

FRANCHISE DISCLOSURE DOCUMENT

GREAT HARVEST FRANCHISING, LLC

A Delaware limited liability company

28 South Montana Street

Dillon, Montana 59725

(406) 683-6842

beng@greatharvestfranchising.com

www.greatharvest.com

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~~Great Harvest Franchising, LLC~~

~~A Delaware limited liability company~~

~~28 South Montana Street~~

~~Dillon, MT 59725~~

~~(406) 683-6842 or (800) 442-0424~~

~~beng@greatharvestfranchising.com~~

~~www.greatharvest.com~~

~~www.facebook.com/GreatHarvestBreadCo~~

~~The franchise is a whole wheat neighborhood bakery cafe.~~

~~You will operate a high-quality bakery cafe that features fresh-baked whole wheat bread, baked goods, soups, salads, sandwiches, and related menu items under the trademark “Great Harvest”.~~

~~The total investment necessary to begin operation of a Great Harvest bakery cafe franchise in a “Hub” location is \$168,262 to \$984,154, ranges from \$298,145 - \$979,639. This includes \$35,000 that must be paid to the franchisor or affiliate.~~

~~The total investment necessary to begin the operation of a Great Harvest bakery cafe franchise in a “Spoke” location is ~~\$46,152 to \$352,840~~, multi-unit development business ranges from \$308,145 - \$989,639, for a minimum of 2 Great Harvest outlets to be developed. This includes ~~\$1545,000~~ that must be paid to the franchisor or affiliate. ~~If you want development rights, you must pay the franchisor a development fee equal to the full initial franchise fee for the first bakery cafe (\$35,000) plus a deposit of \$7,500 (of the \$15,000 initial franchise fee) for each additional bakery cafe you agree to develop. The total investment necessary to begin operation if you acquire development rights (a minimum of 2 bakery cafes) is \$175,762 to \$991,654. This includes \$42,500 that must be paid to the franchisor or affiliate.~~~~

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

office at 28 South Montana Street, Dillon, Montana 59725, beng@greatharvestfranchising.com, or gregbastek@greatharvestfranchising.com, (800) 442-0424.

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,"²² 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~~New Jersey Avenue, NW, Washington, ~~D.C.~~DC, 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: ~~March~~February 25, 2024, as amended ~~October 14, 2024~~2025

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits D and <u>Exhibit E</u> .
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 C 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 Great Harvest 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 Great Harvest franchisee?	Item 20 or Exhibits D and <u>Exhibit E</u> 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 [B.A.](#)

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

Special Risks to Consider About *This Franchise*

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

1. **1. Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with ~~the franchisor~~ by mediation, arbitration and litigation only in Montana. Out-of-state mediation, arbitration and litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to mediate and litigate with ~~the franchisor~~ in ~~Montana~~New Jersey than in your own state.
2. **2. Spousal Liability.** Your spouse must sign a document that makes your spouse liable for your financial obligations under the franchise agreement, even though your spouse has no ownership interest in the business. This guarantee will place both your and your spouse's personal and marital assets, perhaps including your house, at risk if your franchise fails.
2. **3. Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.
4. **4. Unopened Franchises.** The franchisor has signed a significant number of franchise agreements with franchisees who have not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you also may experience delays in opening your own outlet

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

**THE FOLLOWING PROVISIONS APPLY ONLY TO TRANSACTIONS GOVERNED BY
THE MICHIGAN FRANCHISE INVESTMENT LAW**

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

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

~~(i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.~~

~~(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.~~

~~(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.~~

~~(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.~~

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

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

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

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

~~Any questions regarding this notice should be directed to:~~

~~State of Michigan Consumer Protection Division
Attn: Great Harvest Franchising, LLC
Franchise Section Disclosure Document~~

~~670 G. Mennen Williams Building
525 West Ottawa, Lansing, Michigan 48933
(517) 335-7567~~

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|

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

~~“We,” “us,” and “our”~~

~~To simplify the language in this disclosure document—mean—, the terms “Franchisor”, or “we” or “us” means Great Harvest Franchising, LLC, the franchisor. “You” in this disclosure document means the person or legal entity acquiring the Franchisor. The terms “we”, “us” and “Franchisor” do not include you, the “Franchisee”. We refer to the purchaser(s) of a Great Harvest franchise (and, if applicable, development rights) as “you” or “Franchisee”, whether an individual, a partnership, corporation, or limited liability company. If you are a corporation, partnership, or limited liability company, your owners must sign our Guaranty Agreement (Exhibit J), meaning all of or other entity, our Franchise Agreement’s (Exhibit A) provisions Agreement also will apply to your owners, officers, and directors. If you are married and your spouse is not a partner in the franchise business, certain provisions of our Franchise Agreement will also apply to that spouse.~~

~~We originally incorporated were formed as a corporation in the State of Montana on May 1, 1980, and subsequently converted to a Delaware limited liability company in the State of Delaware on September 16, 2024. We operate under our corporate name and the trademarks “Great Harvest Bread Co.” and related logos described in Item 13 (the “Marks”) and no other name. Our principal business address is 28 South Montana Street, Dillon, Montana 59725. If we have an agent in your state, 59725. We do business under our trade name, “Great Harvest” and its associated design (the “Marks”). We offer franchises to operate a Great Harvest Bakery Cafe using the “Great Harvest” Marks only. We do not own or operate any businesses of the type you will be operating. We began offering franchises on November 1, 1980. Prior to March 2017, we offered franchises for fresh-milled bread bakery outlets using the Marks that have limited menu items and/or limited seating. We no longer offer franchises with limited menu items and/or limited seating; however, many of these outlets remaining in operation. We have no other business activities.~~

~~The principal business addresses of our agents for service of process, we disclose that agent in Exhibit B. We have no predecessors, are shown on Exhibit A.~~

Our Parents, Predecessors and Affiliates

Our parent company and sole member is Great Harvest Holdings, LLC, a Delaware limited liability company with a principal place of business at 555 ~~E. East~~ Lancaster Avenue, 3rd Floor, Radnor, Pennsylvania, 19087. Great Harvest Holdings, LLC has not engaged in any other business activities and has not offered franchises in this, or any other line of business previously.

The first parent entity of Great Harvest Holdings, LLC, is New Spring Franchise Capital II, L.P., a Delaware limited partnership with a principal place of business at 555 E. Lancaster Avenue, 3rd Floor, Radnor, Pennsylvania, 19087. New Spring Franchise Capital II, L.P. has not engaged in any other business activities and has not offered franchises in this or any other line of business previously.

The second parent entity of Great Harvest Holdings, LLC, is GH Legacy Holdings, Inc., a Delaware corporation with a principal place of business at 555 E. Lancaster Avenue, 3rd Floor, Radnor, Pennsylvania, 19087. GH Legacy Holdings, Inc. has not engaged in any other business activities and has not offered franchises in this or any other line of business previously.

New Spring Franchise Capital II, L.P. has the following affiliates that offer franchises in other lines of businesses:

- NSF Blo, LLC, a Delaware limited liability company with a principal place of business at 555 E. Lancaster Avenue, 3rd Floor, Radnor, Pennsylvania, 19087. NSF Blo, LLC, has been a parent entity of Blo Blow Dry Bar Inc., the franchisor of the Blo Blow Dry Bar franchise system, since February 2021. Blo Blow Dry Bar has ~~109~~100 U.S. franchises and 20 Canadian franchises as of its ~~2023~~2024 fiscal year end;
- NSF Duck, LLC, a Delaware limited liability company with a principal place of business at 555 E. Lancaster Avenue, 3rd Floor, Radnor, Pennsylvania, 19087. NSF Duck, LLC, has been a parent entity of Duck Donuts Holdings, LLC, the franchisor of the Duck Donuts franchise system, since March 2021. Duck Donuts has ~~133~~143 franchises as of its ~~2023~~2024 fiscal year end;

- NSF Bark, LLC, a Delaware limited liability company with a principal place of business at 555 E. Lancaster Avenue, 3rd Floor, Radnor, Pennsylvania, 19087. NSF Bark, LLC, has been a parent entity of Barkley Ventures Franchising Franchising, LLC, the franchisor of the Central Bark franchise system, since November 2021. Central Bark has 3841 franchises as of its 20232024 fiscal year end;
- NSF Federal, LLC, a Delaware limited liability company with a principal place of business at 555 E. Lancaster Avenue, 3rd Floor, Radnor, Pennsylvania, 19087. NSF Federal, LLC, has been a parent entity of TSR Franchise Group, LLC, the franchisor of the Federal Donuts franchise system, since January 2022. Federal Donuts has 102 franchises as of its 20232024 fiscal year end;
- NSF GHS, LLC, a Delaware limited liability company with a principal place of business at 555 E. Lancaster Avenue, 3rd Floor, Radnor, Pennsylvania, 19087. NSF GHS, LLC, has been a parent entity of OnAxis Franchising Group, LLC, the franchisor of the Green Home Solutions franchise system, since August 2023. Green Home Solutions has 197198 franchises as of its 20232024 fiscal year end.

~~We franchise retail bakery cafes that currently produce and sell whole wheat baked goods, made from scratch sandwiches, salads, soups, granola, breakfast items, and other products. There historically have been 6 principal types of Great Harvest bread companies or bakery cafes (collectively, “Great Harvest Stores”) in our system: (1) a traditional Great Harvest bread company baking bread and other products for retail sale; (2) a traditional Great Harvest bread company that has added sandwiches to its menu with limited seating but without 2 customer restrooms; (3) a single site, bread baking Great Harvest “bakery cafe” with some seating and a menu that includes sandwiches; (4) a multi-unit operation where 2 or more locations described in (3) above owned by the same franchisee work together, with one location baking bread and then supplying it to the other locations; (5) a “new concept” Great Harvest bakery cafe distinguished by permanent seating for 35 or more people; 2 customer restrooms; and a menu that includes breakfast sandwiches, cold and hot sandwiches, baked goods, salads, and coffee; and (6) a “new concept hub and spoke” with the primary “hub” location baking bread and other products to supply the “spoke” locations with the baked goods that supplement the cafe products made in the spoke(s) and at least one of the Great Harvest bakery cafes meets the “new concept” definition outlined in (5).~~

~~Since March 2017, we have offered franchises only for Great Harvest bakery cafes operating as single site, new concept bread baking bakery cafes (described in (5) above) or, if the franchisee intends to have a “hub and spoke” operation (described in (6) above), Great Harvest bakery cafes that are bread baking (“hub”) locations and non bread baking (“spoke”) locations. (Since March 2017, we no longer grant new franchises for the type of “traditional” Great Harvest bread companies described in (1) and (2) above or the “limited” bakery cafe concept described in (3) above. Depending on local market conditions, however, we may offer franchises for “new concept” bakery cafes even if they cannot have 35 permanent seats or all the standard features of the “new concept” bakery cafe.)~~

~~You may not acquire a franchise for a non bread baking location unless you already have a franchised bread baking location. The main difference between bread baking and non bread baking locations is that bread baking locations mill and bake the bread that the bakery cafe sells and might be slightly larger than a non bread baking location to accommodate the additional required equipment. Non bread baking locations do not mill or bake bread (but do bake sweets and other products). Non bread baking locations obtain their bread inventory from nearby bread baking locations. These “hub” and “spoke” locations sell the same products. (Unless we need to distinguish in this disclosure document between bread baking (“hub”) locations and non bread baking (“spoke”) locations, references to your “Bakery Cafe” cover whichever type of location you operate.) We have no other significant business activities.~~

~~All of our existing franchisees as of January 2017 (“Legacy Franchisees”) have the right to extend or renew their existing franchise agreements (i.e., signed before January 2017) at their scheduled expiration dates (if the Legacy Franchisees otherwise are in compliance with the renewal conditions). They need not sign our then current form of franchise agreement as a condition of renewal. Legacy Franchisees selling their Great Harvest Stores covered by franchise agreements signed before January 2017 also have the right to assign their existing franchise~~

~~agreements to the buyers of their business assets (if the transaction satisfies the franchise agreement’s transfer conditions). The buyer of that Legacy Franchisee’s Great Harvest Store need not sign our then-current form of franchise agreement as a condition of transfer.~~

~~Great Harvest bakery cafe sales are primarily retail with limited off-premises activity. The success of Great Harvest bakery cafes depends upon serving many customers. Our bakery cafes generally are in high-traffic urban and suburban areas. Customers span a wide cross-section of the population, both in age and economic status. You must compete primarily with retail bakeries, non-Great Harvest bakery cafes, sandwich shops, and large wholesale bakeries that sell their products through grocery and similar stores. The market is very developed in most areas.~~

~~We also grant multi-unit development rights to qualified franchisees, who then have the right to develop a number of Great Harvest bakery cafes within a defined area over a specific time period or according to a pre-determined development schedule. These franchisees have the right to open and operate Great Harvest bakery cafes directly or through “approved affiliates,” which are separate legal entities they control. We expect that franchisees obtaining development rights will operate one bread-baking (hub) location in a market area and one or more non-bread-baking (spoke) locations in that market area. Each hub location will provide bread to the franchisee’s nearby spoke locations. Our Development Rights Rider to the Franchise Agreement is Exhibit G. Franchisees signing our Development Rights Rider must sign our then-current form of Franchise Agreement for each additional Great Harvest bakery cafe they develop. While that form may differ substantially and materially year to year from the Franchise Agreement included in this disclosure document, the monthly continuing fee and marketing and technology fee percentages in the newly signed Franchise Agreement will be modified to be the same as those in the Franchise Agreement included in this disclosure document. Development Rights Riders do not cover Bakery Cafes to be operated at non-traditional locations (for example, an airport, a hospital or medical center, or another type of captive-venue location).~~

~~We use an Amendment for an Additional Bakery Cafe and an Amendment for an Additional Non-Traditional Bakery Cafe if you already operate one or more Great Harvest bakery cafes and want to open and operate an additional Great Harvest bakery cafe (but are not a party to a Development Rights Rider with us or want to open and operate that additional Great Harvest bakery cafe in a non-traditional location). We and you sign the applicable Amendment at the same time we and you sign the Franchise Agreement for the particular Great Harvest bakery cafe. Each Amendment modifies certain provisions of the Franchise Agreement to recognize that you already are an experienced operator with us, in which case certain standard Franchise Agreement provisions need not apply as originally written.~~

~~We currently~~

~~We have periodically owned and operated Great Harvest outlets, directly or through affiliates, since 1999. As of the Issuance Date, we do not own any Great Harvest Bakery Cafe outlets; however, we own and operate a research and development test lab in Dillon, Montana, which we use for test-baking and as a training facility, and 1 Great Harvest bakery cafe. We periodically have operated Great Harvest Stores (directly or through affiliates) since 1999. Item 20 describes those activities during our last 3 fiscal years. We have offered franchises since November 1, 1980. We have not franchised other types of businesses.~~

~~There are no regulations specific to the industry in which Great Harvest bakery cafes operate, although you must comply with all local, state, and federal health, food handling, safety, and sanitation laws that apply to foodservice operations and local and state laws that apply generally to all businesses. You should investigate these laws.~~

The Franchise Offered:

~~We grant franchises for the right to operate a high-quality bakery cafe featuring fresh baked, whole-wheat breads, baked goods, soups, salads, sandwiches, and related menu items under the “Great Harvest” Marks (the “Franchised Business”). You~~

will bake bread on-site; however, if you already own a Great Harvest Bakery Cafe franchise, you may purchase an additional franchised outlet that does not bake bread (which we refer to as your “Spoke” outlet), provided that you obtain your bread inventory from your bread-baking franchised outlet (which we refer to as your “Hub” outlet). Your Franchised Business may also sell your Great Harvest fresh baked breads to wholesale and mail order accounts locally, in accordance with our specifications. The other distinguishing characteristics of a Great Harvest Franchised Business include, but are not limited to, Great Harvest proprietary recipes, distinctive fixtures, furnishings, and decor, and unique operations methods, sales techniques, procedures for management control and training, assistance, advertising, and promotional programs, all of which may be changed, improved or further developed by us at any time (the “System”).

We also offer qualified individuals the right to open a minimum of two (2) Great Harvest Bakery Cafe outlets in a designated area under the terms of a multi-unit development agreement. You must sign the then-current form of franchise agreement for each Franchised Business to be developed under the multi-unit development agreement, which may differ from the current Franchise Agreement included with this Disclosure Document.

Market and Competition:

The market for your Franchised Business primarily consists of the general public who seek fresh baked breads, soups, sandwiches, salads, and baked goods in a fast-casual setting. The market is well-developed, and bakeries and cafes offering fresh baked bread loaves for purchase, as well as soups, sandwiches, salads, and baked goods, and food service businesses generally, are highly competitive with constantly changing market conditions.

You will compete with businesses, including national, regional and local businesses, offering products and services similar to those offered by your Great Harvest Franchised Business including bakeries, cafes, and grocery stores, that offer fresh baked bread loaves for purchase, soups, sandwiches and/or salads for on- or off-premises consumption. There are many other fast-casual and bakery cafe franchises, including those that feature fresh baked breads, as well as independent businesses throughout the United States that may offer similar products and services to those offered by your Franchised Business. The demand for our products and services is not seasonal. Your Franchised Business may be affected, however, by changes in consumer tastes, demographics, and economic conditions.

Industry Specific Regulations:

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

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

You must comply with all local, state and federal laws and regulations that apply to the operation of your Franchised Business, including, among others, business operations, insurance, discrimination, and employment laws. Your advertising of the Franchised Business is regulated by the Federal Trade Commission. There may be federal, state and local laws which affect your Franchised Business in addition to those listed here. You will be responsible for investigating and complying with any such laws. You should consider both their effect on your business and the cost of compliance. You should thoroughly investigate all of these laws and requirements before purchasing a Great Harvest franchise.

Item 2 ITEM 2: BUSINESS EXPERIENCE

~~Chairman, Director, and Chief Executive Officer:~~ – John Dikos

John Dikos has been our Chief Executive Officer since November 2024. From January 2021 through October 2024, John was the Chief Executive Officer of Killer Burger, a burger brand based in Portland, Oregon. John was also the Chief Franchise and Licensing Officer of Chicken Guy, based in Seattle, Washington, from November 2019 through July 2021.

Executive Advisor – J. Michael Ferretti

J. Michael Ferretti has been our Executive Advisor since November 2024. Prior to this role, Mike had been our Chief Executive Officer and Director since June 2001, and had served as our Chairman since January 2016~~and our CEO and a Director since June 2001. He was our President from June 2001 until January 2016.~~

Chief Financial Officer: – Christine L. Koch, CPA

Christine L. Koch has been our Chief Financial Officer since August 2020. ~~From~~ Christine worked for Fire Suppression Systems in Bozeman, Montana from October 2010 through August 2020, ~~she was the~~ and held positions of Controller and ~~then~~ Chief Financial Officer for Fire Suppression Systems, located in Bozeman, Montana during that time.

Chief ~~Operating~~Administrative and Projects Officer: – Janet R. Tatarka

Janet R. Tatarka has been our Chief ~~Operating~~Administrative and Projects Officer since November 2020. ~~She was the~~ From July 2000 through October 2020, Janet held the position of Director of Bakery Cafe Training ~~(formerly Bakery Logistics)~~ from July 2000 through October 2020 located in Dillion, Montana. ~~She began working for us as a generalist in November 1991. Since that time, she has held various positions, such as wheat manager, meeting planner, customer service trainer, and project coordinator with us.~~

Chief

Director of Development Officer—Food and Beverage: Eric Lavinder

~~Eric Lavinder has been the Chief Development Officer for Food and Beverage at New Spring Capital, based in Radnor, Pennsylvania, since August 2024 and oversees franchise sales activities of our parent New Spring Franchise Capital II, L.P. and its affiliated brands. From September 2023 to August 2024, Eric was the Chief Development Officer of the Paris Baguette franchise system, based in Moonachie, New Jersey. From January 2022 to September 2023, Eric was the Chief Development Officer of the Duck Donuts franchise system, based in Mechanicsburg, Pennsylvania, and from February 2018 to January, 2022, he was the Chief Development Officer of Woworks, based in St. Petersburg, Florida, where he oversaw franchise sales activities for the Saladworks, Frutta Bowls, Garbanzo Mediterranean Fresh, Zoup! And Barberitos franchise systems.~~

Director of Franchise Sales:– Ben Green

Ben Green has been our Director of Franchise Sales~~Development~~ since August 2018.

Director of Bakery Cafe Training: ~~Tom Duhigg~~ – Jeff Evans

Tom Duhigg

Jeff Evans has been our Director of Bakery Cafe Training since September 2020. HeFebruary 2025. From June 2024 through February 2025, he held the position of Senior Operations Specialist with us. Jeff was originally hired November 2019 as a consultant. He President of R.L. Winston Rod Co., in Twin Bridges, Montana, from July 2020 to June 2024, and was R.L. Winston Rod Co.'s Vice President of Operations ~~for Chiek N Max in Wichita, Kansas from August 2018 through September 2019~~ & Rod Design from July 2010 to July 2020.

Director of Business Coaches: Mark A. Peterson

~~Mark A Peterson has been our Director of Business Coaches since 2024. He has held various positions since joining us in 1991, including Director of Bakery Support and Services, Director of Development, and Director of Corporate Baking and Training.~~

ITEM 3: LITIGATION

Our Litigation

Item 3

Great Harvest Franchising, Inc. v. Golden Wheat, LLC et al., Case No. 2:22-cv-00064- BMM) in the United States District Court for the District of Montana, filed on October 7, 2022. We originally filed this action against a former franchisee in Montana State Court on July 7, 2022, for breach of contract and breach of the covenant of good faith and fair dealing and seeking a declaratory judgment for monies owed under the franchise agreement and a promissory note. The former franchisee transferred the action to federal court on October 7, 2022. We agreed to settle the case by paying the former franchisee \$17,000 in exchange for releases of any and all further claims, and the case was dismissed on July 31, 2023.

Great Harvest Franchising, Inc. v. Gregory Andrew Williams Green and Kimberly Elaine Green, Case No. CV-24-32-BU-BMM) in the United States District Court for the District of Montana, filed on May 13, 2024. We filed a Complaint against former franchisees for Lanham Act violations, common law trademark infringement, violation of Montana’s Unfair Trade Practices and Consumer Protection Act and Uniform Trade Secrets Act, breach of contract, breach of the implied covenant of good faith and fair dealing, and unjust enrichment based on the former franchisees’ continuous operation of a bakery *eafécafe* using our trademarks and proprietary information and in violation of post-termination obligations following the expiration of their franchise agreement. We also filed a Motion for Temporary Restraining Order with the Complaint, which was granted the next day. Thereafter, the parties engaged in settlement negotiations, which resulted in the settlement of the matter on May 31, 2024. Pursuant to the Settlement Agreement, the Greens agreed to pay the balance of the outstanding gift card liability, \$9,996.79 and a note of \$25,332.39 as a Settlement Amount over twelve months, they executed a Confession of Judgment to secure the payment of these two amounts, and they agreed to the entry of a Final Judgment and Permanent Restraining Order, which was entered by the Court on May 31, 2024. The Final Judgment and Permanent Restraining Order also dismissed the action while allowing the Court to retain jurisdiction for the purpose of implementing and enforcing the Final Judgment and Permanent Restraining Order.

Affiliate Litigation

In the Matter of the Commissioner of Financial Protection and Innovation v. Duck Donuts Holdings, LLC, (State of California Department of Financial Protection and Innovation). On January 26, 2022, without hearing or final adjudication of any issue of fact, Duck Donuts Holdings, LLC, of whom our affiliate is a parent, voluntarily entered into a Consent Order with the Commissioner of the California Department of Financial Protection and Innovation (the “Commissioner”) to resolve the Commissioner’s claims that Duck Donuts Holdings, LLC, violated the California Franchise Investment Law by (1) maintaining Google click ads and (2) offering a franchise to an existing Duck Donuts multi-unit developer at a time when the Duck Donuts Disclosure Document was not effectively registered in the State. Under the Consent Order, Duck Donuts Holdings, LLC, agreed to comply with the California Franchise Investment Law and to pay a penalty of \$5,000.

Other than the above matters, no litigation is required to be disclosed in this Item.

Item 4 ITEM 4: BANKRUPTCY

No ~~bankruptcy is~~ bankruptcies are required to be disclosed in this Item.

Item 5 ITEM 5: INITIAL FEES

Our

Initial Franchise Fee

~~We will charge you an initial franchise fee for your first Great Harvest bakery cafe is \$35,000. Our initial franchise fee for your second or subsequent bakery cafe currently is \$15,000, unless that subsequent bakery cafe is located at a non-traditional location (for example, an airport, a hospital or medical center, or another type of captive venue location), in which case the initial franchise fee is \$7,500. You must pay us the franchise fee (“Initial~~

~~Franchise Fee”) when you sign the Franchise Agreement (except as otherwise provided in a Development Rights Rider, as described below).~~

~~We offer a 15% discount for honorably discharged veterans and active members of the United States Armed Forces who control at least 50% of the Bakery Cafe when the Franchise Agreement is signed.~~

~~All existing franchisees (whether or not Legacy Franchisees) receive an initial franchise fee discount for new Great Harvest bakery cafes, the amount of which depends on whether they develop the new bakery cafe inside or outside their existing franchise territories. Franchisees that sign Franchise Agreements for new bakery cafes to be developed outside their existing franchise territories will pay a non-refundable \$15,000 franchise fee for an Exclusive, which is included in this Disclosure Document in Exhibit B. The Initial Franchise Territory covering approximately 50,000 people. However, franchisees that sign Fee is \$35,000. The Initial Franchise Agreements for new bakery cafes to be developed inside their existing franchise territories will pay a non-refundable \$10,000 franchise fee for an Exclusive Franchise Territory covering less than 50,000 people.~~

~~If we sell a new Great Harvest bakery cafe franchise to be developed Fee is fully earned by a franchisee in a Legacy Franchisee’s existing territory (because the Legacy Franchisee agrees to “release” part of its territory for the new franchisee’s bakery cafe), the initial franchise fee for the new bakery cafe will be \$35,000. The Legacy Franchisee will receive \$15,000, and we will keep \$20,000. The new franchisee’s Exclusive is and due in lump sum when you sign the Franchise Agreement. The Initial Franchise Territory will cover less than 50,000 people.~~

~~We have the right to terminate the Franchise Agreement at any time and for no reason during the period between its effective date and 30 days after your Certified Manager completes “Bakery Cafe School” in Dillon. If we do, then after you sign a Mutual General Release (Exhibit I) and return all of our confidential information, the computer you received before Dillon training (if you paid us a \$35,000 franchise fee), and all software and accessories, we will refund (without interest) the franchise fee you paid us when you signed the Franchise Agreement.~~

~~You have the right to terminate the Franchise Agreement any time before you open your Bakery Cafe. Except as described below in this Item, we will keep \$10,000 of your franchise fee if you paid us a \$35,000 franchise fee. If your Franchise Agreement terminates automatically because your Bakery Cafe does not open within 15 months after the Franchise Agreement’s effective date (or, if earlier, by the date provided in a Development Rights Rider to which we and you or your affiliate are parties), or by the end of any extension we agree to grant you, we also will, except as described below in this Item, keep \$10,000 of your franchise fee if you paid us a \$35,000 franchise fee. In both circumstances, we will refund the rest to you (without interest) after you sign a Mutual General Release (Exhibit I) and return all of our confidential information. You may keep the computer you received from us (if you paid us a \$35,000 franchise fee) after you send it to us to erase our confidential information and promise to keep no copies of the information we erase. If you terminate the Franchise Agreement before opening the Bakery Cafe or if the Franchise Agreement terminates automatically and you paid us an initial franchise fee less than \$35,000, we will keep all of your non-refundable franchise fee.~~

~~Despite the franchise fee refund circumstances described above, if you sign a Franchise Agreement Fee is not refundable under a Development Rights Rider we signed with you or your affiliate granting multi-bakery cafe development rights, we will refund the franchise fee only if the terminated Franchise Agreement covers the first Bakery Cafe you must develop under the Development Rights Rider. No portion of any franchise fee paid for the second or a subsequent Bakery Cafe to be developed under the Development Rights Rider (if the terminated Franchise Agreement covers that second or a subsequent Bakery Cafe), whether paid as part of the development fee under the Development Rights Rider or otherwise, is refundable under any circumstances, no matter why the Franchise Agreement was terminated. No portion of the development fee paid under a Development Rights Rider for a second or subsequent Bakery Cafe to be developed is refundable under any circumstances any circumstance.~~

~~If you sign our Development Rights Rider to the Franchise Agreement because you commit to develop 2 or more Great Harvest bakery cafes in an area, we currently charge a development fee you must pay in full when you~~

~~sign the Development Rights Rider. The development fee due when you sign the first Franchise Agreement and Development Rights Rider equals the full \$35,000 initial franchise fee for the first Bakery Cafe, plus \$7,500 of each initial franchise fee due for each additional Bakery Cafe you agree to construct, develop, and operate under the development schedule. The balance of the initial franchise fee due for each Bakery Cafe (after the first)—i.e., \$7,500—is due when your Bakery Cafe opens. We and you will determine the number of Bakery Cafes you must develop, and the dates by which you must develop them, before signing the Development Rights Rider. As noted in Item 1, Development Rights Riders do not cover Bakery Cafes to be operated at non-traditional locations.~~

~~If you want to change your Exclusive Search Territory any time before signing a lease or purchasing a building for your Bakery Cafe location, we have the right to charge you \$250 to consider your request. We have no obligation to grant your request. This payment is not refundable.~~

~~We provide one on-site location hunting trip and have the right to charge you our direct expenses for any additional hunting trips you request. This payment is not refundable.~~

~~We provide initial training for 2 people at no additional charge. We charge you \$2,500 for each additional person attending the initial training program. This payment is not refundable.~~

~~We provide 2 Bakery Cafe layout revisions as part of your franchise fee. However, if you request additional assistance beyond what we typically give franchisees, we have the right to charge you our then-current hourly rate for that service (currently \$65 per hour). This payment is not refundable.~~

~~If you want to extend your Franchise Agreement before the automatic termination date because you cannot open within the 15-month timeline and we agree that progress will be made during the extension, we will give you a 6-month extension to open your Bakery Cafe. If you cannot open within 21 months, we have the right (but no obligation) to give you another 6-month extension if you are making adequate progress and pay us a non-refundable \$1,500 extension fee.~~

~~The initial franchise fees we received during our 2023 fiscal year ranged from \$5,000 to \$35,000.~~

Development Fee

We will charge you a development fee (“Development Fee”) when you sign the Multi-Unit Development Agreement, which is included in this Disclosure Document in Exhibit C.

The Development Fee is \$45,000 for a required minimum of 2 Great Harvest Bakery Cafe outlets you are to develop under the Multi-Unit Development Agreement, plus \$10,000 for each additional Great Harvest Bakery Cafe outlet you agree to develop beyond the 2 minimum outlets. The Development Fee is fully earned by us and due in lump sum when you sign the Multi-Unit Development Agreement. The Development Fee is not refundable under any circumstance.

Upon execution of the Multi-Unit Development Agreement, you also will sign a franchise agreement for your first Great Harvest Bakery Cafe outlet. You will receive a \$35,000 credit from the Development Fee as payment in full of the Initial Franchise Fee due under your first franchise agreement. Within 12 months of signing the Multi-Unit Development Agreement, you are required to sign our then-current franchise agreement for the second Great Harvest Bakery Cafe outlet you are to develop, in accordance with your development schedule.

Upon signing the second franchise agreement in your development schedule, you will receive a credit of \$10,000 from the Development Fee and pay us the balance of \$10,000 of the discounted Initial Franchise Fee of \$20,000 for the second franchise. Upon signing each additional franchise agreement in your development schedule, you will receive a credit of \$10,000 from the Development Fee and pay us the balance of \$10,000 of the discounted Initial Franchise Fee of \$20,000 for each additional franchise.

From time to time, we may offer, modify, or withdraw without prior notice to you special incentive programs as part of our franchise development activities. We currently offer a reduced Initial Franchise Fee of \$31,500 to qualifying active members and honorably discharged veterans of the U.S. Armed Forces, including a spouse or widow of an active member or honorably discharged veteran.

Item 6 ITEM 6: OTHER FEES

Type of fee¹Fee	Amount	Due Date	Remarks
<u>Royalty Fee</u>	<u>5% of Gross Sales</u>	<u>Tuesday for Gross Sales of the prior calendar week (Monday through Sunday)</u>	<u>Payable to us. See footnote 1.</u>
<u>Required Minimum Expenditure for Local Marketing and Advertising</u>	<u>1% of Gross Sales or \$500, whichever is greater</u>	<u>Monthly</u>	<u>Payable to third parties. All advertising must be pre-approved by us.</u>
<u>Continuing FeeAdministrative Fee to Implement your Local Advertising</u>	<u>5% of Bakery Cafe's monthly Gross Sales (see Note 1 for various financial incentives we offer to Legacy Franchisees)\$1,000</u>	<u>Due by 15th day of each calendar month on previous month's Gross Sales²As incurred</u>	<u>"Gross Sales" means the sales of all products, goods, services, and wares, whether for cash or on a charge, credit, or time basis, in connection with your Bakery Cafe's operation, as well as revenue derived from selling products and services to customers who use gift cards for payment; they do not include occasional sales of used equipment or supplies sold at less than their original cost in the normal course of maintaining the Bakery Cafe, the sale of the Bakery Cafe business itself, interest on cash deposits, applicable sales taxes collected by you and due to your state/locality, tips due to employees, sale discounts, comps, voids, or any revenue you derive from selling or issuing Great Harvest® gift cards. Payable</u>

Type of fee ¹ Fee	Amount	Due Date	Remarks
			to us. If you do not spend the minimum amounts required on local advertising, we may collect these amounts from you and (i) charge you an administrative fee of \$1,000 and conduct local advertising on your behalf or (ii) deposit the amount into the Brand Fund.
Marketing Fee <u>Brand Fund Contribution</u>	2.5% of Bakery Cafe's <u>monthly Gross Sales</u> ²	Due by 15th <u>day</u> Tuesday for Gross Sales of each the prior calendar month on previous month's <u>Gross Sales</u> ² week (Monday through Sunday)	Item 11 discusses the Marketing Fund Brand Fund Contributions are paid directly to the Brand Fund. See footnote 2.
<u>Advertising Cooperative</u>	<u>Your share of actual cost of advertising</u>	<u>As determined by cooperative</u>	<u>No cooperatives have been established as of the date of this Disclosure Document. You are required to join an advertising cooperative if one is formed. Cooperatives will be comprised of all franchised Great Harvest outlets in a designated geographic area. Any affiliate-owned outlet may participate in an advertising cooperative, in our sole discretion.</u>
<u>Late Charge</u>	<u>\$200</u>	<u>As incurred</u>	<u>If you fail to pay us any amount when due, or if you fail to submit your Gross Sales report when due, we may charge a late fee.</u>
<u>Interest Charge</u>	<u>12% of overdue amount or the maximum permitted by law, whichever is lower</u>	<u>As incurred</u>	<u>If you fail to pay us any amount when due, we may charge you interest on the unpaid balance until the payment is received.</u>
Opening Marketing <u>Funds Fee</u>	\$12,000 <u>\$50 per occurrence</u>	<u>As incurred</u>	You must spend at least \$12,000 on approved opening marketing within 4 months after <u>If your Bakery Cafe opens. If you do not and fail to cure default within 30 days, we may check is returned or an electronic funds transfer the unspent amount from your</u>

Type of fee ¹ Fee	Amount	Due Date	Remarks
			bank account and execute a marketing plan denied for you non-sufficient funds, for each occurrence, we may charge you a <u>Insufficient Funds Fee</u> .
<u>Relocation Fee</u>	<u>\$5,000</u>	<u>As incurred</u>	<u>This fee is due if we approve your request to relocate your Great Harvest outlet.</u>
<u>Successor Term Fee</u>	<u>\$7,500</u>	<u>Before signing successor agreement</u>	<u>Payable to us. See Item 17.</u>
<u>Transfer Fee – Franchise Agreement</u>	75% of our the then-current initial franchise fee charged to first-time Great Harvest bakery cafe franchisees; however, for their first bakery cafe transfers to: (i) <u>an existing franchisee in good standing, the transfer fee is 50% of the then-current initial franchise; fee</u> (ii) <u>an entity owned and controlled by the franchisee for convenience purposes or for transfers among owners that does not to exceed \$25,000</u> change <u>management control, the transfer fee is \$1,500, or</u> (iii) <u>a spouse, parent or child upon death or permanent disability, the transfer fee is \$3,500</u>	Due when Franchise Agreement signed <u>Upon your request for approval of the transfer</u>	This is the transfer fee due for a transfer involving or relating to Franchise Agreement attached to this disclosure document. If you are buying a Great Harvest Store operating under older form of franchise agreement, transfer fee will be determined by selling franchisee's franchise agreement and might be lower. <u>Payable to us. See Item 17</u>
<u>Additional Initial Training or Assistance</u>	<u>\$40 per hour (plus reasonable expenses)\$2,500 for each additional or replacement trainee</u>	As incurred <u>Fees for training your additional personnel are due prior to the commencement of training</u>	We provide initial training for 2 people as part of your franchise fee; however, if you request additional assistance beyond what we typically give franchisees, we have the right to charge you for our services. <u>See Item 11 for information about our Initial Training Program. You pay the travel costs of your additional or replacement trainees.</u>

Type of fee ¹ Fee	Amount	Due Date	Remarks
Renewal Extension Additional Training - Courses	\$3,000 Up to \$500 for tuition per person per course, subject to increase to no more than the actual charge by the third-party educational provider. You pay all travel and other related expenses incurred by all trainees.	Before expiration date of your Franchise Agreement As incurred	Please refer to Note 4. For mandatory training, the tuition is payable to us and is due regardless of attendance. See footnote 3.
Relocation Additional Training – Franchisee Convention or Business Meeting	\$5,000 Up to \$1,000 registration fee per person, subject to increase to no more than the actual charge by the third-party convention provider. You pay all travel and other related expenses incurred by all trainees.	As incurred	Due if you wish to relocate the Bakery Cafe’s premises and we are involved in the process. The registration fee is payable to us and is due regardless of attendance. See footnote 3.
Hold Harmless Remedial Training Fee	Will vary under circumstancesOur then-current per diem rate for each trainer, plus travel and other expenses. Our current rate is \$500 per day.	As incurred	You must reimburse us if we are held liable for claims from your Bakery Cafe’s operation. We may impose this fee, payable to us, if you request additional training at your premises from time-to-time, or if you are operating below our standards and we require you to have additional training. You must also pay all costs of our trainer, which include but are not limited to, airfare, transportation, hotel and meals.
Interim Management Support Fee	\$500 per day, plus our representative(s)’ wages, travel and living expenses	As incurred	We may impose this fee (in addition to all regularly occurring fees such as the Royalty Fee and Brand Fund Contributions), payable to us, if we provide management of your Franchised Business. See footnote 4.
Liquidated Damages Architect’s Review Fee	Maximum Continuing Fee due under your Franchise Agreement \$2,500	As incurred	Due during period you violate non-competition provisions. If you choose to use your own architect, we may charge you a fee for our architect to review your plans.

Type of fee ¹ Fee	Amount	Due Date	Remarks
Annual Convention Contractor Management Services	\$2,500 or less for registration fee	Before you attend <u>As incurred</u>	You will pay convention fee and your own expenses to attend our optional yearly convention. If you choose to use your own contractor, we may charge you a fee for our preferred contractor to inspect your contractor's work to confirm compliance with our specifications.
<u>System Technology Fee</u>	<u>Our actual costs of the provided technology, plus a 10% administrative fee.</u>	<u>Monthly</u>	<u>We may charge this fee to offset the cost of new or improved technology for the benefit of the System and the Franchised Business, including but not limited to, assigned phone numbers and email addresses, a franchise portal, benchmarking platform or other operations or communications systems.</u>
Audit Costs Examination of Books and Records	Costs incurred in conducting audit (depends on extent of your non-compliance but should not exceed \$2,500) Cost of examination plus related expenses	As incurred	Due if you understate Gross Sales by more than 2% or do not send us required information. We have the right under the Franchise Agreement to examine your books, records and tax returns. If an examination reveals that you have understated any Gross Sales report by 2% or more, you must pay to us the cost of the audit and all travel and related expenses, in addition to repaying monies owed, including interest.
<u>Operational Standards Violation Fee</u>	<u>\$50 to \$500 per occurrence</u>	<u>As incurred</u>	<u>Payable to us.</u>
<u>Evaluation Fee of Unapproved Item or Supplier</u>	<u>Actual costs of inspection and/or testing</u>	<u>As incurred</u>	<u>Payable to us. See footnote 5.</u>
<u>Interest Quality Review Services - Inspections</u>	<u>12% per year Up to \$700 per visit, subject to increase to no more than the actual charge by the third-party provider</u>	<u>15 days after you receive inspection or audit report</u> <u>As incurred</u>	<u>Due on overdue amounts. Payable to third-party providers for Back of House (kitchen) inspection. We may require third-party inspections up to twice per year, or more if any inspection finds quality control issues at your outlet.</u>
<u>Quality Review Services – Mystery</u>	<u>Up to \$250 per quarter, subject to increase</u>	<u>As incurred</u>	<u>Payable to third-party providers for customer service</u>

Type of fee ¹ Fee	Amount	Due Date	Remarks
<u>Shoppers</u>			<u>evaluations.</u>
<u>Taxes</u> <u>Insurance</u> <u>Reimbursement</u>	<u>As required by law</u> <u>Amount paid by us for your insurance obligations, plus a 10% administrative fee and other actual expenses</u>	As incurred	<u>You must pay us all taxes that we must collect or pay on account of services or goods we provide you or fees we collect from you.</u> <u>You must reimburse us for any insurance costs and other fees we incur due to your failure to meet the insurance obligations required by the Franchise Agreement.</u>
<u>Attorneys' Fees and Expenses</u> <u>Liquidated Damages – Default and Termination of Franchise</u>	<u>Will vary under circumstances (depends on extent of your non-compliance)</u> <u>Up to 24 months of Royalty Fees and Brand Fund Contributions</u>	<u>As incurred</u> <u>Upon termination of the Franchise Agreement due to your default, in a lump sum</u>	<u>You must reimburse us if we incur these expenses after terminating your franchise for cause.</u> <u>If your Franchise Agreement is terminated due to your default, you must pay us the average monthly Royalty Fee and Brand Fund Contribution payable by you for the 12 months prior to your default multiplied by the lesser of 24 months or the number of months remaining in the term of your Franchise Agreement.</u>
<u>Mill Dressing (only for hub locations)</u> <u>Liquidated Damages – Breach of Confidentiality or Non-Competition Covenant</u>	<u>\$1,200</u> <u>\$100,000, plus our attorney's fees</u>	As invoiced <u>incurred</u>	<u>Fee paid to us for mill dressing provided on-site by an independent contractor of ours (mill dressing is maintenance where stones are pulled apart for re-sharpening to give them better teeth to grind wheat berries into flour).</u> <u>Payable to us.</u>
<u>Indemnification</u>	<u>Amount of loss or damages plus costs</u>	<u>As incurred</u>	<u>See footnote 6.</u>
<u>Reimbursement of fees and expenses</u>	<u>Our costs and expenses, including but not limited to attorneys' fees, incurred for your failure to pay amounts when due or failure to comply in any way with the Franchise Agreement.</u>	<u>As Incurred</u>	<u>Payable to us.</u>

Type of fee ¹ Fee	Amount	Due Date	Remarks
Reimbursement of Gift Card Deficiencies Taxes	Amount of deficiency (depends on extent of your non-compliance) taxes	Within 10 days after notice from us When incurred	You must reimburse us for any deficiencies in your gift card bank taxes that we must pay to any taxing authority on account that we cover for of either the operation of your Franchised Business or payments that you make to us, including, but not limited to any sales, withholding, excise, use, privilege, or income taxes imposed by any authority.
Non-Compliance Fee (in transfer context)	\$100 per month	Monthly	Due from the buyer of an existing Bakery Cafe (i.e., the transferee) if it fails to update the Bakery Cafe's systems to our then-current requirements within 180 days after transfer's effective date.

Notes:

~~1/ Except as All fees and expenses described in this Item and in Item 8 (for product 6 are nonrefundable and service purchases), all fees are imposed and collected by and payable to us. Unless noted otherwise, all fees currently are uniformly imposed, and no fee is refundable.~~

~~Legacy Franchisees that sign Franchise Agreements for new Great Harvest bakery cafe franchises (no matter when signed) will pay a 4% (rather than 5%) Continuing Fee.~~

~~If we sell a new Great Harvest bakery cafe franchise to be developed by a franchisee in a Legacy Franchisee's existing territory (because, Except as otherwise indicated in the Legacy Franchisee agrees to "release" part of its territory for the new franchisee's bakery cafe), we will share with the Legacy Franchisee during the initial 10-year franchise term the Continuing Fee we receive from the new franchisee. We will keep 80% of that Continuing Fee and pay the Legacy Franchisee 20% of that Continuing Fee.~~

~~All new Great Harvest bakery cafes developed by a Legacy Franchisee under a Development Rights Rider will pay a 4% (rather than a 5%) Continuing Fee.~~

~~2/ We preceding chart, we impose all fees and expenses listed and you must receive your monthly Continuing Fee and Marketing Fee by the 15th day of the month following the month you are reporting. You must make continuing fee and Marketing Fee payments electronically for sake of speed, accuracy, and convenience and cooperate with us to make all necessary banking arrangements for electronic funds transfers. You must report your Gross Sales to us electronically in a format we specify; if for any reason you cannot submit electronically, the report must be submitted via email or facsimile. In either case, the report format may break down Gross Sales figures by location, wholesale, and other off-site sales. We have the right to add a \$100 late charge for any Gross Sales not reported to us by the 20th day of the month, and interest will accrue at 1% per month beginning the first day of the following month pay them to us.~~

- ~~3/ — We consider any business in which you have an interest that benefits from our goodwill, or from your Bakery Cafe’s goodwill and public image, as part of your Bakery Cafe (and subject to the Franchise Agreement) even if you keep separate books or otherwise distinguish the business. We will not consider a business that is adjacent to the Bakery Cafe and benefits from its foot traffic as part of the Bakery Cafe if it does not resemble ownership of the Bakery Cafe.~~
- ~~4/ — If you advise us that you want to renew your franchise, but you do not complete the renewal process before your Franchise Agreement expires, we will give you a 90-day extension to complete the renewal process if you pay us a non-refundable \$3,000 renewal extension fee before your Franchise Agreement’s original expiration date. If you do not pay us this \$3,000 before that date, you do not get a 90-day extension and your Franchise Agreement will expire on its original expiration date. If you complete the renewal process before your Franchise Agreement’s original expiration date, you need not pay us any renewal fee.~~
- ~~5/ — There are no mandatory advertising cooperatives in our system. Franchisees in certain geographic areas occasionally agree to collaborate on advertising in their areas but do so voluntarily. We do not participate in these cooperatives through company-owned bakery cafes or control their operation. They are strictly voluntary groups, and franchisees in the particular areas govern their operation.~~

¹ “Gross Sales” includes all sales of every kind and nature at or from your Franchised Business outlet or made pursuant to the rights granted to you by the Franchise Agreement. Gross Sales includes the full amount charged to and payable by your customers, without deduction for delivery costs or other write-offs. Gross Sales does not include (i) any sales tax or similar tax collected from customers and turned over to the governmental authority imposing the tax, (ii) properly documented refunds to customers, and (iii) properly documented promotional discounts (i.e. coupons). Gross Sales does not include gift card purchases at the time of purchase, but Gross Sales does include the redemption amount of purchases made by gift card. If you do not report revenues for any reporting period, then we will collect 120% of the last Royalty Fee collected and settle the balance the next period in which you report revenue. You are required to set up authorization at your bank to allow us to electronically transfer funds from your bank account to our bank account. Interest and late fees will apply to any late payments or electronic funds transfer requests denied due to insufficient funds.

