), entitled **Choice of law**, is deleted and replaced with the following:

Except as otherwise required by North Dakota law, the laws of the State of Delaware will apply.

RHODE ISLAND

1. The following language is added to the end of the “Summary” sections of Item 17(v), entitled **Choice of forum**, and 17(w), entitled **Choice of law**:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act (the “Act”) provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

VIRGINIA

1. The following language is added to the end of the “Summary” section of Item 17(e), entitled **Termination by franchisor without cause**:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

WASHINGTON

1. The following matter is added to Item 3:

In re: Franchise No Poaching Provisions (TCBY Systems, LLC) (Case No. 19-2- 24797-5; State of Washington, King County Superior Court). Beginning in January 2018, the Washington Attorney General launched a sweeping investigation into the use of non-solicitation and no-hire provisions in franchise agreements, with the stated goal of “eliminating no-poach clauses nationwide.” The Washington Attorney General asserted that such no-poach provisions violated the Washington Consumer Protection Act. We elected, on September 23, 2019, to enter into an Assurance of Discontinuance (“AOD”) to avoid the time and expense of a protracted court action. Other than as a mechanism for the court to approve and enter the AOD, no court proceeding was initiated. Under the terms of the AOD, we agreed to: notify all franchisees that we entered into the AOD, not include no-poach provisions in our future agreements, not enforce such provisions in our existing franchise agreements, exercise reasonable commercial efforts to amend all existing franchise agreements with entities in Washington to remove any no-poach provisions in their existing agreement, and remove those provisions from existing agreements as they came up for renewal or renegotiation. Under its express terms, the AOD is not to be construed as an admission of law, fact, liability, misconduct, or wrongdoing on our part.

2. The following paragraph is added at the end of Item 17:

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

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

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

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

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

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

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

**THE FOLLOWING PAGES IN THIS EXHIBIT ARE
STATE-SPECIFIC RIDERS TO THE
FRANCHISE AGREEMENT**

**RIDER TO THE
FRANCHISE AGREEMENT
FOR USE IN ILLINOIS**

THIS RIDER is made and entered into by and between **TCBY SYSTEMS, LLC**, a Delaware limited liability company whose address is 1717 S. 4800 W., Salt Lake City, Utah 84104 (“**we**”), and _____, a(n) _____ whose principal business address is _____ (“**you**”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated _____, 20____ (the “Franchise Agreement”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the offer relating to the Franchise Agreement was made or accepted in Illinois and the Store that you will operate under the Franchise Agreement will be located in Illinois; and/or (b) you are domiciled in Illinois.

2. **GOVERNING LAW.** Section 17.4 of the Franchise Agreement is deleted and replaced with the following:

All matters relating to arbitration will be governed by the United States Federal Arbitration Act (9 U.S.C. sections 1 et seq.). Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. sections 1051 et seq.), or other United States federal law, this Agreement, the franchise, and all claims arising from the relationship between us and you will be governed by the laws of the State of Illinois without regard to its conflict of laws rules.

3. **ILLINOIS FRANCHISE DISCLOSURE ACT.** The following language is added to the end of the Franchise Agreement:

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Franchisees rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Franchise Agreement.

TCBY SYSTEMS, LLC

FRANCHISEE OWNER:

[Name]

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

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

(*This is the Effective Date)

**RIDER TO THE
FRANCHISE AGREEMENT
FOR USE IN MARYLAND**

THIS RIDER is made and entered into by and between **TCBY SYSTEMS, LLC**, a Delaware limited liability company whose address is 1717 S. 4800 W., Salt Lake City, Utah 84104 (“**we**”), and _____, a(n) _____ whose principal business address is _____ (“**you**”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated _____, 20__ (the “Franchise Agreement”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are domiciled in Maryland, and/or (b) the Store that you will operate under the Franchise Agreement will be located in Maryland.

2. **RELEASES.** The following is added to the end of Sections 3.1(c) and 12.3(e) of the Franchise Agreement:

However, any release required as a condition of renewal, sale and/or assignment/transfer will not apply to any claims or liability arising under the Maryland Franchise Registration and Disclosure Law.

3. **INSOLVENCY.** The following sentence is added to the end of Section 13.1(a) of the Franchise Agreement:

This Section 13.1(a) may not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.).

4. **CONSENT TO JURISDICTION.** The following language is added to the end of Section 17.5 of the Franchise Agreement:

You may bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

5. **LIMITATIONS OF CLAIMS; WAIVER OF CLASS ACTION.** The following sentence is added to the end of Section 17.7 of the Franchise Agreement:

You must bring any claims arising under the Maryland Franchise Registration and Disclosure Law within 3 years after we grant you the franchise.

6. **GOVERNING LAW.** Section 17.4 of the Franchise Agreement is deleted and replaced with the following:

All matters relating to arbitration will be governed by the United States Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. sections 1051 et seq.), or other federal law, this Agreement, the Franchise, and all claims arising from the relationship between us and you will be governed by the laws of Delaware, without regard to its conflict of laws rules, except that (1) any state law regulating the offer or sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this section, and (2) Maryland law will apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

7. **ACKNOWLEDGMENTS.** The following is added as a new Section 19 to the end of the Franchise Agreement:

8. **ACKNOWLEDGEMENTS.**

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.

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

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Franchise Agreement.

TCBY SYSTEMS, LLC

FRANCHISEE OWNER:

[Name]

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title : _____

Date*: _____

Date: _____

(*This is the Effective Date)

**RIDER TO THE
FRANCHISE AGREEMENT
FOR USE IN MINNESOTA**

THIS RIDER is made and entered into by and between **TCBY SYSTEMS, LLC**, a Delaware limited liability company whose address is 1717 S. 4800 W., Salt Lake City, Utah 84104 (“**we**”), and _____, a(n) _____ whose principal business address is _____ (“**you**”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated _____, 20__ (the “Franchise Agreement”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the Store that you will operate under the Franchise Agreement will be located in Minnesota; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in Minnesota

2. **INFRINGEMENT AND CLAIMS.** The following sentence is added to the end of Section 10.4 of the Franchise Agreement:

Provided you have complied with all provisions of this Agreement applicable to the Marks, we will protect your right to use the Marks and will indemnify you from any loss, costs or expenses arising out of any claims, suits or demands regarding your use of the Marks in accordance with Minn. Stat. Sec. 80C 12, Subd. 1(g).

3. **IN-TERM NON-COMPETE AND NON-SOLICITATION; POST-TERM NON-COMPETE AND NON-SOLICITATION.** Sections 11.1 and 11.2 of the Franchise Agreement will not be enforced to the extent prohibited by applicable law.

4. **RELEASES.** The following is added to the end of Sections 3.1(c) and 12.3(e) of the Franchise Agreement:

Any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law.

5. **SUCCESSOR FRANCHISE AND OTHER RIGHTS AND REMEDIES.** The following is added to the end of Sections 3.1 and 13.2 of the Franchise Agreement:

However, with respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice of non-renewal of this Agreement.

6. **LOST REVENUE DAMAGES.** The following language is added to the end of Section 14.3 of the Franchise Agreement

We and you acknowledge that certain parts of this provision might not be enforceable under Minn. Rule Part 2860.4400J. However, we and you agree to enforce the provision to the extent the law allows.

7. **INJUNCTIVE RELIEF.** Section 17.1 of the Franchise Agreement is deleted and replaced with the following:

Nothing in this Agreement bars our right to obtain specific performance of the provisions of this Agreement and seek injunctive relief against conduct that threatens to injure or harm us, the Marks or the System, under customary equity rules, including applicable rules for obtaining restraining orders and preliminary injunctions. You agree that we may seek such injunctive relief. You agree

that your only remedy if an injunction is entered against you will be the dissolution of that injunction, if warranted, upon due hearing, and you hereby expressly waive any claim for damages caused by such injunction. A court will determine if a bond is required.

8. **GOVERNING LAW.** The following statement is added at the end of Section 17.4 of the Franchise Agreement:

Nothing in this Agreement will abrogate or reduce any of your rights under Minnesota Statutes Chapter 80C or your right to any procedure, forum or remedies that the laws of the jurisdiction provide.

9. **CONSENT TO JURISDICTION.** The following language is added to the end of Section 17.5 of the Franchise Agreement:

Notwithstanding the foregoing, Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400j prohibit us, except in certain specified cases, from requiring litigation to be conducted outside of Minnesota. Nothing in this Agreement will abrogate or reduce any of your rights under Minnesota statutes Chapter 80C or your rights to any procedure, forum or remedies that the laws of the jurisdiction provide.

10. **WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL.** If and then only to the extent required by the Minnesota Franchises Law, Section 17.6 of the Franchise Agreement is deleted.

11. **LIMITATIONS OF CLAIMS; WAIVER OF CLASS ACTION.** The following is added to the end of Section 17.7 of the Franchise Agreement:

; provided, however, that Minnesota law provides that no action may be commenced under Minn. Stat. Sec. 80C.17 more than 3 years after the cause of action accrues.

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

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Franchise Agreement.