² Brand Fund Contribution payments are due at the same time and in the same manner as Royalty Fees. You are required to set up authorization at your bank to allow the Brand Fund to electronically transfer funds from your bank account to the Brand Fund’s bank account. Interest and late fees will apply to any late payments or electronic funds transfer requests denied due to insufficient funds. If you do not report any sales in a reporting period, then the Brand Fund will collect 120% of the last Brand Fund Contribution collected and settle the balance the next period in which you report sales.

³ We may offer mandatory and/or optional additional training programs from time to time. If we require it, you must attend mandatory additional training course(s) for up to 5 days per year and a national business meeting or systemwide franchisee convention for up to 3 days per year at location(s) we designate. In addition to tuition or attendance fees, you are responsible for any and all incidental expenses incurred by you and your personnel in connection with additional training or attendance at Franchisor’s national business meeting or systemwide franchisee convention, including, without limitation, costs of travel, lodging, meals and wages.

⁴ In the event of your death or disability, your default of the Franchise Agreement, absence of a qualified manager, or other reasons, in our sole discretion, we may provide interim management of your Franchised Business, and you must pay us an interim management support fee, in addition to payment of all other expenses of your outlet operations.

⁵ If you wish to purchase, lease or use any equipment, supplies, services or other items unapproved or from an unapproved supplier, you must request our prior written approval. As a condition to our approval, we may require inspection of the proposed supplier's facilities and evaluation and testing of the proposed item or service. If we approve your proposed item or supplier for use by the entire System, we will reimburse to you any evaluation fee paid.

⁶ You must indemnify and hold us, our parent and affiliates, and all of our respective officers, directors, agents and employees harmless from and against any and all claims, losses, costs, expenses, liability and damages arising directly or indirectly from, as a result of, or in connection with your business operations under the Franchise Agreement, as well as the costs, including attorneys' fees, of defending against them.

Item 7 ITEM 7: ESTIMATED INITIAL INVESTMENT

**YOUR ESTIMATED INITIAL INVESTMENT ~~FOR BAKERY CAFE~~
(SINGLE-SITE OR HUB LOCATION)**

~~The following table relates only to a single site or Hub location. A separate table follows below with the estimated initial investment for a Spoke location.~~

(Single Unit)

<u>Type of expenditure</u> <u>Expenditure</u> <u>re</u>	<u>Amount</u>	<u>Method of payment</u> <u>Payment</u>	<u>When due</u> <u>Due</u>	<u>To whom payment</u> <u>Whom Payment is to be made</u> <u>Made</u>
Initial Franchise Fee *See Note 1	\$35,000	Lump Sum <u>Lump sum payment in cash or available funds</u>	Upon signing the Franchise Agreement and, if applicable, Development Rights Rider	Us
Expenses While Your Training <u>Expenses</u> ¹	Range: \$2,049 to \$10,300 Average: \$5,345	As incurred <u>required</u>	As incurred <u>required</u>	Airlines, hotels, restaurants, and/or other businesses <u>Suppliers of transportation lodging & meals.</u>
One Month's Rent *See Note 2 <u>Premises Deposits</u> ²	Range: \$1,875 to \$9,390 Average: \$4,598 <u>\$7,000</u>	Lump sum <u>As required by landlord</u>	As specified in lease or sublease <u>As required by landlord, utility provider</u>	Landlord, <u>Utilities</u>
Real Estate and Improvements *See Note 2 <u>Leasehold Improvements</u> ³	Range: \$965 to \$102,377- \$474,762 Average: \$208,780	As incurred <u>required</u>	As incurred <u>required</u>	Suppliers; <u>Tradesmen</u>
<u>Signage</u>	<u>\$4,059 - \$15,321</u>	<u>As required</u>	<u>As required</u>	<u>Suppliers</u>
<u>Furniture, Fixtures & Equipment</u> *See Note 3	Range: \$84,785 to \$315,000 Average: \$199,025	As purchased <u>required</u>	As purchased <u>required</u>	Suppliers
<u>Signs</u> <u>Computer Systems</u> ⁴	Range: \$620 to \$309,000 Average: \$10,964 -	As purchased <u>required</u>	As purchased <u>required</u>	Suppliers

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
	\$15,000			
Prepaid Expenses and Deposits *See Note 4	Range: \$600 to \$32,000 Average: \$8,296	As incurred	As incurred	City, county, and state governments; Landlord
Opening Inventory (Ingredients and Supplies) Initial Inventory ⁵	Range: \$10,000 to \$26,586 Average: \$20,879	As purchased	As purchased	Suppliers
Grand Opening Advertising Costs *See Note 5	\$15,000	As incurred	As incurred	Suppliers
Organizational Costs/Miscellaneous Professional Fees ⁶ *See Note 6	Range: \$368 to \$19,116 Average: \$8,532	As incurred	As incurred	Legal advisors, Utilities Attorney, Accountant, Other Professional Service Providers
Licenses and Permits ⁷	\$500 - \$2,500	As required	Before opening or as required	Government Agencies
Insurance ⁸	\$3,000 - \$5,000	As required	Before opening	Insurer
Additional Funds – 3 months *See Note 7	\$25,625 - \$48,170	As incurred	As incurred	Cash reserves, Accounts payable, Landlord, Employees, Suppliers, etc.
TOTAL (excluding tenant improvement allowance)	\$298,145 - \$979,639			
TOTAL ESTIMATED START UP COSTS *See Note 8	\$168,262 - \$298,145 - \$854,639			
PROJECT	*Based on our experience in 2024, you may receive an average of \$125,000 in tenant improvement allowance, which will be paid back to you by your landlord within 90 days.			

<u>COST*</u>	<u>days of opening. We have incorporated this average into the high range for total project cost. While you may need the Total amount up front, this estimate is representative of total project cost after allowances. Not getting tenant improvement dollars would increase your overall project cost. The range for tenant allowance, if received, for stores built in 2024 was \$100,000-\$150,000.</u>			
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~~*** The estimated initial investment level for a new franchisee (including existing franchisees acquiring additional Great Harvest bakery cafe locations), based on the actual low and high costs for the various line-item expenses in the table above incurred by 10 first-time franchisees who opened their first Great Harvest Stores operating as a bakery cafe between January 2020 and December 2023 (and who reported this information to us out of 14 first-time franchisees), ranges from \$168,262 to \$984,154 (assuming our currently charged \$35,000 initial franchise fee, \$20,000 in additional funds, and currently mandated \$12,000 grand opening marketing spend). However, the actual total investment level of those 10 first-time franchisees for their 10 Great Harvest Stores operating as a bakery cafe ranged from a low of \$310,711 to a high of \$833,146, with an average of \$529,113. The table above does not include Great Harvest bakery cafes to be located at non-traditional locations (for example, an airport, a hospital or medical center, or another type of captive venue location) because the nature of that location will dictate the action (and related costs) necessary to develop a Great Harvest bakery cafe meeting our standards.~~

Except for the initial franchise fee (described in Item 5) and certain pre-paid expenses and deposits, no expenditure in the table above is refundable.

~~Note 1: We describe the initial franchise fee and development fee, and when these fees are due, in Item 5. No separate initial investment is required when you sign the Development Rights Rider, although you of course must build the first Great Harvest bakery cafe at a cost estimated to range as described in the chart above. Therefore, the total initial investment necessary to begin operation if you commit to develop a minimum of 2 Great Harvest bakery cafes is \$175,762 to \$991,654. There is no maximum number of Great Harvest bakery cafes to which you are bound. If you want to commit to develop more than 2 Great Harvest bakery cafes, the incremental total initial investment necessary for each such Great Harvest bakery cafe will be the \$7,500 deposit toward the initial franchise fee (\$15,000) for the bakery cafe.~~

~~Note 2: Most Great Harvest franchisees lease their space. The initial monthly lease cost ranged from \$1,875 to \$9,390 for first-time franchisees who opened between January 2020 and December 2023, depending on the square footage costs in the community. A bakery cafe's premises typically is in a strip center or stand-alone location in a commercial area or downtown area when that area is viable for every-day retail. Lease and leasehold improvement costs depend on the condition, location, and size of the premises; the demand for the premises among possible lessees; whether the premises were used for similar operations; the build-out required; and any construction or other allowances the landlord gives you. Your lease costs are an important consideration. You are responsible for this cost for the entire lease term regardless of your Bakery Cafe's performance and, more often than not, will have personal liability for the lease costs even if you have an entity to own and operate your Bakery Cafe.~~

~~Note 3: Costs vary because necessary equipment is based on estimated sales at the location (determined after the Franchise Agreement is signed). The availability of used equipment also is a factor. One item not readily reflected in the range is the cost of having a mill meet certain manufacturing standards that historically have not applied to that piece of equipment. While we are aware of only 2 Great Harvest Stores in our system ever having to satisfy that requirement, it might be required in the future. If you~~

must buy a mill meeting this different manufacturing standard, we estimate the incremental cost to be between \$5,000 and \$20,000 depending on the age and size of the “old” mill to which you are comparing it.

Note 4: ~~Prepaid expenses and deposits include security deposits, utility deposits, permit costs, insurance premiums, and similar items. Some of these items might be refundable.~~

Note 5: ~~You must spend at least \$12,000 on an opening advertising program beginning before, and extending 4 months after, your Bakery Cafe opens.~~

Note 6: ~~Organizational costs include legal and accounting fees, incorporation costs, and other miscellaneous expenses incurred before opening.~~

Note 7: ~~This item estimates the funds needed to cover your other pre-opening expenses as well as initial expenses during the first 3 months of operation (other than the items identified separately in the table), including labor/payroll, supplies, financing, and utilities. These expenses include payroll costs but not any draw or salary for you. We relied on our decades long experience granting franchises for Great Harvest Stores to compile this Additional Funds estimate.~~

Note 8: ~~You should review these figures carefully with a business advisor before deciding to acquire the franchise. We do not offer financing directly or indirectly for any part of the initial investment. The availability and terms of financing depend on the availability of financing generally, your creditworthiness and collateral, and lending policies of financial institutions from which you request a loan. An estimated initial investment will be incurred for each Bakery Cafe established under a Development Rights Rider.~~

**YOUR ESTIMATED INITIAL INVESTMENT ~~FOR BAKERY CAFE~~
(~~SPOKE LOCATION~~)**

~~The following table relates only to a Spoke location. A separate table appears above with the estimated initial investment for a single site or Hub location.~~

(Multi-Unit – 2 outlets)

<u>Type of expenditure</u>	<u>Amount</u>	<u>Method of payment</u>	<u>When due</u>	<u>To whom payment is to be made</u>
Initial Franchise Fee Development Fee ¹	\$1545,000	Lump sum payment in cash or available funds	Upon signing the Franchise Agreement and, if applicable, Development Rights Rider	Us
Expenses While Your Training *See Note 1 Expenses ¹	Range: \$0 to \$2,000 Average: \$521	As incurred	As incurred	Airlines, hotels, restaurants, and/or other businesses; suppliers of transportation lodging & meals.
One Month's Rent *See Note 2 Premises Deposits ²	Range: \$1,352 to \$5,130 Average: \$1,910	Lump sum as required by landlord	As specified in lease or sublease as required by landlord, utility provider	Landlord, Utilities
Real Estate and Improvements *See Note 2 Leasehold Improvements ³	Range: \$2,900 to \$165,000 Average: \$37,627	As incurred	As incurred	Suppliers, Tradesmen
Equipment *See Note 3 Signage	Range: \$2,000 to \$109,185 Average: \$32,682 \$4,059 - \$15,321	As purchased	As purchased	Suppliers
Signs, Furniture, Fixtures & Equipment	Range: \$400 to \$15,525 Average: \$3,952	As purchased	As purchased	Suppliers
Prepaid Expenses and Deposits *See Note 4 Computer Systems ⁴	Range: \$0 to \$69,000 Average: \$667 - \$15,000	As incurred	As incurred	City, county, and state governments; Landlord, Suppliers
Opening Inventory	Range: \$2,500 to \$1210,000	As	As	Suppliers

Type of expenditure <u>Expenditure</u>	Amount	Method of payment <u>Payment</u>	When due <u>Due</u>	To whom payment is made <u>Whom Payment is to be Made</u>
<u>(Ingredients and Supplies) Initial Inventory⁵</u>	Average: <u>\$5,250 - \$26,586</u>	<u>purchased</u> <u>required</u>	<u>purchased</u> <u>required</u>	
<u>Grand Opening Advertising Costs</u> <u>Marketing</u>	\$1215,000	<u>As incurred</u> <u>required</u>	<u>As incurred</u> <u>required</u>	Suppliers
<u>Organizational Costs/Misc.</u> <u>*See Note 5</u> <u>Professional Fees⁶</u>	Range: <u>\$0 to \$12,250 - \$10,000</u> Average: <u>\$0</u>	<u>As incurred</u> <u>required</u>	<u>As incurred</u> <u>required</u>	<u>Legal advisors,</u> <u>Utilities Attorney,</u> <u>Accountant,</u> <u>Other Professional Service Providers</u>
<u>Licenses and Permits⁷</u>	<u>\$500- \$2,500</u>	<u>As required</u>	<u>Before opening</u> <u>or as required</u>	<u>Government Agencies</u>
<u>Insurance⁸</u>	<u>\$3,000- \$5,000</u>	<u>As required</u>	<u>Before opening</u>	<u>Insurer</u>
<u>Additional Funds – 3 months</u> <u>*See Note 6</u> <u>months⁹</u>	<u>\$10,000</u> <u>\$25,625 - \$48,170</u>	<u>As incurred</u>	<u>As incurred</u> <u>or as required</u>	<u>Cash reserves,</u> <u>Accounts payable</u> <u>Landlord,</u> <u>Employees,</u> <u>Suppliers,</u> <u>etc.</u>
<u>TOTAL (excluding tenant improvement allowance)</u>	<u>\$308,145 - \$989,639</u>			
<u>TOTAL ESTIMATED START-UP COSTS</u> <u>*See Note 7</u> <u>PROJECT COST*</u>	<u>\$46,152</u> <u>\$308,145 - \$864,639</u> <u>*Based on our experience in 2024, you may receive an average of \$125,000 in tenant improvement allowance, which will be paid back to \$352,840***you by your landlord within 90 days of opening. We have incorporated this average into the high range for total project cost. While you may need the Total amount up front, this estimate is representative of total project cost after allowances. Not getting tenant improvement dollars would increase your overall project cost. The range for tenant allowance, if</u>			

<u>Type of expenditure</u> <u>Expenditure</u>	<u>Amount</u>	<u>Method of payment</u> <u>Payment</u>	<u>When due</u> <u>Due</u>	<u>To whom payment</u> <u>Whom Payment is to be made</u> <u>Made</u>
	received, for stores built in 2024 was \$100,000-\$150,000.			

~~***—The estimated initial investment level for a new franchisee (including existing franchisees acquiring additional Great Harvest bakery cafe locations), based on the actual low and high costs for the various line item expenses in the table above incurred by 7 franchisees who opened their additional Great Harvest bakery cafe spoke locations between January 2019 and December 2023 (and who reported this information to us out of the 7 additional spoke locations that opened), ranges from \$46,152 to \$352,840 (assuming our currently charged \$15,000 initial franchise fee, \$10,000 in additional funds, and currently mandated \$12,000 grand opening marketing spend). However, the actual total investment level of those 7 franchisees for their 7 additional Great Harvest bakery cafe spoke locations ranged from a low of \$46,552 to a high of \$336,079, with an average of \$107,628. The table above does not include Great Harvest bakery cafes to be located at non-traditional locations (for example, an airport, a hospital or medical center, or another type of captive venue location) because the nature of that location will dictate the action (and related costs) necessary to develop a Great Harvest bakery cafe meeting our standards.~~

~~Except for certain pre-paid expenses and deposits, no expenditure in the table above is refundable.~~

Explanatory Notes:

~~Note 1:—We expect that your training requirements will be less for your Bakery Cafe at a spoke location because you and your team already will have received substantial training when you developed and opened your Bakery Cafe at the hub location.~~

~~Note 2:—Most Great Harvest franchisees lease their space. The initial monthly lease cost ranged from \$1,352 to \$5,130 for franchisees that opened an additional bakery cafe spoke location between January 2019 and December 2023, depending on the square footage costs in the community. A bakery cafe's premises typically is in a strip center or stand-alone location in a commercial area or downtown area when that area is viable for every-day retail. Lease and leasehold improvement costs depend on the condition, location, and size of the premises; the demand for the premises among possible lessees; whether the premises were used for similar operations; the build-out required; and any construction or other allowances the landlord gives you. Your lease costs are an important consideration. You are responsible for this cost for the entire lease term regardless of your Bakery Cafe's performance and, more often than not, will have personal liability for the lease costs even if you have an entity to own and operate your Bakery Cafe.~~

~~Note 3:—You do not need a mill for a spoke location.~~

~~Note 4:—Prepaid expenses and deposits include security deposits, utility deposits, permit costs, insurance premiums, and similar items. Some of these items might be refundable.~~

~~Note 5:—Organizational costs include legal and accounting fees, incorporation costs, and other miscellaneous expenses incurred before opening.~~

~~Note 6:—This item estimates the funds needed to cover your other pre-opening expenses as well as initial expenses during the first 3 months of operation (other than the items identified separately in the table).~~

~~including labor/payroll, supplies, financing, and utilities. These expenses include payroll costs but not any draw or salary for you. We relied on our decades-long experience granting franchises for Great Harvest Stores to compile this Additional Funds estimate.~~

~~Note 7:— You should review these figures carefully with a business advisor before deciding to acquire the franchise. We do not offer financing directly or indirectly for any part of the initial investment. The availability and terms of financing depend on the availability of financing generally, your creditworthiness and collateral, and lending policies of financial institutions from which you request a loan. An estimated initial investment will be incurred for each Bakery Cafe established under a Development Rights Rider.~~

¹ This amount is for transportation, lodging and meals for up to 2 individuals attending the Initial Training Program and will vary in relation to travel expenses for air fare, lodging, meals, seasonality, and the geographic area from where you are traveling.

² You must obtain a site for your Franchised Business that is acceptable to us. Typical retail space for a Great Harvest outlet is approximately 1,800 – 2,400 square feet. The cost of commercial space varies considerably depending upon the location and the conditions affecting the local market for commercial property. Your landlord will likely require you to pay a security deposit equal to one month's rent or more. Utility providers set the amounts of the utility deposits. A credit check may be required by the issuing utility company prior to the initiation of services, or a higher deposit required for first time customers. These costs will vary depending on the type of services required for the facility and the municipality or utility provider from which they are being contracted. The figures in the chart include deposits that may be refundable to you at a later time. In most cases, your lease will require you to pay electric, gas, water, and other utilities directly; however, some landlords cover some utility charges through maintenance fees.

³ This cost of leasehold improvements depends upon the condition and size of the leasehold, the local cost of contract work and the location of the Franchised Business. The estimated figures assume a vanilla-box condition, where no demolition is required, with a minimum of finished concrete floor, grid and tile ceiling, interior walls in paint-ready condition, and existing and adequate electrical, plumbing, and HVAC systems. These amounts will vary based on the condition of the existing leasehold. You may incur additional expenses in this category if you take over space that was occupied by a prior tenant. Tenant improvement allowances, if any, paid to you may defray a portion of build-out costs.

⁴ This is the up-front cost to purchase the Computer System. You will have on-going software access payments of \$300 - \$800 per month, subject to increase.

⁵ This estimate is for the cost of the initial inventory sufficient for up to 1 - 2 weeks of operation. Your initial inventory will include flour, produce, other food products and ingredients, beverage products, supplies, product packaging, cleaning supplies, and other disposables.

⁶ Professional and organizational fees include setting up a corporation or other entity and engaging an accountant and/or attorney to review this Disclosure Document, a lease for the Franchised Business premises and other matters relative to your purchase of a Great Harvest franchise.

⁷ State and local government agencies typically charge fees for occupancy permits, operating licenses and construction permits. Costs may vary from the estimates based on the requirements of state and local government agencies. These fees are typically non-refundable.

⁸ The estimate is for an annual premium. You must purchase the amounts and types of insurance as required by our Confidential Operations Manual from time to time (see Item 8). Factors that affect your cost of insurance include the size and location of the Franchised Business, value of the improvements, number of employees and other factors. The amounts you pay for insurance are typically non-refundable. You should inquire about the cancellation and refund policy of the insurance carrier or agent at or before the time of purchase. The lease for the Franchised Business premises may also require additional insurance coverages.

⁹ This is an estimate of the additional funds needed to cover expected expenses that you will incur during the first three (3) months after commencing operations. The expected expenses included in this estimate are rent, utilities, insurance, initial payroll and payroll taxes, technology fees, additional marketing and additional inventory purchases. We based our estimate of additional funds on the opening experience of our franchisees who opened for business during calendar years 2021-2024.

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

Item 8 ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

~~You will develop and operate the Bakery Cafe according to our standards, guidelines, and operational procedures, which may address many things, including the Bakery Cafe's signs; equipment; fixtures; supplies; ingredients, materials, and food products; approved suppliers of these items; and products and services we require or authorize the Bakery Cafe to sell. In certain cases, you will have several options from which to choose. Except as described below, there currently are no goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating the Bakery Cafe that you must buy or lease from us (or our affiliates) or designated or approved suppliers or according to our specifications.~~

~~Wheat is critical to bread quality. Specifying and sourcing wheat are critical to our System's success. Therefore, you must buy 100% of your wheat requirements only from an approved wheat supplier. We will give you a list of approved wheat suppliers and define quality standards that wheat suppliers must meet. We will test-bake the wheat to determine if it meets our quality standards. If your Bakery Cafe bakes its own bread, all whole-wheat flour must be freshly milled daily, on premises, using a mill we approve. If your Bakery Cafe does not bake its own bread, you must obtain your bread from another Great Harvest Store that does bake its own bread using whole-wheat flour freshly milled daily on premises.~~

~~We also will try to identify and appoint an approved distributor from which you can directly purchase all of your ingredients and supplies; however, we do not guarantee we will have a single distributor appointed at all times. Nevertheless, there always will be suppliers available from which you may purchase the items necessary to operate your Bakery Cafe. We will define quality and business performance standards that approved suppliers and distributors must meet so we can maintain a steady flow of high-quality ingredients and services to all Great Harvest Stores. We will identify the approved distributor and suppliers for you in various written materials on our Extranet. We are not an approved supplier of any item. No officer of ours owns an interest in any supplier to the System.~~

~~If you want to use a new supplier that is not on our approved distributor and supplier list but meets our specifications and requirements, that supplier may apply to become an approved supplier. The procedure begins when we receive a written request for appointment as an approved supplier. We then review the supplier's qualifications and will respond to you in approximately 30 days. We consider numerous factors in our review, including ability to meet our product quality specifications and testing minimums; willingness to protect our confidential information and trade secrets from unauthorized circulation to others; production and delivery capability sufficient to meet supply commitments year-round; meeting the requirements of a third-party audit for good manufacturing practices; integrity of the applicant's business practices; and sound financial condition. We may visit the supplier's facilities as part of the review process. If an approved supplier deviates from our specifications, we may terminate its status as an approved supplier by notifying you and the supplier in writing.~~

~~We must approve your Great Harvest Bread Co.® sign(s), and you must use our current logo on any published or broadcast advertising or promotional materials. We suggest, but do not require, that you submit all materials to us before you use them. You may not use any advertising or promotional materials we disapprove. If your materials do not display our Marks accurately or otherwise are unacceptable, you must change them at your expense. Under no circumstances will we require you to purchase new exterior signs to accommodate a change in the logo design. If you propose to transfer your Bakery Cafe, we have the right to require the transferee to buy new~~

~~signage. At our request, you must prominently display to customers at all times the materials we provide (at our expense) to promote the franchise.~~

~~You must maintain, at your own expense, at least \$1 million of insurance against all types of general liability, including product liability. All insurance must be with accredited companies and include us and our shareholders, officers, and directors as additional insureds. You also must have workers' compensation insurance the law requires and property insurance to cover the Bakery Cafe's premises. At our request, you must give us a copy of your insurance policies.~~

~~You are required to purchase, use, and allow us access to all of the then recommended systems. The following are the systems we currently require: Point of Sale (POS), credit card processor, pricing tools, labor management program, online accounting software program, website developer and hosting provider, online order ahead and national online catering providers, national purchasing programs, inventory and ingredients cost control program, Great Harvest Bake Record, and Harvest Rewards.~~

~~Collectively, other than for wheat, the purchases and leases described above represent less than 5% of your total purchases and leases to establish and then operate your Bakery Cafe.~~

~~We offer a national gift card program in which you are required to participate. Individual Great Harvest Stores issue the gift cards, which are redeemed at the issuing Great Harvest Store or another store. You must have a designated bank account within which settlement of gift card transactions occurs monthly. Your bank account must have sufficient monies to fund all redemptions of gift cards issued by your Bakery Cafe (and associated fees). You must reimburse us for any deficiencies we cover for you. You must follow our rules and procedures for the gift card program, including using our required electronic Harvest Rewards.~~

~~Except as described below, we currently do not derive revenue or other material consideration from required purchases or leases. We are party to a business partner program with an on-line e-mail direct-mail marketing service, which rebates to us 30% of the monthly revenues it receives from our franchisees. These rebates, which totaled \$6,517 during our 2023 fiscal year, are used to fund any costs we incur on this project. Our costs, which totaled \$4,005 during our 2023 fiscal year, represent costs we incurred to develop custom templates. Any templates we develop are made available to all of our franchisees. To the extent rebates we receive under this program exceed our direct costs associated with the program, we will remit the excess to our participating franchisees. There are a few items (elastic loops, multi-timer motors, multi-timers, etc.) that we buy in bulk and pass on to franchisees as ordered at the favorable price we received by buying in bulk. We did not mark up the products and just passed them through at cost; we therefore do not reference the reimbursement as revenue on our financial statements.~~

~~There periodically are products or services we want to test. In these cases, we subsidize the cost for the specified product or service, and participation is completely voluntary. There currently is no purchasing cooperative. We have the right to negotiate specific percentage mark-ups with suppliers or a distributor on ingredients and supplies used to operate a bakery cafe, as we have done with wheat prices and 2 current optional distributor programs. Bakery cafes choosing not to participate in our approved distributor programs will not benefit from negotiated prices on ingredients and supplies. One of the distributors pays a rebate based on overall system purchases directly back to participating stores (which does not include the one Great Harvest bakery cafe that we operate). The entity managing our other optional distributor program sends us rebates, which we used to subsidize the program's administrative costs. These rebates totaled \$52,277 during our 2023 fiscal year. We do not provide material benefits to you (for example, renewal or granting additional franchises) for purchasing particular products or services or using particular suppliers.~~

~~The Development Rights Rider does not require you to buy or lease from us (or our affiliates), our designees, or approved suppliers, or according to our specifications, any goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items. You must give us~~

information and materials we request concerning each site at which you propose to operate a Bakery Cafe so we can assess that site.

We have identified various suppliers, distributors and manufacturers of equipment, supplies and services that your Franchised Business must use or provide which meet our standards and requirements. You must purchase all equipment, furniture, fixtures, ingredients, supplies and services from our approved suppliers and contractors or in accordance with our specifications. You must purchase all milled flour from our approved supplier only. We maintain written lists of approved items of equipment, furniture, fixtures, inventory, ingredients, supplies and services (by brand name and/or by standards and specifications) and a list of approved suppliers and contractors for those items. We will update these lists periodically and issue the updated lists to all franchisees.

Neither we, nor any of our affiliates, is an approved supplier of any product, good or service that you are required to purchase for the operation of your Franchised Business; however, we, or our affiliate, may become an approved supplier of the Great Harvest System in the future.

None of our officers owns any interest in any approved supplier for any product, good or service that you are required to purchase for the operation of your Franchised Business.

Before you take possession of your Franchised Business premises, you must purchase and maintain at your sole cost and expense the insurance coverage that we specify. The minimum insurance required is comprehensive general liability insurance, including coverage for products liability and personal and advertising injury, in the amount of \$1,000,000 per occurrence and \$2,000,000 in the aggregate, with no exclusion for assault and battery; worker's compensation coverage as required by state law, employer liability insurance of at least \$1,000,000, employer practices liability naming us as co-defendant of at least \$1,000,000, with wage and hour defense coverage of at least \$100,000; special form property insurance in an amount that covers the full replacement value of your furnishings, fixtures, equipment, inventory and leasehold improvements or the amount required by your lease, whichever is higher; business interruption insurance for a minimum period of 12 months to satisfy your obligations under your Franchise Agreement and lease, including an extended period of indemnity for 180 days; comprehensive automobile liability insurance with a combined single limit of at least \$1,000,000, with no exclusion for 3rd party delivery services; cyber liability coverage of no less than \$1,000,000 and a social engineering sublimit of no less than \$100,000; and trade name restoration coverage of at least \$500,000. Each policy must be written by a responsible carrier or carriers acceptable to us and must name us, and our respective officers, directors, partners, agents and employees as additional insured parties, and contain a waiver of the insurance company's rights of subrogation against us.

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

In our most recent fiscal year ending October 31, 2024, derived \$72,911 from franchisee-required purchases, which comprised 1.3% of our total revenue of \$5,601,326.

We estimate that your purchase or lease of products, supplies and services from approved suppliers (or those which meet our specifications) will represent approximately 80% - 90% of your costs to establish your Franchised Business and approximately 50% - 65% of your costs for ongoing operation.

An approved marketing vendor pays us a 30% rebate of the monthly revenue it receives from our franchisees. We use the rebate to develop marketing material, and to the extent the rebate exceeds our costs, we will remit the excess to participating franchisees. A designated supplier of baked goods will also pay us a 1% - 2% quarterly rebate as a growth incentive for 5% - 10% increases in franchisee purchases over prior quarterly periods.

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

Although we do not do so currently, we may in the future negotiate purchase arrangements, including price terms, with suppliers on behalf of all franchisees.

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

Item 9 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~~Disclosure Document.

Obligation	Section or Article in agreement Franchise Agreement	Section or Article in Multi-Unit Development Agreement	Item in Franchise Disclosure document <u>Document</u>
a. a. Site selection Selection and acquisition/lease <u>Acquisition/Lease</u>	FYP 2, FYP 3, and FYP 8 of Franchise Agreement, 6 of Development Rights Rider, and Amendment for Additional Bakery Cafe <u>8.1</u>	<u>Not Applicable</u>	7, 11, and 12
b. b. Pre-opening purchases/leases Opening Purchase/Leases	FYP 2, FYP 10, C 3, C 12, C 13, and C 14 of Franchise Agreement <u>8.3, 12.1.3, 12.3.1</u>	<u>Not Applicable</u>	7, 8, and 11
c. c. Site development and Development & other pre-opening requirements <u>Pre-Opening Requirements</u>	FYP 4, FYP 7, and FYP 8 of Franchise Agreement 5, 7, 8, 11, and <u>2, 8.3, 12.1.1</u>	<u>Article 5</u>	<u>11</u>

Obligation	Section or Article in <u>Franchise Agreement</u>	Section or Article in <u>Multi-Unit Development Agreement</u>	Item in <u>Franchise Disclosure Document</u>
d. <u>d.</u> Initial and ongoing training <u>Ongoing Training</u>	FYP 4, FYP 5, FYP 7, and C 2 of Franchise Agreement, Amendment for Additional Bakery Cafe, and Transfer Amendment to Franchise Agreement <u>Article 7</u>	<u>Not Applicable</u>	6, 7, and 11
e. <u>e.</u> Opening	FYP 8 of Franchise Agreement and 3 of Development Rights Rider <u>8.2.3, 8.3</u>	<u>Not Applicable</u>	11
f. <u>f.</u> Fees	FYP 3, FYP 6, FYP 10, FYP 12, FYP 13, C 7, C 8, C 9, C 10, C 11, C 17, C 18, C 22, C 23, C 24, C 25, and C 26 of Franchise Agreement, 5 of Development Rights Rider, Amendments for Additional Bakery Cafe and Additional Non-Traditional Bakery Cafe, and Transfer Amendment to Franchise Agreement <u>5.1, 5.2.7, Article 6, 8.2.1, 8.4, 11.4.3, 12.6, 12.8, 13.3.1, 15.3, 16.4, 18.1.8, 19.9</u>	<u>Article 4</u>	5, 6, 7, and 12

Obligation	Section or Article in agreement <u>Franchise Agreement</u>	Section or Article in <u>Multi-Unit Development Agreement</u>	Item in <u>Franchise Disclosure document</u> <u>Item Document</u>
<u>g. g.</u> Compliance with <u>standards</u> <u>Standards</u> and <u>policies/operating manual</u> <u>Policies/Operating Manual</u>	<u>FYP 1, FYP 9, FYP 10, FYP 11, FYP 12, C 3, C 10, C 11, C 13, C 14, and C 30 of Franchise Agreement Article 9, Article 12, 19.1</u>	<u>Not Applicable</u>	<u>8 and 11</u>
<u>h. h.</u> Trademarks and <u>proprietary information</u> <u>Proprietary Information</u>	<u>FYP 1, FYP 9, FYP 10, C 4, C 14, C 16, C 17, and C 18 of Franchise Agreement and Amendment for Additional Bakery Cafe 9.4, 12.1.8, Article 14, 19.2, 19.3, 19.4</u>	<u>Not Applicable</u>	<u>13 and 14</u>
<u>i. i.</u> Restrictions on <u>products/services offered</u> <u>Product s/Services Offered</u>	<u>FYP 10, C 3, C 11, C 13, and C 17 of Franchise Agreement</u>	<u>Not Applicable</u>	<u>8, 16</u>
<u>j. j.</u> Warranty and <u>customer service requirements</u> <u>Customer Service Requirements</u>	<u>Not Applicable</u>	<u>Not Applicable</u>	<u>Not Applicable</u>
<u>k. k.</u> Territorial <u>development</u> <u>Development</u> and <u>sales quotas</u> <u>Sales Quotas</u>	<u>FYP 2, C 5, and C 19 of Franchise Agreement and 6 of Development Rights Rider 13.2</u>	<u>Article 5</u>	<u>12</u>
<u>l. l.</u> Ongoing <u>product/service purchases</u> <u>Product/Service Purchases</u>	<u>C 3, C 12, C 13, and C 14 of Franchise Agreement 12.1.4, 12.3.5</u>	<u>Not Applicable</u>	<u>8, 11, and 13</u>
<u>m. m.</u> Maintenance, <u>appearance</u> , <u>Appearance</u> and <u>remodeling requirements</u> <u>Remodeling Requirements</u>	<u>C 14 of Franchise Agreement Article 9, 12.1.2, 12.1.8</u>	<u>13 Not Applicable</u>	<u>Item 11</u>

Obligation	Section or Article in <u>Franchise Agreement</u>	Section or Article in <u>Multi-Unit Development Agreement</u>	Item in <u>Franchise Disclosure Document</u>
<u>n. n.</u> Insurance	C-12 of Franchise Agreement <u>Article 15</u>	<u>Not Applicable</u>	7- and 8
<u>o. o.</u> Advertising	FYP 12 and C-8 of Franchise Agreement and Amendment for Additional Bakery Cafe <u>12.1.9, Article 13</u>	<u>Not Applicable</u>	6- and 11
<u>p. p.</u> Indemnification	C-26 of Franchise Agreement <u>15.6, 16.3.7, 19.11, 21.1</u>	<u>Article 9</u>	6
<u>q. q.</u> Owner's participation/management/staffing <u>Participation, Management, Staffing</u>	FYP 7 and C-6 of Franchise Agreement, Amendment for Additional Bakery Cafe, and Transfer Amendment to Franchise Agreement <u>11.1, 11.4, 12.1.6</u>	<u>Not Applicable</u>	11- and 15
<u>r. r.</u> Records and reports <u>Reports</u>	C-7, C-9, and C-10 of Franchise Agreement <u>6.1.4, 12.2</u>	<u>Not Applicable</u>	6- and 11
<u>s. s.</u> Inspections and audits <u>Audits</u>	FYP 5, C-2, C-9, C-10, and C-25 of Franchise Agreement <u>9.2, 12.1.7, 12.2.5</u>	<u>Not Applicable</u>	6, <u>11</u>

Obligation		Section or Article in <u>Franchise Agreement</u>	Section or Article in <u>Multi-Unit Development Agreement</u>	Item in <u>Franchise Disclosure Document</u>
t. t. Transfer		C-22 of Franchise Agreement, 9 of Development Rights Rider, Transfer Amendment to Franchise Agreement, and Amendments for Additional Bakery Cafe and Additional Non-Traditional Bakery Cafe <u>Article 16</u>	<u>Article 6</u>	6 and 17
u. u. Renewal		C-23 of Franchise Agreement <u>Article 5</u>	<u>Not Applicable</u>	17
v. v. Post-termination obligations <u>Termination Obligations</u>		C-25 of Franchise Agreement <u>Article 18</u>	<u>Section 7.4</u>	17
w. w. Non-competition covenants <u>Competition Covenants</u>		C-17, C-18, and C-25 of Franchise Agreement <u>19.5</u>	<u>Article 8</u>	17
x. x. Dispute resolution <u>Resolution</u>		C-30 and C-32 of Franchise Agreement <u>Article 20</u>	<u>Article 10</u>	17
y. Owners/Shareholders Guarantee	y. <u>Preliminary Definitions and C-22 of Franchise Agreement; Guaranty Agreement; Spouse Guaranty</u>	<u>11.3, Attachment 6</u>	<u>Not Applicable</u>	15
z. Gift Cards		<u>C-11 of Franchise Agreement</u>		<u>8 and 17</u>

Item 10 **ITEM 10: FINANCING**

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

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

1. Pre-Opening Obligations

Before you open your ~~Bakery Cafe~~Franchised Business, we will:

(1) — ~~Loan you copies (or give you access to the electronic files) of our Confidential Start-Up Materials, Tracking Guide, Pre-Opening Requirements, and operations manual, the tables of contents of which are Exhibit F. There are 177 pages total in those materials. If you are acquiring your first Great Harvest bakery cafe franchise, we also will give you a personal computer loaded with selected software to use in operating your Bakery Cafe. (Franchise Agreement—Sections FYP1 and FYP9 and Amendment for Additional Bakery Cafe) If you are acquiring a franchise for a spoke location, we will not give you a personal computer, but you still must acquire the required the point-of-sale system.~~

(2) — ~~Identify an Exclusive Search Territory for your Bakery Cafe. (Franchise Agreement—Section FYP2)~~

(3) — ~~Advise you on possible bakery cafe locations, including one on-site visit by a location hunter. You also will receive maps and demographic information. We will give you our then-current criteria for Great Harvest bakery cafe sites (including population density and other demographic characteristics, visibility, traffic flow, competition, accessibility, parking, size, and other physical and commercial characteristics) to help you select and identify each Bakery Cafe's site.~~

~~We will not unreasonably withhold our acceptance of a location for your Bakery Cafe if, in our experience, the proposed location is not inconsistent with locations that we regard as favorable or that otherwise have been successful locations for Great Harvest Stores in the past. However, we have the absolute right to reject any location not meeting our criteria or to require you to acknowledge in writing that a location you have chosen is accepted but not recommended due to its incompatibility with certain factors that bear on a location's suitability for a Great Harvest bakery cafe. You may not proceed with a site that we have not accepted. While there is no timeframe under the Franchise Agreement within which we must accept a site you propose, we will try to respond within 30 days. We have the right to charge you our direct expenses for any additional location trips you request. (Franchise Agreement—Section FYP3 and Amendment for Additional Bakery Cafe)~~

~~You have 15 months to find a malocation and open your Bakery Cafe (except as otherwise provided in the development schedule under the Development Rights Rider). The Franchise Agreement terminates automatically after that date unless there is an extension (i.e., the Franchise Agreement terminates automatically if we and you cannot agree on a site or, once a site is found and accepted, you do not open by that date). We do not own locations for lease to franchisees. We have the right to review and accept the lease for your proposed location before you sign it. The lease must include our standard form of Lease Rider. You may not sign any lease we have not accepted in writing. (Franchise Agreement—Section FYP8)~~

(4) — ~~Train you in the Great Harvest System. (Franchise Agreement—Sections FYP4 and FYP7; Amendment for Additional Bakery Cafe, and Transfer Amendment to Franchise Agreement) We describe this training later in this Item.~~

(5) — ~~Identify the approved distributor and suppliers from which you may buy the wheat and other items you need to operate your Bakery Cafe. (Franchise Agreement—Sections C3 and C13)~~

~~(6) — Designate a specific number of Bakery Cafes you have the right to develop and open at approved locations within your development area (if we grant you development rights). (Development Rights Rider — Sections 2, 3, and 6) We will accept the proposed locations of your additional Bakery Cafes only if they meet our then-current standards for bakery cafe sites.~~

~~During your operation of the Bakery Cafe, we will:~~

~~(1) — Visit your Bakery Cafe for one full day 3 times during your first 2 years of operation. (Franchise Agreement — Section FYP5)~~

~~(2) — Continually advise you in all matters affecting your business. Our advice and consultation include telephoning and distributing research and development information through the Extranet and other means. While we may help you determine the prices that your Bakery Cafe should charge for its products, we currently do not require you to charge any particular minimum or maximum prices. (Franchise Agreement — Section C2)~~

~~(3) — Identify the approved distributor and suppliers from which you have the right to buy wheat and other supplies. You will order from and pay them directly. We will give you a list of suppliers from which other items are available, but you need not buy from them. (Franchise Agreement — Sections C3 and C13)~~

~~(4) — Answer all of your questions about the System and be open and honest with you. (Franchise Agreement — Section C1)~~

~~(5) — Let you use our Confidential Start-Up Materials, Pre-Opening Requirements, and operations manual, which explain the key aspects of our System and what we expect you to do while operating your Bakery Cafe. You may not disclose these materials to anyone who is not a “Signed Great Harvest Insider,” as described in Item 15. (Franchise Agreement — Sections FYP1, FYP9, “Preliminary Definitions” before First Year Promises, and Section C16 and Amendment for Additional Bakery Cafe) The operations manual may consist of and is defined to include audio, video, computer software, other electronic media and/or written and other tangible materials. The operations manual contains mandatory and suggested brand specifications, brand standards, operating procedures, and rules we periodically prescribe for developing and operating Great Harvest bakery cafes. We have the right to modify the operations manual to reflect changes in the Great Harvest System.~~

~~(6) — Provide a location hunt if you decide to move your Bakery Cafe. (Franchise Agreement — Section C21)~~

~~(7) — Maintain a Marketing Fund for advertising, marketing, research, and public relations programs and materials, the purposes of which are to enhance, promote, and protect the Great Harvest brand and franchise system. We describe the Marketing Fund and other advertising activities below. (Franchise Agreement — Section C8)~~

~~You generally have the right to use any advertising materials you want if they reproduce our Marks accurately and properly represent the Great Harvest System’s culture and image. You must prominently display to customers any materials we give you (at our expense) to promote the franchise.~~

~~We currently do not advertise Great Harvest bakery cafe products nationwide because we feel the most powerful emphasis should be the local nature of your Bakery Cafe and products. There currently are no active advertising cooperatives or funds in which you must participate (but see Marketing Fund discussion below). Some regions work together, independent of us, on television, radio, and print campaigns. Our marketing department provides copywriting and creative support for local and regional outreach. We help you in all aspects of~~

implementing recommended local radio buys and provide local cable support and native newspaper ad creation. There is full turnkey support for digital display advertising. Our marketing department also offers you a full line of turnkey marketing tools and systems, including: a brand platform; graphic guidelines; public relations “how tos”; social media tools; hundreds of ready-to-use and customizable promotional templates (for example, coupons, flyers, brochures, ads, point-of-purchase and product signage, bag stuffers, recipes, menus, and more); a full line of e-mail marketing templates (brand building and product specific) for every month and season of the year; and a library of photo and clip art images for print and online use. The most popular support comes from the Annual Calendar, available on GHcentral, which lists recommendations and resources for popular, tested month-to-month and seasonal promotions, like our over-the-top Honey Bunny promotion during Easter, and many holiday season materials and sales strategies. Lastly, you have access to expertise in lobby ambiance, layout, flow, and merchandising to help create an optimal customer experience and promote sales of everyday and add-on products.

While we currently do not require you to spend a minimum amount during the franchise term to advertise your Bakery Cafe locally (apart from your Marketing Fund obligation), you must conduct an opening marketing program for the Bakery Cafe (which we must approve) within 4 months after it opens (and spend at least \$12,000). You also must complete before opening the marketing tasks we then require new Great Harvest bakery cafes to complete as part of the designated grand opening marketing program. You will identify a specific marketing plan and tasks that fit your area the best.

We have established a Marketing Fund for advertising, marketing, research, and public relations programs and materials, the purposes of which are to enhance, promote, and protect the Great Harvest brand and franchise system (the “Fund”). You must pay us a monthly marketing fee equal to 2.5% of the Bakery Cafe’s Gross Sales at the same time and in the same manner as the Continuing Fee. Great Harvest bakery cafes that we or our affiliates own will contribute to the Fund on the same percentage basis as franchisees. However, Legacy Franchisees operating under our older forms of Franchise Agreement or taking advantage of past financial incentives (no longer offered) pay no Marketing Fee or a reduced Marketing Fee.

The Fund’s intended activities are local marketing and marketing via social media platforms (which may include local, regional, and holiday marketing campaigns as directed or otherwise approved by our marketing department). We will direct all programs and initiatives the Fund finances, with sole control over the Fund’s activities. However, we intend to spend Fund monies only in a manner benefiting all Great Harvest bakery cafe franchisees, although we need not ensure that any particular Great Harvest bakery cafe benefits directly or in proportion to its Fund contribution from the implementation of permitted programs and initiatives (i.e., we need not spend a particular amount in your market area).

———— We will account for the Fund separately from our other funds (although we need not keep Fund contributions in a separate bank account) and not use the Fund for any of our general operating expenses. However, the Fund has the right to reimburse us and our affiliates for the reasonable salaries and benefits of personnel who manage and administer the Fund or otherwise provide assistance or services to the Fund; the Fund’s administrative costs; travel expenses of personnel while they are on Fund business; meeting costs; overhead relating to the Fund’s business; and other expenses we and our affiliates incur in administering or directing the Fund and its programs. The Fund is not a trust, and we do not owe you fiduciary obligations because we maintain, direct, or administer the Fund or for any other reason.