TCBY SYSTEMS, LLC

FRANCHISEE OWNER:

[Name]

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date*: _____

Date: _____

(*This is the Effective Date)

**RIDER TO THE
FRANCHISE AGREEMENT
FOR USE IN THE STATE OF NEW YORK**

To the extent the New York General Business Law, Article 33, §§680 - 695 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

Any provision in the Franchise Agreement that is inconsistent with the New York General Business Law, Article 33, Section 680 - 695 may not be enforceable.

Any provision in the Franchise Agreement requiring franchisee to sign a general release of claims against franchisor does not release any claim franchisee may have under New York General Business Law, Article 33, Sections 680-695.

The New York Franchise Law shall govern any claim arising under that law.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

TCBY SYSTEMS, LLC

FRANCHISEE OWNER:

[Name]

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date*: _____

Date: _____

(*This is the Effective Date)

**RIDER TO THE
FRANCHISE AGREEMENT
FOR USE IN NORTH DAKOTA**

THIS RIDER is made and entered into by and between **TCBY SYSTEMS, LLC**, a Delaware limited liability company whose address is 1717 S. 4800 W., Salt Lake City, Utah 84104 (“**we**”), and _____, a(n) _____ whose principal business address is _____ (“**you**”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated _____, 20____, (the “Franchise Agreement”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are a resident of North Dakota and the Store that you will operate under the Franchise Agreement will be located or operated in North Dakota; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in North Dakota.

2. **RELEASES.** The following is added to the end of Sections 3.1(c) and 12.3(e) of the Franchise Agreement:

Any release required as a condition of renewal, and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

3. **IN-TERM NON-COMPETE AND NON-SOLICITATION AND POST-TERM NON-COMPETE AND NON-SOLICITATION.** The following is added to the end of Sections 11.1 and 11.2 of the Franchise Agreement:

Covenants not to compete and non-solicitation provisions such as those mentioned above are generally considered unenforceable in the State of North Dakota; however, we will enforce the covenants to the maximum extent the law allows.

4. **LOST REVENUE DAMAGES.** The following language is added to the end of Section 14.3 of the Franchise Agreement:

We and you acknowledge that certain parts of this provision might not be enforceable under the North Dakota Franchise Investment Law. However, we and you agree to enforce the provision to the extent the law allows.

5. **ARBITRATION.** The first paragraph of Section 17.8 of the Franchise Agreement is amended to read as follows:

We and you agree that all controversies, disputes, or claims between us or our affiliates, and our and their respective owners, officers, directors, agents, and employees, on the one hand, and you (and your owners, guarantors, Affiliates, and employees), on the other hand, arising out of or related to:

- (1) this Agreement or any other agreement between you (or any of your owners) and us (or any of our affiliates);
- (2) our relationship with you;
- (3) the scope or validity of this Agreement or any other agreement between you (or any of your owners) and us (or any of our affiliates) or any provision of any of such agreements

(including the validity and scope of the arbitration provision under this Section 17.8, which we and you acknowledge is to be determined by an arbitrator, not a court); or

(4) any System Standard must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association. The arbitration proceedings will be conducted by one arbitrator and, except as this Section otherwise provides, according to the American Arbitration Association's then-current Commercial Arbitration Rules. All proceedings will be conducted at a suitable location chosen by the arbitrator that is within Wilmington, Delaware; provided, however, that to the extent otherwise required by the North Dakota Franchise Investment Law (unless such a requirement is preempted by the Federal Arbitration Act), arbitration shall be held at a site to which we and you mutually agree. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). The interim and final awards of the arbitrator shall be final and binding upon each party, and judgment upon the arbitrator's awards may be entered in any court of competent jurisdiction.

6. **GOVERNING LAW.** Section 17.4 of the Franchise Agreement is deleted and replaced with the following:

All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. Sections 1 et seq.). Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. sections 1051 et seq.), or other federal law, and except as otherwise required by North Dakota law, this Agreement, the Franchise, and all claims arising from the relationship between us and you will be governed by the laws of Delaware, without regard to its conflict of laws rules, except that any state law regulating the offer or sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this section.

7. **CONSENT TO JURISDICTION.** The following is added to the end of Section 17.5 of the Franchise Agreement:

Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, and subject to your arbitration obligations, you may bring an action in North Dakota for claims arising under the North Dakota Franchise Investment Law.

8. **WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL.** To the extent required by the North Dakota Franchise Investment Law, Section 17.6 of the Franchise Agreement is deleted.