———— The Fund may spend in any fiscal year more or less than the total Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. Unused contributions at the end of a year may be rolled over to the following year. We will use all interest earned on Fund contributions to pay costs before using the Fund’s other assets. We will prepare an annual, unaudited statement of Fund collections and expenses and give you the statement upon written request within sixty (60) days after our fiscal year end. We have the right (but no obligation) to have the Fund audited annually, at the Fund’s expense, by a certified public

~~accountant. We have the right to incorporate the Fund or operate it through a separate entity whenever we deem appropriate. The successor entity will have all of the rights and duties described here. During the last fiscal year, 87.3% of the Fund's expenditures was for advertising (production and media placement), 11.3% of the Fund's expenditures was for technology-related activities (including website fees, online ordering, loyalty app, point-of-sale monthly fees, and scheduling), and 1.4% of the expenditures was for Convention allowance. The Fund is not used principally to solicit new franchise sales.~~

~~We have the right at any time to defer or reduce the Fund contributions of any Great Harvest bakery cafe franchisee and, upon 30 days' prior written notice to you, reduce or suspend Fund contributions and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Fund. If we terminate the Fund, we will either (i) spend the remaining Fund balance on permitted programs and expenditures or (ii) distribute all unspent funds to our then-existing franchisees, and to us and our affiliates, in proportion to their and our respective Fund contributions during the preceding 12-month period.~~

~~Currently, an advisory board reviews company initiatives, priorities, and strategies and provides important feedback. This board consists of 6 franchisee members elected by franchisees and no more than 2 at-large positions selected by the existing board and franchise management to ensure the healthy mix of representation (location, sales, length of ownership, product mix, and various other considerations based on need). Franchisees have the power to form, change, or dissolve this board, and we choose when to meet with it.~~

~~If you are acquiring your first Great Harvest bakery cafe franchise, at lease signing, we will give you a laptop computer loaded with software for use in your Bakery Cafe (but only if this is your first Bakery Cafe). We do not charge you separately for the laptop. It is loaded with the following software: Microsoft Office and Great Harvest logos and fonts. We recommend that you use this computer, or one with comparable software and computing capabilities in all respects, and maintain it at your own expense, although you have no specific updating or upgrading obligations. We have no contractual obligation to provide ongoing upgrades, updates, or subscriptions. We will not have direct independent access to the information and data on your computer. We also will not have access to Bakery Cafe employee records, as you control exclusively your labor relations and employment practices. We buy a 3-year maintenance contract. Before the warranty contract expires, you might be eligible to extend the contract for up to 2 more years at different cost levels. Costs vary between \$275 and \$500 for various lengths and services you select.~~

~~You must acquire and use the then-current recommended point-of-sale system for your Bakery Cafe. We estimate the cost at \$15,000. It generates sales, labor, and item count detail. This system integrates with our recommended labor software, the Great Harvest rewards program, and the Great Harvest online ordering platform. We have unlimited, independent access to that system. We have no obligation to provide ongoing maintenance, repairs, upgrades, or updates. The supplier's obligations will be determined by its contract with you. There are no specific updating costs or obligations at this time, but you must make sure that the system always is functional. If you are acquiring a franchise for a spoke location, we will not give you a personal computer, but you still must acquire a point-of-sale system.~~

~~Franchisees open their bakery cafes, on average, 14 months after signing the Franchise Agreement. Factors affecting this time are the ability to obtain a lease, financing, and building permits; complying with zoning and local ordinances; and delays in installing equipment, fixtures, and signs. You must open your Bakery Cafe within 15 months after the Franchise Agreement's effective date or before the date specified in any Development Rights Rider that we and you signed (unless we grant you an extension). (Franchise Agreement — Section FYP8) You may not open without our prior written permission.~~

~~Before and for a few days after the Bakery Cafe opens, we will train you how to operate a Great Harvest bakery cafe. You are entitled to 2 training slots for 2 people. You must send your Bakery Cafe's Certified Manager~~

~~to all required training programs and may use the second slot to send a manager. If you want more training slots, you currently must pay \$2,500 for each additional slot (based upon availability). You will receive at least 200 working hours of hands-on, person-to-person training from established franchisees, experienced Great Harvest bakery cafe employees, and us. This training includes 3 weeks of training at our office in Dillon, Montana and training at your Bakery Cafe opening (if this is your second or subsequent Bakery Cafe, on-site training at your Bakery Cafe opening will be shorter than for first bakery cafes). We plan to be flexible in scheduling training to accommodate all schedules involved. There currently are no fixed (i.e., monthly or bi-monthly) training schedules except for Baking Fundamentals School, Made-To-Order School, and Bakery Cafe School, which are held bi-monthly. If you do not comply with the Pre-Opening Requirements, you may not receive the full 200-plus working hours. You have the right to ask us for a current copy of the Pre-Opening Requirements before you sign a Franchise Agreement. We will not send the opening training team until you are in compliance.~~

~~Everyone attending our required 3-week training program must complete to our satisfaction certain “On-Line Coursework,” which is approximately 40-50 hours of self-study (before attending any required training), before your Bakery Cafe opens. Attendees have the right to participate in the training program after you sign a lease for your Bakery Cafe and after they have completed the On-Line Coursework.~~

~~Baking Fundamentals School is 5 full days of production training in Dillon, Montana. This portion of training is to become proficient in bread-making and sweets-making skills. Travel, food, and lodging are at your expense, as are the costs or inconvenience caused by taking time off and should be anticipated as a start-up cost.~~

~~Made-To-Order School includes 5 days of hands-on training in our test lab and classroom sessions in Dillon on various topics, such as food safety, pricing, equipment usage and safety, and ingredient control. Although we do not charge for this training, you must pay all lodging, food, and travel expenses.~~

~~Bakery Cafe School is 5 full days of in-bakery operations training in Dillon, Montana. This portion of training is to become proficient in all aspects of running a Great Harvest bakery cafe, including learning the pace of production, style at the counter, general bakery systems, sandwich production, marketing, and numbers. On-line coursework, Baking Fundamentals School, and Made-To-Order School are prerequisites for attending Bakery Cafe School. All training attendees also must complete to our satisfaction at least one week of training at your Bakery Cafe at its opening. Your employees also receive this training but do not attend Baking Fundamentals School or Made-To-Order School and need not complete the on-line coursework. (Franchise Agreement—Sections FYP4 and FYP7, Amendment for Additional Bakery Cafe, and Transfer Amendment to Franchise Agreement)~~

~~As of October 31, 2023, we provided the following training, which totals 93 hours of classroom training and 200 hours of on-the-job training:~~

- ~~a. provide you with a site search area and site selection guidelines, and accept a site for your Franchised Business. You must identify a site that meets our approval within 120 days after you sign the Franchise Agreement. We consider the following factors in approving a site: general location and neighborhood, distance from neighboring franchise territories, proximity to major roads and residential areas, vehicular and pedestrian traffic, condition of premises, and demographic characteristics of the area. If you do not secure a site that meets our approval within 210 days of signing the Franchise Agreement, as we may extend in our reasonable discretion, you will be in default and we reserve the right to terminate the Franchise Agreement. We will not own and/or lease a site to you. You are responsible for negotiating a lease with the owner of a site we approve. (Franchise Agreement, Sections 8.1.2, 8.1.3, and 10.1).~~
- ~~b. provide you with specifications for the layout, design, appearance, and signage for your Great Harvest outlet, approve your architect and contractor(s), and, at our discretion, make on-site inspections of your construction progress. You, your architect, and your contractor are required to adapt our specifications for the construction of your premises and obtain permits. We do not adapt plans or obtain permits for you. (Franchise Agreement, Sections 8.2, 10.2).~~

- c. provide the Great Harvest Operations Manual and other manuals and training aids we designate for use in the operation of your Franchised Business, as they may be revised from time to time (Franchise Agreement, Section 10.3).
- d. provide a written list of necessary equipment, signage, fixtures, opening inventory, and supplies that will be required to open the Franchised Business. We do not provide, purchase, deliver, or install any of these items for you (Franchise Agreement, Sections 10.5).
- e. provide you with initial training and opening assistance. We will determine, in our sole discretion, whether you satisfactorily complete the initial training (Franchise Agreement, Sections 7.1, 7.2 and 7.3).
- f. approve your grand opening marketing plan (Franchise Agreement, Sections 13.2.3).

2. Time to Open

We estimate the typical length of time between the signing of the Franchise Agreement and the time you open your Franchised Business is 9-12 months. Before you may open, you must (a) complete our Initial Training Program, (b) complete all improvements to the Franchised Business premises (c) hire and train your staff, (d) purchase and stock your initial inventory, and (e) obtain all required insurance and licenses to operate the Franchised Business. Factors that may affect this time period include your speed in securing suitable premises, acquiring licenses and permits, financing any portion of the initial investment and completion of required training. If you have not opened your Franchised Business within 365 days after you sign the Franchise Agreement, you will be in default of the Franchise Agreement. (Franchise Agreement, Section 8.3).

3. Obligations After Opening

During the operation of your franchise, we will:

- a. offer from time to time, in our discretion, mandatory or optional additional training programs. If we require it, you must attend mandatory additional training course(s) for up to 5 days per year and a national business meeting or systemwide franchisee convention for up to 3 days per year at location(s) we designate. Failure to attend mandatory additional training or an annual business meeting or franchisee convention is a default of the Franchise Agreement. We have the right to impose a reasonable fee for tuition and/or attendance for all additional training programs, including the annual business meeting or conference, which you must pay regardless of attendance. You must also pay your transportation, lodging, meals and other expenses to attend any mandatory training program. If you fail to attend any mandatory training program, you are required to (i) pay the tuition or registration fee regardless as a non-attendance fee, and (ii) obtain the training at a location we designate, at your sole cost, which includes additional tuition at the then-current rate, plus all of your travel costs and our trainer's travel costs. (Franchise Agreement, Section 7.4).
- b. upon your request, or as we determine to be appropriate, provide remedial on-premises training and assistance. For any on-premises training, you must reimburse all costs for the services of our trainer, including but not limited to the trainer's then-current per diem fee and all travel-related expenses, such as transportation, meals and lodging (Franchise Agreement, Sections 7.5, 10.9).
- c. upon your request, provide individualized assistance to you within reasonable limits by telephone, video conferencing, or e-mail, subject at all times to availability of our personnel and within reasonable limits (Franchise Agreement, Section 7.6).
- d. from time to time, as may become available, provide you with samples of advertising and promotional materials (Franchise Agreement, Section 10.6);
- e. conduct inspections of your Franchised Business, at the frequency and duration that we deem advisable. Such inspections include evaluating your products, service, and premises to ensure that they meet our standards (Franchise Agreement, Section 10.4);

- f. provide you with any written specifications for required equipment, products and services and updated lists of any approved suppliers of these items (Franchise Agreement, Section 10.7);
- g. subject to applicable law, set advertised and/or maximum prices for products and services at your Great Harvest outlet (Franchise Agreement, Section 12.5);
- h. approve or disapprove all advertising, direct mail, and other promotional material and campaigns you propose in writing to us. We will respond within 10 business days, either accepting or rejecting the proposed material and/or campaign; however, if we do not respond within 10 business days, the proposed material and/or campaign is deemed “disapproved”. (Franchise Agreement, Section 13.6).
- i. administer the Brand Fund (Franchise Agreement, Sections 10.10 and 13.3).

4. Advertising

We will conduct advertising and other brand development activities on behalf of the System through the System-wide Brand Fund, which is described below. We have no obligation to conduct any other advertising or spend any amount in your territory.

Local Advertising (Franchise Agreement, Sections 13.2 and 13.5)

We do not provide for placement of local advertising on your behalf. We require you to spend a minimum of \$15,000 on opening advertising and promotional activities beginning at least 15 days prior to, and for 60 days following, the opening of your Franchised Business. Thereafter, you must spend a minimum of 1% of your Gross Sales each month on advertising for the Franchised Business in your Territory. You may develop your own advertising materials at your own cost, and you may use marketing templates that we may offer; however, you cannot use any advertising or marketing materials, even if they are based on our templates, unless they have been approved in advance in writing by us, which approval may be withheld in our discretion. We will respond to your request for approval of proposed advertising, which must also include the proposed media and advertising duration, within 10 business days; however, if we do not respond within 10 business days, the proposed advertising or marketing material is deemed “disapproved”. Our approval will be limited to the specific form, color, content, media, and time period requested and/or agreed upon by us. If you want to modify previously approved advertising material, or the media or duration of the advertising, or if you want to re-use previously approved advertising material in the same or different media for an additional time period, you must submit a new approval request to us.

If feasible, you may do cooperative advertising with other Great Harvest franchisees in your area, with our prior written approval. You may not maintain any business profile on Facebook, Bluesky, X, Instagram, LinkedIn, YouTube, Threads, Tik Tok, or any other social media and/or networking site, except with our prior approval and in accordance with our specifications.

System-wide Brand Fund (Franchise Agreement, Sections 13.3 and 13.4)

You are required to contribute 2.5% of your Gross Sales weekly to our systemwide Brand Fund. Each Great Harvest outlet operated by our affiliates or us may, but is not obligated to, contribute to the Brand Fund on the same basis as System franchisees.

The Brand Fund is administered by our accounting and marketing personnel. We may use Brand Fund contributions to pay any and all costs for developing, producing and disseminating advertising, marketing, promotional and public relations materials, programs, campaigns, sales and marketing seminars, and training programs of every kind and nature, through any media we determine; conducting marketing research and customer and or franchise system surveys and employing advertising and/or public relations agencies; developing, enhancing and maintaining our website, social media platforms, apps, and other technology for the benefit of the Brand image and/or Systemwide improvements; and staff salaries and other personnel and departmental costs for advertising that we internally administer or prepare.

The Brand Fund will not be used to defray any of our other general operating expenses. Brand Fund contributions will not be used to solicit new franchise sales; provided however, we have the right to use the Brand Fund for public relations, to explain

the franchise system, and/or include “Franchises Available” or similar language and contact information in advertising produced with Brand Fund contributions.

The Brand Fund collects and expends contributions for the benefit of the System as a whole. We have the right to use the Brand Fund contributions to place advertising in national, regional or local media (including broadcast, print, or other media) and to conduct marketing campaigns through any channel, in our discretion, including but not limited to, internet and direct-mail campaigns. We have no obligation, however, to use the Brand Fund to place advertising or conduct marketing campaigns in any particular area, including the geographical area where your Franchised Business is located.

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

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

If we spend more or less than the total of all contributions to the Brand Fund in any fiscal year, we may carry forward any surplus or deficit to the next fiscal year. Although the Brand Fund is intended to be of perpetual duration, we may terminate it at any time and for any reason or no reason. We will not terminate the Brand Fund, however, until all monies in the Brand have been spent for advertising or promotional purposes or returned to contributors, without interest, on the basis of their respective contributions.

In our most recently concluded fiscal year ending October 31, 2024, Brand Fund contributions were used as follows: 0% on production, 86% on media placement, 6% on technology-related marketing activities, 7% on administrative expenses, and 1% on conference allowance.

Regional Advertising Cooperative (Franchise Agreement, Section 13.4)

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

If we establish a regional advertising fund or cooperative, you must contribute amounts equal to your share of the total cost of cooperative advertising. Your contributions to a regional advertising fund or cooperative will be in addition to your required contributions to the Brand Fund, however these regional fund or cooperative contributions will be credit of up to 50% of your minimum local advertising expenditure requirement.

Advertising Council (Franchise Agreement, Section 9.6)

We have formed a franchise advisory group composed of franchisees that serves in an advisory capacity only with regard to marketing policies. The Council consists of 6 franchisee members elected by the franchisees and 2 at-large franchisee members mutually selected by the franchise advisory group and us to ensure diversity with regard to size, length of time in the franchise system, a geographical mix, and differing points of view. We have the power to change or dissolve the franchise advisory group any time.

5. Computer Systems (Franchise Agreement, Section 12.3)

You must purchase and use the POS System we specify, and have the latest versions of hardware, software and computer platforms to operate the POS System. The POS System performs a variety of functions, including inventory management, payment processing, and sales report generation.

You are required to use all software and applications that we specify and pay any subscription or access fees associated with them. The current cost to purchase the required hardware and software is \$9,000 - \$15,000. The currently software access fee is \$300 - \$700 monthly, subject to increase by the vendor.

We may in the future establish or modify the sales reporting systems as we deem appropriate for the accurate and expeditious reporting of Gross Sales, and you must fully cooperate in implementing any such system at your expense.

There are no contractual limitations on the frequency and cost of upgrades and/or updates to the above-described systems or programs. We have no obligation to maintain, repair, update or upgrade your computer and software. At your cost, you must provide on-going maintenance and repairs to your computer and software. You must upgrade your computer hardware and software as necessary to operate the most current version of the POS System or any replacements thereto. We cannot estimate the cost of maintaining, updating and upgrading your computer hardware and software because it will depend on the make and model of your hardware, required upgrades to operate our current management and payment processing applications, repair history, usage, local cost of computer maintenance services in your area and technological advances that we cannot predict.

The POS System allows us to independently and remotely access all of your sales data, including your Gross Revenue, through the Internet. There are no contractual limitations on our right to have full access to this information. We may retrieve, download, analyze and store such information and data at any time. We own all customer and financial data stored in your POS System.

6. Table of Contents of Operations Manual

The Table of Contents of our Operations Manual, current as of the date of this Disclosure Document is attached as Exhibit E. The Operations Manual has a total of 177 pages.

7. Training (Franchise Agreement, Article 7)

You (if the franchisee is an individual) or all of your owners (if the franchisee is a business entity) and your manager must complete our Initial Training Program, to our satisfaction, at least 1 week, but no more than 6 weeks, before opening your Franchised Business. We will train you at our headquarters and/or at an affiliate -owned outlet, or at another location we specify. All attendees must complete preliminary online coursework prior to attending training. The preliminary online coursework is 40-50 hours of self-study. All attendees must also have a ServSafe Food Handler or equivalent certification prior to attending training. The Initial Training Program consists of a 5-day Baking Fundamentals School that teaches bread-making and sweets-making skills; a 5-day Made-To-Order School that teaches food safety, equipment usage and safety, pricing and ingredient control; and a 5-day Bakery Cafe School that covers general operations. You will receive the following training:

TRAINING PROGRAM

<u>Subject¹SUBJECT</u>	<u>Hours of Classroom TrainingHOURS</u>	<u>Hours of On-The-Job TrainingHOURS OF ON THE</u>	<u>LocationLOCATION</u>
<u>Bread Making and Cafe items (and other products)Items</u>	79	160	Dillon, Montana
Customer Service	4	20	Dillon, Montana
Promotion/Marketing	3	10	Dillon, Montana
Location Hunting	2	0	Dillon, Montana
Feedback and Counseling	5	10	Dillon, Montana
<u>1/ All aspectsTotals</u>	<u>93</u>	<u>200</u>	

~~We periodically conduct our Initial Training Program throughout the year, as needed. Training is overseen by Jeff Evans, our Director of Bakery Cafe Training. Jeff has over 6 years of experience with Great Harvest, working in various training are integrated over the program's course. You will learn about these subjects throughout training.~~

~~Our staff and development roles. There are also approximately 20 individuals from our corporate office, as well as experienced Great Harvest Bakery Cafe franchisees, and/or experienced employees of Great Harvest bakery cafes administer training. We make sure all trainers have hands-on experience in the subjects they will teach. There are approximately 20 people from our corporate headquarters involved in various , who will provide various aspects of your training. These people individuals have anywhere from 1 to over 25 years of experience in our System. If you do not comply with the Pre-Opening Requirements, you may not receive the full 200 plus working hours. We will not send the opening training team until you are in compliance. We use various confidential manuals, start-up materials, videos, and other training aids during the training program the Great Harvest System.~~

~~We do not require your attendance at additional training programs or refresher courses. We hold an annual convention you may attend if you wish. The location changes from year to year. If you attend, you must pay your own expenses and any fee we charge.~~

~~Our training materials consist of our Operations Manual, start-up materials, video, demonstrations, and other training aids.~~

~~The cost of our instructors and training materials for up to 2 individuals is included in the Initial Franchise Fee that you pay to us. You must also pay for all travel and personal expenses, including, but not limited to, all costs for your transportation, meals, and lodging for yourself and your personnel. Our current fee to provide initial training to any additional trainee is \$2,500 per person.~~

~~If you do not complete our Initial Training Program to our satisfaction, we reserve the right to terminate the Franchise Agreement.~~

~~We will provide you with on-site training, supervision and assistance for up to 7 days upon the opening of your Franchised Business at no additional charge.~~

~~We may conduct mandatory or optional additional training programs, including an annual conference or national business meeting. If we require it, you must attend mandatory additional training course(s) for up to 5 days per year and a national business meeting or systemwide franchisee convention for up to 3 days per year at location(s) we designate. We reserve the right to impose a fee up to \$500 per person per course for tuition and/or attendance for all training courses, and a registration fee up to \$1,000 per person, subject to increase, for attendance at an annual business meeting or conference. You are charged tuition and registration fees regardless of attendance. You must also pay your transportation, lodging, meals and other expenses to attend any mandatory training program, annual business meeting and conference. If you fail to attend any mandatory training program, annual business meeting or conference, you are required to obtain the training at a location we designate, at your sole cost, which includes additional tuition at the then-current rate, plus all of your travel costs and our trainer's travel costs.~~

~~Item 12~~ **ITEM 12: TERRITORY**

~~Your Location and Exclusive Franchise Territory.~~

~~You will operate your Bakery Cafe at a specific location. You will submit your selected location(s) for our evaluation and approval. You may not sign a lease for a location we have not approved. When you sign your Franchise Agreement, you will receive an Exclusive Search Territory. We will describe the Exclusive Search Territory on a map attached as an exhibit to the Franchise Agreement before you sign it. Your Bakery Cafe's location must be within that Exclusive Search Territory. The size of the Exclusive Search Territory depends on your market; there is no minimum or maximum size. The Exclusive Search Territory described on the map will cover cities, counties, or zip codes (or portions of them). The Exclusive Search Territory is not a protected franchise territory. It is just the area within which you must look for your Bakery Cafe's location. Nevertheless, we will not establish or franchise another Great Harvest Store physically located in the Exclusive Search Territory~~

~~until your search is finished. There are no other restrictions on us in your Exclusive Search Territory. Once you sign a lease or purchase a building for your Bakery Cafe, the Exclusive Search Territory goes away.~~

~~After you locate acceptable premises for your Bakery Cafe in the Exclusive Search Territory and sign a lease or buy a building, we will define an Exclusive Franchise Territory surrounding the location and identify it on a map attached to the Franchise Agreement. In most markets, the Exclusive Franchise Territory will encompass a living population of approximately 50,000 people. However, if the proposed Exclusive Franchise Territory reaches a certain size in miles before it encompasses a 50,000 living population (because of a dispersed or unconcentrated population), we may cap the Exclusive Franchise Territory at less than 50,000. While the Exclusive Franchise Territory's precise boundaries will depend on the population's concentration in the particular market, we do not expect an Exclusive Franchise Territory ever to be more than 15 miles in diameter. Your Exclusive Franchise Territory will be smaller than your Exclusive Search Territory because the Exclusive Search Territory is designed only to give you ample area in which to look for an acceptable Bakery Cafe site. It is not intended to give you any protection once you have found your Bakery Cafe site. Despite the above, you generally will not receive any Exclusive Franchise Territory if you develop your Bakery Cafe at a Non-Traditional Venue (defined below), or the Exclusive Franchise Territory might be limited to the actual premises or building where you operate.~~

~~We will not establish or franchise another Great Harvest Store having its physical location within the Exclusive Franchise Territory. There are no other restrictions on our business activities. That means we (and any affiliates we have) are totally free (1) to develop or franchise additional Great Harvest Stores having their physical locations anywhere we want outside your Exclusive Franchise Territory (including near the boundary of your Exclusive Franchise Territory), though subject to any rights you might have under a Development Rights Rider (see below), and (2) to engage in, and allow others to engage in, any product distribution and other business activities through any and all distribution channels, whether located or operating inside or outside your Exclusive Franchise Territory, any time we want, whether or not those activities compete with your Bakery Cafe.~~

~~Continuation of your territorial exclusivity does not depend on your achieving a certain sales volume, market penetration, or other contingency, and we may not alter your Exclusive Franchise Territory during the Franchise Agreement term. However, we may change the Exclusive Franchise Territory's size when you renew your franchise rights or transfer ownership of the Bakery Cafe. [We have the right to modify the existing territories of Legacy Franchisees who choose to exchange their existing franchise agreements for our new form of Franchise Agreement.] Except as described below, you have no options, rights of first refusal, or similar rights to acquire additional franchises.~~

~~We must pre-approve relocation of your Bakery Cafe, although approval is not guaranteed. We have the right to condition relocation on the following: (a) the new location is acceptable to us; (b) you agree to the new exclusive franchise territory definition; (c) you pay us a reasonable relocation fee; (d) you confirm that the Franchise Agreement remains in effect and governs the Bakery Cafe's operation at the new location with no change in the term or, at our option, you sign our then current form of franchise agreement to govern the Bakery Cafe's operation at the new location for a new franchise term; (e) you sign a general release, in a form satisfactory to us, of any and all claims against us and our owners, affiliates, officers, directors, employees, and agents; (f) you continue to operate the Bakery Cafe at its original location until we authorize its closure; and (g) you take, within the timeframe we specify and at your own expense, all action we require to de-brand and de-identify the Bakery Cafe's former location so it no longer is associated in any manner (in our opinion) with the Great Harvest System.~~

Development Rights Rider

~~You have the right (if you qualify) to develop and operate a number of Great Harvest bakery cafes within a specific area (the "Area"). We and you will identify the Area in the Development Rights Rider before signing it. The Area typically is a city, cities, or other political subdivisions. We base the Area's size primarily on the number of Great Harvest bakery cafes you agree to develop, demographics, and site availability. We and you will negotiate the number of Bakery Cafes you must develop, the dates by which you must develop them, and the dates by which you must sign each franchise agreement in order to keep your development rights. We and you then will complete the schedule in the Development Rights Rider before signing it. Great Harvest bakery cafes that you (or your affiliates) are permitted to operate at Restricted Venues (defined below) physically located in the Area do not~~

~~count toward your compliance with your development schedule.~~

~~While the Development Rights Rider is in effect, we (and our affiliates) will not, except in the situations described below, establish and operate or grant to others the right to establish and operate Great Harvest Stores having their physical locations within the Area. Because of our rights with respect to the “Restricted Venues” described below, you will not receive an exclusive territory under the Development Rights Rider.~~

Under the Franchise Agreement, you have the right to establish and operate 1 Great Harvest outlet within a territory that will be defined after the site of your Franchised Business is identified and approved by us (the “Territory”). You are required to find and obtain possession of a specific site for your Franchised Business in a non-exclusive site search area that meets our site selection criteria and our approval. Your Territory is located in all or a portion of a listed town, city, or county, and is identified by a marked map and/or list of one or more contiguous zip codes. The Territory is determined on an individual basis taking into account daytime and nighttime populations, minimum numbers of households and/or offices, real estate prices and/or incomes. Your Territory will have a population of approximately 50,000 individuals; however, if there are less than 50,000 individuals within a 7.5-mile radius of your Great Harvest outlet, your Territory will be a 7.5-mile radius of your outlet. Your Territory will be identified and attached to your Franchise Agreement as Attachment 2.

You may not change the location of your Franchised Business, without our written consent, which we may withhold in our sole discretion. If we give our consent, we will charge you a relocation fee of \$5,000. The factors we consider in permitting a relocation include: loss of your premises not due to your default, demographics of the surrounding area of the proposed relocation site, proximity to other Great Harvest Bakery Cafe outlets, lease requirements, vehicular and pedestrian traffic, proximity to major roads, and overall suitability. If you wish to relocate, you must identify a new premises for the Franchised Business that is approved by us, in accordance with our then-current site selection procedures, and build out the approved premises within 180 days. If you do not identify a site and complete the build-out within this time period, you will be in default of the Franchise Agreement. If feasible, you must continue to operate at your original premises until construction of the new site is complete.

Unless you have signed our Multi-Unit Development Agreement, we may, but have no obligation to, consider granting to you the right to establish additional Great Harvest outlets under other franchise agreements. The Franchise Agreement grants you no options, rights of first refusal or similar rights to acquire additional franchises within the Territory or contiguous territories. We may, but have no obligation to, consider granting to you the right to establish additional Great Harvest Bakery Cafe outlets under other franchise agreements if you are in compliance with the Franchise Agreement and propose to open 1 or more additional Great Harvest Bakery Cafe outlet(s) in an area or at a site we approve.

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.

~~You may not develop or operate Great Harvest bakery cafes outside the Area. We have the right to terminate the Development Rights Rider if you do not satisfy your development obligations when required. We will accept the proposed locations of your additional Bakery Cafes only if they meet our then-current standards for bakery cafe sites.~~

~~This paragraph describes our rights with respect to Restricted Venues. If:
we become aware during the~~

During the term of your Franchise Agreement, and provided that you are not in default of your Franchise Agreement, we will not, and will not permit anyone else to, open another dedicated Great Harvest Bakery Cafe premises within your Territory. However, notwithstanding this protection right we grant to you, we reserve all rights to sell, either directly or through others, our products and services at non-traditional or captive market venues, kiosks, carts, counters, stores-within-a-store or otherwise at retail in the Territory. This means we may, or may permit others to, operate a Great Harvest Bakery Cafe outlet in your Territory at amusement or theme parks; sports stadiums and arenas; hospital, college and corporate campuses; enclosed shopping centers; military bases; airports, train stations, and other transportation centers; gas stations; and grocery stores and convenience stores. We further reserve all rights to sell our products and services through Alternative Distribution Channels, described below.

- ~~▪—If you sign our Multi-Unit Development Agreement, you will receive an exclusive development territory in which to develop your Great Harvest Bakery Cafe outlets. Provided you are in compliance with the Multi-Unit Development Rights Rider term of one or more opportunities to establish and operate a~~

~~Great Harvest bakery cafe at a location within the Area for which that location's owner or manager sets financial, experience, or organizational standards for an acceptable operator (for example, a national or multi-regional concessionaire) that you do not and cannot satisfy when the opportunity becomes available; or~~

- ~~• the location is a Non-Traditional Venue (which is defined to mean a hospital or medical center, airport, public or private school, university or college campus, airport terminal, train or bus station, convention center, exhibition hall, amusement park, fairground, sports arena, military base, state or national park, hotel, lodge, country club, social club, resort, casino, theater, or similar venue) (the locations referenced in these 2 bullet points are referred to collectively as "Restricted Venues");~~

~~then we (or our affiliates) have Agreement and your development schedule, we will not grant anyone else the right to pursue the opportunity for that Restricted Venue and establish, or franchise or license another to establish, a Great Harvest bakery cafe at that Restricted Venue. Our, our affiliate's, or another franchisee's or licensee's development and operation of establish a Great Harvest bakery cafe at a Restricted Venue in the Area does not count toward your compliance with your development schedule. Great Harvest bakery cafes that you (or your affiliates) are permitted to operate at Restricted Venues physically located in the Area likewise do not count toward your compliance with the Bakery Cafe outlet in your development territory during the term of your Multi-Unit Development Agreement. Your exclusive development schedule. Except for our rights with Restricted Venues, we will not establish and operate or grant to others the right to establish and operate Great Harvest bakery cafes having their physical locations within the Area.~~

~~Despite your development schedule under the Development Rights Rider, we have the right to delay your development and/or opening of a Bakery Cafe within the Area for the time period we deem best if we believe, when you apply for that next Bakery Cafe, or after you (or your approved affiliate) have developed and constructed but not yet opened a particular Bakery Cafe, that you (or your approved affiliate) are not yet operationally, managerially, or otherwise prepared (no matter the reason) to develop, open, and/or operate the additional Bakery Cafe according to our standards and specifications. We have the right to delay the additional development and/or a Bakery Cafe's opening as long as the delay will not in our reasonable opinion cause you to breach your development obligations under the development schedule (unless we are willing to extend the schedule to account for the delay).~~

~~Except as described above, you have no options, rights of first refusal, or similar rights to acquire additional franchises, continuation of your territorial rights does not depend on your territory is not dependent on achieving a certain sales volume, market penetration, or other contingency, and we may not alter or circumstance, unless you are in default of your Area during the Multi-Unit Development Rights Rider term Agreement.~~

Off-Premises Product Sales:

~~You may not knowingly wholesale your baked products to outlets located within another Great Harvest Store's territory (however defined). Except for your catering activities, you must limit your off-premises product sales only to wholesale accounts that sell the products with a Great Harvest label and meet the following category descriptions: farmer's markets, restaurants, co-operatives, specialty foods retailers, and other retailers offering their products in a specialty retail environment. Examples of these acceptable specialty retailers include Whole Foods, Wild Oats, and Fresh Fields. You must not establish wholesale accounts meeting the following category descriptions: conventional grocery stores (such as Kroger's, Safeway, Albertsons, and Harris Teeter), convenience stores, discount clubs, and discount outlets (such as Sam's Club and Wal-Mart). We have the right to permit a wholesale account with a conventional grocery store if there are no acceptable specialty retailers in your Exclusive Franchise Territory and you confirm with the grocery store that your product will not be sold through other grocery stores in the chain outside your Exclusive Franchise Territory.~~

~~Mail-order and similar sales present a special case. Any mail-order or similar sale greater than 10 loaves per month to a single address is considered the same as wholesale. However, customers or others who would like to buy their bread on a less-than-10-loaves per month basis are a type of mail-order business that is unrestricted in the Great Harvest System.~~

~~Except as described above, you have the right to use other distribution channels, such as the Internet, catalog sales, telemarketing, or other direct marketing sales, to make sales under the Great Harvest Marks.~~

~~The information above describes the business rights under the Great Harvest System that we and other franchisees retain in your Exclusive Franchise Territory to (1) solicit or accept orders from consumers inside your Exclusive Franchise Territory and (2) use other distribution channels, such as the Internet, catalog sales, telemarketing, or other direct marketing sales, to make sales within your Exclusive Franchise Territory under the Great Harvest Marks. While we have the right to do so, we have not established and presently do not intend to establish other franchises or company-owned outlets or another distribution channel, such as the Internet, catalog sales, telemarketing, or other direct marketing sales, to make sales of products or services within your Exclusive Franchise Territory under different trademarks. No compensation is due to you for the activities described above.~~

~~Depending on your Bakery Cafe's location and your Exclusive Franchise Territory's size, the geographic scope of your permitted off-premises activities might be impacted by the pre-existing territorial rights of other nearby franchisees. We will identify any relevant pre-existing territorial rights before you sign the Franchise Agreement.~~

The Franchise Agreement allows us certain rights to solicit and accept orders from customers in your Territory. For example, we or our affiliates may own, operate or authorize others to own or operate, other kinds of businesses, including other food service concepts, within the Territory. We and our affiliates may own, acquire, conduct, or authorize others to conduct, any form of business at any location selling any type of product or service not offered under the Marks, including a product or service similar to those you will sell at your Franchised Business.

We and our affiliates may sell products and services within the Territory, under both the Marks licensed to you and under different trademarks, using the Internet, catalog sales, telemarketing, or other direct marketing sales (“Alternative Distribution Channels”). You will receive no compensation for our sales through Alternative Distribution Channels in the Territory.

Your local advertising must target customers in your Territory, although the reach of your local advertising may extend beyond your Territory. You may engage in sales by delivery outside of your Territory, with our prior consent. You may not use Alternative Distribution Channels to make sales inside or outside your Territory, except for the following: (1) you may fulfill at your Franchised Business premises orders received through the Internet on our approved online ordering platform or through approved third-party delivery applications; (2) you may sell products by mail-order to end-customers in your Territory and for delivery only to addresses in your Territory; and (3) you may sell and maintain wholesale accounts with local distributors, such as farmers’ markets, food cooperatives, and specialty retailers in your Territory or in surrounding area that is not in the territory of another Great Harvest Bakery Café franchisee, provided that you cannot have a wholesale or retail account with any restaurant, grocery store, convenience store, supermarket or other distributor or retailer that (A) operates 3 or more outlets, whether such outlets are within or outside of your Territory, or (B) operates or has outlets either regionally or nationally. Additionally, if you have a wholesale account with a local distributor that is outside of your Territory, and we subsequently grant a Great Harvest Bakery Café franchise or open an affiliate-owned outlet in the area where that local distributor is located, you are required to end your wholesale account with that local distributor prior to the opening of the new franchise or affiliate-owned outlet.

Item 13 **ITEM 13: TRADEMARKS**

You have the right to use certain Marks in operating your Bakery Cafe. Our principal Marks are:

The Franchise Agreement will license to you the right to operate your Great Harvest outlet under the following trademarks (“Principal Trademarks”):

Mark	Registration Number	Registration DATEDate	REGISTERRegister
	<u>6,735,082</u> <u>6735082</u>	<u>05</u> <u>May 24</u> , 2022	Principal
	<u>6,735,081</u> <u>6735081</u>	<u>05</u> <u>May 24</u> , 2022	Principal
<u>“Great Harvest”</u> [®] <u>GREAT HARVEST</u>	<u>3,632,019</u> <u>3632019</u>	<u>06/02</u> <u>June 2</u> , 2009	Principal

The Marks, which cover bakery cafe operations and products, are registered on the Principal Register of the United States Patent and Trademark Office (USPTO). We have renewed all registrations that have come up for renewal and intend to renew the other registrations when they come up for renewal.

~~———— You must follow our rules when you use the Marks. You may not use any Mark (1) as part of a corporate name, if you incorporate, (2) with modifying words, designs, or symbols, (3) in selling unauthorized products or services, (4) as part of any website, homepage, domain name, or electronic address you maintain on the Internet or any other similar proprietary or common carrier electronic delivery system, unless we agree in writing to allow that use, or (5) in any other manner we have not authorized in writing. You must put a link to our website on any website we allow you to maintain for your own Bakery Cafe. If you are complying with our current website standards, we will put a link to your Bakery Cafe’s website on our public website. To the extent you use, with our permission, any Great Harvest trademarks in employment-related materials, you must include a clear disclaimer that you (and only you) are the employer of Bakery Cafe employees and that we, as the franchisor of Great Harvest Stores, are not their employer or joint employer and do not engage in any employer-type activities for which only franchisees are responsible, such as employee selection, promotion, termination, hours worked, rates of pay, other benefits, work assigned, discipline, adjustment of grievances and complaints, and working conditions.~~

~~We have the right to approve in writing specific non-bread food products and other products for sale in your Bakery Cafe displaying one or more of the Great Harvest Marks. All of these products must meet our highest-quality standards; their selection is in our sole discretion. Display of our Marks, including the design of any product labels or packaging, is subject to our review and approval. We have the right to disapprove any product that we previously approved and remove it from products that may be sold in your Bakery Cafe.~~

All required affidavits and renewals have been filed for the above Principal Marks.

~~You must notify us immediately when you learn about a possible an infringement of our Marks or challenge to your use of the Principal Trademarks or other Marks. We will take the any action we think appropriate ~~(which might be no action)~~. We have the right to control exclusively any litigation or other proceeding resulting from any infringement, challenge, or claim concerning our Marks. We need not protect your right to use the principal Marks or protect you from a claim based on your use of the Marks. However, our policy is actively to police and defend our Marks and other intellectual property and, if you have given us timely notice and are in full compliance with the Franchise Agreement, we will indemnify you for all expenses and damages arising from any claim challenging your authorized use of the Principal Trademarks or other Marks. We have the right to control any administrative proceedings or litigation involving the Principal Trademarks or other Mark licensed by us to you. You must cooperate fully with us in defending and/or settling the litigation.~~

~~If we change the Marks, you must update all displays of the changed mark in your business immediately as you use up old materials and order new materials. You must pay for the changes. However, we will not require you to purchase new exterior signs to accommodate a change in the logo design. If you propose to transfer your Bakery Cafe, we have the right to require the buyer to purchase new signs. If you want to order a new exterior sign or buy one from an existing franchisee, you must receive our prior written approval.~~

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

You must not directly or indirectly contest our rights to the Principal Trademarks or other Marks.

~~There are no currently ~~are no~~ effective material determinations of the USPTOUnited States Patent and Trademark Office, the Trademark Trial and AppealAppeals Board, the ~~trademark administrator~~Trademark Administration of any state, or any court, and relating to the Marks. There is no pending infringement, opposition, or cancellation ~~proceedings or~~. There is no pending material federal or state court litigation; involving the ~~principal~~Principal Trademarks or other Marks. ~~No agreement limits~~~~

There are no currently effective agreements that significantly limit our rightrights to use or license the Marksuse of the Principal Trademarks or other Marks in a manner material to the franchise.

~~We do not actually~~

~~As of the date of this Disclosure Document, we know of either no superior prior rights or infringing uses that could materially affect your use of our principal Marks in any state the Principal Trademarks.~~

~~The Development Rights Rider does not grant you the right to use the Marks. These rights arise only under Franchise Agreements you sign with us.~~

Item 14 **ITEM 14: PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION**

~~No~~

~~We hold no patents or and have no pending patent applications that are material to the franchise. We claim copyrights in our Confidential Start Up Materials and other manuals, printed materials, newsletters, software, video and audio media, and similar items used in operating Great Harvest Stores. We have not registered these copyrights no copyright with the United States Copyright Office but need not do so to protect them. You have the right to use these items only as we specify while operating your Bakery Cafe. However, we claim copyrights on our proprietary recipes, certain forms, advertisements, promotional materials, including social media content and photographs, and other written materials. We also claim copyrights and other proprietary rights in our Operations Manual and the contents of our website.~~

~~There currently are no effective current material determinations of the USPTO, or proceedings pending in, the United States Patent and Trademark Office, the U.S. Copyright Office, or any court regarding the copyrighted materials. No agreement limits our right to use or allow you to use the copyrighted materials. We do not actually know any of our copyrights discussed above.~~

~~There are no agreements currently in effect that limit your right to use any of our copyrights. As of the date of this Disclosure Document, we are unaware of any infringing uses of or superior previous rights to any of our copyrights that could materially affect your use of the copyrighted materials in any state. We need not protect or defend copyrights, although we reserve the right to do so if we believe it is in our System's best interests. You must them.~~

~~You must notify us of any copyright infringements of which you are aware. We have the right to control all proceedings involving copyrights. We need not participate in your defense of, or indemnify you for expenses incurred in, a copyright proceeding immediately when you learn about an infringement of or challenge to your use of our copyrights. We will take any action we think appropriate and, if you have given us timely notice and are in full compliance with the Franchise Agreement, we will indemnify you for all expenses and damages arising from any claim challenging your authorized use of our copyrights. We have the right to control any administrative proceedings or litigation involving our copyrights licensed by us to you. You must cooperate fully with us in defending and/or settling the litigation.~~

~~Our Confidential Start Up Materials and manuals, Opening Guidelines, and other materials contain our trade secrets and other confidential information, including all recipes and their measurements; all bread making processes, techniques, skills, temperatures, and timing; all baking forms and systems; all details of our bread-making theory or practice; oven systems; ingredient standards; wheat standards; ingredient supplier lists; wheat suppliers; equipment standards; special uses of equipment not commonly known outside our System; equipment supplier lists; all details of our unique breadboard theories and practices; breadboard training rules; all details of our unique bakery cafe management theories and practices; our training methods; all bakery cafe management forms and systems; build-out specifications; all details of location hunting theory or practice; location search kits; tracking lists; all details of our unique franchising theories and practices; all proprietary aspects of our sandwich and coffee programs; all proprietary newsletters; all audio/visual training tapes; all candidate information; and any other information or materials concerning the art of bread making. Any of your innovations will be available to all Great Harvest Insiders (described in Item 15) and become our property for the benefit of the System as a whole.~~

~~You and your owners may not use our trade secrets or confidential information in an unauthorized manner and must take reasonable steps to prevent their disclosure to unauthorized parties.~~

~~We have created an Intranet, which is a website for the exclusive use of our franchisees and other Signed Great Harvest Insiders. Use of this "Extranet" site is available to those signing an agreement concerning the~~

~~confidential information posted on the site and receiving a password. No one in your organization may access the site unless that person signs the appropriate Confidentiality Agreement.~~

~~The Development Rights Rider does not grant you rights to use any intellectual property. These rights arise only under Franchise Agreements you sign with us.~~

Item 15
**~~OBLIGATION TO PARTICIPATE IN THE
ACTUAL OPERATION OF THE FRANCHISE BUSINESS~~**

~~Your main Certified Manager must attend and successfully complete all required training programs. That may be you, one of your owners (if you are a legal entity), and/or a Certified Manager. We recommend (but do not require) your on-premises participation in operating the Bakery Cafe. We do not restrict your hiring decisions. However, anyone with access to our confidential information must sign a form of confidentiality and (for management-level employees) reasonable non-competition agreement we pre-approve to protect our confidential information and the competitiveness of Great Harvest bakery cafes. On-premises supervisors need not have an equity interest in you. You may not disclose our confidential information to anyone who is not a “Signed Great Harvest Insider.” Signed Great Harvest Insiders are any Great Harvest Store owner whose signature is on an effective Franchise Agreement or Guaranty Agreement, any of our employees, or any Great Harvest bakery cafe employee who has signed an approved form of confidentiality and (for management-level employees) non-competition agreement. Under no circumstances will we control the forms or terms of employment agreements you use with Bakery Cafe employees or otherwise be responsible for your labor relations.~~

~~If you are a legal entity, your owners must personally guarantee your obligations under the Franchise Agreement and agree personally to comply with the Agreement’s non-competition and confidentiality obligations. This “Guaranty Agreement” is Exhibit J. A spouse of any of your owners need not sign the Guaranty Agreement unless he or she also is an owner.~~

Item 16
~~RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL~~

~~You generally have freedom to make decisions about the goods and services you will offer, although Section C13 of the Franchise Agreement states that you cannot sell more than 3 bushels of Great Harvest wheat per month to the same customer. While we recommend the products we think you should carry, you need not follow our recommendations. You must immediately cease selling any non-bread food products displaying our Marks that we disapprove in writing. We never have disapproved products closely related to whole wheat and bread making and approve new preparation methods and ingredients if the finished product’s quality either improves or remains the same. There are no limits on our right to change the types of authorized products and services, but, again, you need not follow our recommendations.~~

If you develop any new concept, process, product, recipe, or improvement (“Improvement”) in the operation or promotion of the Franchised Business, you are required to promptly notify us and provide us with all requested information related to the Improvement and sign all documents necessary for us to obtain full proprietary rights to the Improvement. We have no obligation to compensate you for the Improvement or for any cost you incur to sign over your rights to the Improvement to us.

During the term of the Franchise Agreement, you may have access to and become acquainted with our trade secrets, including, but not limited to, recipes, methods, processes, customer lists, vendor partnerships and/or relationships, sales and technical information, financial information, costs, pricing formulae, equipment, technologies and procedures relating to the

operation of the Franchised Business; the Manual; methods of advertising and promotion; instructional materials; any other information which Franchisor may or may not specifically designate as "confidential" or "proprietary"; and the components of the System, whether or not such information is protected or protectable by patent, copyright, trade secret or other proprietary rights (collectively called the "Confidential Information"). You agree that you will take all reasonable measures to maintain the confidentiality of all Confidential Information in your possession or control and that all such Confidential Information and trade secrets shall remain our exclusive property. You may never during the Initial Term, any Successor Term, or after the Franchise Agreement expires or is terminated reveal any of our confidential information to another person or use it for any other person or business. You may not copy any of our Confidential Information or give it to a third party except as we authorize in writing to you prior to any dissemination. Any and all of your personnel who have access to our Confidential Information must sign our Confidentiality and Non-Compete Agreement (Franchise Agreement, Attachment 8).

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

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

We recommend, but do not require, that you personally direct the day-to-day operation of your Franchised Business. You may appoint a non-owner manager of your Franchised Business with our consent; however, you are ultimately responsible for ensuring that your Franchised Business complies with our standards, the Manual and the Franchise Agreement. Your manager must meet our qualifications and successfully complete our Initial Training Program and all other training courses we require. Your manager must devote full time to the job and cannot have an interest or business relationship with any of our competitors. Your manager is not required to have an equity interest in the franchisee entity.