9. **LIMITATIONS OF CLAIMS; WAIVER OF CLASS ACTION.** Section 17.7 of the Franchise Agreement is deleted in its entirety and replaced with the following paragraph:

Except for claims arising from your non-payment or underpayment of amounts you owe us, any and all claims arising out of or relating to this Agreement or our relationship with you will be barred unless a judicial or arbitration proceeding is commenced in accordance with this Agreement within one (1) year from the date on which the party asserting the claim knew or should have known of the facts giving rise to the claims. The statutes of limitations under North Dakota Law applies with respect to claims arising under the North Dakota Franchise Investment Law. We and you agree that any proceeding will be conducted on an individual basis and that any proceeding between us and any of our Affiliates, or our and their respective owners, officers, directors, agents, and employees, on the one hand, and you (or your owners, guarantors, affiliates, and employees), on the other hand, may not be: (i) conducted on a class-wide basis, (ii) commenced, conducted or consolidated with any other proceeding, (iii) joined with any claim of an unaffiliated third-party, or (iv) brought on

your behalf by any association or agent. No previous course of dealing shall be admissible to explain, modify, or contradict the terms of this Agreement. No implied covenant of good faith and fair dealing shall be used to alter the express terms of this Agreement.

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

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Franchise Agreement.

TCBY SYSTEMS, LLC

FRANCHISEE OWNER:

[Name]

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date*: _____

Date: _____

(*This is the Effective Date)

**RIDER TO THE
FRANCHISE AGREEMENT
FOR USE IN RHODE ISLAND**

THIS RIDER is made and entered into by and between **TCBY SYSTEMS, LLC**, a Delaware limited liability company whose address is 1717 S. 4800 W., Salt Lake City, Utah 84104 (“**we**”), and _____, a(n) _____ whose principal business address is _____ (“**you**”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated _____, 20____, (the “Franchise Agreement”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are domiciled in Rhode Island and the Store that you will operate under the Franchise Agreement will be located in Rhode Island; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in Rhode Island.

2. **GOVERNING LAW / CONSENT TO JURISDICTION.** The following language is added to the end of Sections 17.4 and 17.5 of the Franchise Agreement:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “a provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this act.” To the extent required by applicable law, Rhode Island law will apply to claims arising under the Rhode Island Franchise Investment Act.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Franchise Agreement.

TCBY SYSTEMS, LLC

FRANCHISEE OWNER:

[Name]

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date*: _____

Date: _____

(*This is the Effective Date)

**WASHINGTON RIDER TO THE
FRANCHISE AGREEMENT, REPRESENTATIONS AND ACKNOWLEDGMENT “
STATEMENT, AND RELATED AGREEMENTS**

THIS RIDER is made and entered into by and between **TCBY SYSTEMS, LLC**, a Delaware limited liability company whose address is 1717 S. 4800 W., Salt Lake City, Utah 84104 (“**we**”), and _____, a(n) _____ whose principal business address is _____ (“**you**”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated _____, 20____, (the “Franchise Agreement”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are domiciled in Washington; and/or (b) the Store that you will operate under the Franchise Agreement will be located or operated in Washington; and/or (c) any of the offering or sales activity relating to the Franchise Agreement occurred in Washington.

2. **WASHINGTON LAW.** The following paragraphs are added to the end of the Franchise Agreement:

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

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

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

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

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

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee’s earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor’s earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained

in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

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

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Franchise Agreement.

TCBY SYSTEMS, LLC

FRANCHISEE OWNER:

[Name]

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date*: _____

Date: _____

(*This is the Effective Date)

**THE FOLLOWING PAGES IN THIS EXHIBIT ARE
STATE-SPECIFIC RIDERS TO THE
AREA DEVELOPMENT AGREEMENT**

**RIDER TO THE
AREA DEVELOPMENT AGREEMENT
FOR USE IN ILLINOIS**

THIS RIDER is made and entered into by and between **TCBY SYSTEMS, LLC**, a Delaware limited liability company whose address is 1717 S. 4800 W., Salt Lake City, Utah 84104 (“**we**”), and _____, a(n) _____ whose principal business address is _____ (“**you**”).

1. **BACKGROUND.** We and you are parties to that certain Area Development Agreement dated _____, 20__ (the “Area Development Agreement”). This Rider is annexed to and forms part of the Area Development Agreement. This Rider is being signed because (a) the offer relating to the Area Development Agreement was made or accepted in Illinois and the Store that you will operate under the Area Development Agreement will be located in Illinois; and/or (b) you are domiciled in Illinois.

2. **ILLINOIS FRANCHISE DISCLOSURE ACT.** The following language is added to the end of the Area Development Agreement:

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a development agreement that designates jurisdiction and venue in a forum outside the State of Illinois is void. However, a development agreement may provide for arbitration to take place outside of Illinois.

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Franchisees rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Area Development Agreement.

TCBY SYSTEMS, LLC

AREA DEVELOPER:

[Name]

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date*: _____

Date: _____

(*This is the Effective Date)

**RIDER TO THE
AREA DEVELOPMENT AGREEMENT
FOR USE IN MARYLAND**

THIS RIDER is made and entered into by and between **TCBY SYSTEMS, LLC**, a Delaware limited liability company whose address is 1717 S. 4800 W., Salt Lake City, Utah 84104 (“**we**”), and _____, a(n) _____ whose principal business address is _____ (“**you**”).

1. **BACKGROUND.** We and you are parties to that certain Area Development Agreement dated _____, 20__ (the “Franchise Agreement”). This Rider is annexed to and forms part of the Area Development Agreement. This Rider is being signed because (a) you are domiciled in Maryland, and/or (b) the Store that you will operate under the Area Development Agreement will be located in Maryland.

2. **RELEASES.** The following is added to the end of Section 8(B)(6) of the Area Development Agreement:

However, any release required as a condition of renewal, sale and/or assignment/transfer will not apply to any claims or liability arising under the Maryland Franchise Registration and Disclosure Law.

3. **ACKNOWLEDGMENTS.** The following is added as a new Section 12 to the end of the 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.

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

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Area Development Agreement.

TCBY SYSTEMS, LLC

AREA DEVELOPER:

[Name]

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date*: _____

Date: _____

(*This is the Effective Date)

**RIDER TO THE
AREA DEVELOPMENT AGREEMENT
FOR USE IN MINNESOTA**

THIS RIDER is made and entered into by and between **TCBY SYSTEMS, LLC**, a Delaware limited liability company whose address is 1717 S. 4800 W., Salt Lake City, Utah 84104 (“**we**”), and _____, a(n) _____ whose principal business address is _____ (“**you**”).

1. **BACKGROUND.** We and you are parties to that certain Area Development Agreement dated _____, 20__ (the “Area Development Agreement”). This Rider is annexed to and forms part of the Area Development Agreement. This Rider is being signed because (a) the Store that you will operate under the Area Development Agreement will be located in Minnesota; and/or (b) any of the offering or sales activity relating to the Area Development Agreement occurred in Minnesota

2. **RELEASES.** The following is added to the end of Section 8(B)(6) of the Area Development Agreement:

Any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law.

3. **DEFAULT AND TERMINATION.** The following is added to the end of Section 7(B) of the Area Development Agreement:

However, with respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice of non-renewal of this Agreement.

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

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Area Development Agreement.

TCBY SYSTEMS, LLC

AREA DEVELOPER:

[Name]

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date*: _____

Date: _____

(*This is the Effective Date)

**RIDER TO THE AREA DEVELOPMENT AGREEMENT
FOR USE IN THE STATE OF NEW YORK**

THIS RIDER is made and entered into by and between **TCBY SYSTEMS, LLC**, a Delaware limited liability company whose address is 1717 S. 4800 W., Salt Lake City, Utah 84104 (“**we**”), and _____, a(n) _____ whose principal business address is _____ (“**you**”).

1. **BACKGROUND.** We and you are parties to that certain Area Development Agreement dated _____, 20__, (the “Area Development Agreement”). This Rider is being signed because (a) you are domiciled in the State of New York and the Store that you will operate under the Area Development Agreement will be located in New York, and/or (b) any of the offering or sales activity relating to the Area Development Agreement occurred in New York.

2. **TRANSFERS BY US.** The following language is added to the end of Section 8(A) of the Area Development Agreement:

However, to the extent required by applicable law, no transfer will be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under this Agreement.

3. **RELEASES.** The following language is added to the end of Section 8(B)(6) of the Area Development Agreement:

Notwithstanding the foregoing all rights enjoyed by you and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force to the extent required by the non-waiver provisions of GBL Sections 687.4 and 687.5, as amended.

4. **OTHER RIGHTS AND REMEDIES.** The following language is added as Section 7(F) of the Area Development Agreement:

You also may terminate this Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Area Development Agreement.

TCBY SYSTEMS, LLC

AREA DEVELOPER:

[Name]

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date*: _____

Date: _____

(*This is the Effective Date)

**RIDER TO THE
AREA DEVELOPMENT AGREEMENT
FOR USE IN NORTH DAKOTA**

THIS RIDER is made and entered into by and between **TCBY SYSTEMS, LLC**, a Delaware limited liability company whose address is 1717 S. 4800 W., Salt Lake City, Utah 84104 (“**we**”), and _____, a(n) _____ whose principal business address is _____ (“**you**”).