Your manager and all other personnel who will have access to our proprietary and Confidential Information and training must sign our Confidentiality and Non-Compete Agreement, which is attached to our Franchise Agreement as Attachment 8. If your Franchised Business is owned by an entity, all owners of the entity must personally sign the Franchise Agreement as a Principal. If you are a married individual, your spouse must sign our Spouse Guaranty, which is attached to our Franchise Agreement as Attachment 6.

ITEM 16: RESTRICTION ON WHAT FRANCHISEE MAY SELL

You must offer and sell all core menu items that are part of the System, and all core menu items that we incorporate into the System in the future. You cannot offer any non-System menu item or service, unless you receive our prior consent.

You may only sell products and services to end-consumers at your Franchised Business premises; however, you may sell and maintain accounts with local distributors, such as farmers' markets, food cooperatives, and specialty retailers in your Territory, provided that you cannot have a wholesale or retail account with any restaurant, grocery store, convenience store, supermarket or other distributor or retailer that (A) is not located within your Territory, (B) distributes products or services outside of your Territory, (C) operates 3 or more outlets, whether such outlets are within or outside of your Territory, or (D) operates or has outlets either regionally or nationally.

You may not use our Principal Trademarks or other trademarks for any other business, and you may not conduct any other business from your Franchised Business premises. You cannot engage in any other business (other than an additional Great Harvest outlets) that competes with your Franchised Business, with us or our affiliates, or with Great Harvest outlets owned by other franchisees, whether such business is inside or outside of the Territory.

We may add to, delete from or modify the products and services that you can and must offer. You must abide by any additions, deletions and modifications. There are no limits on our rights to make these changes.

You may only sell products and services in the manner we prescribe. Your local advertising must target customers in your Territory, although the reach of your local advertising may extend beyond your Territory. You may engage in sales by delivery outside of your Territory, with our prior consent. You may also fulfill at your Franchised Business premises orders received through the Internet on our approved online ordering platform or through approved third-party delivery applications, and you may sell products by mail-order to end-customers in your Territory and for delivery only to addresses in your

Territory. You may sell and maintain wholesale accounts with local distributors, such as farmers' markets, food cooperatives, and specialty retailers in your Territory or in surrounding area that is not in the territory of another Great Harvest Bakery Café franchisee. However, if you have a wholesale account with a local distributor that is outside of your Territory, and we subsequently grant a Great Harvest Bakery Café franchise or open an affiliate-owned outlet in the area where that local distributor is located, you are required to end your wholesale account with that local distributor prior to the opening of the new franchise or affiliate-owned outlet.

Item 17 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 or other agreement<u>Franchise Agreement</u>	Summary
<u>a.</u>	a. _____ Length of the franchise term	C 20 of Franchise Agreement and 2 and 3 of Development Rights Rider <u>Art. 4</u>	Franchise Agreement: Term is 10 years Term of Development Rights Rider depends on development obligations.
<u>b.</u>	b. _____ Renewal or extension of the term <u>Term</u>	C 23 of Franchise Agreement <u>Art. 5</u>	Franchise Agreement: If you are in good standing as defined below, you may renew franchise for our then-current term (typically 10 years). No renewal or extension of Development Rights Rider-year term, unless we have determined, in our sole discretion, to withdraw from the geographical area where your Franchise is located.

Provision	Section in franchise or other agreement <u>Franchise Agreement</u>	Summary
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~~c.~~ ~~e.~~ Requirements for franchisee to renew or extend

~~C 23 of Franchise Agreement~~ Sections 5.1 and 5.2

~~You must not be in default under your Franchise Agreement and must sign then-current Franchise Agreement on or before renewal date; comply with our renewal process; sign general release (subject to state laws); and pay fee (if you need 90-day extension to complete renewal process).~~

~~Terms of the new Franchise Agreement you sign upon renewal may differ materially from any and all terms contained in your expiring Franchise Agreement, including continuing fee, marketing fee, and definition of Exclusive Franchise Territory. However, if you do not breach any of your obligations (including payment obligations) under your first Franchise Agreement during the 3 years before its scheduled expiration date, your continuing fee, marketing fee, and Exclusive Franchise Territory during the renewal term will be the same as during the original term.~~

~~Legacy Franchisees may extend or renew their existing franchise agreements (i.e., signed before January 2017) at their scheduled expiration dates (if the Legacy Franchisees otherwise are in compliance with the renewal conditions). They need not sign our then-current form of franchise agreement as a condition of renewal. Provide written notice to us before the end of the term; be in full compliance; have no more than 3 events of default during current term;~~

Provision	Section in franchise or other agreement <u>Franchise Agreement</u>	Summary
<u>d.</u> d. Termination by franchisee	FYP 13 of Franchise Agreement <u>Not Applicable</u>	Any time before you open your Bakery Cafe. You may seek termination upon any grounds available by state law.
<u>e.</u> e. Termination by franchisor without cause	FYP 13 of Franchise Agreement <u>Not Applicable</u>	Any time between Franchise Agreement's effective date and 30 days after completion of Bakery Cafe School. <u>Not Applicable</u>
<u>f.</u> f. Termination by franchisor with cause	C-24 of Franchise Agreement and 8 of Development Rights Rider <u>Article 17</u>	<p>Except as described in (e) above, we<u>e</u> may terminate only if you or your owners default.</p> <p>While termination of Development Rights Rider does not impact any then-effective franchise agreement, termination of a franchise agreement entitles us, subject to terminate the Development Rights Rider<u>state law. The Franchise Agreement describes defaults throughout. Please read it carefully.</u></p>

Provision	Section in franchise or other agreement <u>Franchise Agreement</u>	Summary
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<p>g. g. “Cause” defined as <u>curable</u> defaults</p>	<p>C 24 of Franchise Agreement <u>Section 17.3</u></p>	<p>You have 30 <u>35</u> days to cure health, safety, or sanitation law violations <u>non-payments</u> and 30 <u>35</u> days to cure monetary and operational <u>any other</u> defaults (other than those <u>except for non-curable defaults</u> listed in (h) below <u>(h) below</u>) and unsatisfied judgments.</p> <p>If we notify you in writing of a curable default and you do not give us written notice within 7 days of your intent to cure that default, or you ultimately fail to cure default within applicable cure period, or if we notify you in writing of a non-curable default, then even if you are not terminated, we and our affiliates have right (without liability) to consult with “Interested Parties” (defined as suppliers, landlords, leasing agents, property managers, creditors, and other parties with whom you, we, our affiliates, or other franchisees deal) about your account status with them and us and to advise those Interested Parties that you are in default under any agreement with us or our affiliates and details about your opportunity to cure, if applicable. Our good faith communications with Interested Parties to protect our business interests and our System’s goodwill in connection with a possible change in status of our franchise relationship with you (whether a termination or transfer) do not constitute tortious interference with contract or business relationships, and otherwise are not unlawful or inappropriate in any way. By</p>
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Provision	Section in franchise or other agreement <u>Franchise Agreement</u>	Summary
<p>h. h. “Cause” defined — <u>_</u> non-curable defaults</p>	<p>C 24 of Franchise Agreement and 8 of Development Rights Rider<u>Sections 17.1 and 17.2</u></p>	<p>Non-curable defaults include abandonment; surrender of Bakery Cafe; unapproved transfers; conviction of felony; conviction of crime (other than felony) or engaging in conduct adversely affecting our reputation and Marks; unauthorized use or disclosure of our confidential information; repeated defaults (even if cured); insolvency; assignment for benefit of creditors; failure to open Bakery Cafe within 15 months (or earlier date specified in Development Rights Rider); failure to cure defaults under third party agreements if that adversely affects our reputation and Marks; closure by government authorities; uncured default under your lease; opening additional location without our prior written permission; misrepresenting any material fact in writing; failure to pay continuing fees or other payments owed us; intentionally understating Gross Sales; or purchasing less than 100% of the wheat used in your Bakery Cafe from our approved suppliers. We may terminate Development Rights Rider if you do not meet development schedule or other obligations; if Franchise Agreement or another franchise agreement between us and you (or your approved affiliate) is terminated by us for cause or by you for any reason; or we have delivered notice of</p>

Provision	Section in <u>franchise or other agreement</u> <u>Franchise Agreement</u>	Summary
		<p>default to you (or your approved affiliate) under Franchise Agreement or another franchise agreement (whether or not default is cured). However, termination of Development Rights Rider does not impact any then-effective franchise agreement.</p> <p><u>The Franchise Agreement will terminate automatically, without notice for the following defaults: insolvency; bankruptcy; written admission of inability to pay debts; receivership; levy; composition with creditors; unsatisfied final judgment for more than 30 days; or foreclosure proceeding that is not disclosed within 30 days.</u></p> <p><u>We may terminate the Franchise Agreement upon notice to you if you: misrepresent or omit a material fact in applying for the Franchise; do not: acquire a site, complete construction, obtain permits and/or open the Franchised Business within required time frames; cease operations for 5 days or more, unless the premises are damaged and you apply to relocate; lose possession of the premises, unless you are not at fault for loss and you timely apply to relocate; fail to restore and re-open the Franchised Business within 120 days after a casualty, as may be extended by us; fail to comply with applicable laws; default under any lease for the premises; understate Gross Sales two (2) or more times; fail to comply with insurance and indemnification requirements; attempt a transfer in violation of the Franchise Agreement; fail, or your legal representative fails to transfer as required upon your death or permanent disability; are convicted or plead no contest to a felony or to a crime or do anything that could damage the goodwill or reputation of our trademarks or the System; receive an adverse judgment in any proceeding involving allegations of fraud, racketeering or improper trade practices or similar claim that could damage the goodwill or reputation of our trademarks or the System; conceal revenues, maintain false books, submit a false report, or circumvent the POS or other computer systems; create a threat or danger to public health or safety; refuse an inspection or audit by us; use our</u></p>

Provision	Section in franchise or other agreement <u>Franchise Agreement</u>	Summary
		<u>trademarks, copyrighted material or Confidential Information in an unauthorized manner; make an unauthorized disclosure of Confidential Information; fail to comply with non-competition covenants; default in the performance of your obligations three (3) or more times during the term or receive two (2) or more default notices in any 12-month period; have insufficient funds to honor a check or EFT two (2) or more times within any twelve (12)-month period; default under any other agreement with us or our affiliate; or terminate the Franchise Agreement without cause.</u>

Provision	Section in franchise or other agreement <u>Franchise Agreement</u>	Summary
<p>i. i. Franchisee's obligations on termination/ nonrenewal<u>non-renewal</u></p>	<p>C-25 of Franchise Agreement<u>Article 18</u></p>	<p>Obligations include complete de-identification (including detailed de-identification plan); paying all amounts due; satisfying gift card liability; selling us your inventory of items bearing our Marks or prepared according to our trade secret specifications (if we want to buy them); returning proprietary materials; discontinuing use of Great Harvest System and trade secrets; allowing us to inspect any business that sells bread; changing all references to us or our System in your telephone numbers and directory listings; complying with our domain name transfer procedures; and notifying us if you intend to sell any baked products within 2 years after termination or expiration of Franchise Agreement (also see (o) and (r) below). Upon termination, you must: cease operations; cease to identify yourself as a Great Harvest franchisee; cease to use the Marks; de-identify the premises; cancel any assumed name registration that contains any Mark; pay us and our affiliates all sums owing; pay us any damages, costs or expenses we incur because of your default or in obtaining any remedy for any violation of the Franchise Agreement by you, including, but not limited to attorney's fees; deliver to us all Confidential Information, the Operations Manual and all records and files related to your Franchised Business; comply with the non-disclosure and non-competition covenants; sell to us, at our option, all fixtures, equipment, and supplies of your Franchised Business; assign, at our option, your telephone numbers, directory and internet listings, and social media accounts and the lease for the location; and if applicable, pay us liquidated damages.</p>

Provision	Section in franchise or other agreement Franchise Agreement	Summary
j. Assignment of contract by franchisor	Not Applicable Section 16.1.1	No provision <u>restrictions</u> on our right to assign.
k. “Transfer” by franchisee defined	C 22 of Franchise Agreement Section 16.3	Includes Any assignment, sale, transfer, gift, devise or encumbrance of any interest in the Franchise Agreement or Bakery Cafe’s, the Franchised Business, any assets and ownership change of the Franchised Business, or in the Franchisee (if the Franchisee is a business entity).
l. Franchisor approval of transfer by franchisee	C 22 of Franchise Agreement, 9 of Development Rights Rider, and Transfer Amendment to Franchise Agreement Section 16.3	Franchise Agreement: We first must approve all transfers but No transfer is allowed without our <u>consent</u> , which we will not unreasonably withhold approval. Your development rights under the Development Rights Rider are not assignable at all.
m. Conditions for franchisor approval of a transfer	C 22 of Franchise Agreement and Transfer Amendment to Franchise Agreement Sections 16.3 and 16.4	You are in full compliance with your obligations to us and others; your Bakery Cafe is open; new franchisee qualifies; defaults cured; transfer fee paid; application process and training completed; you pay us all amounts due; you send us all required reports; all our confidential information returned to us; transferee signs our then current franchise agreement, any and all provisions of which may differ materially from any and all those contained in your Franchise Agreement (except that continuing fee, marketing and technology fee, and Exclusive Franchise Territory definition will remain same as in your Franchise Agreement and term of new franchise agreement will equal your Franchise Agreement’s unexpired term); we approve your then current signage (or

Provision	Section in franchise or other agreement <u>Franchise Agreement</u>	Summary
		<p>else buyer will need to make changes); transferee fully assumes liabilities for gift cards, gift certificates, and other customer offers; you agree to disclose to transferee any domain names you maintain; guarantees signed; transferee does not compete with us; and you sign release (if state law allows) (also see (r) below).</p> <p>Legacy Franchisees selling their existing bread companies covered by franchise agreements signed before January 2017 have the right to assign their existing franchise agreements to the buyers of their business assets (if the transaction satisfies the franchise agreement's transfer conditions). The buyer of that Legacy Franchisee's bread company need not sign our then-current form of franchise agreement as a condition of transfer. Conditions include: our decision not to exercise our right of first refusal; transferee meets our then-current standards for qualifying franchisees; transferee signs our then-current form of Franchise Agreement, which may have materially different terms from your Franchise Agreement; transferee successfully completes our Initial Training Program; transferee agrees to update premises and equipment to then-current specifications; you have paid us and third-party creditors all amounts owed; you and the transferee sign a General Release; you shall subordinate any claims you have against the transferee to us; you will indemnify us for misrepresentations in the transfer process (excluding our representations in the FDD); our approval of the material terms and conditions of the transfer; obtain landlord's consent to transfer the premises lease, if applicable;</p>

Provision	Section in franchise or other agreement <u>Franchise Agreement</u>	Summary	
<p>n. Franchisor's right of first refusal to acquire franchisee's business</p>	<p>C-22 of Franchise Agreement and Transfer Amendment to Franchise Agreement<u>Section 16.6</u></p>	<p>and payment of a transfer fee. <u>We may match any offer for your Bakery Cafe (including its physical structure) or ownership interest in you or entity that controls you. You must promptly notify us of any written offer to purchase your Franchise. We have 30 days to exercise our first right to buy it on the same terms and conditions, provided that (a) we may substitute cash for any other consideration (b) we may pay the entire purchase price at closing, (c) our credit is deemed as good as the proposed purchaser, (d) we have at least 60 days to close and (e) you shall give us all customary seller's representations and warranties.</u></p>	
<p>o. Franchisor's option to purchase franchisee's business</p>	<p>C-25 of Franchise Agreement and Transfer Amendment to Franchise Agreement<u>Section 18.2</u></p>	<p>We may buy Bakery Cafe's assets (including its physical structure) at fair market value and take over site after Franchise Agreement is terminated or expires (without renewal).<u>Upon termination of the Franchise Agreement, we have the option to purchase any or all of your equipment, signs, advertising materials, and supplies at your cost or fair market value, whichever is less.</u></p>	
<p>p. Death or disability of franchisee</p>	<p>Sections 16.3, 16.4 and 16.7</p>	<p>C-22 of Franchise Agreement<u>The executor of your estate or other personal representative must transfer the Franchise within 6 months to a replacement franchisee that we approve.</u></p>	<p>Transfer of Bakery Cafe to approved party within reasonable time (which may include qualified heirs and beneficiaries).</p>

Provision	Section in franchise or other agreement <u>Franchise Agreement</u>	Summary
<p>g. g. Non-competition covenants during the term of the franchise</p>	<p>C 17 of Franchise Agreement<u>Section 19.5.1</u></p>	<p>No direct or indirect ownership interest in, or performing services for, any business that competes (as defined in Franchise Agreement) with Great Harvest Stores (i) within your Exclusive Franchise Territory or a 5-mile radius of the outer boundary of your Exclusive Franchise Territory (if your Bakery Cafe is not open), (ii) at or within 10 miles of your Bakery Cafe (if your Bakery Cafe is open), or (iii) within 10 miles of another Great Harvest Store open as of the Franchise Agreement's effective date. You may not: divert, or attempt to divert, customers of any Great Harvest Bakery Cafe outlet (including yours) to any competitor; participate in any capacity, including, but not limited to as an owner, partner, officer, director, employee or agent, in any competitive business; do any act that could damage the goodwill of the Marks or System, or disrupt or jeopardize our business or that of our franchisees.</p>

Provision	Section in franchise or other agreement <u>Franchise Agreement</u>	Summary
<p>f. Non-competition covenants after the franchise is terminated or expires</p>	<p>C 18 and C 25 of Franchise Agreement<u>Section 19.5.2</u></p>	<p>Same as (g) above for 2 years (including after assignment); you must pay liquidated damages equal to maximum Continuing Fee due under your Franchise Agreement during period you violate these non-competition provisions; we may inspect your business during this time period (if it sells bread products) to make sure you are complying with obligations.<u>For 24 months after the termination of the Franchise Agreement, you may not: divert, or attempt to divert, customers of any Great Harvest business (including yours) to any competitor; participate in any capacity, including, but not limited to as an owner, partner, officer, director, employee or agent, in any other capacity in any competitive business within 10 miles of your former Great Harvest Territory or any other Great Harvest outlet location; do any act that could damage the goodwill of the Marks or System, or disrupt or jeopardize our business or that of our franchisees.</u></p>
<p>s. Modification of the agreement</p>	<p>C 30<u>Sections 9.4, 14.6 19.1.4 and C 33 of Franchise Agreement</u><u>21.12</u></p>	<p>No oral modifications generally, but we may change start-up materials, operations manual, internal policies,<u>the Operations Manual and System standards, specifications, and procedures</u> at any time. You may be required to implement these changes at your own costs. We have the right to modify our Marks at any time upon written notice to you.</p>
<p>t. Integration/merger clause</p>	<p>C 33 of Franchise Agreement<u>Section 21.12</u></p>	<p>Only <u>the terms of the Franchise Agreement terms and other related written agreements</u> are binding (subject to <u>applicable</u> state law). Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable. <u>Notwithstanding the foregoing, nothing in any Franchise Agreement is intended to disclaim the express representations made in this Franchise Disclosure Document.</u></p>

	Provision	Section in franchise or other agreement <u>Franchise Agreement</u>	Summary
<u>u.</u>	u. Dispute resolution by arbitration or mediation	C 32 of Franchise Agreement <u>Sections 20.1, 20.2 and 20.3</u>	Franchise Agreement anticipates that parties arbitrate all disputes (in your home state or city if possible). At our option, claims that are not resolved internally may be submitted to non-binding mediation at our headquarters, and then to binding arbitration, excluding claims related to injunctive relief, antitrust, the trademarks, possession of the Franchised Business premises and post-termination obligations. Subject to state law.
<u>v.</u>	v. Choice of forum	C 30 and C 32 of Franchise Agreement <u>Section 20.5</u>	Subject to arbitration obligation (which generally will occur in your state), litigation must be Litigation takes place in Montana (, subject to applicable state franchise laws); law.
<u>w.</u>	w. Choice of law	C 30 of Franchise Agreement <u>Section 20.5</u>	Montana law applies except for federal law and your state's non-competition laws (, subject to applicable state franchise law);.

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

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

	Provision	Section in Multi-Unit Development Agreement	Summary
<u>a.</u>	<u>Length of the franchise term</u>	<u>Art. 3</u>	<u>As determined by you and us based on the number of Great Harvest Bakery Cafe outlet outlets you are to develop.</u>
<u>b.</u>	<u>Renewal or extension of the Term</u>	<u>Not Applicable</u>	<u>Not Applicable</u>
<u>c.</u>	<u>Requirements for franchisee to renew or extend</u>	<u>Not Applicable</u>	<u>Not Applicable</u>
<u>d.</u>	<u>Termination by franchisee</u>	<u>Not Applicable</u>	<u>You may seek termination upon any grounds available by state law.</u>
<u>e.</u>	<u>Termination by franchisor without cause</u>	<u>Not Applicable</u>	<u>Not Applicable</u>
<u>f.</u>	<u>Termination by franchisor with cause</u>	<u>Article 7</u>	<u>We may terminate only if you default. The Multi-Unit Development Agreement describes defaults throughout. Please read it carefully.</u>

	<u>Provision</u>	<u>Section in Multi-Unit Development Agreement</u>	<u>Summary</u>
<u>g.</u>	<u>“Cause” defined – curable defaults</u>	<u>Section 7.3</u>	<u>You have 5 days to cure non-payments and any other defaults (except for non-curable defaults listed in the Multi-Unit Development Agreement and described in h. immediately below).</u>
<u>h.</u>	<u>“Cause” defined - non-curable defaults</u>	<u>Sections 7.1 and 7.2</u>	<u>The Multi-Unit Development Agreement will terminate automatically, without notice for the following defaults: insolvency; bankruptcy; written admission of inability to pay debts; receivership; levy; composition with creditors; unsatisfied final judgment for more than 30 days; or foreclosure proceeding that is not dismissed within 30 days. We may terminate the Multi-Unit Development Agreement upon notice to you if you: misrepresent or omit a material fact in applying for the Development Rights; falsify any report to us; fail to comply with any federal, state or local law, rule or regulation, applicable to the development and operations of your Great Harvest Bakery Cafe outlets; fail to develop Great Harvest Bakery Cafe outlets in accordance with the Mandatory Development Schedule; attempt a transfer in violation of the Multi-Unit Development Agreement; are convicted or plead no contest to a felony or to crime or do anything that could damage the goodwill or reputation of our trademarks or the System; receive an adverse judgment in any proceeding involving allegations of fraud, racketeering or improper trade practices or similar claim that could damage the goodwill or reputation of our trademarks or the System; fail to comply with non-disclosure and non-competition covenants; default, or your affiliate defaults, under any other agreement, including any Franchise Agreement, with us or any of our affiliates or suppliers and does not cure such default within the time period provided in such other agreement; or terminate the Multi-Unit Development Agreement without cause.</u>
<u>i.</u>	<u>Franchisee’s obligations on termination/ non-renewal</u>	<u>Section 7.4</u>	<u>Upon termination, you must: cease all development operations and comply with the non-disclosure and non-competition covenants.</u>
<u>j.</u>	<u>Assignment of contract by franchisor</u>	<u>Section 6.1</u>	<u>No restrictions on our right to assign.</u>
<u>k.</u>	<u>“Transfer” by franchisee defined</u>	<u>Section 6.2</u>	<u>Any assignment, sale, transfer, gift, devise or encumbrance of any interest in the Multi-Unit Development Agreement or Development Rights.</u>
<u>l.</u>	<u>Franchisor approval of transfer by franchisee</u>	<u>Sections 6.2</u>	<u>Not Applicable</u>
<u>m.</u>	<u>Conditions for franchisor approval of a transfer</u>	<u>Not Applicable</u>	<u>Not Applicable</u>
<u>n.</u>	<u>Franchisor’s right of first refusal to acquire franchisee’s business</u>	<u>Not Applicable</u>	<u>Not Applicable</u>
<u>o.</u>	<u>Franchisor’s option to purchase franchisee’s business</u>	<u>Not Applicable</u>	<u>Not Applicable</u>
<u>p.</u>	<u>Death or disability of franchisee</u>	<u>Section 6.2</u>	<u>Agreement terminates upon your death or permanent disability.</u>

	<u>Provision</u>	<u>Section in Multi-Unit Development Agreement</u>	<u>Summary</u>
q.	<u>Non-competition covenants during the term of the franchise</u>	<u>Section 8.3.1</u>	<u>You may not: divert, or attempt to divert, customers of any Great Harvest outlet (including yours) to any competitor; participate in any capacity, including, but not limited to as an owner, partner, officer, director, employee or agent, in any other capacity in any competitive business; do any act that could damage the goodwill of the Marks or System, or disrupt or jeopardize our business or that of our franchisees.</u>
r.	<u>Non-competition covenants after the franchise is terminated or expires</u>	<u>Section 8.3.2</u>	<u>For 24 months after the termination of the Franchise Agreement, you may not: divert, or attempt to divert, customers of any Great Harvest business (including yours) to any competitor; participate in any capacity, including, but not limited to as an owner, partner, officer, director, employee or agent, in any other capacity in any competitive business within 10 miles of your Development Area on or any other Great Harvest outlet location; do any act that could damage the goodwill of the Marks or System, or disrupt or jeopardize our business or that of our franchisees.</u>
s.	<u>Modification of the agreement</u>	<u>Section 11.12</u>	<u>No oral modifications. No amendment of the provisions will be binding upon either party unless the amendment has been made in writing and executed by all interested parties.</u>
t.	<u>Integration/merger clause</u>	<u>Section 11.12</u>	<u>Only the terms of the Multi-Unit Development Agreement and other related written agreements are binding (subject to applicable state law.) Any representations or promises outside of Multi-Unit Development Agreement may not be enforceable. Notwithstanding the foregoing, nothing in the Multi-Unit Development Agreement is intended to disclaim the express representations made in this Franchise Disclosure Document.</u>
u.	<u>Dispute resolution by arbitration or mediation</u>	<u>Sections 10.1, 10.2, 10.3, and 10.4</u>	<u>At our option, claims that are not resolved internally may be submitted to non-binding mediation at our headquarters, and then to binding arbitration, excluding claims related to injunctive relief, anti-trust, the trademarks, possession of the Franchised Business premises and post-termination obligations. Subject to state law.</u>
v.	<u>Choice of forum</u>	<u>Section 10.5</u>	<u>Litigation takes place in Montana, subject to applicable state law.</u>
w.	<u>Choice of law</u>	<u>Section 10.5</u>	<u>Montana, subject to applicable state law.</u>

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

Item 18 **ITEM 18: PUBLIC FIGURES**

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

Item 19 **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~~Franchise 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 average and median historical sales numbers appearing in Charts 1 and 2 below are “gross numbers” and do not reflect costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should independently investigate the costs and expenses you will incur in operating your Bakery Cafe. Franchisees or former franchisees, listed in the disclosure document, may be one source of this information.~~

~~Chart 3, however, does describe average and median costs for certain new concept bakery cafes and hub-and-spoke combinations operated by franchisees during the calendar year ended December 31, 2023.~~

~~The bakery cafes described below are substantially similar to the bakery cafe franchises we now offer in all states. All of these franchised bakery cafes are owner-managed and receive substantially the same services. We obtained all following representation is a historic financial information from unaudited reports submitted by the franchised bakery cafes.~~

~~performance representation about our existing Great Harvest Bakery Cafe outlets that were in operation in calendar year 2024. As described in Item 1 of this disclosure document, there historically have been 6 principal types of Great Harvest Stores: (1) a traditional Disclosure Document, we no longer offer Great Harvest bread company baking bread and other products for retail sale; (2) a traditional Great Harvest bread company that has added sandwiches to its menu franchises with limited menu items and/or limited seating but without 2 customer restrooms; (3) a single-site, bread-baking Great Harvest “bakery cafe” with some seating and a menu that includes sandwiches; (4) a multi-unit operation where 2 or more locations described in (3) above owned by the same franchisee work together, with one location baking bread and then supplying it to the other locations; (5) a “new concept” Great Harvest bakery cafe distinguished by permanent seating for 35 or more people, 2 customer restrooms, and a menu that includes breakfast sandwiches, cold and hot sandwiches, baked goods, salads, and coffee; and (6) a “new concept hub-and-spoke” with the primary “hub” location baking bread and other products to supply the “spoke” locations with the baked goods that supplement the cafe products made in the spoke(s), and at least one of the Great Harvest bakery cafes meets the “new concept” definition outlined in (5). We currently offer franchises only for Great Harvest bakery cafes operating as single-site, new concept bread-baking bakery cafes (described in (5) above) or, if the franchisee intends to have a “hub-and-spoke”, although many of these outlets remaining in operation (described in (6) above), Great Harvest bakery cafes that are bread-baking (“hub”) locations and non-bread-baking (“spoke”) locations. Depending on local market conditions, however, Since 2017, we may offer have only offered franchises for “new concept” bakery cafes even if they cannot have 35 permanent seats or all the standard features of the “new concept” bakery cafe.~~

~~The bakery cafes whose results are displayed in Chart 1 represent the new format bakery cafes that were open during all of the 2023 calendar year. There are 46 total bakery cafes represented in this chart (see footnote 1).~~

~~Chart 1 below shows the average and median annual Gross Sales for the 12 months ended December 31, 2023, for the to operate a Great Harvest bakery cafes falling into the following categories (left to right): (A) a single-site, new concept bakery cafe described in (5) above; and (B) a new concept hub and spoke described in (6) above. “Gross Sales” means the sales of all products, goods, services, and wares, whether for cash or on a charge, credit, or time basis, in connection with your Bakery Cafe’s operation, as well as revenue derived from selling products and services to customers who use gift cards for payment. Gross Sales do not include occasional sales of used equipment or supplies sold at less than their original cost in the normal course of maintaining the Bakery Cafe, the sale of the Bakery Cafe business itself, interest on cash deposits, applicable sales taxes collected by you and due to your state/locality, tips due to employees, sale discounts, comps, voids, or any revenue you derive from selling or issuing Great Harvest® gift cards which has an extensive menu and seating.~~

~~Column (A) includes 32 single-site, new concept bakery cafes. Column (B) includes 7 sets of new concept hub-and-spoke bakery cafes (a total of 14 bakery cafes). The 32 single-site, new concept bakery cafes do not include any new concept bakery cafes that are part of a hub-and-spoke combination. Similarly, Column (B) showing hub-and-spoke combinations does not include any of the 32 single-site, new concept bakery cafes.~~

CHART 1

*Great Harvest Bread Cos.
Average and Median Sales by Category of Bakery Cafe*

We had 55 Great Harvest Bakery Cafe franchised outlets and no company-owned outlets in the Great Harvest franchise system at the close of our most recent fiscal year. As of December 31, 2024, we had 49 Great Harvest Bakery Cafe outlets in the Great Harvest System that operated for the full 2024 calendar year. Of these, 7 outlets are a Hub that bakes bread for a non-bread baking Spoke outlet, and there are 7 corresponding Spoke outlets. We have not included the financial performance of the remaining 6 Great Harvest Bakery Café franchised outlets for the following reasons: 2 new outlets opened during 2024 and did not operate for the full calendar year, 1 outlet that our affiliate had ceased operating was acquired by a franchisee during 2024 and did not operate for the full calendar year, and 3 outlets are at non-traditional venues with limited customer access and days/hours of operation.

Chart 1¹
Gross Sales² - All Bakery Cafes
January 1 – December 31, 2024

For the Twelve Months Ended December 31, 2023

	<u>(A)</u>	<u>(B)</u>
	<u>Single Site Bakery Cafe (New Concept) Operation</u>	<u>Hub and Spoke (New Concept) Operation</u>
<u>Number of Outlets</u>	<u>35</u>	<u>7 sets (14 total)</u>
<u>Average Annual Gross Sales</u>	<u>\$907,502 948,105</u>	<u>\$ 1,692,321 761,286</u>
<u>Outlets Exceeding Average</u>	<u>13 or 38%</u>	<u>4 sets (8 total) or 57%</u>
<u>Median Annual Gross Sales</u>	<u>\$861,185 823,366</u>	<u>\$ 1,652,286 582,815</u>
<u>Lowest Gross Sales</u>	<u>\$ 234,253</u>	<u>\$ 1,141,033</u>
<u>No. of Bakery Cafe Locations</u>	<u>32</u>	<u>7 sets (14 total)</u>
<u>See Footnote 2 Highest Gross Sales</u>	<u>\$ 2,903,260</u>	<u>\$ 2,586,501</u>

~~Chart 2 below shows the average and median annual Gross Sales for the 12 months ended December 31, 2023, only for the Great Harvest bakery cafes that we consider to be new concept hub and spoke bakery cafe combinations (described in (6) at the beginning of this Item), separated into the following 2 categories of bakery cafes: (A) all bread-baking (hub) new concept locations that have 1 related non-bread-baking (spoke) location (although the results of the spoke locations are not included in Column (A)); and (B) all non-bread-baking (spoke) new concept locations by themselves (the results of the related hub locations are not included in Column (B)).~~

CHART 2

*Great Harvest Bread Cos.
New Concept Hub and Spoke Bakery Cafe Locations*

Chart 2¹
Gross Sales² - Hub Cafes and Spoke Cafes
January 1 – December 31, 2024

For the Twelve Months Ended December 31, 2023

	<u>(A)</u>	<u>(B)</u>
	<u>All Hubs (New Concept)</u>	<u>All Spokes (New Concept)</u>
<u>Number of Outlets</u>	<u>7</u>	<u>7</u>
<u>Average Annual Gross Sales</u>	<u>\$ 1,144,419-224,945</u>	<u>\$547,902-536,342</u>
<u>Outlets Exceeding Average</u>	<u>3 or 43%</u>	<u>3 or 43%</u>
<u>Median Annual Gross Sales</u>	<u>\$ 1,097,423-089,815</u>	<u>\$471,451-492,461</u>
<u>Lowest Gross Sales</u>	<u>\$ 637,407</u>	<u>\$ 259,055</u>
<u>No. of Bakery-Cafe Locations Included Highest Gross Sales</u>	<u>7\$ 1,743,400</u>	<u>7\$ 978,499</u>

See Footnote 3

Chart 3 represents the operating results from reporting new concept bakery cafes, by category, that submitted their income statements for the 2023 calendar year.

CHART 3

Great Harvest **Chart 3¹**
Income and Expense - Reporting Bakery Cafes Cafes³
Average and Median Operating Results January 1 – December 31, 2023⁴

	Column A: Average for Bakery Cafes with single locations (19 reporting Bakery Cafes— See footnote 4) Single Site Operation	Column B: Average for New Concept Hub and Spoke Bakery Cafes (7 Reporting Bakery Cafes with 14 locations— See footnote 4)
<u>Fiscal Year</u> — <u>Percent of 2023</u> — <u>Average</u> <u>Average Gross Sales</u> <u>Number of Reporting Outlets</u>	<u>Fiscal Year</u> — <u>Percent of 2023</u> — <u>Average</u> <u>Average Gross Sales</u> <u>Number of Reporting Outlets</u>	<u>Fiscal Year</u> — <u>Percent of 2023</u> — <u>Average</u> <u>Average Gross Sales</u> <u>Number of Reporting Outlets</u>
	<u>Average</u>	<u>Average</u>
	<u>% of Gross Sales</u> (Highest 2023 sales for a Bakery Cafe in Column A and a Hub-and-Spoke combination in Column B)	<u>% of Gross Sales</u>
	<u>\$1,156,841</u> <u>Median:</u> <u>\$964,230</u>	<u>\$1,704,035</u> <u>Median:</u> <u>\$1,656,448</u>

			<p>were \$2,625,367 and \$2,586,501, respectively. The lowest 2023 sales for those in Column A and Column B were \$407,566 and \$1,140,753, respectively.)</p>		
<p>Operating Expenses, before bread company owners' pay, depreciation, amortization, interest, and taxes: <u>Income</u></p>					
<p>Variable costs (consists of labor before owner pay, ingredients and supplies, promotions supported services, credit card fees, and royalty to franchisor, ranging from 1.5% to 7% of Gross Sales) <u>Gross Sales</u>⁵</p>	<p>\$824,597 — 69.71% Median: \$675,129 — 66.64%</p>	<p>\$ 1,191,926 Median: \$1,175,696 184,488</p>	<p><u>100.0</u></p>	<p><u>\$ 964,230</u></p>	<p><u>100.0</u></p>
<p>Fixed Costs (consists of rent, utilities, repair and maintenance, insurance, legal/accounting, auto, local tax and licenses and other operating costs) <u>Expense</u></p>	<p>\$136,526 — 12.24% Median:</p>	<p>\$249,808 15.05% Median: \$259,852</p>	<p>\$125,031 11.61%</p>		
<p>Total operating expenses (excludes bread company owners' pay, depreciation, amortization, interest, and taxes) <u>Variable Costs</u>⁶</p>	<p>\$961,124 Median: \$824,538 \$ 822,645</p>	<p>\$1,441,734 Median: \$1,447,879</p>	<p><u>\$ 675,129</u></p>	<p><u>70.02</u></p>	<p><u>85.23%</u></p>

		<u>69.45</u>		
Net operating income before bread company owners' pay, depreciation, amortization, interest, and taxes	\$221,351	\$262,301	\$ 125,031	<u>12.97</u>
<u>Fixed Costs</u> ⁷	Median: \$223,767	Median: \$191,314		
	21.29%	2		
	\$			
	<u>133,532</u>	<u>14,775</u>		
		<u>%11.2</u>		
		<u>7</u>		

See Footnotes 5 and 6

Item 19 Footnotes

	<u>Hub and Spoke Operation</u>			
<u>Number of Reporting Outlets</u>	7 sets (14 total)			
	<u>Average</u>	<u>% of Gross Sales</u>	<u>Median</u>	<u>% of Gross Sales</u>
<u>Income</u>				
Gross Sales ⁸	\$ 1,764,680	100.0	\$ 1,783,463	100.0
<u>Expense</u>				
Variable Costs ⁶	\$ 1,191,926	67.54	\$ 1,175,696	65.92
Fixed Costs ⁷	\$ 249,808	14.16	\$ 259,852	14.57

Notes:

¹ The information contained in this Chart 1 excludes (has not been audited).

² Gross Sales means the revenue from sales of all products, goods, services, and wares, whether for cash or on a) 4 bakery cafes that were open in 2022 but closed permanently charge, credit, or time basis, less applicable sales taxes, employee tips, sale discounts, comps, voids, or any revenue derived from selling or issuing Great Harvest gift cards.

³ The figures in this Chart are based on only those Bakery Cafe franchised outlets that submitted their income statements to us for calendar year 2023, and (b) 3 bakery cafes that opened.

⁴ This Disclosure Document is issued prior to the date our franchisees are required to submit to us income statements for calendar year 2024.

1) ⁵ For Single Site operations, the lowest performing outlet had \$407,966 in Gross Sales in 2023 and therefore were not open for the full year.

2) The bakery cafes whose annual highest performing outlet had \$2,625,367 in Gross Sales for the year ended December 31, in 2023, are represented in Chart 1 were open and operating for the full 12 month period ended December 31, 2023, and reported their sales to us.

Of the 32 bakery cafes noted in Column (A) of Chart 1, all were 19 reporting single-site, new concept bread-baking locations without any related non-bread-baking (spoke) bakery cafe locations. Of this total 32, 14 (or 44%) outlets, (i) 7 or 37% exceeded the annual average Gross Sales of \$907,502, (ii) 7 or 37% exceeded the average Variable Costs, and (iii) 6 or 32% exceeded the average Fixed Costs.

~~Of the 7 sets of new concept hub and spoke bakery cafes noted in Column (B) of Chart 1, 3 sets (or 43%) exceeded the annual average Gross Sales of \$1,692,321. The median Gross Sales for the 12-month period ended December 31, 2023, represent the sales volume where 50% of the bakery cafes have higher Gross Sales.⁶ Variable Costs means costs of goods sold, labor costs (not including the franchise owner's compensation), advertising costs, and royalties.~~

~~⁷ Fixed Costs means rent, repairs, insurance, legal, vehicle costs, and other operating costs.~~

~~⁸ For Hub and 50% of the bakery cafes have lower Gross Sales for the year.~~

~~Of the 32 bakery cafes noted Spoke operations, the lowest performing set had \$1,404,435 in Column (A) of Chart 1, the highest sales volume was \$2,633,768, Gross Sales in 2023 and the lowest sales volume was \$189,102. Of the 7 sets of new concept hub and spoke bakery cafes noted in Column (B) of Chart 1, the highest sales volume was \$2,583,285 and the lowest sales volume was \$1,140,739.~~

~~3) The bakery cafes whose annual Gross Sales for the year ended December 31, 2023, are represented performing set had \$2,459,222 in Chart 2 were open and operating for the full 12-month period ended December 31, 2023 and reported their sales to us.~~

~~All of the hub bakery cafes noted in Chart 2 were paired with a spoke bakery cafe for which they supplied bread. All of the spoke operations noted in Chart 2 received bread from the hub bakery.~~

~~Column (A) discloses the average Gross Sales of the 7 new concept hub locations but excludes the Gross Sales of their related 1 non-bread-baking (spoke) locations. Of this total of 7 hub locations, 3 (or 43%) exceeded the annual in 2023. Of the 7 reporting sets, (i) 4 or 57% exceeded the average Gross Sales of hub locations of \$1,144,419.~~

~~Column (B) discloses the average Gross Sales of the 7 spoke locations but excludes the Gross Sales of their related bread-baking (hub) locations. Of this total of 7 spoke locations, 3 (or 43%) exceeded the annual average Gross Sales of spoke locations of \$547,902.~~

~~The median Gross Sales for the 12-month period ended December 31, 2023, represent the sales volume where 50% of the bakery cafes have higher Gross Sales and 50% of the bakery cafes have lower Gross Sales for the year.~~

~~Of the 7 new concept hub locations noted in Column (A) of Chart 2, the highest sales volume was \$1,573,778, and the lowest sales volume was \$634,062. Of the 7 new concept spoke locations noted in Column (B) of Chart 2, the highest sales volume was \$1,009,507, and the lowest sales volume was \$266,746.~~

~~4) Numbers presented in Chart 3 have not been adjusted to conform to the accounting practices that each bakery cafe uses.~~

~~In 2023, there were 19 single site, new concept bakery cafe bread-baking locations without any related non-bread-baking (spoke) locations that submitted the necessary reports to us in order for us to present the information in Chart 3. Of these 19 single-site locations, (i) 7, or 37%, (ii) 2 or 28% exceeded the average sales volume of \$1,156,841, (iii) 6, or 31%, Variable Costs, and (iii) 4 or 57% exceeded the average variable costs of \$824,597, (iii) 5, or 26%, exceeded the average fixed costs of \$136,526, (iv) 6, or 26%, exceeded the average total operating expenses of \$961,124, (v) 11, or 58%, exceeded the average net operating income (profitability in dollars) of \$221,351, and (vi) 11, or 53%, exceeded the average net operating income (profitability as a percentage of sales) of 18.04%. Fixed Costs.~~

~~In 2023, there were 14 new concept bakery cafes consisting of 7 sets of 1 bread-baking (hub) location each with 1 non-bread-baking (spoke) location that submitted the necessary reports to us in order for us to present the information in Chart 3. Of these 7 sets, (i) 3, or 40% exceeded the average sales volume of the 7 sets of \$1,704,035, (ii) 2, or 43%,~~

~~exceeded the average variable costs of the 7 sets of \$1,191,926, (iii) 4, or 57%, exceeded the average fixed costs of the 7 sets of \$249,808, (iv) , or 43%, exceeded the average total operating expenses of the 7 sets of \$1,441,734, (v) 3, or 43%, exceeded the average net operating income (profitability in dollars) of \$262,301, and (vi) 4, or 57%, exceeded the average net operating income (profitability as a percentage of sales) of 15.11%.~~

~~5) In Chart 3, numbers presented in the hub and spoke column include 1 pair (2 locations) where the owner paid the managers a significant six figure salary so they could work less and 1 pair (2 locations) where the owner maintained separate full time jobs.~~

~~6) As of December 31, 2023, there were 31 single site, new concept bakery cafes. Six were excluded from Chart 3 because they had not been open and operating for a full year as of December 31, 2023. An additional 5 bakery cafes were excluded from Chart 3 because they failed to submit the necessary reports to us in order for us to present the information in Chart 3. One bakery café remodeled into a bread store and is no longer to be included here.~~

~~Written substantiation of the data used in preparing these figures will be made available to you upon reasonable request.~~

~~Some **Great Harvest bakery cafes** outlets have sole earned this amount. Your individual results may differ. There is no assurance that you'll sell as much.~~

~~Written substantiation for this financial performance representation will be made available to you upon reasonable request.~~

~~Other than the preceding financial performance representation, we do not make any representations about a franchisee's future financial performance or the past financial performance representations of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Christine Koch, ~~Great Harvest Franchising, LLC~~, at 28 South Montana Street, Dillon, Montana, 59725, ~~(or 800)~~ 442-0424, the Federal Trade Commission, and the appropriate state regulatory agencies.~~

Item 20 ITEM 20: OUTLETS AND FRANCHISEE INFORMATION

~~All year-end numbers appearing in the tables below are as of December 31 in each year. The first 5 tables reflect system-wide information covering all Great Harvest Stores, regardless of type. The second set of 5 tables only covers Great Harvest bakery cafes that we consider to be a new concept bakery cafe (whether a single-site location or part of a hub and spoke combination).~~

~~Table No. 1~~

Systemwide

Tables 1a – 5a are a summary of all outlets, including bakery cafes, in the Great Harvest franchise System.

Tables 1b – 5b are a summary of Great Harvest Bakery Cafe outlets only.

Table No. 1a

System-wide Outlet Summary
For ~~years 2021~~ Years 2022 to ~~2023~~2024

<u>Outlet Type</u>	<u>Year</u>	<u>Outlets at the Start of the Year</u>	<u>Outlets at the End of the Year</u>	<u>Net Change</u>
<u>Franchised</u>	<u>2022</u>	<u>175</u>	<u>169</u>	<u>-6</u>
	<u>2023</u>	<u>169</u>	<u>160</u>	<u>-9</u>
	<u>2024</u>	<u>160</u>	<u>159</u>	<u>-1</u>
<u>Company – Owned</u>	<u>2022</u>	<u>1</u>	<u>1</u>	<u>0</u>
	<u>2023</u>	<u>1</u>	<u>1</u>	<u>0</u>
	<u>2024</u>	<u>1</u>	<u>0</u>	<u>-1</u>
<u>Total Outlets</u>	<u>2022</u>	<u>176</u>	<u>170</u>	<u>-6</u>
	<u>2023</u>	<u>170</u>	<u>161</u>	<u>-9</u>
	<u>2024</u>	<u>161</u>	<u>159</u>	<u>-2</u>

Table No. 2a

Transfers of Outlets From Franchisees to New Owners (Other than the Franchisor)
For Years 2022 to 2024

<u>State</u>	<u>Year</u>	<u>Number of Transfers</u>
<u>Alabama</u>	<u>2022</u>	<u>0</u>
	<u>2023</u>	<u>1</u>
	<u>2024</u>	<u>0</u>
<u>California</u>	<u>2022</u>	<u>0</u>
	<u>2023</u>	<u>1</u>
	<u>2024</u>	<u>1</u>
<u>Colorado</u>	<u>2022</u>	<u>1</u>
	<u>2023</u>	<u>0</u>
	<u>2024</u>	<u>0</u>
<u>Georgia</u>	<u>2022</u>	<u>1</u>
	<u>2023</u>	<u>0</u>
	<u>2024</u>	<u>0</u>
<u>Idaho</u>	<u>2022</u>	<u>0</u>
	<u>2023</u>	<u>0</u>
	<u>2024</u>	<u>1</u>
<u>Illinois</u>	<u>2022</u>	<u>0</u>
	<u>2023</u>	<u>0</u>
	<u>2024</u>	<u>1</u>
<u>Indiana</u>	<u>2022</u>	<u>1</u>
	<u>2023</u>	<u>0</u>
	<u>2024</u>	<u>0</u>
<u>Kansas</u>	<u>2022</u>	<u>0</u>
	<u>2023</u>	<u>1</u>
	<u>2024</u>	<u>0</u>
<u>Kentucky</u>	<u>2022</u>	<u>0</u>
	<u>2023</u>	<u>0</u>
	<u>2024</u>	<u>2</u>
<u>Maryland</u>	<u>2022</u>	<u>0</u>

<u>State</u>	<u>Year</u>	<u>Number of Transfers</u>
	<u>2023</u>	<u>2</u>
	<u>2024</u>	<u>0</u>
<u>Michigan</u>	<u>2022</u>	<u>1</u>
	<u>2023</u>	<u>1</u>
	<u>2024</u>	<u>0</u>
<u>Minnesota</u>	<u>2022</u>	<u>0</u>
	<u>2023</u>	<u>4</u>
	<u>2024</u>	<u>0</u>
<u>Montana</u>	<u>2022</u>	<u>2</u>
	<u>2023</u>	<u>1</u>
	<u>2024</u>	<u>0</u>
<u>Nebraska</u>	<u>2022</u>	<u>0</u>
	<u>2023</u>	<u>0</u>
	<u>2024</u>	<u>2</u>
<u>North Carolina</u>	<u>2022</u>	<u>0</u>
	<u>2023</u>	<u>1</u>
	<u>2024</u>	<u>0</u>
<u>North Dakota</u>	<u>2022</u>	<u>1</u>
	<u>2023</u>	<u>0</u>
	<u>2024</u>	<u>0</u>
<u>Ohio</u>	<u>2022</u>	<u>0</u>
	<u>2023</u>	<u>1</u>
	<u>2024</u>	<u>0</u>
<u>South Carolina</u>	<u>2022</u>	<u>1</u>
	<u>2023</u>	<u>0</u>
	<u>2024</u>	<u>0</u>
<u>Texas</u>	<u>2022</u>	<u>0</u>
	<u>2023</u>	<u>0</u>
	<u>2024</u>	<u>1</u>
<u>Utah</u>	<u>2022</u>	<u>0</u>
	<u>2023</u>	<u>0</u>
	<u>2024</u>	<u>2</u>
<u>Washington</u>	<u>2022</u>	<u>1</u>
	<u>2023</u>	<u>1</u>
	<u>2024</u>	<u>0</u>
<u>Total</u>	<u>2022</u>	<u>9</u>
	<u>2023</u>	<u>14</u>
	<u>2024</u>	<u>10</u>

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

<u>State</u>	<u>Year</u>	<u>Outlets at Start of Year</u>	<u>Outlets Opened</u>	<u>Terminations</u>	<u>Non-renewals</u>	<u>Reacquired by Franchisor or</u>	<u>Ceased Operations - Other Reasons</u>	<u>Outlets at End of the Year</u>

<u>State</u>	<u>Year</u>	<u>Outlets at Start of Year</u>	<u>Outlets Opened</u>	<u>Terminations</u>	<u>Non-renewals</u>	<u>Reacquired by Franchisor</u>	<u>Ceased Operations - Other Reasons</u>	<u>Outlets at End of the Year</u>
<u>Alabama</u>	<u>2022</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>1</u>
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2024</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>Alaska</u>	<u>2022</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2023</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2024</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
<u>Arizona</u>	<u>2022</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2024</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>California</u>	<u>2022</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
	<u>2023</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
	<u>2024</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1¹</u>	<u>4</u>
<u>Colorado</u>	<u>2022</u>	<u>7</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7</u>
	<u>2023</u>	<u>7</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>6</u>
	<u>2024</u>	<u>6</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>
<u>Connecticut</u>	<u>2022</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2024</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>Florida</u>	<u>2022</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2023</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2024</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
<u>Georgia</u>	<u>2022</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
	<u>2023</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
	<u>2024</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
<u>Hawaii</u>	<u>2022</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2023</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2024</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
<u>Idaho</u>	<u>2022</u>	<u>6</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>
	<u>2023</u>	<u>6</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>5</u>
	<u>2024</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
<u>Illinois</u>	<u>2022</u>	<u>7</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8</u>
	<u>2023</u>	<u>8</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>7</u>
	<u>2024</u>	<u>7</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7</u>
<u>Indiana</u>	<u>2022</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
	<u>2023</u>	<u>3</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
	<u>2024</u>	<u>4</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
<u>Iowa</u>	<u>2022</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2023</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2024</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
<u>Kansas</u>	<u>2022</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
	<u>2023</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>2</u>
	<u>2024</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
<u>Kentucky</u>	<u>2022</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2023</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>

<u>State</u>	<u>Year</u>	<u>Outlets at Start of Year</u>	<u>Outlets Opened</u>	<u>Terminations</u>	<u>Non-renewals</u>	<u>Reacquired by Franchisor or</u>	<u>Ceased Operations - Other Reasons</u>	<u>Outlets at End of the Year</u>
	<u>2024</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
<u>Louisiana</u>	<u>2022</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2023</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2024</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
<u>Maryland</u>	<u>2022</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
	<u>2023</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
	<u>2024</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
<u>Massachusetts</u>	<u>2022</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2023</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2024</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
<u>Michigan</u>	<u>2022</u>	<u>12</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>11</u>
	<u>2023</u>	<u>11</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>10</u>
	<u>2024</u>	<u>10</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10</u>
<u>Minnesota</u>	<u>2022</u>	<u>10</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10</u>
	<u>2023</u>	<u>10</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10</u>
	<u>2024</u>	<u>10</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10</u>
<u>Missouri</u>	<u>2022</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2023</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2024</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
<u>Montana</u>	<u>2022</u>	<u>6</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>
	<u>2023</u>	<u>6</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>
	<u>2024</u>	<u>6</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>
<u>Nebraska</u>	<u>2022</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2023</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2024</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
<u>Nevada</u>	<u>2022</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>2</u>
	<u>2023</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2024</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
<u>New Jersey</u>	<u>2022</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>
	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2024</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>New Mexico</u>	<u>2022</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2024</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>New York</u>	<u>2022</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>
	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2024</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>North Carolina</u>	<u>2022</u>	<u>10</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10</u>
	<u>2023</u>	<u>10</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10</u>
	<u>2024</u>	<u>10</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>1</u>	<u>8</u>
<u>North Dakota</u>	<u>2022</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2024</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>Ohio</u>	<u>2022</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>

<u>State</u>	<u>Year</u>	<u>Outlets at Start of Year</u>	<u>Outlets Opened</u>	<u>Terminations</u>	<u>Non-renewals</u>	<u>Reacquired by Franchisor</u>	<u>Ceased Operations - Other Reasons</u>	<u>Outlets at End of the Year</u>
	<u>2023</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>4</u>
	<u>2024</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
<u>Oklahoma</u>	<u>2022</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>
	<u>2024</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Oregon</u>	<u>2022</u>	<u>10</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10</u>
	<u>2023</u>	<u>10</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>8</u>
	<u>2024</u>	<u>8</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>7</u>
<u>Pennsylvania</u>	<u>2022</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>
	<u>2024</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Rhode Island</u>	<u>2022</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>
	<u>2024</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>South Carolina</u>	<u>2022</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2023</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2024</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
<u>Tennessee</u>	<u>2022</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>1</u>
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2024</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>Texas</u>	<u>2022</u>	<u>8</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8</u>
	<u>2023</u>	<u>8</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>	<u>7</u>
	<u>2024</u>	<u>7</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7</u>
<u>Utah</u>	<u>2022</u>	<u>16</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>16</u>
	<u>2023</u>	<u>16</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>17</u>
	<u>2024</u>	<u>17</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>18</u>
<u>Vermont</u>	<u>2022</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2024</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>Virginia</u>	<u>2022</u>	<u>8</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>7</u>
	<u>2023</u>	<u>7</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7</u>
	<u>2024</u>	<u>7</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8</u>
<u>Washington</u>	<u>2022</u>	<u>7</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7</u>
	<u>2023</u>	<u>7</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>6</u>
	<u>2024</u>	<u>6</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>
<u>West Virginia</u>	<u>2022</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2023</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2024</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
<u>Wisconsin</u>	<u>2022</u>	<u>9</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>7</u>
	<u>2023</u>	<u>7</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7</u>
	<u>2024</u>	<u>7</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7</u>
<u>Wyoming</u>	<u>2022</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2024</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>

<u>State</u>	<u>Year</u>	<u>Outlets at Start of Year</u>	<u>Outlets Opened</u>	<u>Terminations</u>	<u>Non-renewals</u>	<u>Reacquired by Franchisor or</u>	<u>Ceased Operations - Other Reasons</u>	<u>Outlets at End of the Year</u>
<u>Totals</u>	<u>2022</u>	<u>175</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10</u>	<u>169</u>
	<u>2023</u>	<u>169</u>	<u>6</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15</u>	<u>160</u>
	<u>2024</u>	<u>160</u>	<u>3</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>3</u>	<u>159</u>

¹Outlet closed temporarily to relocate.

Table No. 4a

Status of Company Owned Outlets
For Years 2022 to 2024

<u>State</u>	<u>Year</u>	<u>Outlets at Start of Year</u>	<u>Outlets Opened</u>	<u>Outlets Reacquired from Franchisees</u>	<u>Outlets Closed</u>	<u>Outlets Sold to Franchisees</u>	<u>Outlets at End of the Year</u>
<u>Virginia</u>	<u>2022</u>	<u>1</u>	<u>0</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>1</u>
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2024</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>
<u>Totals</u>	<u>2022</u>	<u>1</u>	<u>0</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>1</u>
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2024</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>

Table No. 5a

Projected Openings as of October 31, 2024

<u>State</u>	<u>Franchise Agreements Signed But Outlet Not Opened</u>	<u>Projected New Franchised Outlets in the Next Fiscal Year</u>	<u>Projected New Company Owned Outlets in the Next Fiscal Year</u>
<u>Alaska</u>	<u>1</u>	<u>1</u>	<u>0</u>
<u>Arkansas</u>	<u>1</u>	<u>1</u>	<u>0</u>
<u>California</u>	<u>1</u>	<u>1</u>	<u>0</u>
<u>Florida</u>	<u>1</u>	<u>1</u>	<u>0</u>
<u>Georgia</u>	<u>1</u>	<u>0</u>	<u>0</u>
<u>Idaho</u>	<u>1</u>	<u>0</u>	<u>0</u>
<u>Kentucky</u>	<u>0</u>	<u>1</u>	<u>0</u>
<u>Nevada</u>	<u>1</u>	<u>0</u>	<u>0</u>
<u>Virginia</u>	<u>1</u>	<u>0</u>	<u>0</u>
<u>Wisconsin</u>	<u>2</u>	<u>2</u>	<u>0</u>
<u>Total</u>	<u>10</u>	<u>6</u>	<u>0</u>

Table No. 1b

Bakery Cafe Outlet Summary
For Years 2022 to 2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021 2022	171 53	168 51	-3 2
	2022 2023	168 51	161 53	-7 +2
	2023 2024	161 53	155 55	-6 +2
Company-- Owned*	2021 2022	1	1	0
	2022 2023	1	1	0
	2023 2024	1	1 0	0 -1
Total Outlets	2021 2022	172 54	169 52	-3 2
	2022 2023	169 52	162 54	-7 +2
	2023 2024	162 54	156 55	-6 +1

Table No. ~~22~~b

Transfers of Bakery Cafe Outlets ~~from~~From Franchisees to New Owners (~~other~~Other than the Franchisor)
For ~~years 2021~~Years ~~2022~~ to ~~2023~~2024

State	Year	Number of Transfers
Alabama	2021	0
	2022	1
	2023	0
California	2021	0
	2022	0
	2023	1
Colorado	2021	0
	2022	1
	2023	0
Georgia	2021	0
	2022	1
	2023	0
Idaho	2021	3
	2022	0
	2023	0
Indiana	2021	0
	2022	1
	2023	0
Kansas	2021	0
	2022	0

State	Year	Number of Transfers
	2023	1
Maryland	2021	1
	2022	0
	2023	2

State	Year	Number of Transfers
Michigan	2021	1
	2022	1
	2023	1
Minnesota	2021	0
	2022	0
	2023	4
Montana	2021	2
	2022	1
	2023	1
North Carolina	2021	0
	2022	0
	2023	1
North Dakota	2021	0
	2022	1
	2023	0
Ohio	2021	0
	2022	0
	2023	1
South Carolina	2021	0
	2022	1
	2023	0
Texas	2021	1
	2022	0
	2023	0
Utah	2021	3
	2022	0
	2023	0

State	Year	Number of Transfers
Virginia	2021	0
	2022	1
	2023	0
Washington	2021	0
	2022	2
	2023	0
Wisconsin	2021	1
	2022	0
	2023	0
Total	2021	12
	2022	11
	2023	12

Table No. 3

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

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Alabama	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	1	1
	2023	1	0	0	0	0	0	1
Alaska	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Arizona	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
California	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Colorado	2021	8	0	0	0	0	2	6
	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6
Connecticut	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Florida	2021	2	0	0	0	0	1	1
	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Georgia	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
Hawaii	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
Idaho	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Illinois	2021	7	0	0	0	0	0	7
	2022	7	1	0	0	0	0	8
	2023	8	0	0	0	0	1	7
Indiana	2021	4	0	0	0	0	1	3
	2022	3	0	0	0	0	0	3
	2023	3	1	0	0	0	0	4
Iowa	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	1	0	0	0	0	3
Kansas	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	1	2
	2023	2	0	0	0	0	0	2
Kentucky	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Louisiana	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Maryland	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Massachusetts	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Michigan	2021	12	1	0	0	0	1	12
	2022	12	0	0	0	0	1	11
	2023	11	0	0	0	0	1	10
Minnesota	2021	11	0	0	0	0	1	10
	2022	10	0	0	0	0	0	10
	2023	10	0	0	0	0	0	10
Missouri	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Montana	2021	6	0	0	0	0	0	6
	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6
Nebraska	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Nevada	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	2	2
	2023	2	0	0	0	0	0	2
New Jersey	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	1	0
	2023	0	0	0	0	0	0	0
New Mexico	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
New York	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	1	0
	2023	0	0	0	0	0	0	0
North Carolina	2021	10	0	0	0	0	0	10
	2022	10	0	0	0	0	0	10
	2023	10	0	0	0	0	0	10
North Dakota	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Ohio	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	1	4
Oklahoma	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	1	0
Oregon	2021	10	0	0	0	0	0	10
	2022	10	0	0	0	0	0	10
	2023	10	0	0	0	0	2	8
Pennsylvania	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	1	0
Rhode Island	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	1	0

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
South Carolina	2021	1	0	0	0	0	0	1
	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
South Dakota	2021	1	0	0	0	0	1	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Tennessee	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	1	1
	2023	1	0	0	0	0	0	1
Texas	2021	7	2	0	0	0	1	8
	2022	8	0	0	0	0	0	8
	2023	8	2	0	0	0	3	7
Utah	2021	15	1	0	0	0	0	16
	2022	16	1	0	0	0	0	17
	2023	17	0	0	0	0	0	17
Vermont	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Virginia	2021	7	0	0	0	1	0	6
	2022	6	0	0	0	0	1	5
	2023	5	0	0	0	0	0	5
Washington	2021	6	0	0	0	0	0	6
	2022	6	0	0	0	0	1	5
	2023	5	0	0	0	0	0	5

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
West Virginia	2021	1	0	0	0	0	0	1
	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Wisconsin	2021	8	1	0	0	0	0	9
	2022	9	0	0	0	0	2	7
	2023	7	0	0	0	0	0	7
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
Totals	2021	171	6	0	0	1	8	168
	2022	168	5	0	0	0	12	161
	2023	161	5	0	0	0	11	155

Table No.-4

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

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Virginia	2021	1	0	1	1	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
Totals	2021	1	0	1	1	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1

Table No. 5

Projected Openings as of December 31, 2023

State	Franchise Agreements Signed But Bakery Cafes Not Open	Projected New Franchised Bakery Cafes In the Next Fiscal Year	Projected New Company-Owned Bakery Cafes In the Next Fiscal Year
Alaska	1	1	0
Arizona	0	1	0
Arkansas	0	1	0
Colorado	0	1	0
Georgia	1	0	0
Idaho	1	1	0
Illinois	1	1	0
Indiana	1	1	0
Louisiana	1	1	0
Nevada	1	1	0
Texas	0	1	0
Utah	1	1	0
Virginia	2	2	0
Total	10	13	0

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The following set of 5 tables only covers Great Harvest Stores that we consider to be a new concept bakery cafe (whether a single-site location or part of a hub-and-spoke combination). (This information also is encompassed in the first 5 tables.)

Table No. 1

**Systemwide Outlet Summary
For years 2021 to 2023**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	50	51	+1
	2022	51	49	-2
	2023	49	50	+1
Company-Owned	2021	1	1	0
	2022	1	1	0
	2023	1	1	0
Total Outlets	2021	51	52	+1
	2022	52	50	-2
	2023	50	51	+1

Table No. 2

**Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2021 to 2023**

State	Year	Number of Transfers
Alabama	2021 2022	0
	2023	<u>1</u>
	2024	<u>0</u>
California	2022	10
	2023	0
	2024	<u>1</u>
Georgia	2021 2022	0 <u>1</u>
	2023	<u>1</u>
	2023	0
Idaho	2021 2024	20
	2022	0
Idaho	2022	0
	2023	0

State	Year	Number of Transfers
	<u>2024</u>	<u>1</u>
Kansas	2021 <u>2022</u>	0
	<u>2023</u>	<u>1</u>
	<u>2024</u>	<u>0</u>
<u>Kentucky</u>	2022	0
	2023	1 <u>0</u>
	<u>2024</u>	<u>2</u>
Michigan	2021 <u>2022</u>	0 <u>1</u>
	<u>2022</u>	<u>1</u>
	2023	0
	<u>2024</u>	<u>0</u>
Minnesota	2021 <u>2022</u>	0
	<u>2022</u>	<u>0</u>
	2023	1
	<u>2024</u>	<u>0</u>
Montana	2021 <u>2022</u>	1
	<u>2023</u>	<u>1</u>
	<u>2024</u>	<u>0</u>
<u>Texas</u>	2022	0
	2023	1 <u>0</u>
	<u>2024</u>	<u>1</u>
Utah	2021 <u>2022</u>	1 <u>0</u>
	<u>2023</u>	<u>0</u>
	<u>2024</u>	<u>2</u>
<u>Washington</u>	2022	0 <u>1</u>
	2023	0 <u>1</u>
<u>Total</u>	2021 <u>2024</u>	<u>41</u>
<u>Total</u>	2022	3
	2023	3 <u>4</u>
	<u>2024</u>	<u>6</u>

[Table 3 begins on next page]

Table No. 33b
 Status of Franchised Bakery Cafe Outlets
 For ~~years 2021~~ Years 2022 to ~~2023~~ 2024

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals renewals	Reacquired by Franchisor	Ceased Operations - - Other Reasons	Outlets at End of the Year
Alabama	2021 2022	2	0	0	0	0	0 1	2 1
	2022 2023	2 1	0	0	0	0	0 0	1
	2023 2024	1	0	0	0	0	0	1
Alaska	2021 2022	2	0	0	0	0	0	2
	2022 2023	2	0	0	0	0	0	2
	2023 2024	2	0	0	0	0	0	2
Colorado	2021 2022	2 1	0	0	0	0	0 0	1
	2022	1 0	0 0	0 0	0 0	0 0	0 0	1 0
	2023	1	1 **1 ²	0	0	0	0 1	2
	2024	2	0	0	0	0	0	2
Florida	2021 2022	10	0 1	0	0	0	10	0 1
	2022 2023	0 1	10	0	0	0	0	1
	2023 2024	1	0	0	0	0	0	1
Georgia	2021 2022	3	0	0	0	0	0	3
	2022 2023	3	0	0	0	0	0	3
	2023 2024	3	0	0	0	0	0	3
Hawaii	2021 2022	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Idaho	2021 2022	3	0	0	0	0	0	3
	2022 2023	3	0	0	0	0	0	3
	2023 2024	3	0	0	0	0	0	3
Illinois	2021 2022	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	1	2
	2024	2	0	0	0	0	0	2
Indiana	2021 2022	10	0	0	0	0	10	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
<u>Iowa</u>	2021 2024	1	0 1	0	0	0	0	1 2
<u>Iowa</u>	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals <u>renewals</u>	Reacquired by Franchisor	Ceased Operations - - Other Reasons	Outlets at End of the Year
Kansas*	2021 2024	12	1* 0	0	0	0	0 1	2 1
Kansas	2022	2 1	0 1 ²	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Kentuck y	2021 2024	2	0	0	0	0	0	2
Kentucky	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
Louisian a	2021 2022	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Michigan	2021 2022	2 3	1 0	0	0	0	0 1	3 2
	2022	3	0	0	0	0	1	2
	2023	2	0	0	0	0	1	1
	2024	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Minnesot a	2021 2022	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Montana	2021 2022	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
Nevada	2021 2022	1	0	0	0	0	0 1	1 0
	2022	1	0	0	0	0	1	0
	2023	0	0	0	0	0	0	0
	2024	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
New Jersey	2021 2022	1	0	0	0	0	0 1	1 0
	2022	1	0	0	0	0	1	0
	2023	0	0	0	0	0	0	0
	2024	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
New York	2021 2022	0 1	1 0	0	0	0	0 1	1 0
	2022	1	0	0	0	0	1	0
	2023	0	0	0	0	0	0	0
	2024	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
North Carolina	2021 2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals <u>renewals</u>	Reacquired by Franchisor	Ceased Operations - - Other Reasons	Outlets at End of the Year
	<u>2024</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>North Dakota</u>	2022	<u>20</u>	0	0	0	0	0	<u>21</u>
	2023	<u>20</u>	0	0	0	0	0	<u>21</u>
<u>Ohio</u>	2021 2024	<u>10</u>	<u>0</u> ¹	0	0	0	0	1
<u>Ohio</u>	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	1	0
	<u>2024</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Oklahoma	2021 2022	1	0	0	0	0	0	1
	2022	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	2023	1	0	0	0	0	1	0
	<u>2024</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Oregon	2021 2022	0	0	0	0	0	0	0
	2022	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	2023	0	<u>1</u> ^{**1}	0	0	0	0	1
	<u>2024</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
South Carolina	2021 2022	0	<u>0</u> ¹	0	0	0	0	<u>0</u> ¹
	2022	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	2023	1	0	0	0	0	0	1
	<u>2024</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Texas	2021 2022	<u>46</u>	<u>20</u>	0	0	0	<u>10</u>	<u>56</u>
	2022	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
	2023	<u>56</u>	2	0	0	0	2	<u>56</u>
	<u>2024</u>	<u>6</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>
Utah	2021 2022	5	0	0	0	0	0	5
	2022	<u>5</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>
	2023	<u>6</u> ⁵	<u>0</u> ¹	0	0	0	0	6
	<u>2024</u>	<u>6</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7</u>
Virginia	2021 2022	2	0	0	0	<u>10</u>	<u>0</u> ¹	<u>12</u>
	2022	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	2023	<u>12</u>	0	0	0	0	0	<u>12</u>
	<u>2024</u>	<u>2</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
Washington	2021 2022	<u>23</u>	0	0	0	0	0	<u>23</u>
	2022	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	2023	<u>23</u>	0	0	0	0	0	<u>23</u>
	<u>2024</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
West	2021 2022	1	<u>0</u> ¹	0	0	0	0	<u>1</u> ²

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Virginia	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Wisconsin	2021	12	10	0	0	0	0	21
	2022	2	0	0	0	0	1	1
	2023	1	0	0	0	0	0	1
Wyoming	2024	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Totals	2021	50	64 ³	0	0	10	46	51
	2022	51	4	0	0	0	6	49
	2023	49	78 ³	0	0	0	6	50
	2024	53	4 ³	0	1	0	1	55

*One of the² This was an existing Great Harvest Stores in Kansas remodeled in 2021 outlet that converted to a new concept bakery cafe Bakery Cafe.

**Two of the³ This figure includes both newly opened outlets and existing Great Harvest Stores—one in Colorado and one in Oregon—remodeled in 2023 outlets that converted to a new concept bakery cafe Bakery Café.

Table No. 44b

Status of Company -Owned Bakery Cafe Outlets
For years Years 2022 to 2023 2024

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Virginia	2021	1	0	1	1	0	1

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
	2022 2023	1	0	0	0	0	1
	2023 2024	1	0	0	0	<u>0</u>	<u>1</u>
Totals	2021 2022	1	0	1	1	0	1
	2022 2023	1	0	0	0	0	1
	2023 2024	1	0	0	0	<u>0</u>	<u>1</u>

Table No. 55b

Projected Openings of Bakery Cafes as of ~~December~~October 31, ~~2023~~2024

State	Franchise Agreements Signed But <u>Bakery Cafes</u> Not Opened	Projected New Franchised <u>Bakery Cafes</u> In Outlets in the Next Fiscal Year	Projected New Company - Owned <u>Bakery Cafes</u> In Outlets in the Next Fiscal Year
Alaska	1	1	0
Arizona	<u>0</u>	<u>1</u>	<u>0</u>
Arkansas	<u>0</u>	1	0
Colorado California	<u>0</u>	1	0
Florida	<u>1</u>	<u>1</u>	<u>0</u>
Georgia	1	0	0
Idaho	1	<u>1</u>	0
Illinois Kentucky	<u>1</u>	1	0
Indiana	<u>1</u>	<u>1</u>	<u>0</u>
Louisiana	<u>1</u>	<u>1</u>	<u>0</u>
Nevada	1	<u>1</u>	0
Texas Virginia	<u>0</u>	<u>1</u>	0
Utah	<u>1</u>	<u>1</u>	<u>0</u>
Virginia Wisconsin	2	2	0
Total	10	<u>13</u>	0

~~Exhibit D is a list F lists the location of all each Great Harvest Store franchisees franchised outlet in our System and the addresses and telephone numbers of their stores. Exhibit E is a list of the names, city and state, and current business telephone numbers (or, if unknown, the each franchisee during our last known home telephone numbers) of the franchisees fiscal year who has had outlets an outlet terminated, cancelled, or canceled, not renewed, or has otherwise voluntarily or involuntarily ceased to do business under our Franchise Agreement (including due to transfers and some of whom remain in the system with other Bread Companies), from January 1, 2023, to December 31, 2023, or who have the franchise agreement or has not communicated with us within 10 weeks of the date of this disclosure document's issuance date-Disclosure Document.~~ If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

~~During the last 3 fiscal years, no current or former franchisees have~~

~~No franchisee has signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system during the last three years.~~

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

Item 21 **ITEM 21: FINANCIAL STATEMENTS**

~~Exhibit C contains our~~

~~Our audited financial statements as of, which are comprised of our balance sheets and the related statements of income, changes in members' equity, and cash flows for years ending October 31, 2022, October 31, 2023, 2022, and 2021; our unaudited balance sheet as of February 29 and October 31, 2024, and our unaudited Statement of Cash Flows and Income Statement for the four month~~ related notes to the financial statements, are included in Exhibit D.

~~Our fiscal period ending February 29, 2024; and our unaudited balance sheet as of September 30, 2024~~ year end is October 31.

Item 22 **ITEM 22: CONTRACTS**

~~The following agreements/documents are exhibits:~~

~~1. _____~~

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

~~Exhibit B – Franchise Agreement — Exhibit A~~

~~2. _____ Exhibit C – Multi-Unit Development Rights Rider to Franchise Agreement — Exhibit G~~

~~3. _____ State Riders to Franchise Agreement — Exhibit H~~

~~4. _____ Mutual General F – Form of Release — Exhibit I~~

~~5. _____ Guaranty Agreement — Exhibit J~~

~~6. _____ Amendments for Additional Bakery Cafe and Additional Non Traditional Bakery Cafe — Exhibit K~~

~~7. _____ Transfer Amendment to Franchise Agreement — Exhibit L~~

Item 23
RECEIPTS

~~Our and your copies of the Franchise Disclosure Document Receipt are the last 2 pages of this disclosure document.~~

–Exhibit G – Acknowledgement Statement, as permitted by state law.

ITEM 23: RECEIPT

A receipt in duplicate is attached as the last two pages of this Disclosure Document. You should sign both copies of the receipt. Keep one copy for your own records and return the other signed copy to Jeanette Lemieux, Great Harvest Franchising, LLC, 28 South Montana Street, Dillon, Montana, 59725.

~Remainder of Page Left Blank Intentionally~

EXHIBIT A

LIST OF FRANCHISE AGREEMENT

~~**EXHIBIT B**~~

~~**LIST OF STATE AGENCIES ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS**~~

EXHIBIT B

AGENCIES/AGENTS FOR SERVICE OF PROCESS

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

State	State Agency	Agent for Service of Process
CALIFORNIA	Commissioner of the Department of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West 4 th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7505 Toll-free (866-275-2677)	Commissioner of the Department of Financial Protection and Innovation
CONNECTICUT	State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230	Banking Commissioner
HAWAII	Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii
ILLINOIS	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General
INDIANA	Indiana Secretary of State Securities Division 302 West Washington St., Room E-111 Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 (517) 373-7117	Michigan Department of Commerce, Corporations and Securities Bureau
MINNESOTA	Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce

State	State Agency	Agent for Service of Process
NEW YORK	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21 st Floor New York, NY 10005 (212) 416-8222 Phone	Attention: New York Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6 th Floor Albany, NY 11231-0001 (518) 473-2492
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard, State Capitol, 14th Floor Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner
OREGON	Department of Consumer and Business Services Division of Finance and Corporate Labor and Industries Building Salem, Oregon 97310 (503) 378-4387	Director of the Department of Consumer and Business Services
RHODE ISLAND	Department of Business Regulation Division of Securities 1511 Pontiac Avenue, Building 69-1 Cranston, RI 02920 (401) 462-9585	Director of Rhode Island Department of Business Regulation
<u>SOUTH CAROLINA</u>	<u>Secretary of State</u> <u>P.O. Box 11350</u> <u>Columbia, SC 29211</u> <u>(803) 734-2166</u>	<u>Legalinc Corporate Services Inc.</u> <u>1591 Savannah Highway</u> <u>Suite 201</u> <u>Charleston, SC 29407</u>
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Director of Insurance-Securities Regulation
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9 th Floor Richmond, VA 23219 (804) 371-9051	Clerk of State Corporation Commission 1300 East Main Street, 1 st Floor Richmond, VA 23219 (804) 371-9733
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, WA 98504-1200 (360) 902-8760	Director of Washington Financial Institutions Securities Division 150 Israel Road, SW Tumwater, WA 98501
WISCONSIN	Wisconsin <u>Department of Financial Institutions</u> <u>Division of Securities Commissioner</u> <u>Securities and Franchise Registration</u> <u>345 W. Washington Avenue</u> <u>4822 Madison Yards Way, North Tower</u> Madison, WI <u>5370353705</u> (608) 266- <u>85590448</u>	Commissioner of Securities of Wisconsin

EXHIBIT B
FRANCHISE AGREEMENT

GREAT HARVEST

FRANCHISE AGREEMENT

Effective Date: _____

~~FRANCHISE AGREEMENT CONTENTS~~

~~ADDITIONAL FIRST YEAR CLAUSES6~~

Franchise Agreement, Page i

~~EXHIBIT A— EXCLUSIVE SEARCH TERRITORY~~

~~EXHIBIT B— EXCLUSIVE FRANCHISE TERRITORY~~

~~EXHIBIT C— LIST OF LOCATIONS~~

~~EXHIBIT D— LEASE RIDER~~

Great Harvest Franchise Agreement

This Agreement is between Great Harvest Franchising, LLC., a Delaware limited liability company (hereafter sometimes “Great Harvest,” “we,” or “us”), and:

(hereafter sometimes “Bakery Cafe Owner” or “you”).

This Franchise Agreement governs the ongoing relationship between you and us. This Agreement is for only one Great Harvest bakery cafe (the “Bakery Cafe”), the single and specific location where you first sell bread to the public. It grants you the right and obligation to operate a Great Harvest bakery cafe at this one retail location and does not grant you any exclusive or territorial rights other than those expressly contained in this Agreement.

We have a reputation for great bread and quality products. We franchise bakery cafes that bake and sell these phenomenal products under the names Great Harvest® and Great Harvest Bread Co.®. We have earned this great reputation after hundreds of thousands of hours devoted to experimenting, testing and perfecting the making, marketing and selling of Great Harvest bread and related products. We have developed a system (the “Great Harvest System”) of business identification, product acquisition, recipes, baking procedures, customer identification, employee morale, and related business procedures for the operation of Great Harvest bread companies and Great Harvest bakery cafes (together, “Great Harvest Stores”). We communicate the Great Harvest System to you through an operation’s manual, which may include written or electronic materials and be made available to you in hardcopy, electronically, or otherwise. The operations manual may consist of and is defined to include audio, video, computer software, other electronic media and/or written and other tangible materials. The operations manual contains mandatory and suggested brand specifications, brand standards, operating procedures, and rules we periodically prescribe for developing and operating Great Harvest Stores that comprise the Great Harvest System and information on your other obligations under this Agreement. We may modify the operations manual periodically to reflect changes in the Great Harvest System, but those modifications will not alter your fundamental rights or status under this Agreement. You agree to keep your copy of the operations manual (if delivered in hardcopy) and timely communicate all updates to your employees.

We display to the public the names and marks “Great Harvest” and “Great Harvest Bread Co.,” along with other trademarks, signs, symbols, copyright materials and associated trade slogans, which we have adopted as part of the Great Harvest System. We may adopt other marks and commercial symbols for use with the Great Harvest System in the future. You want to make Great Harvest bread, operate a Great Harvest bakery cafe and use the Great Harvest System at the location specified in this Agreement. You also want to buy from us and pay for the right to make Great Harvest bread, operate a Great Harvest bakery cafe and use the Great Harvest System. The relationship between you and us, which this Agreement creates and controls, is one of mutual interdependence and a formal franchise relationship.

In a traditional franchise relationship, we would reserve an ability to control most aspects of your business with few exceptions. While we do control many decisions, such as your choice of POS systems, loyalty programs, order ahead systems, wheat purchasing, and other items we designate from time to time, we also encourage you to be creative and express your own vision in many areas, such as local additions to our standard menu, setting your own prices, setting your own hours, choosing your own store layout and look subject to our approval, and other things we may designate from time to time.

The remainder of this Agreement is divided into four sections: First Year Promises, Continuing Promises we make to you, Continuing Promises you make to us, and Additional Clauses.

Preliminary Definitions:

~~For the purpose of this Agreement, we will define a “signed Great Harvest Insider” as: (1) any Great Harvest Store owner or partner whose signature is on an effective Great Harvest Franchise Agreement or Guaranty Agreement, (2) any employee of Great Harvest Franchising, LLC, or (3) any employee of any Great Harvest Store whose signature is on an effective Confidentiality Agreement (and for management level employees, Non compete Agreement). These three categories of persons are the only possible Signed Great Harvest Insiders; excluded from insider status would be all close family of Great Harvest owners and employees, all Great Harvest suppliers or subcontractors, and all former Great Harvest owners and employees. While we may pre approve the form of such an agreement in order to protect the Great Harvest System’s confidential information, under no circumstances will we control the forms or terms of employment agreements you use with Bakery Cafe employees or otherwise be responsible for your labor relations.~~

FIRST YEAR PROMISES:

~~By this Franchise Agreement we are granting you the right and obligation to establish and operate the Bakery Cafe under the Great Harvest System. We have baked Great Harvest bread and consulted in the operation of Great Harvest Stores for more than 30 years. We have drawn on the combined experiences of all Great Harvest Stores and their owners and employees. The Great Harvest System we are licensing to you through this Agreement is the culmination of everything we have learned thus far.~~

~~The promises of this section apply only to the pre opening phase and first year of operation of a new Great Harvest bakery cafe; they do not apply in circumstances of an additional location, except as addressed in an Amendment, renewal or a transfer of franchise rights.~~

Our First Year Promises

FYP 1. Great Harvest system and business equipment

~~We will provide you with access to the electronic files of the Great Harvest System.~~

~~We will provide you with a personal computer loaded with selected software for use in the operation of your Bakery Cafe.~~

~~No later than the week you open your Bakery Cafe, we will provide you with an oven timer.~~

FYP 2. Exclusive Search Territory

~~You may search for a location for the Bakery Cafe within the geographical area highlighted in Exhibit A to this Agreement, which area will be considered your “Exclusive Search Territory.” We agree not to establish or franchise another Great Harvest Store within the above defined Exclusive Search Territory until your search is finished. As soon as you sign a lease or purchase a building for your Bakery Cafe location, the Exclusive Search Territory restrictions on us expire. We are then free, subject to the Exclusive Franchise Territory we grant you (see Section C5), to develop the area within your former Exclusive Search Territory. If you request to change your Exclusive Search Territory at any time prior to signing a lease or purchasing a building for the Bakery Cafe location, we may charge a \$250 fee. We will evaluate the proposed search territory and may re evaluate your entire application for a Great Harvest bakery cafe to be located in the newly proposed search territory. Any new search~~

~~territory assignment will be subject to our approval. If this results in a second location hunt, we may charge you direct expenses for the second trip.~~

~~Except for our promise not to establish or franchise another Great Harvest Store having its physical location within your Exclusive Search Territory, there are no restrictions on our business activities. That means we (and any affiliates we have) are totally free (1) to develop or franchise additional Great Harvest Stores having their physical locations anywhere we want outside your Exclusive Search Territory (including near the boundary of your Exclusive Search Territory), and (2) to engage in, and allow others to engage in, any product distribution and other business activities through any and all distribution channels, whether located or operating inside or outside your Exclusive Search Territory, any time we want, whether or not those activities will compete with your Bakery Cafe.~~

FYP 3. Location trip

~~We will provide advice on locations for the Bakery Cafe within the Exclusive Search Territory, including one on site visit by a location hunter of our choice. We may charge you direct expenses for any additional location trips which you request. We will not unreasonably withhold our acceptance of a location for the Bakery Cafe if, in our experience, the proposed location is not inconsistent with locations that we regard as favorable or that otherwise have been successful locations for Great Harvest Stores in the past. However, we have the absolute right to reject any location, not meeting our criteria or to require you to acknowledge in writing that a location you have chosen is accepted but not recommended due to its incompatibility with certain factors that bear on a location's suitability for a Great Harvest bakery cafe. Our acceptance of a location indicates only that we believe the location is not inconsistent with locations that we regard as favorable or that otherwise have been successful locations for Great Harvest Stores in the past. Applying criteria appearing effective with other locations might not accurately reflect the potential of all locations, and demographic or other factors included in or excluded from our criteria could change, altering a location's potential. The uncertainty and instability of these criteria are beyond our control, and we are not responsible if a particular location fails to meet your expectations.~~

FYP 4. Initial training

~~We will provide you initial training in the Great Harvest System. We will provide a minimum of two hundred (200) total working hours of hands on, person to person training by us, established Great Harvest Store owners, or their experienced employees, including personal visits by you to the Dillon, Montana, Franchise Office, and training at your Bakery Cafe during its first week of operation. If you do not comply with the Pre-Opening Requirements, you may not receive the full 200 working hours. We will provide you with a current version of the Pre-Opening Requirements before you sign this Agreement.~~

FYP 5. Visits

~~We will visit your Bakery Cafe for one full day, three times in your first two years of operation. The purpose of these visits will be to help you and also to observe your adherence to the promises you make in this Agreement.~~

Your First Year Promises

FYP 6. Franchise fee

~~You will pay us a franchise fee at the time of signing this Agreement for the rights to open and operate the Bakery Cafe location. Your fee will be \$35,000. We offer a 15% discount for honorably discharged veterans and active members of the United States Armed Forces who control at least 50% of the Bakery Cafe at the time of signing this Franchise Agreement.~~

FYP 7. Initial training

~~This Agreement entitles you to two training slots. You must send the Certified Manager to all of our required training programs. Every organization must have a Certified Manager. You may use the second slot to send a manager. If you want more training slots, you will be able to purchase them upon availability at our then current charges.~~

~~All persons attending our required three week training program must complete the Great Harvest University ("GHU") online coursework before opening. GHU's online coursework lays the groundwork for successful bakery cafe ownership. This phase consists entirely of self directed, self-paced learning activities designed to teach key concepts that you will apply and practice later during Baking Fundamentals, Made To Order School, and Bakery Cafe School.~~

~~"Baking Fundamentals School" consists of five full days of production training in Dillon, Montana. This portion of the training is for becoming proficient and confident in bread making and sweet making skills. Travel, food, and lodging, along with any costs or inconvenience caused by taking time off, will be at your expense and should be anticipated as a cost of start up~~

~~The five day "Made To Order School" consists of five full days of training in Dillon, Montana. This portion of the training is for learning the pace of production, style at the counter, customer service, general systems, employee training, food safety, predictions and promotion. At this time the training attendees will also make observations that will be helpful during start up, especially noting differences in equipment and layout.~~

~~"Bakery Cafe School" is the culmination of all your learning to date. During this intensive five-day program, the Certified Manager is assigned to a small team of owners, and in your teams you will plan for, prepare for, and then actually open and operate a live bakery called Great Harvest University Bakery. At the end of the week, the Certified Manager will present to the Great Harvest leadership team the business results its team produces and its plans to apply the lessons learned in your own Bakery Cafe. Travel, food, and lodging, along with any costs or inconvenience caused by taking time off, will be at your expense and should be anticipated as a cost of start up. In addition, you promise to send us your Certificate of Occupancy (or comparable local licensing requirement) and a video(s) of the exterior and interior of your unopened Bakery Cafe. The on-site portion of your initial training will be scheduled only after you are in compliance with the Pre-opening Requirements. This portion of training is one week of training at the opening of your Bakery Cafe, referred to as Opening Training. This training will take place in your Bakery Cafe at the opening and will be conducted by trainers designated by us. You may not open your Bakery Cafe without the Opening Training provided by us, which will be free to you.~~

FYP 8. Substantial and continuing progress toward opening

~~Your Bakery Cafe must be opened within fifteen (15) months from the effective date of this Agreement (or, if earlier, by the date provided in a Development Rights Rider to which we and you or~~

~~your affiliate are parties). If not, this Agreement will automatically terminate on that date without notice from us, unless further extended by us in writing.~~

~~If you advise us that you want to extend your Franchise Agreement before the automatic termination date due to not being open with the fifteen (15) month timeline (or, if earlier, by the date provided in a Development Rights Rider to which we and you or your affiliate are parties) and we agree that progress will be made during the extension, we will give you a six (6) month extension to open your Bakery Cafe. If you cannot open within twenty one (21) months (or six (6) months after the date provided in the Development Rights Rider), we may (have no obligation to) give you another six (6) month extension if you are making adequate progress and pay us a non-refundable \$1,500 extension fee.~~

~~Should this Agreement automatically terminate due to not being opened within the fifteen (15) month timeline (or earlier date), we will keep \$10,000 of your franchise fee. The remainder will be refunded to you, without interest, once you have signed a Mutual Release and all of our confidential information (as defined in Section C16) is returned to us. However, if you signed this Agreement pursuant to a Development Rights Rider we signed with you or your affiliate granting multi Bakery Cafe development rights, we will refund to you all but \$10,000 of the franchise fee you paid for the Bakery Cafe only if this Agreement relates to the first Bakery Cafe you are obligated to develop under the Development Rights Rider. No portion of any franchise fee paid with respect to the second or subsequent Bakery Cafe to be developed under the Development Rights Rider (if this Agreement relates to that second or subsequent Bakery Cafe), whether as part of the development fee under the Development Rights Rider or otherwise, is refundable under any circumstances, no matter why this Agreement is terminated. No portion of the development fee paid under a Development Rights Rider with respect to a second or subsequent Bakery Cafe to be developed is refundable under any circumstances.~~

~~Your intent is to open a Bakery Cafe as quickly as possible within the realm of good business judgment. Therefore, you must demonstrate a reasonable, sincere, and continuing effort to get the Bakery Cafe open throughout the start up process. You will present us with your selected location(s) for our evaluation and approval, and you agree you will not sign a lease for a location we have not approved. We also have the right to review and accept the lease for the approved location before you sign it. The lease must include the Lease Rider substantially in the form attached to this Agreement as Exhibit D. You may not sign any lease we have not accepted in writing.~~

FYP 9. Pre-Opening Requirements

~~Compliance with the then current Pre-Opening Requirements is required before we will send the opening training team to your store.~~

FYP 10. Menu, Pricing and Systems

~~The menu you will open with represents the best of the best in the Great Harvest System. The menu you will open with will be chosen from a set seasonal menu, which is in six week segments and will allow for at least one seasonal product option. In addition, you agree to open with the then current gifting and catering programs. We want you to start with a solid foundation of the most relevant, phenomenal products that are available in the market today.~~

~~You are required to have your menu boards and labels meet all federal and state regulations.~~

~~You are required to use the then recommended systems:~~

- ~~● Point of Sale (POS) system and allow us access to the system;~~
- ~~● Credit Card Processor;~~

- ~~Digital Menu Boards;~~
- ~~Pricing tool to set your product pricing for opening day. Our trainers will work with you several weeks prior to opening to ensure correct pricing is in place;~~
- ~~Labor management program and allow us access to the program;~~
- ~~Online accounting software programs and allow us access to the programs;~~
- ~~Website developer and hosting provider;~~
- ~~Gifting and catering programs;~~
- ~~Online order ahead and national online catering providers;~~
- ~~National purchasing programs;~~
- ~~National coffee vendor;~~
- ~~Inventory & Ingredients cost control program;~~
- ~~Great Harvest Bake Records; and~~
- ~~Harvest Rewards.~~

FYP 11. Layout

~~You are required to get our approval of your layout plans prior to the start of buildout. Approval will not be unreasonably withheld. We provide two layout revisions as part of your franchise fee. However, if you request additional assistance beyond what we typically give franchisees, we may charge you for the service.~~

FYP 12. External Marketing

~~You are required to complete approved opening marketing prior to and within four (4) months after your opening and to spend a minimum of \$12,000. You are also required to complete, before opening, the marketing tasks we then require new Great Harvest bakery cafes to complete as part of our designated grand opening marketing program. You will work with your Tracker as well as the Marketing Department to identify a specific marketing plan as well as the tasks that fit your area the best.~~

~~If you are in default under this Section FYP12, you will be notified in writing the dollar amount you still need to spend. You will have thirty (30) days to spend that dollar amount. After thirty (30) days, if the dollar is not spent, we may initiate an electronic fund transfer from your account and execute a marketing plan for you.~~

Additional First Year Clauses FYP 13. Termination, refund, expiration

~~Prior to signing this Agreement, you researched the Great Harvest program to see if the business could help you reach your goals. We have received your written application, conducted phone interviews, and met you at Experience Great Harvest Day. Signing this Agreement indicates that, to this point, both parties are enthusiastic with the results of their research and are committed to opening~~

~~your new Bakery Cafe. Both parties also understand, though, that the best laid plans can change as new information is discovered. For these reasons, we both have termination options.~~

~~We may terminate this Agreement by notice to you in writing at any time during the period between the Effective Date and thirty (30) days following the completion of Bakery Cafe School by the Certified Manager. No cause need be given, and, except as provided below, the franchise fee paid us at time of signing will be promptly refunded to you, without interest, once you have signed a Mutual Release and all of our confidential information (as defined in Section C16), computer, and software (as provided per Section FYP 1) is returned to us.~~

~~You may terminate this Agreement by notice to us in writing at any time before you open your Bakery Cafe. Except as provided below, we will keep \$10,000 of your franchise fee and refund the remainder to you, without interest, once you have signed a Mutual Release and all of our confidential information (as defined in Section C16) is returned to us. You will be allowed to keep the computer you received from us, after you have sent it to us to erase our confidential information and you promise to keep no copies, electronic or otherwise, of the information we erase.~~

~~Should this Agreement automatically terminate because the Bakery Cafe is not opened within the fifteen (15) month timeline (or, if earlier, by the date provided in a Development Rights Rider to which we and you or your affiliate are parties), or by the end of any extension we agree to grant you, we will, except as provided below, keep \$10,000 of your franchise fee and refund the remainder to you, without interest, once you have signed a Mutual Release and all of our confidential information (as defined in Section C16) is returned to us. You will be allowed to keep the computer you received from us, after you have sent it to us to erase our confidential information and you promise to keep no copies, electronic or otherwise, of the information we erase. Should this Agreement automatically terminate before you receive the computer, we will still keep \$10,000 of your franchise fee.~~

~~Notwithstanding the preceding paragraphs of this FYP 13 relating to franchise fee refundability, if you signed this Agreement pursuant to a Development Rights Rider we signed with you or your affiliate granting multi Bakery Cafe development rights, we will provide the franchise fee refund described above only if this Agreement relates to the first Bakery Cafe you are obligated to develop under the Development Rights Rider. No portion of any franchise fee paid with respect to the second or subsequent Bakery Cafe to be developed under the Development Rights Rider (if this Agreement relates to that second or subsequent Bakery Cafe), whether as part of the development fee under the Development Rights Rider or otherwise, is refundable under any circumstances, no matter why this Agreement is terminated. No portion of the development fee paid under a Development Rights Rider with respect to a second or subsequent Bakery Cafe to be developed is refundable under any circumstances.~~

~~If not sooner terminated by other means, these First Year Promises will automatically expire one year from the day you open your Bakery Cafe. None of the provisions of this First Year Promises section continues beyond the first year of operation.~~

~~OUR CONTINUING PROMISES:~~

~~C1. Complete openness~~

~~We will never have secrets from you, your employees, or any other Signed Great Harvest Insider. You may ask us any question about any aspect of Great Harvest, including our internal policies and our numbers, and expect a straight answer. We will be open with you even when our honesty will expose us to embarrassment or reveal our mistakes. This openness will extend to all business and personal~~

~~relations involving you and us. The only exceptions would be: (1) if we're involved in a clear cut dispute with you or a third party and openness on our part would put us at a clear disadvantage in an adversarial situation, or (2) in a case where openness on our part would be unethical, for example, by causing us to break a promise of confidentiality or violate the privacy of any person.~~

C2. Advice and consultation

~~We will advise you at all times to the best of our ability in any matter affecting your business, always weighing such advice with the same seriousness we would give decisions in our own business. Our advice and consultation will include telephoning, distributing research and development information through the Extranet and other means. Additional learning opportunities among Signed Great Harvest Insiders may include visits, regional meetings, cross travel programs, and convention.~~

C3. Group buying and wheat

~~We will provide you with a list of approved suppliers of wheat and will define quality standards wheat suppliers must meet. We will test bake the wheat to determine if it meets our quality standards. We will also undertake to identify and appoint an approved distributor from which you can purchase ingredients and supplies directly; however, we do not guarantee that we will have a distributor appointed at all times. We will define quality and business performance standards that approved suppliers and approved distributors must meet so we can maintain a steady flow of high quality ingredients and service to all Great Harvest Stores.~~

C4. Great Harvest System

~~Subject to the terms and conditions of this Agreement, we grant you the right to use the Great Harvest System at the Bakery Cafe. We will determine if we wish to pursue any litigation or other proceeding that arises out of any infringement, challenge, or claim relating to any part of the Great Harvest System, and we have the right to control that litigation exclusively. We reserve the right to decide on the efforts made to respond to infringements of our Great Harvest System and will undertake what we consider to be reasonable measures to do so.~~

C5. Territorial rights

~~For each Great Harvest bakery cafe, we grant exclusive territorial rights so that Great Harvest Stores are located a healthy distance from each other. Once you locate acceptable premises for your Bakery Cafe within your Exclusive Search Territory and sign a lease or purchase a building, we will define an Exclusive Franchise Territory surrounding your location and identify it on a map attached to Exhibit B. We promise that the size of the Exclusive Franchise Territory and the rights you have within its boundaries shall not change during this Agreement's term. Your Exclusive Franchise Territory will be smaller than your Exclusive Search Territory because the Exclusive Search Territory is designed only to give you ample area in which to look for an acceptable Bakery Cafe site. It is not intended to give you any protection once you have found your Bakery Cafe site.~~

~~We agree not to establish or franchise another Great Harvest Store having its physical location within your Exclusive Franchise Territory. Except for our promise not to establish or franchise another Great Harvest Store having its physical location within your Exclusive Franchise Territory, there are no restrictions on our business activities. That means we (and any affiliates we have) are totally free (1) to develop or franchise additional Great Harvest Stores having their physical locations anywhere we want outside your Exclusive Franchise Territory (including near the boundary of your Exclusive Franchise Territory), and (2) to engage in, and allow others to engage in, any product distribution and other business activities through any and all distribution channels, whether located or operating inside~~

or outside your Exclusive Franchise Territory, any time we want, whether or not those activities will compete with your Bakery Cafe.