1. **BACKGROUND.** We and you are parties to that certain Area Development Agreement dated _____, 20____, (the “Area Development Agreement”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are a resident of North Dakota and the Store that you will operate under the Franchise Agreement will be located or operated in North Dakota; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in North Dakota.

2. **RELEASES.** The following is added to the end of Section 8(B)(6) of the Area Development Agreement:

Any release required as a condition of renewal, and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

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

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Area Development Agreement.

TCBY SYSTEMS, LLC

AREA DEVELOPER:

[Name]

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date*: _____

Date: _____

(*This is the Effective Date)

**WASHINGTON RIDER TO THE
AREA DEVELOPMENT AGREEMENT, REPRESENTATIONS AND ACKNOWLEDGEMENT
STATEMENT, AND RELATED AGREEMENTS**

THIS RIDER is made and entered into by and between **TCBY SYSTEMS, LLC**, a Delaware limited liability company whose address is 1717 S. 4800 W., Salt Lake City, Utah 84104 (“**we**”), and _____, a(n) _____ whose principal business address is _____ (“**you**”).

1. **BACKGROUND.** We and you are parties to that certain Area Development Agreement dated _____, 20__, (the “Area Development Agreement”). This Rider is annexed to and forms part of the Area Development Agreement. This Rider is being signed because (a) you are domiciled in Washington; and/or (b) the Store that you will operate under the Area Development Agreement will be located or operated in Washington; and/or (c) any of the offering or sales activity relating to Area Development Agreement occurred in Washington.

2. **WASHINGTON LAW.** The following paragraphs are added to the end of the Area Development Agreement:

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

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

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

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

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

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee’s earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor’s earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained

in the development agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting an area developer from (i) soliciting or hiring any employee of an area developer of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the area development agreement or elsewhere are void and unenforceable in Washington.

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

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Area Development Agreement.

TCBY SYSTEMS, LLC

AREA DEVELOPER:

[Name]

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date*: _____

Date: _____

(*This is the Effective Date)

EXHIBIT H
SAMPLE RELEASE FORM

TCBY SYSTEMS, LLC

GRANT OF FRANCHISOR CONSENT AND FRANCHISEE RELEASE

TCBY SYSTEMS, LLC (“we,” “us,” or “our”) and the undersigned [franchisee], _____

_____(“you” or “your”), currently are parties to a certain Franchise Agreement (the “Franchise Agreement”) dated _____, 20___. You have asked us to take the following action or to agree to the following request: [insert as appropriate for renewal or transfer situation]_____

_____. We have the right under the Franchise Agreement to obtain a general release from you (and, if applicable, your owners) as a condition of taking this action or agreeing to this request. Therefore, we are willing to take the action or agree to the request specified above if you (and, if applicable, your owners) give us the release and covenant not to sue provided below in this document. You (and, if applicable, your owners) are willing to give us the release and covenant not to sue provided below as partial consideration for our willingness to take the action or agree to the request described above.

Consistent with the previous introduction, you, on your own behalf and on behalf of your successors, heirs, executors, administrators, personal representatives, agents, assigns, owners, directors, managers, officers, principals, employees, and affiliated entities (collectively, the "Releasing Parties"), hereby forever release and discharge us and our affiliates, and our and their current and former officers, directors, owners, principals, employees, agents, representatives, affiliated entities, successors, and assigns (collectively, the "TCBY Parties") from any and all claims, damages (known and unknown), demands, causes of action, suits, duties, liabilities, and agreements of any nature and kind (collectively, “Claims”) that you and any of the other Releasing Parties now has, ever had, or, but for this document, hereafter would or could have against any of the TCBY Parties, including without limitation, Claims (1) arising out of or related to the TCBY Parties' obligations under the Franchise Agreement or (2) otherwise arising from or related to your and the other Releasing Parties' relationship, from the beginning of time to the date of your signature below, with any of the TCBY Parties. You, on your own behalf and on behalf of the other Releasing Parties, further covenant not to sue any of the TCBY Parties on any of the Claims released by this paragraph and represent that you have not assigned any of the Claims released by this paragraph to any individual or entity who is not bound by this paragraph.

We also are entitled to a release and covenant not to sue from your owners. By his, her, or their separate signatures below, your owners likewise grant to us the release and covenant not to sue provided above.