Your Continuing Promises:

C6. Complete openness and responsibility for Bakery Cafe employees

~~You agree to openly share your discoveries and ideas, whether big or little, with us and with any other Signed Great Harvest Insider, and never to withhold any innovation which might help us or other Great Harvest Store owners. You acknowledge that you completely understand, and accept, this foundation of your relationship with Great Harvest; that you are entering into a mutually beneficial free dialog with all other Signed Great Harvest Insiders; that central to this dialog is open and honest generosity in the exchange of new learning; that there is no place for score keeping regarding who gives the best ideas to the system, or who gains more than whom; and that by signing this Agreement, you are giving your promise, along with every other Great Harvest Store owner, that every procedure, recipe, or idea developed or discovered by you will be available to all Signed Great Harvest Insiders and becomes the property of Great Harvest Franchising, LLC for the benefit of all Great Harvest Insiders.~~

~~You have sole responsibility and authority for your labor relations and employment practices, including, among other things, employee selection, promotion, termination, hours worked, rates of pay, benefits, work assigned, discipline, adjustments of grievances and complaints, and working conditions. Bakery Cafe employees are exclusively under your control at the Bakery Cafe. You must communicate clearly with Bakery Cafe employees in your employment agreements, human resources manuals, written and electronic correspondence, paychecks, and other materials that you (and only you) are their employer and that we, as the franchisor of Great Harvest Stores, are not their employer and do not engage in any employer-type activities (including those described above) for which only franchisees are responsible. You must obtain an acknowledgment (in the form we specify or approve) from all Bakery Cafe employees that you (and not we) are their employer.~~

C7. Continuing fees

~~A key component of this franchise relationship is the fact that we own a valuable piece of intellectual property, the Great Harvest System, and you pay us a monthly continuing fee to use this property. You agree to pay us a monthly continuing fee equal to five percent (5%) of the Gross Sales of your Bakery Cafe, payable from the first day that product is sold. You agree to make these continuing fee payments electronically for the sake of speed, accuracy, and convenience, and will cooperate with us in making all necessary banking arrangements for electronic fund transfers. You agree to submit your Gross Sales figures to us by the 15th of the month following the month being reported. You also agree to submit your monthly sales tax reports along with your Gross Sales figures should you be required to file one with your state or local tax authority. Electronic continuing fee payments will be completed, by us, no later than the 25th of the month following the month for which royalties are due. We will add a \$100 late charge for any Gross Sales not reported to us by the 20th, and interest will accrue at 1% per month beginning the first day of the following month. At our sole discretion, we may waive the late charge in certain circumstances of excessive hardship. You agree to report your Gross Sales to us electronically in the format we specify. If for any reason you cannot make an electronic submission, then the report shall be on paper on a form we give you. In either case, the report format may break down the Gross Sales figures by location, wholesale, and other off site sales.~~

~~You will be eligible for a yearly one-half percent (0.5%) rebate once all the following conditions are met:~~

- ~~• After your location fully reports its full calendar year gross sales, we will rebate you one-half percent (.5%) of your Gross Sales on all gross sales over One Million Dollar (\$1,000,000);~~
- ~~• This rebate is based on gross sales per individual location. If you own more than one location, you cannot combine gross sales to receive this rebate; and~~
- ~~• You are current in all your obligations to us.~~

~~"Gross Sales" are the amount of sales of all products, goods, services, and wares of every kind and nature, whether for cash or on a credit or time basis, sold by or in connection with the operation of the Bakery Cafe. This means anything you can possibly imagine or create those benefits from customers doing business with your Bakery Cafe. Gross Sales also include all retail or off premises sales of Bakery Cafe products and any other sales of any kind associated with the Great Harvest System or as part of your Bakery Cafe. Occasional sales of used equipment or supplies sold at less than their original cost in the normal course of maintaining the Bakery Cafe, the sale of the Bakery Cafe business itself, interest on cash deposits, applicable sales taxes collected by you and due to your state/locality, tips due to employees, sale discounts, comps, voids, and revenue you derive from selling or issuing Great Harvest® gift cards (although revenue you derive from selling products and services to customers who use those cards for payment is included in Gross Sales) will be the only components of business income not counted as part of Gross Sales.~~

~~During the term of this Agreement, any business in which you have an interest, either direct or indirect, and which benefits in any way from the goodwill and public image of the Bakery Cafe or Great Harvest, will be construed to be a part of the Bakery Cafe and subject to this Agreement, even if separate books or other indications of separate business enterprises are maintained. A business that is adjacent to the Bakery Cafe, and thereby benefits from foot traffic generated by the Bakery Cafe, will not be deemed to be benefiting specifically from the goodwill of the Bakery Cafe so long as it bears no resemblance of ownership with the Bakery Cafe, to the extent that no uninformed third party observer could reasonably conclude on the basis of appearances that the businesses share common ownership or management.~~

C8. Marketing fee

~~We have established a marketing fund for advertising, marketing, research, and public relations programs and materials, the purposes of which are to enhance, promote, and protect the Great Harvest brand and franchise system (the "Fund"). You agree to pay us a monthly marketing fee equal to two and one-half percent (2.5%) of the Gross Sales of your Bakery Cafe. Your monthly marketing fee is due and payable at the same time and in the same manner as the Continuing Fee described in Clause C7 above. Great Harvest bakery cafes that we or our affiliates own will contribute to the Fund on the same percentage basis as franchisees. The activities the costs of which the Fund is intended to cover include, but are not limited to, local, regional, and holiday marketing campaigns as directed or otherwise approved by our marketing department. Remaining monies in the Fund may be used for local marketing activities at your discretion with our approval.~~

~~We will account for the Fund separately from our other funds (although we need not keep Fund contributions in a separate bank account) and not use the Fund for any of our general operating expenses. However, the Fund may reimburse us and our affiliates for the reasonable salaries and benefits of personnel who manage and administer the Fund or otherwise provide assistance or services to the Fund; the Fund's administrative costs; travel expenses of personnel while they are on Fund business; meeting costs; overhead relating to the Fund's business; and other expenses we and our affiliates incur in administering or directing the Fund and its programs. The Fund is not a trust, and we do not owe you fiduciary obligations because we maintain, direct, or administer the Fund or for any other reason. The Fund may be spent in any fiscal year more or less than the total Fund contributions in~~

~~that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will use all interest earned on Fund contributions to pay costs before using the Fund's other assets. We will prepare an annual, unaudited statement of Fund collections and expenses and give you the statement upon written request within sixty (60) days after our fiscal year end. We may (but need not) have the Fund audited annually, at the Fund's expense, by a certified public accountant. We may incorporate the Fund or operate it through a separate entity whenever we deem it appropriate.~~

~~We may at any time defer or reduce the Fund contributions of any Great Harvest bakery cafe franchisee and, upon thirty (30) days prior written notice to you, reduce or suspend Fund contributions and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Fund. If we terminate the Fund, we will either (i) spend the remaining Fund balance on permitted programs and expenditures or (ii) distribute all unspent funds to our then existing franchisees, and to us and our affiliates, in proportion to their and our respective Fund contributions during the preceding twelve (12) month period.~~

C9. Audits

~~We, or any agent, accountant, independent contractor, or attorney we appoint, may, at any time during business hours and upon 48 hours' prior notice to you, examine, or audit the Records of the Bakery Cafe. Records, for the purpose of this section, are defined in Section C10 below. If you operate as an individual, our examination of tax returns shall be limited to a review of Schedules C and E on your returns, or the comparable reporting of business revenue and expenses. You agree that an inspection or audit may include any and all years when you operated the Bakery Cafe under this, or any prior, Agreement. You promise to cooperate fully with us, and with any of our agents, accountants, independent contractors, or attorneys we may hire, to conduct any inspection or audit, whether we conduct the inspection or audit in person or via mail, phone, fax, email, or other reasonable means of correspondence. At our request, you agree to assemble and deliver/ship such Records, or copies thereof, to a reasonable location designated by us, our agent, accountant, independent contractor, or attorney, within 45 days of such request.~~

~~If any inspection or audit discloses an understatement of Gross Sales, you agree to pay, within fifteen (15) days after receiving the inspection or audit report, all amounts due on the amount of the understatement, plus interest at an annual rate of 12% from the date originally due until the date of payment.~~

~~If an inspection or audit is necessary as a result of your failure to furnish reports, or any supporting Records; if additional or other information is required; or if an understatement of Gross Sales is greater than 2% for any period inspected or audited, you promise to reimburse us for all costs and expenses associated with conducting the inspection or audit.~~

C10. Records, Financial reporting, and tax payment

~~You are required to use our then recommended online accounting software to clearly show your income and expenses. During the term of this Agreement, you agree, at your expense, to maintain at the Bakery Cafe premises and retain for a minimum of four years from the date of their preparation, full, complete and accurate books, records and documents relating to the Bakery Cafe, other than Bakery Cafe employee records, as you control exclusively your labor relations and employment practices (the "Records"). The Records will include, but not be limited to: (i) daily cash, check, and credit card reports; (ii) cash, check, and credit card receipts journal and general ledger; (iii) cash disbursements journal; (iv) monthly bank statements, canceled checks and daily deposit slips; (v) all tax returns relating to the Bakery Cafe and you; (vi) original suppliers' invoices (paid and unpaid); (vii) dated cash register tapes (detailed and summary); (viii) annual balance sheets and monthly profit and loss statements; (ix) records of bank statements for all accounts used in the operation of the Bakery~~

~~Cafe (including, but not limited to, operating and investment accounts); and (x) such other records and information as we periodically may request (again, other than Bakery Cafe employee records, as you control exclusively your labor relations and employment practices). You are permitted to preserve the Records and submit reports to us electronically, consistent with our requirements.~~

~~Keep in mind, too, that you may need to keep the Records, for other purposes, longer than required by this clause. For example, your insurance company, creditors, or taxing jurisdictions, including the IRS, may require you to keep the Records longer than we do.~~

~~You agree, at least once a year, to send us basic financial statements for your Bakery Cafe for the time period we specify, along with any other operating measures we may request from you, as long as the request is reasonable.~~

~~You shall pay us (or our subsidiary, affiliate, or designee) promptly and when due the amount of all sales taxes, uses taxes, personal property taxes and similar taxes imposed upon, required to be collected, or paid by us on the account of services or goods we furnish to you through sale, lease or otherwise, or on account of our collection of the initial franchise fee, continuing fee, or any other payments to us called for by this Agreement.~~

C11. Funding your gift card liabilities

~~We offer a national gift card program in which you are required to participate. You are not allowed to offer a different gift card in your Bakery Cafe. Gift cards are issued by individual Great Harvest Stores and redeemed either in the issuing store or in another Great Harvest Store location. Gift certificates have been discontinued by the Franchise Office and are not to be sold in your Bakery Cafe.~~

~~You are required to have a designated bank account within which settlement of gift card transactions occur monthly. You understand you must maintain funds in your designated bank account, at all times, sufficient to fund all redemptions of gift cards issued by your Bakery Cafe, including any associated fees of the gift card program. If, at any time, you do not have sufficient funds to cover redemptions of gift cards issued by your Bakery Cafe, together with any associated fees, you are responsible for reimbursement to us for any deficiency, within 10 days of notice by us. Upon the third such occurrence within a 24 month period, you agree to (i) pay us, within 20 days' notice, an amount equal to 100% of your outstanding gift card liabilities in exchange for our acceptance of 100% of your outstanding gift card liabilities; (ii) stop selling gift cards from your Bakery Cafe; and (iii) continue redemption of all gift cards presented to your Bakery Cafe, for which you'll receive payment through the national program's monthly settlement.~~

C12. Insurance

~~You will maintain, at your own expense, adequate insurance coverage for your specific business in an amount not less than \$1,000,000. This insurance should cover all types of general liability, including product liability. All insurance will be with accredited companies and will include Great Harvest Franchising, LLC and its shareholders, officers, and directors as additional insureds. You will also maintain workers' compensation insurance required by law and property insurance in appropriate amounts to cover the Bakery Cafe's premises. At our request, you will furnish us a copy of your policy. In the event that you operate an additional location, you will expand the above coverage to include that location.~~

C13. Group buying and wheat

~~Wheat is critical to bread quality, and the specification and sourcing of wheat are critical to the success of Great Harvest Stores. Because of this, you agree to purchase 100% of the wheat used in your Bakery Cafe from the Great Harvest approved suppliers. We will undertake to appoint an~~

~~approved distributor from which you can purchase other ingredients and supplies directly; however, you are under no obligation to purchase from this distributor. You also agree that you shall freshly mill all whole wheat flour daily at the Bakery Cafe's premises, using a mill we approve, if your Bakery Cafe bakes its own bread. If your Bakery Cafe does not bake its own bread, you must obtain your bread from another Great Harvest Store that you (or your affiliates) own that does bake its own bread using whole wheat flour that is freshly milled daily on premises. If your Bakery Cafe bakes its own bread, it must use wheat shipped from a Great Harvest approved supplier. No whole wheat flour shall be used in your Bakery Cafe to make baked products on site if older than four (4) days from the date of milling. In addition, you agree not to sell more than three bushels per month of Great Harvest wheat to the same customer.~~

C14. Building a brand

~~You acknowledge that we own the trademarks as part of the Great Harvest System and the goodwill associated with them; that the trademarks form a valuable part of the Great Harvest System; that the trademarks are valid; that you won't contest their validity; and that any goodwill arising out of your use of the System will be insured to our benefit. To protect the integrity of the trademarks, you will conform to all of the use guidelines and restrictions laid out in this Agreement or provided by us in writing. Any unauthorized use of the trademarks by you will be a breach of the Agreement and an infringement of our rights associated with the trademarks. You recognize our right to use the Great Harvest System and to grant others the right to use the Great Harvest System. Your use of the Great Harvest System will not entitle you to any title or property interest in it.~~

~~Except to the extent required by law, you will operate the Bakery Cafe only under the name "Great Harvest Bakery Cafe," "Great Harvest Bread Co.®," or another name we specify without any accompanying words or symbols. You will not use any of the Great Harvest trademarks (including the name Great Harvest Bread Co.) or the words "Great" and "Harvest" in your entity's name, if you form a separate entity, or as part of any domain name or electronic address that you maintain on the Internet, World Wide Web, or any other similar proprietary or common carrier electronic delivery system. We will grant you our permission to use our trademarks in the domain names or electronic addresses referenced here as long as you are in compliance with the Great Harvest Web Standards. We will review this policy and the Great Harvest Web Standards from time to time and may make adjustments that we consider appropriate. You also agree to follow the Great Harvest Web Standards when displaying or using any of the Great Harvest trademarks in any Website, homepage, or interactive site you maintain on the Internet, World Wide Web, or any other similar proprietary or common carrier electronic delivery system. You will comply with reasonable requirements regarding service mark, trademark, or trade name registrations and copyright notices which we may from time to time prescribe. You will indicate in any records, documents or relationships with other people that the operation of your business is separate and distinct from the operation of our business. You will not use any of the Great Harvest trademarks in advertising the transfer, sale, or other disposition of your Bakery Cafe or an ownership interest in you or the Bakery Cafe without our prior written permission. Recognizing that diligent protection of the Great Harvest System is of central importance to the franchise relationship, you agree to notify us immediately of any possible infringement of or challenge to the trademarks of which you become aware.~~

~~To the extent you use, with our permission, any Great Harvest trademarks in employment related materials, you must include a clear disclaimer that you (and only you) are the employer of Bakery Cafe employees and that we, as the franchisor of Great Harvest Stores, are not their employer and do not engage in any employer type activities for which only franchisees are responsible, such as employee selection, promotion, termination, hours worked, rates of pay, other benefits, work assigned, discipline, adjustment of grievances and complaints, and working conditions.~~

SIGNAGE AND PRINTED MATERIALS

~~You promise to use one of the accepted forms of the logo, including the prescribed colors, lettering, and proportions, exactly as defined in our then current graphic policy, and you agree to withdraw any written, printed or on-line materials which we feel display an incorrect use of our logo. If you are uncertain about any of your materials that reproduce one of the trademarks, you should check with us before those materials are printed for distribution, since even the most seemingly insignificant alteration of the trademarks can have importance in importance to their protection and withdrawing large print jobs which are done incorrectly can be very expensive for you. Should the logo change during the course of this Agreement, you agree to change all applications and displays of the logo to its revised form immediately as old materials are used up and new materials are ordered. You should bear all the costs incurred to make the changeover of the new logo. In no circumstances will you be required to purchase new exterior designs to accommodate a change in the logo design. We may require the purchase of new signage from a purchaser if you propose transferring your Bakery Cafe.~~

~~Should you wish to order a new exterior sign at any time or purchase an existing one from a Great Harvest owner, you agree to send us a sketch or picture of the sign and receive our prior written approval.~~

PRODUCTS DISPLAYING THE TRADEMARKS

~~We may approve in writing specific non-bread food products and other products for sale in your Bakery Cafe displaying one or more of the Great Harvest trademarks. All such products must meet our highest standards of quality, and their selection is in our sole discretion. In addition, you agree to purchase and use all available Great Harvest branded packaging that is available through the then-current distribution partner. Display of our trademarks, including the design of any product labels or packaging, is subject to our review and approval. We reserve the right to disapprove any product that has received our approval and remove it from products that may be sold in your Bakery Cafe.~~

SYSTEMS

~~We have worked together to establish the recommended systems for locations. You promise to continue to use the following systems that were established:~~

- ~~● Menu boards and labels that meet all federal and state regulations;~~
- ~~● Point of Sale (POS) system and allow us access to the system;~~
- ~~● Credit Card Processor;~~
- ~~● Digital Menu Boards;~~
- ~~● Pricing tool to set product pricing;~~
- ~~● Labor management program and allow us access to the program;~~
- ~~● Online accounting software programs and allow us access to the programs;~~
- ~~● Website developer and hosting provider;~~
- ~~● Gifting and catering programs;~~
- ~~● Online order ahead and national online catering providers;~~
- ~~● National purchasing programs;~~
- ~~● National Coffee Vendor;~~
- ~~● Inventory & ingredients cost control programs;~~
- ~~● Great Harvest Bake Record; and~~
- ~~● Harvest Rewards.~~

BAKERY CAFE APPEARANCE AND OPERATIONS

~~You agree to maintain the highest standards of product quality, cleanliness, and customer service at your Bakery Café. In order to assist you in maintaining these standards we may develop and conduct~~

~~compliance programs, such as customer surveys, food safety programs, inspections, and “secret shopper” programs. You agree to participate in good faith in these compliance programs and shall maintain no less than the minimum acceptable approval rating set forth in our written policies. The criteria for determining this rating, as well as the specific rating required for minimum acceptance, may be modified for all franchisees at our sole discretion.~~

~~*HONEY ONLY IN HONEY WHOLE WHEAT BREAD*~~

~~You agree to use 100% honey as the only sweetener in Honey Whole Wheat and Honey Wheat bread.~~

C15. Franchise promotion

~~You agree to prominently display to customers, at all times, upon our request, materials provided by us at our expense to promote the franchise. Such materials may include multi-page brochures, padded single sheets, and/or a countertop or wall mounted sign.~~

~~You also agree to put a link to our web site on any web site you maintain for your Bakery Cafe. As long as you are in compliance with our current web standards, we agree to put a link to your Bakery Cafe’s site on our public web site.~~

C16. Confidentiality

~~You acknowledge that you came to us and paid us money to teach you everything we know about bread and bakeries. This know how is for the exclusive use of Great Harvest Insiders; it is the very heart of our business. In acknowledgment of this central fact you promise that you will protect this valuable and confidential information.~~

~~*CONFIDENTIALITY:*~~

~~You promise not to use Great Harvest System for any purpose whatsoever, except as subject to the terms and conditions of this or another Great Harvest Agreement at any time during or after the term of this Agreement. For the purposes of this Agreement, the Great Harvest System includes all trademarks, signs, symbols, copyright materials and associated trade slogans and any proprietary aspect of the operation of Great Harvest Franchising, LLC or a Great Harvest Store, including: all recipes and their related measurements; all bread making processes, techniques, skills, temperatures, and timing; all baking forms and systems; all details of Great Harvest bread making theory or practice, oven systems, ingredient standards, wheat standards, ingredient supplier lists, wheat suppliers, equipment standards, special uses of equipment not commonly known outside Great Harvest, and equipment supplier lists; all details of Great Harvest’s unique breadboard theories and practices and breadboard training rules; all details of Great Harvest’s unique bakery cafe management theories and practices, training methods, and bakery cafe promotion training methods; all bakery cafe management forms and systems and build-out specifications; all details of Great Harvest’s location hunting theory or practice, location search information, and tracking information and systems; all details of Great Harvest’s unique franchising theories and practices; all secrets for achieving high Gross Sales in new Bakery Cafes; all proprietary aspects of our sandwich and coffee programs; all proprietary newsletters, audio/visual training tools, Breadboard content, and the Confidential Start up Kit; the candidates list, all candidate information, and all proprietary internal personnel practices; and any other information or materials arising from Great Harvest related to the art of bread making, the operation of a Great Harvest bakery cafe, the internal operation of Great Harvest Franchising, LLC, or the training and franchising of the Great Harvest System to Great Harvest Store owners.~~

~~*CONFIDENTIALITY & NON-COMPETE AGREEMENTS:*~~

~~You recognize that the Great Harvest System is an innovation which is the result of years of development and that use of any or all of the Great Harvest System by any other persons or firms would give them a substantial competitive advantage now enjoyed by Great Harvest Store owners. Therefore, you agree not to hire or have in your employment anyone who does not sign a Confidentiality Agreement (and for management level employees, a Non-compete Agreement) we pre-approve and not to disclose the Great Harvest System or any of its parts to any person or firm who is not a “Signed Great Harvest Insider,” in strict accordance with the following definition: (1) any Great Harvest Store owner or partner whose signature is on an effective Great Harvest Franchise Agreement or Guaranty Agreement, (2) any employee of Great Harvest Franchising, LLC, or (3) any employee of any Great Harvest Store whose signature is on an effective Confidentiality Agreement (and for management level employees, Non-compete Agreement) we pre-approve. These three categories of persons are the only possible Signed Great Harvest Insiders; excluded from insider status would be all close family of Great Harvest owners and employees, all Great Harvest suppliers or subcontractors, and all former Great Harvest owners and employees. While we may pre-approve the form of such an agreement in order to protect the Great Harvest System’s confidential information, under no circumstances will we control the forms or terms of employment agreements you use with Bakery Cafe employees or otherwise be responsible for your labor relations.~~

~~Earlier in this Agreement, we promised complete openness to you and your employees; you in turn promised complete openness to us and all other signed Great Harvest Insiders. These mutual promises of openness by everyone in our system make Great Harvest quick, resilient, and strong. But at the same time that you are promising openness toward all Insiders, you are promising closure—confidentiality—toward all outsiders. It is essential that everyone in Great Harvest understand and maintain this hard line between openness and confidentiality, between insider and outsider. It is the very essence of what you are buying when you enter into this Agreement.~~

~~*EXTRANET ACCESS:*~~

~~We have created a web site for the exclusive use of Great Harvest Store owners and other Signed Great Harvest Insiders. Use of this “Extranet” site is available to those who sign an appropriate agreement pertaining to the confidential information posted on the site and receive a password. You promise to take steps to assure that no one in your organization has access to the site unless that person has signed the appropriate Confidentiality Agreement. In the event that an employee with a password leaves your employment, you promise to promptly notify us.~~

C17. In-term Non-competition

~~You acknowledge that you came to us and paid us money to teach you everything we know about bread and bakeries. This know-how is for the exclusive use of Great Harvest Insiders; it is the very heart of our business. In acknowledgment of this central fact you promise that you won’t compete directly against us during the term of this Agreement, as defined below.~~

~~*NON-COMPETE:*~~

~~In consideration of your use of the Great Harvest System and your receipt of training in all aspects of the operation of a Great Harvest bakery cafe, you and any persons controlling, controlled by, or under common control with you, or any person or entity which has an ownership interest in you, or any entity which you control in whole or in part or in which you have an ownership interest, or the spouse or other immediate family members of any such persons so referenced, will not, without our prior written consent, have any direct or indirect interest in the ownership or operation of, or perform services as a director, officer, employee, trainer, advisor, or consultant for any business that competes (as defined below) with Great Harvest and is not authorized by another Great Harvest Franchise~~

~~Agreement. This restriction shall apply to all competing businesses that are (a) within your Exclusive Franchise Territory or a five (5) mile radius of the outer boundary of your Exclusive Franchise Territory (if your Bakery Cafe is not open), or (b) at or within ten (10) miles of your Bakery Cafe location (if your Bakery Cafe is open). This restriction shall also apply to all competing businesses that are within a ten (10) mile radius of any other Great Harvest Store locations that are already open as of the Effective Date of this Agreement. A list of such current locations is attached as Exhibit C. This covenant will apply during the term of this Agreement. A business that competes with Great Harvest, for the purposes of this Agreement, will be defined as a business that does any of the following things:~~

- ~~• produces, sells, or has for sale more than four (4) varieties of bread made with whole wheat flour on any given day; or~~
- ~~• targets and/or tracks temperatures of dough used in any multi-stage dough making process; or~~
- ~~• uses any forms or other methods of recording data in its business that function substantially the same as those used in a Great Harvest operation; or~~
- ~~• makes or sells products using fresh milled flour of any type; or~~
- ~~• measures the internal temperature of baked breads; or~~
- ~~• uses any of the bread names or names of items used in promotion campaigns that you have used or are using during the term of this Agreement. For example, if you have sold a bread called "Oregon Herb" or run a promotion featuring "Honey Bunnies," you may not use these names or confusingly similar names even if the products differ and whether or not the names are trademarks of Great Harvest; or~~
- ~~• uses a timed mixing process; or~~
- ~~• uses a multi-stage process of preparing doughs where the time from combining any ingredients together until the time when loaves are placed on the pan for baking is within 1.5 hours (longer or shorter) from the times you are using or have used during the term of this Agreement; or~~
- ~~• maintains a store or website look or feel similar enough to your Great Harvest operation to be confusing to customers as to whether or not it is a part of the Great Harvest System; or~~
- ~~• uses the words Great or Harvest in its legal name or trade name; or~~
- ~~• represents itself as formerly or currently associated with *Great Harvest Bread Co.* or *Great Harvest Bakery Cafe*~~

~~The following definitions will apply to this restriction: "bread" means any leavened baked product made from flour; "flour" means any milled grain; "fresh milled flour" means any flour milled at the location of the business or milled within a ten mile radius of the business unless such milling is done by a commercial milling operation not related to your Bakery Cafe in any way other than customer and supplier; "whole wheat flour" means any flour containing wheat, except white flour; and "white flour" means any flour purchased through commercial bakery supply channels, labeled as white flour in the trade, and with all bran and germ removed to the fullest extent commercially feasible.~~

~~In order to verify compliance, you agree to allow us to conduct on site inspections of any business of yours that makes or sells bread products. You agree that during an inspection of this sort, we may observe all aspects of your business operation, including any bread making techniques or processes, any recipes and any printed forms used in your business. If you are in compliance with the obligations of this Agreement, we agree that we will conduct no more than two inspections per year, per business location, during the term of this Agreement.~~

~~If this provision is not fully enforceable in any jurisdiction, then the parties agree that Great Harvest shall have the right to revise the provision so that it contains a commercially reasonable limitation which is enforceable in that jurisdiction. If a court determines that either the original~~

~~provision or any subsequently revised provision is not fully enforceable under applicable law, then the parties agree that the court shall have the right to revise it so that it contains a commercially reasonable~~

~~limitation which is enforceable in that jurisdiction, it being the intention of the parties to enforce to the full extent of the law the restrictions on competitive activity contained in this Agreement.~~

~~The parties agree that it is difficult or impossible to quantify the damage to Great Harvest which would be caused by a violation of the non-competition covenant. Therefore, you agree that if a dispute arises regarding your compliance with the covenant, in addition to any other remedies which might be available, including but not limited to actual damages caused by your breach, Great Harvest shall be entitled to receive from you an amount equal to the maximum continuing fee based on your competing business' total Gross Sales, as defined in Section C7, during all periods when you are not in full compliance with this covenant. This fee is not a penalty, but represents a good faith effort to estimate future damages. Setting the liquidated damages in such a manner shall not constitute consent to further breach or waive the right to injunctive relief.~~

~~**TRADEMARKS:**~~

~~You promise not to use the Great Harvest trademarks or any names or elements of interior or exterior Great Harvest signs or decor in connection with the operation of any business except as permitted by this or another Great Harvest Franchise Agreement or otherwise in writing by us, at any time during the term of this Agreement.~~

C18. Post-term Non-competition

~~You acknowledge that you came to us and paid us money to teach you everything we know about bread and bakeries. This know how is for the exclusive use of Great Harvest Insiders; it is the very heart of our business. In acknowledgment of this central fact you promise that you won't compete directly against us after the term of this Agreement, as defined below.~~

~~**NON-COMPETE:**~~

~~In consideration of your use of the Great Harvest System and your receipt of training in all aspects of the operation of a Great Harvest bakery cafe, you and any persons controlling, controlled by, or under common control with you, or any person or entity which has an ownership interest in you, or any entity which you control in whole or in part or in which you have an ownership interest, or the spouse or other immediate family members of any such persons so referenced, will not, without our prior written consent, have any direct or indirect interest in the ownership or operation of, or perform services as a director, officer, employee, trainer, advisor, or consultant for any business that competes (as defined below) with Great Harvest and is not authorized by another Great Harvest Franchise Agreement. This restriction shall apply to all competing businesses that are (a) within your Exclusive Franchise Territory or a five (5) mile radius of the outer boundary of your Exclusive Franchise Territory (if your Bakery Cafe is not open), or (b) at or within ten (10) miles of your Bakery Cafe location (if your Bakery Cafe is open). This restriction shall also apply to all competing businesses that are within a ten (10) mile radius of any other Great Harvest Store locations that were already open as of the Effective Date of this Agreement. A list of the Great Harvest Store locations that were open as of the Effective Date of this Agreement is attached as Exhibit C. This covenant will apply for a period of two years beginning on the effective date of the termination or expiration of this Agreement. If any person restricted by this section refuses voluntarily to comply with these obligations, the two year period for that person will commence with the entry of a court order enforcing this provision. The two-year period will be tolled, if applicable, for the period during which a restricted person is in breach of this section and will resume when that person resumes compliance. A business that competes with Great Harvest, for the purposes of this Agreement, will be defined as a business that does any of the following things:~~

- ~~• produces, sells, or has for sale more than four (4) varieties of bread made with whole wheat flour on any given day; or~~

- ~~• targets and/or tracks temperatures of dough used in any multi-stage dough making process; or~~
- ~~• uses any forms or other methods of recording data in its business that function substantially the same as those used in a Great Harvest operation; or~~
- ~~• makes or sells products using fresh milled flour of any type; or~~
- ~~• measures the internal temperature of baked breads; or~~
- ~~• uses any of the bread names or names of items used in promotion campaigns that you had used while part of Great Harvest. For instance, if you had been selling a bread called "Oregon Herb" or running a promotion featuring "Honey Bunnies" while part of Great Harvest, you may not use these names or confusingly similar names again even if the products differ and whether or not the names are trademarks of Great Harvest; or~~
- ~~• uses a timed mixing process; or~~
- ~~• uses a multi-stage process of preparing doughs where the time from combining any ingredients together until the time when loaves are placed on the pan for baking is within 1.5 hours (longer or shorter) from the times you were using when you were part of Great Harvest; or~~
- ~~• maintains a store or website look or feel similar enough to your Great Harvest operation to be confusing to customers as to whether or not it is a part of the Great Harvest System; or~~
- ~~• uses the words Great or Harvest in its legal name or trade name; or~~
- ~~• represents itself as formerly a *Great Harvest Bread Co.*~~

~~The following definitions will apply to this restriction: "bread" means any leavened baked product made from flour; "flour" means any milled grain; "fresh milled flour" means any flour milled at the location of the business or milled within a ten mile radius of the business unless such milling is done by a commercial milling operation not related to your Bakery Café in any way other than customer and supplier; "whole wheat flour" means any flour containing wheat, except white flour; and "white flour" means any flour purchased through commercial bakery supply channels, labeled as white flour in the trade, and with all bran and germ removed to the fullest extent commercially feasible.~~

~~In order to verify compliance, you agree to allow us to conduct on-site inspections of any business of yours that makes or sells bread products. You agree that during an inspection of this sort, we may observe all aspects of your business operation, including any bread-making techniques or processes, any recipes and any printed forms used in your business. If you are in compliance with the obligations of this Agreement, we agree that we will conduct no more than two inspections per year, per business location, for a period of two years from the date of the termination or expiration of this Agreement.~~

~~If this provision is not fully enforceable in any jurisdiction, then the parties agree that Great Harvest shall have the right to revise the provision so that it contains a commercially reasonable limitation which is enforceable in that jurisdiction. If a court determines that either the original provision or any subsequently revised provision is not fully enforceable under applicable law, then the parties agree that the court shall have the right to revise it so that it contains a commercially reasonable limitation which is enforceable in that jurisdiction, it being the intention of the parties to enforce to the full extent of the law the restrictions on competitive activity contained in this Agreement.~~

~~The parties agree that it is difficult or impossible to quantify the damage to Great Harvest which would be caused by a violation of the non-competition covenant. Therefore, you agree that if a dispute arises regarding your compliance with the covenant, in addition to any other remedies which might be available, including but not limited to actual damages caused by your breach, Great Harvest shall be entitled to receive from you an amount equal to the maximum continuing fee based on your total Gross Sales as defined in Section C7 during all periods after your termination and up to the time you're determined to be in full compliance with this covenant. This fee is not a penalty but represents a good~~

~~faith effort to estimate future damages. Setting the liquidated damages in such a manner shall not constitute consent to further breach or waive the right to injunctive relief.~~

TRADEMARKS:

~~You promise not to use the Great Harvest trademarks or any names or elements of interior or exterior Great Harvest signs or decor in connection with the operation of any business except as permitted by this or another Great Harvest Franchise Agreement or otherwise in writing by us, at any time after the term of this Agreement. Upon expiration or termination, you will immediately cease to use or display any portion of the Great Harvest System or any confusingly similar names, trademarks, signs, symbols, processes, or methods. Also, you agree to permit our representatives to enter the Bakery Café to remove or permanently cover any items which in any way indicate an association with us.~~

C19. Limited off-premises product sales

~~In order to protect Great Harvest's reputation for hot bread sold from strong, exciting stores, you agree to follow our policy limiting off premises product sales. Off premises product sales shall include, but are not limited to, catering, wholesale accounts, farmers markets, sales made using the Internet or third party sales, and any mail order business.~~

~~You agree not to knowingly wholesale your baked products to outlets located within another Great Harvest Store's territory (however that territory is defined). Except for your catering activities, you agree to limit your off premises sales of baked products only to wholesale accounts that sell the products with a Great Harvest label and meet the following category descriptions: farmer's markets, restaurants, co-operatives, specialty foods retailers, and other retailers that offer their products in a specialty retail environment. Examples of such acceptable specialty retailers include Whole Foods, Wild Oats, and Fresh Fields. You agree that you will not establish wholesale accounts that meet the following category descriptions: conventional grocery stores (such as Kroger's, Safeway, Albertsons, and Harris Teeter), convenience stores, discount clubs and discount outlets (such as Sam's Club, and Wal Mart). We may agree to permit a wholesale account with a conventional grocery store if there are no acceptable specialty retailers in your Exclusive Franchise Territory, and you make arrangements to confirm with the grocery store that your product will not be sold through other grocery stores in the chain outside of your Exclusive Franchise Territory. Mail order sales present a special case. Any mail order sale greater than 10 loaves per month to a single address is considered the same as wholesale. However, customers or others who would like to buy their bread on a less than 10 loaves per month basis is a type of mail order business that is unrestricted in the Great Harvest franchise system.~~

~~All off premises product sales must be listed separately for purposes of monthly Gross Sales reporting.~~

~~We reserve the right to establish an Internet website for the sale of bread, baked products, and other items related to the Great Harvest System. We will make reasonable efforts to assure that sales to customers in your Exclusive Franchise Territory are fulfilled by you, if you choose to participate. If you choose not to participate in such an electronic commerce program, sales to Internet customers in your Exclusive Franchise Territory may be fulfilled by other franchisees or by us.~~

Additional clauses:

C20. Term

~~The term of this Agreement is ten years and in the absence of a termination for cause, initiated by either party, or a termination pursuant to Section FYP 13 of this Agreement, the length of the term cannot be altered without the express written agreement of the parties.~~

C21. Moving

~~To move your Bakery Cafe, you need to obtain our prior permission in writing as an attachment and amendment to this Agreement. Approval to move is not guaranteed under this Agreement. We may condition approval of your proposed Bakery Cafe move on (a) the new location being acceptable to us, (b) you agree to the new exclusive franchise territory definition, (c) you pay us a reasonable relocation fee, (d) you confirm that this Agreement remains in effect and governs the Bakery Cafe's operation at the new location with no change in the term or, at our option, you sign our then current form of franchise agreement to govern the Bakery Cafe's operation at the new location for a new franchise term, (e) you sign a general release, in a form satisfactory to us, of any and all claims against us and our owners, affiliates, officers, directors, employees, and agents, (f) you continue to operate the Bakery Cafe at its original location until we authorize its closure, and (g) you take, within the timeframe we specify and at your own expense, all action we require to de brand and de identify the Bakery Cafe's former location so it no longer is associated in any manner (in our opinion) with the Great Harvest System.~~

C22. Selling your Bakery Cafe

~~We have an interest in who is in the Great Harvest family. We chose you because of your character, experience, attitude and financial capacity. Accordingly, if you want to sell or transfer any part of this Agreement, the franchised business, or the Bakery Cafe's assets, the sale or transfer is subject to our approval and our right of first refusal. None of your owners may sell or transfer an ownership interest in you (if you are a corporation or other legal entity) without our approval and without first complying with our right of first refusal. We will not unreasonably withhold our approval if we do not exercise our right of first refusal. Some of the things we'll be looking for follow:~~

- ~~• You are in full compliance with all the terms and conditions of the Franchise Agreement and any other agreement with us.~~
- ~~• You have paid in full all the monies owed to us. All other liabilities of yours, including debts and obligations to suppliers, employees, landlords, taxing authorities, etc., are paid in full or otherwise taken care of to our reasonable satisfaction.~~
- ~~• The purchaser or transferee has the necessary business experience and aptitude to operate the Bakery Cafe and otherwise is qualified under our then-existing standards for the approval of new franchisees or of existing franchisees interested in acquiring additional franchises (including being in substantial operational compliance, at the time of the application, under other franchise agreements for Great Harvest Stores to which the transferee or any of its affiliates then is a party with us);~~
- ~~• The purchaser or transferee meets our financial requirements of transfer candidates. You agree to give us information we request concerning the proposed transfer and transferee, including but not limited to the terms of the sale and up-to-date and accurate financial statements from the Bakery Cafe itself. We will be looking in particular for whether the candidate can afford the agreed-upon price and whether the Bakery Cafe can support any debt taken on by the candidate.~~
- ~~• The purchaser or transferee signs our then-current form of franchise agreement and related documents, any and all of the provisions of which, except for the continuing fee, marketing fee, and Exclusive Franchise Territory definition, may differ materially from any and all of those contained in this Agreement, provided, however, the term of the new franchise agreement signed will equal this Agreement's unexpired term.~~
- ~~• Your signage is approved by us according to our then-current standards. If not approved, you agree to notify the buyer that they will need to be in compliance soon after signing their new Franchise Agreement.~~

- ~~The purchaser or transferee agrees to update the Bakery Cafe's systems to our then-current requirements, if not already in place, within the first one hundred eighty (180) days after the transfer is completed.~~
- ~~You agree to notify the transferee of the required, non-refundable transfer fee, which must be paid by you or the transferee. This transfer fee will be 75% of our then-current initial franchise fee charged to Great Harvest bakery cafe franchisees for their first bakery cafe franchise, but not to exceed \$25,000.~~
- ~~The transferee completes to our satisfaction the application process and training then required for transfer candidates. You agree to sign a Mutual General Release of all claims you and we may have against one another.~~
- ~~If the transferee is a corporation, limited liability company, or other legal entity, the owners of the entity must personally guarantee the entity's obligations under the Franchise Agreement and must comply with any other policies then in effect for such entities.~~
- ~~The transferee or its owners or affiliates may not operate or have an ownership interest in a competitive business.~~
- ~~The transferee fully assumes your liabilities for all outstanding gift cards, gift certificates and other customer offers that may still be redeemed after the transfer of ownership. You and the transferee reach a satisfactory settlement arrangement for the assumption of these liabilities. (We shall have no obligation for such liabilities unless you have paid us to assume the liability per Section C11.)~~
- ~~You agree to disclose to the transferee the domain name(s) or name(s) for any interactive site you maintain on the Internet or any other similar proprietary or common carrier electronic delivery system used in connection with the operation of the Bakery Cafe (the "Domain Names") and whether the Domain Name(s) is included in the transfer of ownership of the Bakery Cafe. If the transferee does not want the Domain Name(s), it may be transferred to us via Section C25.~~
- ~~If you, and all of your shareholders and/or members if you are a legal entity, are not continuing to be a Great Harvest Store owner with an effective Franchise Agreement, and the Domain Name(s) includes any of the Great Harvest trademarks (including the name Great Harvest Bread Co.) or either of the words "Great" or "Harvest" (the "Trademark Domain Names"), you agree to approve and not to interfere with all transfers the transferee initiates for the Trademark Domain Name(s) and to take all other action we request to transfer ownership and use of the Trademark Domain Name(s) to the transferee. You may not charge us or the transferee any additional fees (other than the bakery sales price) for your compliance with this clause. If the transferee does not want the Trademark Domain Name(s), it may be transferred to us per Section C25.~~
- ~~Your Bakery Cafe is open.~~

~~IF YOU WANT TO SELL TO YOUR KIDS:~~

~~In this special case, the process, training and requirements described in this section still apply, but we will not charge a transfer fee if your kid(s) have worked in this Bakery Cafe for at least one year. Our right of first refusal also will not apply in this special case.~~

~~IF YOU DIE:~~

~~In the event of the death or disability of an individual Bakery Cafe owner or the shareholder or partner of the Bakery Cafe owner, we will not unreasonably withhold our approval of the transfer of that person's interest to his or her heirs or beneficiaries, provided all the conditions of this Agreement for transfer have been met. In the event that such heirs or beneficiaries do not obtain our approval, the~~

~~estate or guardian will have a reasonable time, not to exceed twelve (12) months, to dispose of his or her interest in this Agreement or the franchisee entity for the benefit of that person's heirs or~~

~~beneficiaries according to all the transfer terms and conditions in this Agreement, including our right of first refusal.~~

~~*IF YOU DIVORCE:*~~

~~In the event that the proposed transfer is the result of a divorce, an entity dissolution proceeding, or operation of law, we will not unreasonably withhold our approval, provided all of the transfer requirements listed in the Agreement are met.~~

~~*IF YOU WANT TO CREATE A CORPORATION:*~~

~~As long as you are in full compliance with this Agreement (including all conditions of transfer contained in the Agreement), we will not unreasonably withhold our approval of a transfer of this Agreement to a corporation, limited liability company, partnership or other form of legal entity you have formed for the convenience of ownership. Such a transfer will not relieve you of your obligations in the Agreement, and you will remain jointly and severally liable to us for all of your legal entity's obligations under this Agreement. Any such transfer will be subject to reasonable restrictions, including but not limited to the following:~~

- ~~• You must own all of the voting stock of the corporation or other forms of ownership interest in the entity.~~
- ~~• The entity must be limited in its organizational documents to the operation of one or more Great Harvest Stores, and it must execute all the documents necessary to assume the obligations of the Franchise Agreement.~~
- ~~• The entity must comply with all of the terms and conditions in this Agreement and must be in good standing under the laws of the state of its formation.~~
- ~~• The entity's organizational documents, operating agreement, or partnership agreement, as well as any stock certificates and other documents representing ownership interests, must state that the transfer of any ownership interest in the entity may be restricted by the terms of this Franchise Agreement.~~
- ~~• The owners of the entity must sign a personal guarantee of the obligations of the entity under this Agreement. At our request, you will furnish us with copies of the entity's Articles of Incorporation, Bylaws, Operating Agreement, Partnership Agreement, and other organizational documents.~~
- ~~• You cannot use any of the Great Harvest trademarks (including the name *Great Harvest Bread Co.*) or the words "Great" and "Harvest" in your entity's name.~~

~~*OUR RIGHT OF FIRST REFUSAL:*~~

~~If you, any of your owners, or the owner of a controlling ownership interest (defined below) in a legal entity with an ownership interest in you at any time determines to sell or transfer for money or other consideration (which can be independently valued in dollars) the franchise rights granted by this Agreement and the Bakery Cafe (including its physical structure and/or all or substantially all of its operating assets), a controlling ownership interest in you, or a controlling ownership interest in a legal entity with a controlling ownership interest in you (except to or among your current owners or in a transfer covered under "*If You Want To Sell To Your Kids*" or "*If You Want To Create A Corporation*," which are not subject to this right of first refusal), you agree to obtain from a responsible and fully disclosed buyer, and send us, a true and complete copy of a bona fide, executed written offer (which we may require to include a copy of all proposed agreements related to the sale or transfer). The offer must include details of the proposed sale or transfer payment terms and the financing sources and terms of the proposed purchase price and provide for an earnest money deposit of at least five percent (5%) of the proposed purchase price. To be a valid, bona fide offer, the~~

~~proposed purchase price must be a fixed dollar amount, without any contingent payments of purchase price (such as earn out payments), and the proposed transaction must relate exclusively to the rights~~

~~granted by this Agreement and the Bakery Cafe (including its physical structure and/or all or substantially all of its operating assets), a controlling ownership interest in you, or a controlling ownership interest in a legal entity with a controlling ownership interest in you. It may not relate to any other interests or assets. We may require you (or your owners) to send us copies of any materials or information you send to the proposed buyer or transferee regarding the possible transaction.~~

~~We may, by written notice delivered to you within thirty (30) days after we receive both an exact copy of the offer and all other information we request, elect to purchase the interest offered for the price and on the terms and conditions contained in the offer, provided that: (1) we may substitute cash for any form of consideration proposed in the offer; (2) our credit will be deemed equal to the credit of any proposed buyer; (3) the closing of our purchase will not (unless we agree otherwise) be earlier than sixty (60) days after we notify you of our election to purchase or, if later, the closing date proposed in the offer; (4) you and your owners must sign a Mutual General Release; and (5) we must receive, and you and your owners agree to make, all customary representations, warranties, and indemnities given by the seller of the assets of a business or of ownership interests in a legal entity, as applicable, including representations and warranties regarding ownership and condition of, and title to, assets and (if applicable) ownership interests; your and your owners' authorization to sell, as applicable, any ownership interests or assets without violating any law, contract, or requirement of notice or consent; liens and encumbrances on ownership interests and assets; validity of contracts and liabilities, contingent or otherwise, relating to the assets or ownership interests being purchased; and indemnities for all actions, events, and conditions that existed or occurred in connection with the Bakery Cafe before the closing of our purchase. If the offer is to purchase all of your ownership interests, we may elect instead to purchase all of the Bakery Cafe's assets (including its physical structure), and not any of your ownership interests, on the condition that the amount we pay you for such assets equals the full value of the transaction as proposed in the offer (i.e., the value of all assets to be sold and of all liabilities to be assumed).~~

~~Once you or your owners submit the offer and related information to us triggering the start of the thirty (30) day decision period referenced above, the offer is irrevocable for that thirty (30) day period. This means we have the full thirty (30) days to decide whether to exercise the right of first refusal and may choose to do so even if you or your owners change your, his, her, or its mind during that period and prefer after all not to sell the particular interest that is the subject of the offer. You and your owners may not withdraw or revoke the offer for any reason during the thirty (30) days, and we may exercise the right to purchase the particular interest in accordance with this Section's terms.~~

~~If we exercise our right of first refusal and close the transaction, you and your transferring owners agree that, for two (2) years beginning on the closing date, you and they (and the other restricted persons) will be bound by the non-competition covenants contained in Section C18.~~

~~If we do not exercise our right of first refusal, you or your owners may complete the sale to the proposed buyer on the original offer's terms, but only if we approve the transfer as provided in this Section C22. If you or your owners do not complete the sale to the proposed buyer within sixty (60) days after we notify you that we do not intend to exercise our right of first refusal, or if there is a material change in the sale's terms (which you agree to tell us promptly), we will have an additional right of first refusal during the thirty (30) days following either expiration of the sixty (60) day period or our receipt of notice of the material change(s) in the sale's terms, either on the terms originally offered or the modified terms, at our option.~~

~~We have the unrestricted right to assign this right of first refusal to a third party (including an affiliate), which then will have the rights described in this portion of Section C22. (All references in this portion of Section C22 to "we" or "us" include our assignee if we have exercised our right to assign this right of first refusal to a third party.)~~

~~References in this portion of Section C22 to a "controlling ownership interest" in you or one of your owners (if a legal entity) mean the percent of voting shares or other voting rights resulting from~~

~~dividing one hundred percent (100%) of the ownership interests by the number of owners. In the case of a proposed transfer of an ownership interest in you or one of your owners, whether a “controlling ownership interest” is involved must be determined both immediately before and immediately after the proposed transfer to see if a “controlling ownership interest” will be transferred (because of the number of owners before the proposed transfer) or will be deemed to have been transferred (because of the number of owners after the proposed transfer).~~

~~PAPERWORK:~~

~~Any sale or transfer allowed by this Agreement will not be effective until we receive completely executed copies of all transfer documents, receive all required fees, and give our approval in writing. You will also, upon our request, send us copies of the information you give to a prospective transferee. If we believe the buyer is receiving inaccurate information, we will first discuss this with you and then share our concerns and any information you have submitted to us with the prospective transferee.~~

~~Any sale or transfer not in accordance with this Agreement will be considered null and void and will constitute a material breach of this Agreement.~~

C23. Renewal

~~You may renew your franchise if all of the following conditions are met:~~

- ~~(1) — As of the renewal date, you are not in default of this Agreement.~~
- ~~(2) — You sign our then current form of Great Harvest Franchise Agreement and Guaranty Agreement then being executed by new Great Harvest bakery cafe owners on or before the renewal date. Any and all terms of the new Agreement, including the continuing fee, the marketing fee, and the definition of the Exclusive Franchise Territory, may differ materially from any and all of the terms in this Agreement. However, if you have not breached any of your obligations (including payment obligations) under this Agreement during the three years before its scheduled expiration date, we agree that the continuing fee, the marketing fee, and the definition of the Exclusive Franchise Territory during the renewal term will be the same as under this Agreement.~~
- ~~(3) — You sign a Mutual General Release Agreement.~~
- ~~(4) — You follow our then current policy regarding the franchise renewal process. We will send you our franchise renewal materials prior to your expiration date.~~

~~We will notify you of your option to renew at least 120 days prior to the expiration of this agreement. If you don't complete the renewal process prior to the expiration date of this Agreement, we will agree to one 90 day extension of this Agreement in order for you to complete the renewal process, provided that you pay us a non refundable Renewal Extension Fee of \$3,000 before the expiration date. If you do not pay the Renewal Extension Fee prior to the expiration date, this Agreement will expire on its expiration date and won't be renewed. Under no circumstances will the time extension of the term of this Agreement exceed 90 days.~~

C24. Material Breach

~~You agree that if any of the following events happens, it will constitute a material breach of this Agreement and violate the essence of your obligations; thus, without prejudice to any other rights or remedies at law or in equity, we may terminate this Agreement if you:~~

- ~~• — are convicted of or plead no contest to a felony; or~~

- ~~• are convicted of or plead no contest to any crime or offense (other than a felony) or engage in conduct that is likely to adversely affect the reputation of the Bakery Cafe and the goodwill associated with the Great Harvest System; or~~
- ~~• Use or disclose any of our Great Harvest System without our permission; or~~
- ~~• Don't pay us royalties or other payments owed us. If you fail to pay money you owe us as spelled out in this Agreement or in other agreements between you and us, we will send you a letter that will give you thirty (30) days to make full payment unless it is your third such failure to pay within a twelve month period, in which case we may terminate without providing a letter and thirty (30) day right to cure; or~~
- ~~• Become bankrupt or subject to any chapter of the United States Bankruptcy Code. Or become insolvent, or have a receiver appointed to take possession of all or part of your business or property. Or make a general assignment for the benefit of creditors. Or be the object of a judgment which remains unsatisfied for a period of more than 30 days after all rights of appeal have expired or been exhausted; or~~
- ~~• Don't pay money owed to third parties, including supply vendors, where the failure to pay would, in our reasonable opinion, adversely affect the reputation of the Great Harvest System; or~~
- ~~• Default on the Bakery Cafe lease or sublease and fail to cure the default within the time specified in the lease or sublease; or~~
- ~~• Are closed by order of government authorities for failure to comply with applicable laws, ordinances, or regulations; or in the case of health, safety, or sanitation violations, if you fail to cure such problem within 72 hours of your receipt of written notice of the problem; or~~
- ~~• Open a Great Harvest Store location without our prior written permission; or~~
- ~~• Lie to us by misrepresenting any material fact in writing; or~~
- ~~• Abandon your Bakery Cafe or surrender or transfer control of the Bakery Cafe or any of the rights or obligations laid out in this agreement to someone else without first getting our written permission. For the purposes of this agreement, abandonment is defined as any closure of your Bakery Cafe where you don't make substantial and continuing efforts to reopen the Bakery Cafe as soon as possible. This does not include vacations where you will prominently post prior notice to the public of your closing and where you will post a specific and reasonable date when the Bakery Cafe will reopen; or~~
- ~~• Breach this Agreement, including the payment obligations, 3 times during a twelve month period, whether the breach is subsequently cured or not; or~~
- ~~• Intentionally understate Gross Sales reported to us; or~~
- ~~• Purchase less than 100% of the wheat used in your Bakery Cafe from the Great Harvest approved suppliers.~~

~~Both parties agree that it's desirable to minimize closures of Great Harvest Store locations because it harms the perception of the brand for customers and buyers of new Great Harvest Store franchises. In order for us to have some power to facilitate a transition in the event of a likely closure, you agree that if we have notified you in writing of a default that is curable under this Agreement, and you fail to give us written notice within seven days of your intent to cure that default, or you ultimately fail to cure the default within the applicable cure period, or if we have notified you in writing of a default that is not curable under this Agreement, then even if you are not terminated, we and our affiliates have the right (without liability) to consult with Interested Parties (defined as suppliers, landlords, leasing agents, property managers, creditors, and other parties with whom you, we, our affiliates, or other franchisees deal) about your account status with them and us and to advise those Interested Parties that you are in default under any agreement with us or our affiliates and details about your opportunity to cure, if applicable. You waive any claim that the communications we have with~~

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~~Interested Parties in good faith to protect our business interests, and the goodwill of the Great Harvest franchise system, in connection with a possible change in the status of our franchise relationship with~~

~~you (whether a termination or transfer) constitute tortious interference with contractual or business relationships or otherwise is unlawful or inappropriate in any way.~~

C25. Your responsibilities after termination or expiration

~~If you leave the Great Harvest franchise system, we have an obligation to other owners using the Great Harvest System to make sure you have closed up your Bakery Café in a good way, one that doesn't cause damage to the franchise system as a whole or to other owners. Consequently, before the date of termination or expiration of the Agreement you agree to do the following:~~

~~*MONEY:*~~

~~You agree to pay us all the money you owe us up through the termination or expiration date, including any unpaid royalties. If we terminate you for one of the reasons outlined in Section C24 or because you failed to live up to what you have promised to do in this Agreement, you agree to also reimburse us for any reasonable Attorneys' Fees and general expenses we may have incurred or will incur as a result of your violation of this Agreement as well as any actual and consequential damages to us.~~

~~*CONFIDENTIAL MATERIALS:*~~

~~You agree to return to us the Confidential Start Up Kit, back newsletters, recipes, pages printed from the Extranet and any other kits, specifications, advertising materials, training materials or other materials we provide as part of the Great Harvest System within 5 days after termination or expiration. You also agree not to make or retain copies of any of this material. If you received a computer at Dillon Learning Week/ Bakery Café School, you agree to send it to us to erase our confidential information and return it to you. You promise to keep no copies, electronic or otherwise, of the information we erase.~~

~~*INVENTORY:*~~

~~You agree to allow us, at our option, to purchase from you, at your cost, any or all inventory in re-salable condition that either bears our trademarks or is prepared according to our trade secret specifications, such as your wheat inventory. You agree to provide us with a written list of your inventory upon our request. We will provide written notice of our election by the effective date of the termination or expiration. If the termination is caused by any default by you under Section C24 or otherwise, we may exercise this right of purchase as quickly as 10 days following the termination date.~~

~~*SIGNS AND TRADEMARKS:*~~

~~Subject to our right (described below) to purchase the Bakery Café's operating assets and/or receive an assignment of the Bakery Café's lease upon expiration or termination of this Agreement, you agree to remove or permanently cover the exterior signs displaying the Great Harvest logo and any other signs, advertisements, Internet web sites, blogs, or other on-line accounts or materials identifiable in any way with Great Harvest's name or image. All new signs, marks and advertising materials must be designed to our satisfaction such that there will be no likelihood of confusion with the Great Harvest trademarks and no suggestion of affiliation or former affiliation with the Great Harvest System.~~

~~You agree to stop using or displaying our trademarks or any confusingly similar names, marks, signs, or symbols. This includes removing any and all references to the Great Harvest name or trademarks in telephone numbers, white and yellow page references, advertisements, or any other sources that list or mention your bakery in any way. Also stop using and displaying any part of the Great Harvest System as defined in this Agreement.~~

~~If you fail to make the necessary changes, we will have the right to make them for you, at your expense.~~

~~*GIFT CARDS AND GIFT CERTIFICATES:*~~

~~You collected money as you sold gift cards and gift certificates, so you agree that the liability for the unredeemed cards and certificates belongs to you alone (unless you have paid us to assume the liability per Section C11). Upon termination, we will present you with a reasonable plan for satisfying these obligations and you agree to comply.~~

~~*DOMAIN NAMES:*~~

~~If your domain name(s) or any other name(s) you use for any interactive site you maintain, in compliance with this Agreement and our Great Harvest Web Standards, on the Internet (or any other similar proprietary or common carrier electronic delivery system) in connection with your Bakery Cafe's operation (the "Domain Names") includes any of the Great Harvest trademarks (including the name *Great Harvest Bread Co.*) or either of the words "Great" or "Harvest" (the "Trademark Domain Names"), you agree to approve and not to interfere with all transfers we initiate for the Trademark Domain Name(s) and to take all other action we request to transfer ownership and use of the Trademark Domain Name(s) to us. You may not charge us for your compliance with this clause.~~

~~If your Domain Name(s) does not include any of the Great Harvest trademarks (including the name *Great Harvest Bread Co.*) or either of the words "Great" or "Harvest," but you nonetheless used the Domain Name(s) in connection with your Bakery Cafe's operation and intend to use the Domain Name(s) while engaging in any activity that meets the definition of a competing business (defined in C18), then you agree, whether or not we seek to enforce your broader post term non-compete obligations, to approve and not to interfere with all transfers we initiate for the Domain Name(s) and to take all other action we request to transfer ownership and use of the Domain Name(s) to us. You may not charge us for your compliance with this clause.~~

~~*NOTIFICATION:*~~

~~You agree to notify us and provide us with a plan as detailed below if you, or any business in which you have any ownership interest or control, intend to make or sell any baked products at any time during the remaining term of this Agreement or within two years after the termination or expiration of this Agreement, whichever is later.~~

~~*PLANS:*~~

~~Subject to our right (described below) to purchase the Bakery Cafe's operating assets and/or receive an assignment of the Bakery Cafe's lease upon expiration or termination of this Agreement, you agree to give us a detailed written de-identification plan for your Bakery Cafe. This plan will tell us how you intend to comply with this Section C25, as well as the covenant not to compete and confidentiality requirements set forth in Sections C16, C17 and C18. We will provide you with a sample de-identification plan if you ask us.~~

~~*TRADE SECRETS:*~~

~~You agree to stop representing yourself as a Great Harvest bakery cafe or suggest in the way you operate your store that you are still using Great Harvest trade secrets. You agree to not represent to anyone that you are still baking the same fine breads or using the same or similar recipes or preparation techniques to those used while you were operating your Bakery Cafe. To avoid any confusion and to make it easier for us to verify you are no longer using the Great Harvest System or our trade secrets,~~

~~you agree that if you operate a store offering baked goods, you will not do the following. This is not a complete list of our trade secrets:~~

- ~~• Use a thermometer to measure internal temperature of baked breads;~~
- ~~• Use any of the bread names you had used while part of Great Harvest. For instance, if you had been selling a bread called "Oregon Herb" while part of Great Harvest, you may not use that name again even if the product differs and whether or not the name is a registered or protected trademark of Great Harvest;~~
- ~~• Time the mixing process, but instead mix until done;~~
- ~~• Use a two-stage process of preparing doughs that is substantially similar to the process used by most Great Harvest Stores.~~

~~*INSPECTIONS:*~~

~~You agree to allow us to conduct on-site inspections of any business of yours that makes or sells bread products for a period of two years from the date of the termination or expiration of this Agreement. This includes businesses that you own or control in whole or in part, whether or not operated at the location of your former Bakery Cafe. You agree that during an inspection of this sort, we may observe all aspects of your business operation, including any bread-making techniques or processes, any recipes and any printed forms used in your business. If you are in compliance with the post-termination obligations of this Agreement, we agree that we will conduct no more than two inspections per year, per business location. If we learn that you are not in compliance with the post-termination obligations, you agree that we can inspect for an additional two years from the date we learn of your non-compliance.~~

~~*OPTION TO PURCHASE OPERATING ASSETS:*~~

~~Exercise of Option~~

~~Upon our termination of this Agreement in compliance with its terms, your termination of this Agreement without cause, or expiration of this Agreement (without renewal), we have the option, exercisable by giving you written notice before or within thirty (30) days after the effective date of termination or expiration, to purchase the operating assets and other assets associated with the Bakery Cafe's operation that we designate. We have the unrestricted right to assign this purchase option to a third party (including an affiliate), which then will have the rights and, if the purchase option is exercised, obligations described in this portion of Section C25. (All references in this portion of Section C25 to "we" or "us" include our assignee if we have exercised our right to assign this purchase option to a third party.) We are entitled to all customary representations, warranties, and indemnities in our asset purchase, including representations and warranties regarding ownership and condition of, and title to, assets; liens and encumbrances on assets; validity of contracts and liabilities affecting the assets, contingent or otherwise; and indemnities for all actions, events, and conditions that existed or occurred in connection with the Bakery Cafe before the closing of our purchase. While we (or our assignee) are deciding whether to exercise the option to purchase, we (or our assignee) have the right to conduct any investigations to determine: (1) the ownership and condition of the operating assets; (2) liens and encumbrances on the operating assets; (3) environmental and hazardous substances at or upon the Bakery Cafe's site; and (4) the validity of contracts and liabilities inuring to us (or our assignee) or affecting the operating assets. You must give us and our representatives access to the Bakery Cafe at all reasonable times to conduct inspections of the operating assets.~~

~~If you or one or more of your owners, directly or through another entity, hold title to the underlying real estate on which the Bakery Cafe's physical structure is located, we (or our assignee) may elect to lease that site from you or your owner (or the entity) for an initial five (5) or ten (10) year term (at our option), with one renewal term of five (5) or ten (10) years (again at our option), on commercially reasonable terms. If you lease the Bakery Cafe's site from an unaffiliated lessor, you~~

~~agree (at our option) to assign the lease to us or to enter into a sublease for the remainder of the lease term on the same terms (including renewal options) as the lease.~~

Purchase Price

~~If we elect to purchase all or substantially all of the operating assets and other assets associated with the Bakery Cafe's operation, the purchase price for those assets (other than "Inventory," which is addressed above) will be their fair market value, although fair market value will not include any value for (1) the franchise or any rights granted by this Agreement, (2) goodwill attributable to our trademarks, brand image, and other intellectual property, or (3) participation in the Great Harvest system. In all cases, we may exclude from the assets purchased any operating assets or other items not reasonably necessary (in function or quality) to the Bakery Cafe's operation or that we have not approved as meeting our required standards and specifications; the purchase price will reflect those exclusions. We and you must work together in good faith to agree upon the assets' fair market value within fifteen (15) days after we deliver our notice exercising our right to purchase. If we and you cannot agree on fair market value within this fifteen (15) day period, fair market value will be determined by the following appraisal process.~~

~~Fair market value will be determined by one independently accredited appraiser upon whom we and you agree who, in conducting the appraisal, will be bound by the criteria specified above. We and you agree to select the appraiser within fifteen (15) days after we deliver our purchase notice (if we and you do not agree on fair market value before then). If we and you cannot agree on a mutually-acceptable appraiser within the fifteen (15) days, we will send you a list of three (3) independent appraisers, and you must within seven (7) days select one of them to be the designated appraiser to determine the purchase price. Otherwise, we have the right to select the appraiser. We and you will share equally the appraiser's fees and expenses. Within thirty (30) days after delivery of notice invoking the appraisal mechanism, we and you each must send the appraiser our and your respective calculations of the purchase price, with such detail and supporting documents as the appraiser requests and according to the criteria specified above. Within fifteen (15) days after receiving both calculations, the appraiser must decide whether our proposed purchase price or your proposed purchase price most accurately reflects the assets' fair market value. The appraiser has no authority to compromise between the two (2) proposed purchase prices; it is authorized only to choose one or the other. The appraiser's choice will be the purchase price and is final.~~

Closing

~~We will pay the purchase price at closing, which will take place not later than thirty (30) days after the purchase price is determined. However, we may decide after the purchase price is determined not to complete the purchase and will have no liability for you for choosing not to do so. We may set off against the purchase price, and reduce the purchase price by any and all amounts you owe us (or our affiliates). At the closing, you agree to deliver instruments transferring to us: (1) good and merchantable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to us), with all sales and transfer taxes paid by you; (2) all of the Bakery Cafe's licenses and permits that may be assigned; and (3) possessory rights to the Bakery Cafe's site.~~

~~If you cannot deliver a clear title to all purchased assets, or if there are other unresolved issues, the sale will be closed through an escrow. You and your owners further agree to sign a Mutual General Release, in a form satisfactory to us, of any and all claims. If we exercise our rights under this portion of Section C25, then for two (2) years beginning on the closing date, you and your owners (and the other restricted persons) will be bound by the non-competition covenants contained in Section C18.~~

~~You may not under any circumstances sell any of the Bakery Cafe's assets until we have exercised or elected not to exercise our right to purchase those assets, as provided in this Section.~~

C26. Mutual hold-harmless; Force Majeure

~~The parties will hold each other harmless from all third party claims arising out of the operations of their respective businesses, including Attorneys' Fees. Neither party shall pledge the other's credit or bind it to any obligation, and each indemnifies and holds harmless the other against all demands, costs, and expenses arising in connection with its own business. We and you are not and do not intend to be partners, joint venturers, associates, agents, or employees of the other in any way, and we will not be construed to be jointly liable for any of your acts or omissions under any circumstances. We are not the employer or joint employer of the Bakery Cafe's employees. You or your Certified Manager is solely responsible for managing and operating the Bakery Cafe and supervising the Bakery Cafe's employees. You agree to identify yourself conspicuously in all dealings with customers, suppliers, public officials, Bakery Cafe personnel, and others as the Bakery Cafe's owner, operator, and manager under a franchise we have granted and to place notices of independent ownership at the Bakery Cafe and on the forms, business cards, stationery, advertising, e-mails, and other materials we require from time to time.~~

~~If either party is reasonably prevented from performing our respective obligations, pursuant to this Agreement, due to forces of nature, war, riot, terrorism, or any other cause reasonably beyond the control of the affected party, the failure to perform shall be excused for the period of time the affected party is reasonably unable to perform.~~

C27. Agreement personal to you

~~This entire Agreement is personal with respect to you but not personal with respect to us. We will have the right to transfer or assign all or any part of this Agreement to any person or legal entity so long as the assignee agrees to meet all of our obligations under this Agreement.~~

C28. Remedies cumulative; waivers; non-uniformity

~~All of our and your rights and remedies under this Agreement will be cumulative, and, except as provided by this Agreement, none will exclude any other right or remedy allowed by law or equity. No failure on our part to exercise any power given us under, or insistence on your strict compliance with any obligations in, this Agreement, and no custom or practice of the parties at variance with the terms of this Agreement, will constitute a waiver of our right to demand exact compliance with the terms of this Agreement. Any waiver by us of the breach of any term of this Agreement will not be deemed to be a waiver of any subsequent breach of the same or different terms and conditions. Whenever this Agreement requires our prior approval or consent, you will make a timely written request, and such approval will be obtained in writing. You accept the necessity of such variances in special cases, and, although you may request a similar variance if your condition is similar, no variance to one franchisee shall ever imply a variance to any other without our specific agreement in writing. You also understand that uniformity is not a goal of the Great Harvest franchise and that, because every Great Harvest Store in our franchise system is unique, we may at our sole discretion create differing agreements with any of our franchisees based on the differing needs in each franchisee's business.~~

C29. Severability

~~If any applicable and binding law of any jurisdiction requires a greater prior notice than is required under this Agreement of our termination of this Agreement or our refusal to renew your franchise, or requires us to take 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 or other action required by such law or rule will be substituted for the comparable provision of this Agreement, and we will have the right to modify the invalid or~~

~~unenforceable provision to the extent required to make it valid and enforceable. You agree to be bound by the provision as modified.~~

C30. Governing law & venue; construction

~~Except to the extent governed by the United States Trademark Act of 1946 (the Lanham Act, 15 U.S.C. §§ 1051 *et seq.*) or other federal law, this Agreement will be deemed to have been made and entered into in the state of Montana. The Agreement will be construed and interpreted, and our relationship with you and the rights and obligations of the parties governed, in accordance with the internal laws of Montana, without regard to its conflicts of laws and principles. Any law which may be adopted by the state of Montana regulating the sale of franchises or governing the relationship between us and our Great Harvest Store owners will not apply unless its jurisdictional requirements are met independently without reference to this paragraph.~~

~~We recognize that the state in which the Bakery Cafe is located may have express laws on the enforceability of the non compete clause. Therefore, the provisions of Sections C17, In term non-competition, and C18, Post term non-competition, shall be governed only by the laws of the State where the Bakery Cafe is located.~~

~~Both parties agree that they will bring any suit, action or other legal proceedings concerning this Agreement, or arising from their relationship, in the Montana Fifth Judicial District Court in Beaverhead County or to the federal court for the district where Great Harvest Franchising, LLC's home office is located, subject to their arbitration obligations under Section C32 below. In addition, we both acknowledge that these courts have personal jurisdiction and agree to waive any future objections concerning jurisdiction or venue.~~

~~As a franchisor, we have many internal policies concerning franchising issues that are not included in the text of this Agreement. Both Parties agree that any such policies or requirements adopted or implemented by Great Harvest and communicated to you through the operations manual shall be binding on you and that your continued adherence to such policies or requirements is an express condition of this Agreement. The parties further agree that Great Harvest shall have the right to amend or modify such policies or requirements, from time to time at its sole discretion, by changing the operations manual and that any such modification will supersede the prior policy or requirement.~~

~~All terms and words used will be construed as if they were written in the proper number and gender as the context may require. All references to fees and money are in U.S. dollars. If any provision of this Agreement is susceptible to two or more constructions, one which would render it enforceable and the other(s) which would render it unenforceable, the provision will have the meaning that renders it enforceable. If you consist of two or more individuals, they will be jointly and severally liable under this Agreement. Paragraph headings are inserted for convenience only and are not meant to limit the scope of the paragraphs.~~

C31. Notices

~~All notices with regard to this Agreement will be in writing and will be considered given when hand delivered or sent by registered mail, certified mail, or courier showing proof of delivery:~~

~~If to you, at:~~

~~(or at your Bakery Cafe address once a location has been determined).~~

If to us, at:

Great Harvest Franchising, LLC
28 South Montana Street
Dillon, MT 59725

or such other addresses as may be specified by you or us by notice to the other.

C32. Conflict and dispute resolution

~~In any circumstance where a conflict or dispute arises between Great Harvest and you that cannot be resolved consensually, that dispute or conflict must be submitted by the aggrieved party to binding arbitration. The demand for arbitration must be in writing, with specific disputes or claims detailed. The demand for arbitration must be served on the other party in the manner formal notices are specified elsewhere in this Agreement. When a party demands arbitration, the demanding party shall name a proposed arbitrator of that party's choice. The party receiving a demand for arbitration shall, within twenty (20) days of receipt of the demand, provide its answer to the arbitration demand and the specifics of any counterclaims or similar disputes and the name and address of that party's selected arbitrator. Within twenty (20) days of the response to the demand for arbitration, the two nominated arbitrators shall confer and select a third arbitrator who shall act as the referee or umpire of the arbitration. Decisions of the three selected arbitrators ("Arbitration Panel") shall be by majority vote of the arbitrators.~~

~~Within ten (10) days after the selection of the umpire, the Arbitration Panel shall meet or confer with representatives of the parties and an Arbitration Scheduling Order shall be finalized. The Arbitration Scheduling Order shall include provisions for: (a) selecting the site and location for the arbitration (in the home state or city of the franchisee, if possible); (b) providing for the orderly exchange of pre-arbitration discovery materials, including the exchange of documents, witness lists and expert opinions; (c) limiting the number, length and types of pre-arbitration depositions; (d) providing a procedure for obtaining subpoenas or other lawful procedures to provide each party to obtain compulsory attendance of witnesses or production of documents; (e) scheduling a final pre-arbitration hearing wherein the matter will be set for evidentiary hearing and procedures for that hearing determined; and (f) determining the date the arbitration hearing shall occur.~~

~~The party demanding arbitration of an issue shall bear the burden of proof, by a preponderance of the evidence, on that issue throughout the proceeding. The Arbitration Panel shall fix remedies and award damages, in its sole discretion, as the Arbitration Panel finds appropriate under the law and facts of the case. The final decision of the Arbitration Panel shall not be appealable and shall be reduced to writing and may be filed in an appropriate state court and enforced with the same power and authority as a final, non-appealable judgment of that state court. The Arbitration Panel may award to the party who substantially prevails in the arbitration the legal fees and costs of arbitration incurred by the prevailing party. The costs of the Arbitration Panel, including the arbitrators' fees and travel expenses, shall be borne equally by the parties, regardless of the final decision of the arbitrators.~~

~~In certain specific types of conflict or disputes, such as trademark infringement, defamation, violations of non-competition agreements, public health issues or theft, there may not be time for arbitration; immediate action might be necessary to prevent imminent or irreversible harm. Recognizing these special cases, we reserve the right, at our sole discretion, without initiating arbitration, to seek injunctive relief from a court of competent jurisdiction to enforce the non-competition, trademark, trade secret, confidentiality, and post-termination clauses of this Agreement or to enforce a termination of this Agreement. In addition, we may, without initiating arbitration, seek injunctive relief to address any circumstances in your business that might have an adverse effect on the public health.~~

C33. Misunderstandings deriving from poor business practice

~~This Agreement, together with such other written and signed understandings as may be amended to it, contains the entire agreement between the parties, and, except as provided in our Franchise Disclosure Document and operations manual (which is subject to change as provided in this Agreement), no promises or agreements, oral or otherwise, between the parties not embodied in this Agreement or other signed documents will be of any force or effect. Nothing in this Agreement requires you to waive reliance on the representations made in the Disclosure Document.~~

~~Any relationship based on long term trust, such as the one this Agreement creates, is especially vulnerable to poor business practices. When trust is low, the parties are forced of necessity to be extremely careful and clear in all agreements and guard their own interests. When trust is high and continues high for years, misunderstandings can more easily proliferate unless extra care is taken. This is because each trusting party is prone to reading best intentions and even long term promises into casual or non-rigorous statements by the other, assuming commitments that were never intended.~~

~~The long term trusting relationship between you and us is too critical to the success of your Bakery Café and our franchise system to be left vulnerable to unchecked assumption, incorrect implications, or notes on a napkin. For this reason, we do not intend to make verbal or informal contracts except in the case of short-term, non-critical agreements ("I'll get it done by Thursday"). Our relationship with you, and yours with us, is too long term for either of the parties to leave important understandings to non-rigorous (sloppy) business practices or memory. Conversations with us must never be misinterpreted as promises; impromptu statements made by us must never be taken out of context and relied on; likewise, we will never challenge your word and integrity based on something you said casually, but which we failed to get in writing. If we make any promise to you, or ask any promise from you, which is significant and affects our long term relationship and goes beyond the wording of this Agreement, it will *be* a promise, without any possible latitude for confusion: it will be written in a document, it will be signed by both of us, it will look formal, and it will be in binding on both of us.~~

~~You, the Bakery Café owner, may be a legal entity, a single person or a group of people. When more than one person is involved, you may have disagreements among your ownership group. Regardless of the number of owners you have, you agree that we may rely on the decision making authority of those owners holding a majority ownership interest in the Bakery Café, even if not all owners of the Bakery Café agree with the decision.~~

C34. Acknowledgments

~~The first three paragraphs that follow apply to all franchisees and franchises except not to any franchisees and franchises that are subject to the state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.~~

~~You acknowledge that:~~

~~There are risks involved in the business contemplated by this Agreement, and its success depends largely on your business ability. No warranty or guarantee by Great Harvest of the volume, profits, or success of the business contemplated by this Agreement, expressed or implied, has been received or relied upon by you.~~

~~You know of no representations by Great Harvest about the business contemplated by this Agreement that are contrary to this Agreement, although you may rely on the representations contained in our Franchise Disclosure Document. You have made no misrepresentations to us in order to obtain entry into this Agreement.~~

~~You have received, read and understood the current disclosure document for Great Harvest Franchising, LLC at least fourteen calendar days (and, where applicable, 10 business days) prior to signing this Agreement. You have read and understood this Agreement and received it in its final form with all amendments, attachments and ancillary agreements, at least seven calendar days prior to signing it.~~

~~You are aware that many current Great Harvest Store owners operate under different forms of Agreements, and consequently Great Harvest's rights and obligations with respect to its various Great Harvest Store owners could differ materially.~~

~~Any pages amending this Agreement, if any, are attached and are incorporated as a part of this Agreement.~~

~~Intending to be legally and morally bound, the parties have executed this Agreement at the times and the places written below. The effective date of this Agreement is the latter of the two dates of signing.~~

C35. 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 registration/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 our behalf. This provision supersedes any other term of any document executed in connection with the franchise.~~

GREAT HARVEST FRANCHISING, LLC

**By: _____ Title: GREAT HARVEST
FRANCHISE AGREEMENT**

DATA SHEET

Franchisee: _____
(Individual(s) and _____
Entity, if applicable) _____

Spouse Guarantor(s): _____

Effective Date: _____ Place: _____

BAKERY CAFE OWNER:

By: _____

And by: _____

Date: _____

Place: _____

EXHIBIT A: EXCLUSIVE SEARCH TERRITORY

~~The Exclusive Search-Accepted Location:~~ _____

~~Territory referenced in clause FYP 2 of the:~~ _____

Site Search Area: _____

Initial Franchise Agreement is highlighted onFee: _____

The terms of this Data Sheet are incorporated into the attached map Franchise Agreement.

GREAT HARVEST FRANCHISING, LLC

By: _____

Title: _____

Date: _____

Place: _____

BAKERY CAFE OWNER:

By: _____

And by: _____

Date: _____

Place: _____

EXHIBIT B: EXCLUSIVE FRANCHISE TERRITORY AGREEMENT

The Exclusive Franchise
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Attachments

1 - Trademarks

2 - Territory referenced in clause C5

3- ACH Authorization

4 - Conditional Assignment of the Franchise Lease

5 - Statement of Ownership Interests in Franchisee Entity

6 - Guaranty

7 - Internet Advertising, Social Media, Software, and Telephone Account Agreement is highlighted on the attached map.

GREAT HARVEST FRANCHISING, LLC

By: _____

Title: _____

Date: _____

Place: _____

BAKERY CAFE OWNER:

By: _____

And by: _____

Date: _____

Place: _____

EXHIBIT C: LIST OF LOCATIONS

~~As referenced in clauses C17 and C18, a list of the Great Harvest Store locations that were open as of the Effective Date of this Agreement is attached.~~

GREAT HARVEST FRANCHISING, LLC

By: _____

Title: _____

Date: _____

Place: _____

BAKERY CAFE OWNER:

By: _____

And by: _____

Date: _____

Place: _____

EXHIBIT D: LEASE RIDER

~~This Lease Rider (this "Rider") is 8 - Confidentiality and Non-Compete Agreement~~

THIS FRANCHISE AGREEMENT (the "Agreement") is being entered into this _____, 20____ day of _____ (the "Effective Date"), by and between

_____ ("Franchisee") and _____ ("Lessor") and supplements and forms a part of the lease agreement (the "Lease") between Franchisee and Lessor for the premises located at _____ (the "Premises"). In the event of a conflict between the Lease's provisions and this Rider's provisions, this Rider's provisions shall control.

1. _____ Lessor and Franchisee acknowledge and agree that this Rider is entered into in connection with, and as a condition to, the grant of a franchise by Great Harvest Franchising, LLC ("Franchisor") to Franchisee in accordance with the terms of a Great Harvest Franchising, LLC Franchise Agreement dated _____, 20____ (the "Franchise Agreement").

2. _____ This Rider is intended to provide Franchisor the opportunity to reserve the Premises as a GREAT HARVEST Bakery Cafe under the circumstances set out.

3. _____ During the Franchise Agreement's term, Franchisee will use the premises only to operate a GREAT HARVEST Bakery Cafe.

4. _____ Lessor agrees that Franchisor, or a franchisee of the GREAT HARVEST Bakery Cafe franchise system selected by Franchisor, shall have the right to receive an assignment of this Lease upon transfer, termination, or expiration of the Franchise Agreement between Franchisor and Franchisee, d/b/a GREAT HARVEST Bakery Cafe. Upon such transfer, termination, or expiration of said Franchise Agreement, Lessor shall promptly execute an acknowledgment of and consent to the assignment of the Lease.

5. _____ Lessor will send to Franchisor copies of all default notices, and all notices of Lessor's intent to terminate the Lease (or any rights of Franchisee under the Lease) or evict Franchisee from the leased premises, simultaneously with sending such notices to Franchisee. Such notice shall be delivered to Franchisor in writing by overnight delivery by FedEx, UPS, or other nationally recognized overnight courier. Lessor and Franchisee hereby acknowledge and agree that Franchisor has the right, but is under no obligation, to cure any deficiency under the Lease, if Franchisee should fail to do so, within

(i) fifteen (15) days after Franchisor's receipt of such notice as to monetary defaults or (ii) thirty (30) days after Franchisor's receipt of such notice as to non-monetary defaults. Such copies must be sent to:

Great Harvest Franchising, LLC

. a Delaware limited liability

company with its principal

place of business at 28 South

Montana Street, Dillon,

Montana, 59725

Attn: President

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6. ~~**Consent to Collateral Assignment to Franchisor; Disclaimer.**~~ Lessor acknowledges that Franchisee intends to operate a GREAT HARVEST Bakery Cafe in the Premises, and that Franchisee's rights to operate a GREAT HARVEST Bakery Cafe and to use the trade and service marks associated with the GREAT HARVEST Bakery Cafe franchise system are solely pursuant to the Franchise Agreement. Franchisee's operations at the Premises are independently owned and operated. Lessor acknowledges that Franchisee alone is responsible for all obligations under the Lease unless and until Franchisor or another franchisee expressly, and in writing, assumes such obligations and takes actual possession of the Premises. Notwithstanding any provisions of this Lease to the contrary, Lessor hereby consents, without payment of a fee and without the need for further Lessor consent, to (i) the collateral assignment of Franchisee's interest in this Lease to Franchisor to secure Franchisee's obligations to Franchisor under the Franchise Agreement, and/or (ii) Franchisor's (or any entity owned

~~or controlled by, or under common control or ownership with, Franchisor) succeeding to Franchisee's interest in the Lease by mutual agreement of Franchisor and Franchisee, or as a result of Franchisor's exercise of rights or remedies under such collateral assignment or as a result of Franchisor's termination of, or exercise of rights or remedies granted in or under, any other agreement between Franchisor and Franchisee, and/or (iii) Franchisee's, Franchisor's and/or any other franchisee of Franchisor's assignment of the Lease to another franchisee of Franchisor with whom Franchisor has executed its then standard franchise agreement. Lessor and Franchisee agree and acknowledge that simultaneously with such assignment pursuant to the immediately preceding sentence, Franchisor shall be released from all liability under the Lease or otherwise accruing after the date of such assignment (in the event Franchisor is acting as the assignor under such assignment), but neither Franchisee nor any other franchisee shall be afforded such release in the event Franchisee or such other franchisee is the assignor unless otherwise agreed by Lessor. Lessor further agrees that all unexercised renewal or extension rights and other rights stated to be personal to Franchisee shall not be terminated in the event of any assignment referenced (herein but shall inure to the benefit of the applicable assignee.~~

7. ~~Franchisee agrees that termination of the Franchise Agreement shall be a default under the Lease. In the event of termination of the Franchise Agreement, or if Franchisee fails to timely cure any defaults under the Lease, Franchisee shall within ten (10) days after written demand by Franchisor assign all of its right, title, and interest in and to the Lease to Franchisor. If Franchisee fails to do so within the said ten (10) days, Franchisee hereby designates Franchisor as its agent to execute any and all documents and to take all action as may be necessary or desirable to affect the assignment of the Lease and the relinquishment of any and all of Franchisee's rights thereunder. Lessor hereby consents to such assignment subject to Franchisor executing an assignment of the Lease and curing all defaults of Franchisee of which Franchisor has been notified under the Lease and this Rider before taking possession of the Premises. Franchisee further agrees to promptly and peaceably vacate the Premises and to remove its personal property "Franchisor"), and _____, a(n) _____, with its principal place of business located at _____, and _____'s principal(s) _____, an individual, residing at the written request of Franchisor. Any property not so removed by Franchisee within ten (10) days following receipt of such a written request shall be deemed abandoned by Franchisee and immediately and permanently relinquished to Franchisor.~~

8. ~~Franchisor or its affiliates may enter the premises to make any modifications or alterations necessary to protect the GREAT HARVEST Bakery Cafe franchise system and the trade and service marks associated with the GREAT HARVEST Bakery Cafe franchise system or to cure any default under the Franchise Agreement or Lease _____, and _____, an individual, residing at any time and without prior notice to Lessor, _____ ("Principal(s)"). _____ and _____ Principal(s) shall be individually and collectively referred to, and each is, the "Franchisee".~~

9. ~~Notwithstanding anything contained in the Lease to the contrary or in conflict, it will be a condition of the Lease being subordinated to any mortgage, deed of trust, deed to secure debt, or similar encumbrance on the Premises that the holder of such encumbrance agree not to disturb Franchisee's rights under this Lease or Franchisee's possession of the Premises, so long as Franchisee is not in default of its obligations hereunder beyond an applicable grace or cure period provided herein (as may be extended from time to time pursuant to Section 6 above).~~

10. ~~Lessor acknowledges that the value of the GREAT HARVEST Bakery Cafe brand is derived from the ability to provide uniform products and services and the uniform appearance of its brand, signs, and store concept. As a result, Lessor shall, without charge, permit Franchisee to comply with standard changes and updates by Franchisor to its brand, signs, and store concept, provided that such changes and updates are not in violation of the express terms of the Lease. In the event that Lessor approval for such changes and updates is required under the Lease, such approval shall not be~~

~~unreasonably withheld.~~

~~11. Franchisor shall have the right, but not the obligation, to enter the Premises to take any action necessary, without damage to the Premises, to protect the GREAT HARVEST Bakery Cafe brand within thirty (30) days after Franchisor receives a notice of termination or expiration of the Lease from Lessor (if Franchisor does not exercise its right to receive an assignment of the lease), including, but not limited to, the right to remove, alter, or repaint any signage or proprietary items identifying~~

Franchisor. Any material alterations, design, or color changes shall require prior Lessor approval, which approval shall not be unreasonably withheld.