IF THE FRANCHISE YOU OPERATE UNDER THE FRANCHISE AGREEMENT IS LOCATED IN CALIFORNIA OR IF YOU ARE A RESIDENT OF CALIFORNIA, THE FOLLOWING SHALL APPLY:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

IF THE FRANCHISE IS LOCATED IN MARYLAND OR IF YOU ARE A RESIDENT OF MARYLAND, THE FOLLOWING SHALL APPLY:

Any general release provided for hereunder shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

The parties hereto have signed this release on the date stated on the first page hereof.

TCBY SYSTEMS, LLC

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

FRANCHISEE

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

FRANCHISEE OWNER

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

Print Name: _____
Title: _____
By: _____

EXHIBIT I

DISCLOSURE ACKNOWLEDGEMENT AGREEMENT

REPRESENTATIONS AND ACKNOWLEDGMENT STATEMENT

The purpose of this Statement is to demonstrate to TCBY Systems, LLC (“Franchisor”) that the person(s) signing below (“I,” “me” or “my”), whether acting individually or on behalf of any legal entity established to acquire the franchise rights, (a) fully understands that the purchase of a TCBY franchise is a significant long-term commitment, complete with its associated risks, and (b) is not relying on any statements, representations, promises or assurances that are not specifically set forth in Franchisor’s Franchise Disclosure Document and Exhibits (collectively, the “FDD”) in deciding to purchase the franchise.

In that regard, I represent to Franchisor and acknowledge that:

<p>I understand that buying a franchise is not a guarantee of success. Purchasing or establishing any business is risky, and the success or failure of the franchise is subject to many variables such as my skills and abilities (and those of my partners, officers, employees), the time my associates and I devote to the business, competition, interest rates, the economy, inflation, operation costs, location, lease terms, the market place generally and other economic and business factors. I am aware of and am willing to undertake these business risks. I understand that the success or failure of my business will depend primarily upon my efforts and not those of Franchisor.</p>	<p>INITIAL:</p>
<p>I received a copy of the FDD, including the Franchise Agreement, at least 14 calendar days (10 business days in Michigan and New York) before I executed the Franchise Agreement. I understand that all of my rights and responsibilities and those of Franchisor in connection with the franchise are set forth in these documents and only in these documents. I acknowledge that I have had the opportunity to personally and carefully review these documents and have, in fact, done so. I have been advised to have professionals (such as lawyers and accountants) review the documents for me and to have them help me understand these documents. I have also been advised to consult with other franchisees regarding the risks associated with the purchase of the franchise.</p>	<p>INITIAL:</p>
<p>Neither the Franchisor nor any of its officers, employees or agents (including any franchise broker) has made a statement, promise or assurance to me concerning any matter related to the franchise (including those regarding advertising, marketing, training, support service or assistance provided by Franchisor) that is contrary to, or different from, the information contained in the FDD.</p>	<p>INITIAL:</p>
<p>My decision to purchase the franchise has not been influenced by any oral representations, assurances, warranties, guarantees or promises whatsoever made by the Franchisor or any of its officers, employees or agents (including any franchise broker), including as to the likelihood of success of the franchise.</p>	<p>INITIAL:</p>

I have made my own independent determination as to whether I have the capital necessary to fund the business and my living expenses, particularly during the start-up phase.

INITIAL:

SPECIAL REPRESENTATION REGARDING RECEIPT OF FINANCIAL INFORMATION.

PLEASE READ THE FOLLOWING QUESTION CAREFULLY. THEN SELECT YES OR NO AND PLACE YOUR INITIALS WHERE INDICATED.

Have you received any information from the Franchisor or any of its officers, employees or agents (including any franchise broker) concerning actual, average, projected or forecasted sales, revenues, income, profits or earnings of the franchise business (including any statement, promise or assurance concerning the likelihood of success) other than information contained in the FDD?

Yes No (INSERT INITIAL HERE: _____)

If you selected "Yes," please describe the information you received on the lines below:

_____.

Do not sign this Representations and Acknowledgment Statement if you are a Hawaii resident, or the franchise is to be located in Hawaii.

Do not sign this Representations and Acknowledgement Statement if you are a Maryland resident, or the franchise is to be located in Maryland.

Do not sign this Representations and Acknowledgement Statement if you are a Washington resident, or the franchise is to be located in Washington.

FRANCHISEE:

Sign here if you are taking the franchise as an **INDIVIDUAL(S)**

(Note: use these blocks if you are an individual or a partnership but the partnership is not a separate legal entity)

Signature

Print Name: _____

Date: _____

Signature

Print Name: _____

Date: _____

Sign here if you are taking the franchise as a **CORPORATION, LIMITED LIABILITY COMPANY OR PARTNERSHIP**

Print Name of Legal Entity

By: _____

Signature

Print Name: _____

Title: _____

Date: _____

EXHIBIT J

STATE EFFECTIVE DATES AND RECEIPT PAGES

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	Pending
Hawaii	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	Pending
Wisconsin	November 18, 2024

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

**RECEIPT
(OUR COPY)**

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

If TCBY Systems, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, TCBY Systems, LLC or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Under Iowa law, we must give you this disclosure document at the earlier of our 1st personal meeting or 14 calendar days before you sign an agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale. Under Michigan law, we must give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. Under New York law, we must provide this disclosure document at the earlier of the 1st personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

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

The franchisor is Mrs. Fields Franchising LLC, 1717 S. 4800 W., Salt Lake City, Utah 84104; (801) 412-8890. The franchise seller for this offering is:

- | | | |
|---|--|---|
| <input type="checkbox"/> Rich Hankins
TCBY Systems, LLC
1717 S. 4800 W.
Salt Lake City, Utah 84104
(801) 412-8890 | <input type="checkbox"/> Paul Correale
TCBY Systems, LLC
1717 S. 4800 W.
Salt Lake City, Utah 84104
(480) 434-1230 | <input type="checkbox"/> Name of Franchise Seller:

Principal Business Address:

Telephone No.: _____ |
|---|--|---|

Issuance Date: November 12, 2024

See Exhibit A for TCBY Systems, LLC 's registered agents authorized to receive service of process.

I have received a disclosure document dated November 12, 2024, that included the following Exhibits:

- | | |
|--|---|
| Exhibit A Financial Statements and
Guarantee of Performance | Exhibit F State Administrators / Agents for Service
of process |
| Exhibit B Franchise Agreement | Exhibit G State-Specific Addenda |
| Exhibit C Area Development Agreement | Exhibit H Sample Release Form |
| Exhibit D Table of Contents of Operations Manual | Exhibit I Disclosure Acknowledgment Agreement |
| Exhibit E List of Current and Former Franchisees | Exhibit J State Effective Dates and Receipt Pages |

_____	_____	_____
Date	Signature	Printed Name

_____	_____	_____
Date	Signature	Printed Name

Please sign this copy of the receipt, print the date on which you received this disclosure document, and return it, by mail or email, to TCBY Systems, LLC, 1717 S. 4800 W., Salt Lake City, Utah 84104. Phone: (801) 412-8890, Email: Rhankins@famousbrandsintl.com.

**RECEIPT
(YOUR COPY)**

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

If TCBY Systems, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to TCBY Systems, LLC or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Under Iowa law, we must give you this disclosure document at the earlier of our 1st personal meeting or 14 calendar days before you sign an agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale. Under Michigan law, we must give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. Under New York law, we must provide this disclosure document at the earlier of the 1st personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

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

The franchisor is Mrs. Fields Franchising LLC, 1717 S. 4800 W., Salt Lake City, Utah 84104; (801) 412-8890. The franchise seller for this offering is:

- | | | |
|---|--|--|
| <input type="checkbox"/> Rich Hankins
TCBY Systems, LLC
1717 S. 4800 W.
Salt Lake City, Utah 84104
(801) 412-8890 | <input type="checkbox"/> Paul Correale
TCBY Systems, LLC
1717 S. 4800 W.
Salt Lake City, Utah 84104
(480) 434-1230 | <input type="checkbox"/> Name of Franchise Seller:

Principal Business Address:

Telephone No.: _____ |
|---|--|--|

Issuance Date: November 12, 2024

See Exhibit A for TCBY Systems, LLC 's registered agents authorized to receive service of process.

I have received a disclosure document dated November 12, 2024, that included the following Exhibits:

- | | |
|--|---|
| Exhibit A Financial Statements and
Guarantee of Performance | Exhibit F State Administrators / Agents for Service
of process |
| Exhibit B Franchise Agreement | Exhibit G State-Specific Addenda |
| Exhibit C Area Development Agreement | Exhibit H Sample Release Form |
| Exhibit D Table of Contents of Operations Manual | Exhibit I Disclosure Acknowledgment Agreement |
| Exhibit E List of Current and Former Franchisees | Exhibit J State Effective Dates and Receipt Pages |

_____	_____	_____
Date	Signature	Printed Name

_____	_____	_____
Date	Signature	Printed Name

PLEASE SIGN THIS COPY OF THE RECEIPT, PRINT THE DATE ON WHICH YOU RECEIVED THIS DISCLOSURE DOCUMENT AND KEEP IT FOR YOUR RECORDS.