~~12. Franchisee may not assign the Lease or sublet the Premises without Franchisor's prior written consent, and Lessor will not consent to an assignment or subletting by Franchisee without first verifying that Franchisor has given its written consent to Franchisee's proposed assignment or subletting.~~

~~13. Franchisee shall be and remain liable to Lessor for all of its obligations under the Lease, notwithstanding any assignment of the Lease to Franchisor or another permitted party. Franchisor shall be entitled to recover from Franchisee all the amounts it pays to Lessor to cure Franchisee's defaults under the Lease, including Franchisor's reasonable collection costs.~~

~~14. If the Lease contains term renewal or extension right(s) or other lease options and Franchisee allows the term to expire without exercising such right(s), Lessor shall give Franchisor written notice to this effect, and Franchisor shall have the option for thirty (30) days following receipt of such notice to exercise Franchisee's renewal or extension right(s) or lease options on the same terms and conditions as are contained in the Lease. If Franchisor elects to exercise such right(s), it shall notify Lessor in writing, at which time Lessor and Franchisor shall promptly execute and exchange an agreement whereby Franchisor assumes the Lease effective at the date of termination of any holdover period by Franchisee.~~

~~15. Franchisor is an intended third party beneficiary under the provisions set forth above with independent rights to enforce them, and neither Lessor nor Franchisee may alter or limit any of those provisions without Franchisor's prior written approval.~~

~~16. Lessor agrees to provide Franchisor with a copy of the fully executed Lease within ten (10) days of its full execution by Lessor and Franchisee to the address shown in paragraph 4 above.~~

~~This Rider amends the Lease between Lessor and Franchisee. The parties described hereinabove; and except as provided herein, all other terms of said Lease shall remain unchanged.~~

~~IN WITNESS WHEREOF, the parties have executed this Rider as of the date first above written.~~

LESSOR: _____

By: _____ Name: _____ Title: _____

FRANCHISEE:

By: _____

RECITATIONS

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Through the expenditure of considerable time, effort and money, Franchisor has developed and established a high quality bakery cafe brand that features fresh-baked whole wheat breads, baked goods, soups, salads, sandwiches and related menu items using the Great Harvest trademarks and Franchisor's confidential operations manual ("Manual") of business practices and policies, and Franchisor's distinctive, décor, fixtures and furnishings, operations methods, sales techniques, inventory, procedures for management control and training, assistance, advertising, and promotional programs, all of which may be changed, improved or further developed by Franchisor at any time (taken together herein the "System").

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

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

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

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

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

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

3. TERRITORY.

3.1 Territory Rights. Franchisor agrees that Franchisor will not, and will not permit any other Great Harvest franchisees to, operate a dedicated Great Harvest outlet in the Territory using the same Marks as licensed to Franchisee in this Agreement so long as Franchisee is not in default under this Agreement or this Agreement has not expired or been terminated, subject to Franchisor's reserved rights set forth in Section 3.2 below. Notwithstanding, Franchisee acknowledges that the Territory does not grant Franchisee any exclusive customer base. Franchisee further acknowledges that Franchisor and all System franchisees have the right to conduct sales by delivery in any area with Franchisor's consent, which may include the Territory. Except as otherwise specified in this Agreement, Franchisor reserves the right to open, operate or franchise Great Harvest outlets around, bordering, and adjacent to the Territory.

3.2 Reservation of Rights. Franchisee understands and agrees that all rights to any businesses, other than as specified in this Agreement, are fully reserved to Franchisor within or outside of the Territory. By way of example only, Franchisor reserves the right, within and/or outside of the Territory to (i) offer and sell other products or services not offered under the Mark ~~Franchisor's Agreement~~, ~~Other food~~

service concepts under the Marks or other trademarks; (iii) offer and sell Great Harvest products or services at or through non-traditional or captive market venues and/or through wholesale distribution accounts, which includes distribution at or through kiosks, carts, food trucks, counters, stores-within-a-store, grocery stores, convenience stores, restaurants, amusement or theme parks, sports stadiums and arenas, college and university campuses, business campuses, enclosed shopping centers, military bases, airports, train stations, and gas stations; and (iv) engage in solicitation and sales of Great Harvest products or services through the Internet, catalog sales, telemarketing and direct marketing (“Alternate Distribution Channels”). Franchisee will receive no compensation for Franchisor’s sales made within the Territory pursuant to rights reserved in this Section 3.2, including sales through Alternate Distribution Channels. Franchisee further agrees that implementation of Franchisor’s rights pursuant to this Section 3.2 is deemed not to impair or injure Franchisee’s rights pursuant to Section 2 hereof.

3.3 Solicitation and Sales Restrictions. Franchisee must target Franchisee’s advertising within the Territory and may only solicit sales from customers located within the Territory. Notwithstanding, Franchisee may engage in sales by delivery outside of the Territory, with Franchisor’s prior consent. Franchisee is prohibited from selling and soliciting customers through Alternate Distribution Channels, except as follows: (i) Franchisee may fulfill at the Franchised Business premises orders received through Franchisor’s approved online ordering platform or approved third-party delivery applications; (ii) Franchisee may sell products by mail-order, provided that such sales are only to end-consumers in the Territory and only for delivery to addresses in the Territory; and (iii) Franchisee may sell and maintain wholesale accounts with local distributors, such as farmers’ markets, food cooperatives, and specialty retailers who have operations in the Territory or outside of the Territory, provided that such local distributor is not in the territory of another Great Harvest Bakery Café franchisee or in any area served by Franchisor’s affiliated-owned outlets. Franchisee specifically acknowledges that, unless Franchisee receives Franchisor’s prior written consent (which Franchisor may subsequently revoke in Franchisor’s sole discretion), Franchisee is prohibited from soliciting, selling and maintaining wholesale or retail accounts with any restaurant, grocery store, convenience store, supermarket or other distributor or retailer that (A) operates three (3) or more outlets, whether such outlets are within or outside of the Territory, or (B) operates or has outlets either regionally or nationally. Additionally, in the event Franchisee maintains a wholesale account with a local distributor outside of the Territory and Franchisor subsequently grants a Great Harvest Bakery Café franchise or opens an affiliate-owned outlet in the area where that local distributor is located, Franchisee is required to end Franchisee’s wholesale account with that local distributor prior to the opening of the new franchise or affiliate-owned outlet.

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

5. **SUCCESSOR AGREEMENT OPTION.**

Subject to the terms and conditions of this Agreement, Franchisee shall have the right, following the expiration of the Term hereof, to enter into a new franchise agreement and other agreements then customarily employed by Franchisor and in the form then generally being offered to prospective franchisees in the state in which the Territory is located (the “Successor Franchise Agreement”) for one (1) additional term of ten (10) years. The term of the Successor Franchise Agreement shall commence upon the date of expiration of the immediately preceding term. Franchisee shall be charged a successor agreement fee equal to Seven Thousand Five Hundred Dollars (\$7,500.00) (“Successor Agreement Fee”). In the event Franchisee is not in full compliance with Section 5.2 below at the time Franchisee notifies Franchisor of Franchisee’s desire to enter into a successor agreement, it shall be in Franchisor’s sole and absolute discretion whether to permit a successor term.

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

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

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

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

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

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

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

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

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

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

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

5.2.5 Franchisee shall execute Franchisor's then-current form of general release of all claims Franchisee may have against Great Harvest Franchising, LLC, its parent, subsidiaries and affiliates, its officers, directors, shareholders, agents, and employees, whether in their corporate and/or individual capacities. This release will include all claims arising under any federal, state, or local law, rule, or ordinance.

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

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

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

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

6. FEES.

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

6.1.1 Initial Franchise Fee. Franchisee acknowledges and agrees that the grant of this Franchise and the rights and obligations of the parties under this Agreement constitute the sole and only consideration for the initial franchise fee of Thirty-Five Thousand Dollars (\$35,000.00) (the "Initial Franchise Fee"). **The Initial Franchise Fee is fully earned at the time this Franchise Agreement is signed and is not refundable under any circumstances.** Franchisee shall pay the full amount of the Initial Franchise Fee to Franchisor upon Franchisee's execution of this Agreement.

6.1.2 Royalty Fee. Franchisee agrees to pay Franchisor, throughout the Term, a royalty fee equal to five percent (5%) of the Gross Sales, as hereinafter defined, realized from the Franchised Business and from any other revenues received using Franchisor's methods, operations and/or trade secrets (the "Royalty Fee"). The term "Gross Sales" includes all revenues and income from any source derived or received by Franchisee from, through, by or on account of the operation of the Franchised Business or made pursuant to the rights granted hereunder, including but not limited, any and all other revenues received using Franchisor's methods, operations and/or trade secrets whether received in cash, in services, in kind, from barter and/or exchange, on credit (whether or not payment is actually received) or otherwise. Gross Sales shall include the full amount charged to and payable by customers, without deduction for delivery costs, third party delivery fees, or for other write-offs; however, Gross Sales shall not include (i) any sales tax or similar taxes collected from customers and turned over to the governmental authority imposing the tax, (ii) properly documented refunds to customers, or (iii) properly documented Franchisor-

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approved promotional discounts (i.e., coupons). Gross Sales does not include gift card purchases at the time of purchase, but Gross Sales does include the redemption amount of purchases made by gift card.

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

6.1.4 Method of Payment. Franchisee shall, by the Tuesday immediately following the submission of the Gross Sales Report, pay Franchisor the Royalty Fee and the Brand Fund Contribution, as defined and more particularly described in Article 13, then due. At Franchisor's request, Franchisee must execute documents, including but not limited to, the Authorization attached as Attachment 3, that allow Franchisor to automatically take the Royalty Fee and Brand Fund Contribution due as well as other sums due Franchisor, from business bank accounts via electronic funds transfers or Automated Clearing House ("ACH") payments. Franchisee's failure to allow electronic funds transfers or ACH payments on an ongoing basis is a material breach of this Agreement. If Franchisee fails to timely report Gross Sales, then, in addition to a late fee and interest pursuant to Sections 6.3 and 6.4 hereof, Franchisor shall collect one hundred twenty percent (120%) of the last Royalty Fee payable. Franchisor shall reconcile amounts when Gross Sales are reported. Franchisor reserves the right to modify the method and frequency of Gross Sales Report submission and/or collection of the Royalty Fee and Brand Fund Contribution upon forty-five (45) days' prior notice to Franchisee.

6.2 Technology Bundle Fee. Franchisee shall pay Franchisor a technology bundle fee, in an amount that Franchisor reasonably determines, for the development, adoption and/or use of new or improved technology for the benefit of the System and Franchised Business, including but not limited to, assigned phone numbers and email addresses required for use in the Franchised Business, a franchise portal, benchmarking platform or other operations or communications systems ("Technology Bundle Fee"). In Franchisor's sole discretion, Franchisor may replace the technology with different technology, developed by Franchisor or a third-party, and Franchisee shall pay the then-current fees for the replacement technology and for continuous access thereto. Franchisee shall pay the Technology Bundle Fee in the manner and frequency as reasonably determined by Franchisor. At Franchisor's option, Franchisee shall pay third-party vendor(s) directly for technology provided or required pursuant to this Section 6.2.

6.3 Late Fee. If the Royalty Fee, Brand Fund Contribution, Internal Systems Fee, any other fee due and payable to Franchisor, or any Gross Sales Reports are not received by Franchisor as required by this Agreement, Franchisee shall pay to Franchisor, in addition to the overdue amount, a late fee of Two Hundred Dollars (\$200.00). This late fee is reasonably related to Franchisor's costs resulting from the delay in payment and/or receipt of any report, is not a penalty, and is in addition to any other remedy available to Franchisor under this Agreement for Franchisee's failure to pay amounts to Franchisor and/or submit Gross Sales Reports in accordance with the terms of this Agreement.

6.4 Interest. Any and all amounts that shall become due and owing from Franchisee to Franchisor under the terms hereof shall bear interest from the date due until paid at the rate of twelve percent (12%) per annum or at the highest rate permitted by law, whichever is lower.

6.5 Insufficient Funds Fee. In the event any of Franchisee's checks are returned or an

electronic funds transfer from Franchisee's bank account is denied, for insufficient funds, Franchisee shall pay Franchisor, in addition to the amount due, an insufficient funds fee of Fifty Dollars (\$50.00). This insufficient fund fee is reasonably related to Franchisor's costs resulting from the delayed and declined payment, is not a penalty, and is in addition to any other remedy available to Franchisor under this Agreement.

6.6 Taxes. If any withholding, sales, excise, use, privilege or other tax (excepting Franchisor's income tax obligation) ("Tax Charge") is imposed or levied by any government or governmental agency on Franchisor or Franchisee for any fee due and payable under this Agreement, including but not limited to, the Royalty Fee and Brand Fund Contribution (for the purpose of this Section 6.6, such fee shall be referred to as a "Taxable Payment"), then Franchisee shall pay Franchisor a sum equal to the amount of the Tax Charge, together with the Taxable Payment, such that the net sum received by Franchisor equals the amount of the Taxable Payment without deduction, withholding, payment or application of the Tax Charge.

7. TRAINING.

7.1 Initial Training Program. Franchisee (specifically including all Franchisee's principals) and Franchisee's general manager shall attend and complete to Franchisor's sole and absolute satisfaction, Franchisor's initial training program ("Initial Training Program") prior to the opening of the Franchised Business. All attendees shall have a ServSafe Food Handler or equivalent certification prior to attendance. The Initial Training Program consists of a course conducted virtually, at Franchisor's headquarters and/or at an affiliate-owned or franchised outlet. Franchisee must at all times during the term of this Agreement have principals who have successfully completed the Initial Training Program to Franchisor's sole and complete satisfaction. No charge shall be made for up to two (2) individuals to attend the Initial Training Program prior to opening the Franchised Business ("Initial Trainees"). Notwithstanding the foregoing, Franchisee shall be required to pay all of the expenses of the Initial Trainees, including, without limitation, costs of travel, lodging, meals, and wages.

7.2 Satisfactory Completion. Franchisor shall determine, in Franchisor's sole discretion, whether the Initial Trainees have satisfactorily completed the Initial Training Program. If the Initial Training Program is not satisfactorily completed or if Franchisor, in Franchisor's reasonable business judgment based upon the performance of the Initial Trainees, determines that the Initial Training Program cannot be satisfactorily completed by Franchisee and Franchisee's Principal(s), Franchisor may terminate this Agreement.

7.3 Opening Assistance. Immediately prior to and upon the opening of the Franchised Business, Franchisor shall provide Franchisee with opening assistance by a trained representative(s) of Franchisor. The trainer(s) will provide on-site opening training, supervision, and assistance to Franchisee for up to nine (9) days at no charge to Franchisee.

7.4 Additional Training. Franchisor may offer mandatory and/or optional additional training programs from time to time and as may be set forth in the Manual. If required by Franchisor, Franchisee, or Franchisee's Principals or approved General Manager shall participate in additional training for up to five (5) days per year, and attend an annual systemwide business meeting or conference for up to three (3) days per year, at location(s) designated by Franchisor. Franchisor reserves the right to impose a reasonable fee for all additional training programs. **Franchisee hereby authorizes Franchisor to take payment of additional training program fees, at Franchisor's option, through electronic funds transfer or ACH payment.** Franchisee shall be responsible for any and all incidental expenses incurred by Franchisee or Franchisee's personnel in connection with additional training or attendance at Franchisor's national business meeting or annual conference, including, without limitation, costs of travel,

lodging, meals, and wages. Franchisee's failure to attend and/or complete mandatory additional training or failure to attend Franchisor's national business meeting or annual convention is a material default of this Agreement. Franchisee or Principal(s) shall be required to (i) pay the tuition or registration fee regardless, as a non-attendance fee, and (ii) obtain any missed mandatory additional training at a location Franchisor designates. Franchisee shall pay all costs and expenses for such missed additional training, including but not limited to, tuition at the then-current rate and any and all transportation, meals and lodging of Franchisee, Franchisee's principal, and Franchisor's training personnel. Franchisee shall pay to Franchisor any incurred expenses by Franchisor's training personnel within ten (10) days of Franchisor's billing thereof to Franchisee.

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

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

8. FRANCHISED BUSINESS SITE REQUIREMENTS.

8.1 Site Selection.

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

8.1.2 Franchisee shall locate a site in the non-exclusive site search area ("Site Search Area") set forth on Attachment 2 hereof that satisfies the site selection guidelines provided to Franchisee by Franchisor and shall submit to Franchisor, in writing, a description of the site, together with written certification the site complies with Franchisor's site selection guidelines, and such other information and materials as Franchisor may reasonably require. Recognizing that time is of the essence, Franchisee shall submit such information and materials for a proposed site to Franchisor, and obtain Franchisor's consent

thereto, within one hundred twenty (120) days after the execution of this Agreement. No site may be used for the location of the Franchised Business unless it is approved in writing by Franchisor.

8.1.3 Within ninety (90) days following Franchisor's consent to Franchisee's proposed site, Franchisee shall execute a lease therefor, as applicable, and obtain physical possession of the premises. Any lease must include Franchisor's Conditional Assignment of Lease Agreement, a copy of which is attached hereto as Attachment 4, and other brand protection provisions as may be required by Franchisor. Franchisee shall submit the proposed lease to Franchisor prior to execution to confirm same. Failure by Franchisee to acquire the site for the Franchised Business within the time and in the manner required herein shall constitute a material event of default under this Agreement.

8.1.4 Upon consent by Franchisor to the site for the Franchised Business, Franchisor shall set forth the premises address and Territory in Attachment 2 of this Agreement and shall provide a copy thereof to Franchisee. Attachment 2, as completed by Franchisor, shall be incorporated herein and made a part hereof. Franchisee shall notify Franchisor within fifteen (15) days of any error or rejection of Attachment 2; otherwise, the Attachment 2 provided to Franchisee shall be deemed final.

8.2 Construction.

8.2.1 Franchisee shall be responsible for obtaining clearances that may be required by state or local laws, ordinances, or regulations or that may be necessary as a result of any restrictive covenants or regulations relating to the Franchised Business premises. Prior to beginning the construction of the Franchised Business, Franchisee shall (a) use Franchisor's designated architect or obtain Franchisor's approval of a proposed alternate architect, which approval shall not be unreasonably withheld, (b) adapt Franchisor's prototypical construction plans and specifications, provided to Franchisee, for the construction of the Franchised Business premises and submit such adapted plans and specifications to Franchisor for approval, (c) use Franchisor's designated contractor or obtain Franchisor's approval of a proposed alternate contractor, which approval shall not be unreasonably withheld, (d) obtain all permits, licenses, insurance and certifications required for the lawful construction or remodeling and operation of the Franchised Business, including, but not limited to, permits for the installation of signage, and (e) certify in writing to Franchisor that all required approvals, clearances, permits, insurance and certifications have been obtained. In the event Franchisee does not use the services of Franchisor's designated architect, then, notwithstanding Franchisor's approval of Franchisee's proposed alternate architect, Franchisor may charge Franchisee a fee of Two Thousand Five Hundred Dollars (\$2,500.00) for Franchisor's designated architect to review Franchisee's adapted plans and specifications. Additionally, notwithstanding Franchisor's approval of Franchisee's proposed alternate contractor, Franchisor may charge Franchisee a fee of Two Thousand Five Hundred Dollars (\$2,500.00) for Franchisor's designated contractor to perform construction management services on Franchisor's behalf. Such fee(s) shall be payable upon written notice to Franchisee and payment thereof shall be a condition for Franchisor's approval of Franchisee's plans and/or authorization to open pursuant to Section 8.2.3.

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

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

8.3 Time to Open. Franchisee acknowledges that time is of the essence in this Agreement. Subject to Franchisee's compliance with the conditions stated below, Franchisee shall open the Franchised Business and commence business within ninety (90) days after Franchisee has obtained possession of the Franchised Business premises, unless Franchisee obtains a written extension of such time period from Franchisor. The date the Franchised Business opens for business to the public shall be defined herein as the "Opening Date". Prior to the Opening Date, Franchisee shall (i) complete all exterior and interior preparations for the Franchised Business, including installation and cleaning of equipment, fixtures, furnishings and signs, in accordance with System requirements and the plans and specifications consented to by Franchisor, (ii) satisfactorily complete Franchisor's Initial Training Program, as further set forth in Article 7, (iii) hire and train staff, as required, (iv) purchase and stock initial inventory, and (v) obtain all required licenses and insurance (as described in Article 15 hereof) to operate the Franchised Business. If Franchisee fails to comply with any of such obligations, Franchisor shall have the right to prohibit Franchisee from opening for business. Franchisee's failure to open the Franchised Business and commence business (i) in accordance with the foregoing and (ii) within three hundred sixty-five (365) days following the date of this Agreement shall be deemed a material event of default under this Agreement.

8.4. No Relocation. Franchisee's rights to operate the Franchised Business shall be limited to Franchised Business premises address and Territory set forth in Attachment 2, and no other. Franchisee shall not relocate the premises of the Franchised Business at any time without Franchisor's written approval, which approval shall be granted only in the sole and complete discretion of Franchisor, and, if permitted, shall be at Franchisee's sole expense. In the event such permission is granted, Franchisee shall (i) pay a relocation fee equal to Five Thousand Dollars (\$5,000.00), (ii) secure and outfit the replacement premises in accordance with Sections 8.1 and 8.2 within one hundred eighty (180) days of Franchisor's consent, (iii) if feasible, continue to operate at the original premises during the construction of the replacement premises, and (iv) upon relocation, remove any signs or other property from the original Franchised Business premises which identified the original Franchised Business premises as part of the System. Failure to comply with the foregoing requirements shall be a material default of this Agreement. Franchisor shall revise Attachment 2 to reflect the address of the new Franchised Business premises and, in Franchisor's sole discretion, any adjustment to the Territory.

9. MAINTENANCE AND IMPROVEMENT OF THE PREMISES AND SYSTEM.

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

9.2 Inspections. Franchisee shall operate and maintain the Franchised Business and Franchised Business premises in conformance with all regulations and best practices for food and beverage storage, handling, preparation, service, and disposal and in a manner that will ensure the highest rating possible for businesses of like kind from the governmental authorities that may inspect such businesses in the Territory. Franchisee shall submit to Franchisor a copy of all Franchisor's reports. It

shall be a default of this Agreement if, upon inspection, Franchisee does not obtain such rating or if Franchisee fails to operate in accordance with the general standards of quality, maintenance, repairs, and sanitation required by the System, and Franchisor may, at its option, terminate this Agreement.

9.3 Equipment and Technology Updates. Franchisee shall make any and all upgrades to equipment, including but not limited to, food preparation and storage equipment, the POS System, and any technology used in conjunction therewith, as Franchisor requires in its sole and absolute discretion.

9.4 Trade Dress Modifications.

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

9.4.2 No more than once in a five (5)-year period, at Franchisor’s request, Franchisee shall refurbish the Franchised Business premises at Franchisee’s sole expense, as required by Franchisor, to conform to Trade Dress Modifications. This includes, without limitation, structural changes, remodeling, redecoration, and modifications to existing improvements. Notwithstanding the foregoing restriction on the frequency of Trade Dress Modifications, Franchisee, upon notice by Franchisor and in accordance with Section 14.6 hereof, shall immediately discontinue the use of any Mark that is no longer desirable or available to Franchisor and substitute a different Mark or Marks as Franchisor directs.

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

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

9.6 Franchisee Advisory Group. Franchisor reserves the right to create (and if created the right to change or dissolve) a franchisee advisory group as a formal means for System franchisees to communicate ideas. In the event a franchisee advisory council is created, Franchisor may invite Franchisee to participate in council-related activities and meetings, which invitation may be based on factors, including but not necessarily limited to, a franchisee’s level of success, superior performance, and outlet profitability.

10. FRANCHISOR’S OBLIGATIONS.

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

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

10.2 Construction. Criteria and specifications for a Great Harvest outlet. Such criteria and specifications include, but are not necessarily limited to, criteria with respect to site selection, food and

preparation, waste removal and ventilation systems. Franchisee shall independently, and at Franchisee's expense, have such criteria and specifications incorporated into the construction of the Franchised Business premises in accordance with Article 8.

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

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

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

10.6 Advertising Materials. Samples of certain advertising and promotional materials and information as may be developed by Franchisor from time to time for use by Franchisee in marketing and conducting local advertising for the Franchised Business.

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

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

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

10.10 Brand Fund. Administration of a Brand Fund in accordance with Section 13.3.

11. FRANCHISEE'S REPRESENTATIONS, WARRANTIES AND COVENANTS.

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

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

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

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

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

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

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

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

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

11.4 Appointment of Manager.

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

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

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

11.4.2.2 The General Manager shall devote his or her full time and best efforts to the supervision and management of the Franchised Business and may not engage in any other business activity without the Franchisor’s consent, which may be withheld in Franchisor’s sole discretion.

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

11.4.3 If the General Manager is not able to continue to serve in such capacity, or no longer qualifies to act as such in accordance with this Agreement, Franchisee shall promptly notify Franchisor and designate a replacement within thirty (30) days after the General Manager ceases to serve, such replacement being subject to the same qualifications required by this Agreement. Franchisee’s replacement General Manager shall attend and satisfactorily complete the Initial Training Program, at Franchisee’s sole cost and expense, including the payment of the then-current tuition. Until such replacement is designated and trained, Franchisee shall provide interim management of the Franchised Business, who shall act in accordance with the terms of this Agreement. Any failure to comply with the requirements of this Section shall be deemed a material event of default under this Agreement. Franchisor, in Franchisor’s sole discretion, may provide interim management of the Franchised Business.

Manager is properly trained or certified in accordance with Franchisor's requirements, and in such event, Franchisee shall pay Franchisor the then-current interim management support fee, plus any and all costs of travel, lodging, meals and other expenses reasonably incurred by Franchisor. Franchisee hereby authorizes Franchisor to withdraw such charges from Franchisee's designated bank account in accordance with Section 6.1.4.

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

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

11.7 Assignment of Numbers and Listings. Franchisee shall execute such forms and documents, including the Internet Advertising, Social Media, Software, and Telephone Listing Agreement contained in Attachment 7 hereof, to appoint Franchisor its true and lawful attorney-in-fact, with full power and authority, for the sole purpose of assigning to Franchisor, Franchisee's telephone numbers, listings, and passwords and administrator rights for all email and social media accounts used or created by Franchisee. Upon the expiration or termination of this Agreement, Franchisor may exercise its authority, pursuant to such documents, to obtain any and all of Franchisee's rights to the telephone numbers of the Franchised Business and all related telephone directory listings and other business listings, and all Internet listings, domain names, Internet advertising, websites, listings with search engines, electronic mail addresses, social media, or any other similar listing or usages related to the Franchised Business.

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

11.9 Security Agreement. To secure payment of all sums owing to Franchisor from Franchisee, whether they be Royalty Fees, Brand Fund Contributions, and/or other fees, costs, damages, or reimbursements pursuant to this Agreement or any other agreement between Franchisor and Franchisee and/or Principal(s), Franchisee grants Franchisor a security interest in the Collateral (as hereafter defined) and further agrees:

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11.9.1 The Collateral means all furniture, fixtures, equipment, signage, inventory, and supplies of the Franchised Business, wherever located, that are now owned or hereafter acquired, and any additions, substitutions, replacements, or products thereof or proceeds therefor.

11.9.2 This Agreement shall be deemed a security agreement, and Franchisor, in Franchisor's discretion, may file with applicable state agencies or offices this Agreement and/or one or more financing statements indicating Franchisor's secured interest in the Collateral. Franchisee shall cooperate with Franchisor and shall execute such documents as may be necessary for Franchisor to perfect its security interests.

11.9.3 Upon a default of this Agreement by Franchisee, all sums owing to Franchisor from Franchisee shall be immediately due and payable, and Franchisor shall have the immediate right to possession and use of the Collateral, which includes Franchisor right to enter upon any premises, without legal process, where the Collateral may be found. Franchisor further shall have all rights, options, duties, and remedies of a secured party pursuant to the Uniform Commercial Code, as adopted by the State where the Collateral is located, including the right to dispose of the Collateral in accordance therewith.

11.9.4 Franchisor's exercise of its rights with regard to the Collateral are in addition to and not exclusive of any other rights or remedies that Franchisor may have pursuant to this Agreement, at law, or in equity for Franchisee's breach of this Agreement.

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

12. FRANCHISEE'S OPERATIONS.

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

12.1.1 Use only those furnishings, fixtures, décor, equipment, ingredients, recipes, supplies and signage that conform with Franchisor's specifications and/or which shall be purchased from only those vendors then-currently designated and approved by Franchisor. Franchisee acknowledges and agrees that: (i) Franchisor and/or Franchisor's affiliate may be a designated supplier or sole approved supplier of any product or service that Franchisee is required to lease or purchase, (ii) Franchisor and/or Franchisor's affiliate may receive payment from supplier(s) related to Franchisee's required purchases or leases, and (iii) any payments so received are for Franchisor's benefit only and may be used or applied in any manner determined by Franchisor in Franchisor's sole and absolute discretion;

12.1.2 Maintain and operate the Franchised Business premises in attractive condition and good repair, using Franchisee's best efforts to maintain a clean, enjoyable and inviting atmosphere therein in accordance with System standards, the Manual and all other directives and requirements of Franchisor, and do such redecoration, repairing, refurbishing and restoration as from time to time may be reasonably required to meet System standards and Franchisor's requirements. Franchisee shall be modified

from time to time. Franchisee, at Franchisee's sole expense, shall cause Franchisee's equipment to be regularly serviced in accordance with any warranty and manufacturer's guidelines and the Manual;

12.1.3 Procure the necessary licenses or permits to allow food and beverage preparation and service and otherwise comply with all applicable governmental laws, ordinances, rules, and regulations including those related to health and sanitation;

12.1.4 Maintain sufficient inventories of ingredients, supplies and merchandise held for resale, as prescribed by Franchisor;

12.1.5 Conduct sales in accordance with Franchisor's standards and specifications, which shall include offering all core menu items required by Franchisor (as may be added, deleted, or modified from time to time by Franchisor) and in the format(s) Franchisor requires, such as dine-in, take-out, curbside pickup, catering, and delivery (either directly or through use of third-party delivery services and applications). Franchisee acknowledges and accepts that Franchisee may only engage in providing food and beverage service to end-consumers, provided that Franchisee may sell and maintain wholesale accounts in strict accordance with Section 3.3 of this Agreement and the Manual. Franchisee is expressly prohibited from selling products or services using the Franchised Business operations, assets and/or premises that are not a part of the Great Harvest System, unless Franchisee requests and receives Franchisor's prior written consent for such product or service. Notwithstanding Franchisor's consent to the sale of any non-System product or service, Franchisee acknowledges that Franchisor may thereafter revoke consent at any time, in Franchisor's sole discretion;

12.1.6 Employ only qualified individuals, with food handler and other certification(s) required by the laws and regulations of the Territory, who Franchisee has trained to provide System goods and services in accordance with Franchisor's standards, which includes but is not limited to, the protection of Franchisor's confidential and proprietary information, and who will at all times enhance Franchisor's brand and conduct themselves in a competent and courteous manner in accordance with this Agreement and the image and reputation of the System. Franchisee shall use its best efforts to ensure that Franchisee's employees maintain a neat and clean appearance, including adherence to Franchisor's standards for dress and uniforms, and render competent and courteous service to customers of the Franchised Business. Franchisee acknowledges and agrees that poorly trained employees, sloppy or unclean appearances and incompetent or discourteous service are extremely damaging to the goodwill of the System and the Marks and are a material default of this Agreement;

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

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

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

12.1.10 Participate in, accept and honor all loyalty program cards or memberships, promotional coupons, gift cards, or other System-wide offers, on a uniform basis, as accepted by other franchisees in the System. Franchisee shall abide by all procedures for management and financial accounting for loyalty programs, gift cards, and other promotional programs, as set forth in the Manual.

12.2 Bookkeeping and Reports.

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

12.2.2 Within ten (10) days after the close of each calendar month and within ninety (90) days after the close of each fiscal year, Franchisee will furnish Franchisor a full and complete written statement of income and expense and a profit and loss statement for the operation of the Franchised Business during said period, together with a balance sheet for the Franchised Business, all of which shall be prepared in accordance with generally accepted accounting principles and practice. Franchisee's annual statements and balance sheets shall be prepared by an independent certified public accountant and certified to be correct.

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

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

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

12.3 Computer Systems.

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

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

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

12.3.4 Franchisor may require Franchisee, at Franchisee's sole expense, to enter into software license agreements in the form that Franchisor requires for software Franchisor develops or acquires for use in the System.

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

12.3.6 Franchisor has established a website that provides information about the System and the products and services offered by the Great Harvest System (the "Website"). Franchisor has sole discretion and control over the Website. Franchisor shall include a listing on its Website with Franchisee's Franchised Business address, and may, at Franchisor's option, provide Franchisee with a linked webpage for the Franchised Business. Franchisee has no ownership or other proprietary rights to Franchisor's Website and Franchisee will lose all rights to such listing and/or webpage of Franchisee's outlet upon expiration or termination of this Agreement for any reason.

12.3.7 In addition to Franchisee's obligation pursuant to Section 6.2 hereof, Franchisee shall pay all fees and expenses for technology required by this Agreement, including but not limited to, the costs of computer hardware and software and applications, installation costs and regularly recurring fees for software, Internet access, webpage maintenance fees, telecommunication systems, license fees, help desk fees, and licensing or user-based fees.

12.3.8 Franchisee shall abide by Franchisor's data privacy policies. Nonetheless, Franchisee is solely responsible for maintaining the security and integrity of the computer and payment processing systems used in the Franchised Business and the customer and other data stored therein. Franchisee, at Franchisee's sole cost and expense, shall implement all computer hardware, software, and Internet security procedures, including required updates or upgrades thereto, that are reasonably necessary

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to protect Franchisee's computer and payment processing systems and the data stored therein from viruses, malware, privacy breaches or other unauthorized access.

12.4 Safety and Security of Premises. Franchisee is solely responsible for the safety and security of the Franchised Business premises for Franchisee, Franchisee's personnel, agents, customers, and the general public. Any suggestions by Franchisor on such matters are for guidance only and not binding on Franchisee. All matters of safety and security are within Franchisee's discretion and control, and Franchisee's indemnification obligations set forth in Section 15.6 hereof shall apply to any claims made against Franchisor regarding safety or security.

12.5 Prices. Subject to applicable law, Franchisor may set advertised and/or maximum prices for System services and products. Franchisee shall have the right to sell its products and services at any price within Franchisor's parameters as Franchisee determines. Franchisee acknowledges that Franchisor has made no guarantee or warranty that offering services or products at any particular price will enhance Franchisee's sales or profits.

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

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

12.8 Operational Standards Violation. Franchisor has established certain operational standards, as set forth in the Manual. Franchisee acknowledges that any deviation from an operational standard constitutes a violation of this Agreement and will require Franchisor to incur incalculable administrative and management costs to address such violation. Accordingly, Franchisee agrees that, to compensate Franchisor for its incalculable administrative and management costs due to Franchisee's operational standard violation, Franchisee shall pay Franchisor an Operational Standards Violation Fee, as set forth in the Manual, for each violation of an operational standard. Franchisee hereby authorizes Franchisor to take payment of the Operational Standards Violation Fee, at Franchisor's option, through electronic funds transfer or ACH payment. Franchisor need not give Franchisee a cure opportunity before charging the Operational Standards Violation Fee, and Franchisor's imposition of an Operational Standards Violation Fee does not preclude Franchisor from seeking injunctive relief to restrain any subsequent or continuing violation, formally defaulting and terminating this Agreement or exercising any of Franchisor's rights under this Agreement.

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

13. ADVERTISING, PROMOTIONS AND RELATED FEES.

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

13.2 Local Advertising.

13.2.1 In addition to the ongoing Brand Fund contributions set forth herein, and following the expenditures set forth in Section 13.2.3 below, Franchisee shall spend monthly, throughout the term of this Agreement, a minimum of one percent (1%) of Gross Sales or Five Hundred Dollars (\$500.00), whichever is greater, per month on advertising and promotional activities in the Territory ("Local Advertising"). In the event that Franchisee fails to conduct Local Advertising at the minimum levels required by this Section 13.2.1, Franchisor may collect some or all of Franchisee's minimum Local Advertising expenditure and, at Franchisor's option, (i) conduct Local Advertising on Franchisee's behalf and charge Franchisee an additional administrative fee of One Thousand Dollars (\$1,000.00) per month therefor, or (ii) deposit Franchisee's minimum Local Advertising expenditure into the Brand Fund with no obligation to expend any amount for marketing in the Territory. Franchisee hereby authorizes Franchisor to collect Franchisee's Local Advertising expenditure and, if applicable, the foregoing administrative fee, through electronic funds transfer or ACH payment. In the event Franchisor conducts Local Advertising activities on Franchisee's behalf pursuant to this Section 13.2.1, Franchisor makes no representation or warranty that such activities will be successful or will yield any particular level of sales for Franchisee, and Franchisee hereby waives any and all claims against Franchisor relating thereto.

13.2.2 Within ten (10) business days of Franchisor's request, Franchisee shall provide an expenditure report accurately reflecting Franchisee's Local Advertising expenditures for the preceding quarterly period. The following costs and expenditures incurred by Franchisee shall **not** be included as part of Franchisee's required minimum expenditures on Local Advertising for purposes of Section 13.2.1, unless approved in advance by Franchisor in writing: (i) the value of promotional discounts or product giveaways; (ii) permanent signage, printed menus or menu boards, vehicle branding, or other fixture or equipment of a capital nature; (iii) incentive programs for employees or agents of Franchisee; (iv) research expenditures; (v) salaries and expenses of any of Franchisee's personnel to produce marketing

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materials or attend advertising meetings, workshops or other marketing activities; (vi) charitable, political or other contributions or donations.

13.2.3 In addition to the requirements of Section 13.2.1, Franchisee shall spend a minimum of Fifteen Thousand Dollars (\$15,000.00) on Local Advertising and promotional activities in the Territory within the fifteen (15) days prior to, and for sixty (60) days following, the Opening Date to promote the opening of the Franchised Business (“Grand Opening Campaign”). Franchisee shall conduct the Grand Opening Campaign in accordance with plans approved by Franchisor pursuant to Section 13.6.

13.3 Brand Fund.

13.3.1 Franchisor has established a national fund (the “Brand Fund”) on behalf of the System for national advertising, marketing, and business system development and enhancements. Franchisee is required to contribute two and one-half percent (2.5%) of the Gross Sales generated weekly by Franchisee’s Franchised Business to the Brand Fund (“Brand Fund Contribution”). Payments will be made in the same manner and time as the Royalty Fees. If Franchisee fails to timely report Gross Sales, then, in addition to a late fee and interest pursuant to Sections 6.3 and 6.4 hereof, Franchisor shall collect one hundred twenty percent (120%) of the last Brand Fund Contribution payable. Franchisor shall reconcile amounts when Gross Sales are reported.

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

13.3.3 Franchisor may, but has no obligation to, contribute to the Brand Fund on the same basis as Franchisee with respect to Great Harvest outlets operated by Franchisor or Franchisor’s affiliates.

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

13.3.5 The Brand Fund will not be used to defray any of Franchisor’s general operating expenses, except for reasonable administrative costs, staff salaries of Brand Fund personnel and overhead that Franchisor may incur in activities related to the administration and direction of the Brand Fund and such costs and expenses pursuant Section 13.3.4. The Brand Fund and its earnings shall not otherwise

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inure to Franchisor's benefit except that any resulting technology and intellectual property shall be deemed the property of Franchisor.

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

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

13.4 Regional Advertising. Franchisor reserves the right to establish, in Franchisor's sole discretion, a regional advertising cooperative. If a regional cooperative is established during the term of this Agreement, Franchisee agrees to sign all documents Franchisor requests to become a member of the cooperative according to the terms of the documents. If Franchisor establishes a regional cooperative, Franchisee agrees to contribute amounts equal to Franchisee's share of the total cost of cooperative advertising, in addition to required Brand Fund Contributions, provided that such contribution will be in partial or full satisfaction of Franchisee's Local Advertising obligations pursuant to Section 13.2.1.

13.5 Directory Listings and Social Media. At Franchisee's sole cost and expense, Franchisee must list the Franchised Business in local business directories, including, but not limited to, listings on Internet search engines. If feasible, and with Franchisor's prior written approval, Franchisee may do cooperative listings with other System franchisees. Notwithstanding the foregoing, Franchisee's use of any social media accounts shall be in strict accordance with Franchisor's requirements. Franchisee may not maintain any business profile on Facebook, Instagram, X, Bluesky, LinkedIn, YouTube, Threads, Tik Tok, blogs, or any other social media and/or networking site without Franchisor's prior written approval, which Franchisor may thereafter revoke, in Franchisor's sole discretion. Franchisee acknowledges that Franchisee's maintenance of social media accounts for the Franchised Business confers upon Franchisee no ownership interest in Franchisor's Intellectual Property, as described in Article 14. Franchisee shall provide Franchisor with all passwords and administrative rights to any and all social media accounts for the Franchised Business, and Franchisee hereby appoints Franchisor its true and lawful agent and attorney-in-fact with full power and authority, for the sole purpose of taking whatever action as is necessary for the best interest of the System, if Franchisee fails to maintain such accounts in accordance with Franchisor's standards.

13.6 Approval of Advertising. All advertising and promotion by Franchisee, in any medium, shall be conducted in a professional manner and shall conform to the standards and requirements of Franchisor as set forth in the Manual or otherwise. Franchisee shall submit to Franchisor for its approval all proposed advertising, press releases, promotional plans and materials and public relations programs that Franchisee desires to use ("Proposed Local Advertising"), including, without limitation, any Proposed Local Advertising in digital, electronic, or computerized form; any Proposed Local Advertising based on a template provided by Franchisor; or any Proposed Local Advertising in any form of media. Franchisee's approval request shall also include the proposed media and duration in which Franchisee intends to broadcast the Proposed Local Advertising. Franchisor shall approve or disapprove such Proposed Local Advertising within ten (10) business days of Franchisor's receipt thereof. If Franchisor fails to respond to Franchisee's submission within ten (10) business days, such Proposed Local Advertising shall be deemed "disapproved". Franchisee shall not use such unapproved Proposed Local Advertising until they have been approved by Franchisor in writing and shall promptly discontinue use of

any advertising or promotional plans or materials, whether or not previously approved, upon notice from Franchisor. Franchisee acknowledges that any approved Local Advertising shall be limited to the specific form, color, content, media, and time period requested and/or set forth in Franchisor’s approval notice. If Franchisee desires to (i) modify any aspect of approved Local Advertising, or the medium or duration of broadcast, or (ii) re-use previously approved Local Advertising, whether in the same or different media, after the expiration of the initially approved time period, Franchisee shall submit to Franchisor a new request for approval. Any advertising, marketing or sales concepts, programs or materials proposed or developed by Franchisee for the Great Harvest brand and approved by Franchisor may be used by other System franchisees without any compensation to Franchisee.

14. INTELLECTUAL PROPERTY.

14.1 Ownership.

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

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

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

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

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

14.5 Infringement. Franchisee acknowledges that any unauthorized use of the Intellectual Property shall constitute an infringement of Franchisor’s and/or Franchisor’s affiliate(s)’s rights in the Intellectual Property and a material event of default hereunder. Franchisee shall provide Franchisor and/or Franchisor’s affiliate(s) with all assignments, affidavits, documents, information and assistance

Franchisor and/or Franchisor's affiliate(s) reasonably request to fully vest in Franchisor and/or Franchisor's affiliate(s) all such rights, title and interest in and to the Intellectual Property, including all such items as are reasonably requested by Franchisor and/or Franchisor's affiliate(s) to register, maintain and enforce such rights in the Intellectual Property.

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

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

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

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

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

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

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

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

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

15. INSURANCE AND INDEMNIFICATION.

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

15.1.1 Liability. Commercial general liability insurance for bodily injury and property damage, including products liability and personal and advertising injury, in the amount of at least One Million (\$1,000,000) per occurrence and Two Million (\$2,000,000) aggregate, with no exclusion for assault and battery;

15.1.2 Employment. Worker's compensation coverage in the limits required by state law of the Territory; employer liability insurance in the amount of One Million Dollars (\$1,000,000); employer practices liability insurance that names Franchisor as co-defendant in the amount of One Million Dollars (\$1,000,000) for employment wrongful acts, including third party liability for harassment and discrimination of non-employees; and wage and hour defense coverage in the minimum amount of One Hundred Thousand Dollars (\$100,000), as well as such other insurance as may be required by statute or rule of the state in which the Franchised Business is operated;

15.1.4 Property. Special Form coverage for all property damage with primary and excess limits of not less than the full replacement value of the leasehold improvements, equipment, furniture, fixtures, inventory, and supplies, or the amount required by the lease for the Franchised Business premises, whichever is greater, as well as flood or earthquake coverage in geographically-prone areas;

15.1.5 Business Interruption. Business interruption insurance for a minimum of twelve (12) months, in an amount necessary to satisfy Franchisee's obligations under this Agreement and the lease for the Franchised Business premises, including an extended period of indemnity for one hundred eighty (180) days;

15.1.6 Automobile Insurance. Comprehensive automobile liability insurance in the amount of One Million Dollars (\$1,000,000) combined single limit for all owned, non-owned and hired vehicles used in the operation of the Franchised Business, with no exclusion for third-party delivery services;

15.1.7 Cyber Liability. Cyber Liability Insurance in the amount of One Million Dollars

(\$1,000,000) for all first and third party claims, including but not limited to, cyber data breaches, identity theft, PCI compliance, ransomware, notification costs and defense expenses and social engineering sublimit of no less than One Hundred Thousand Dollars (\$100,000); and

15.1.8 Trade Name Restoration. Coverage in an amount of no less than Five Hundred Thousand Dollars (\$500,000) for lost income due to food borne illness, actual contamination, alleged contamination or a supplier contamination event anywhere in the Great Harvest System, which shall include Hepatitis A inoculation costs.

15.2 Evidence of Insurance. Franchisee shall deliver to, and maintain at all times with Franchisor, current Certificates of Insurance evidencing the existence and continuation of the required coverages. Franchisee shall deliver the initial Certificate of Insurance no later than ten (10) days following lease execution, and shall thereafter deliver current Certificates of Insurance no later than ten (10) days following Franchisor's request therefor. In addition, if requested by Franchisor, Franchisee shall deliver to Franchisor a copy of the insurance policy or policies required hereunder. All Certificates shall expressly provide that no less than thirty (30) days' prior written notice shall be given to Franchisor in the event of material alteration to, or cancellation of, the coverage evidenced by such a Certificate.

15.3 Failure to Procure. If, for any reason, Franchisee should fail to procure or maintain the insurance required by this Agreement as revised from time to time for all franchisees by the Manual or otherwise in writing, Franchisor shall have the right and authority (without, however, any obligation) to immediately procure such insurance and to charge Franchisee for the cost thereof together with an administrative fee of ten percent (10%) of the cost for Franchisor's expenses in so acting, including all attorneys' fees. Franchisee shall pay Franchisor immediately upon notice by Franchisor to Franchisee that Franchisor has undertaken such action and the cost thereof.

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

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

15.6 Indemnification. TO THE FULLEST EXTENT PERMITTED BY LAW, FRANCHISEE AGREES TO EXONERATE AND INDEMNIFY AND HOLD HARMLESS GREAT HARVEST FRANCHISING, LLC, AND ANY OF ITS PARENT COMPANIES, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES, AS WELL AS THEIR DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS AND MEMBERS (COLLECTIVELY REFERRED TO AS THE "FRANCHISOR PARTY INDEMNITEES"), FROM ALL CLAIMS BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATED TO FRANCHISEE'S FRANCHISE AND/OR THE OPERATION THEREOF, INCLUDING BUT NOT LIMITED TO, ANY CLAIM IN CONNECTION WITH FRANCHISEE'S EMPLOYEES OR AGENTS; FRANCHISEE'S COMPUTER SYSTEMS; FRANCHISEE'S PREPARATION, STORAGE, HANDLING AND/OR DISPOSAL OF FOOD OR BEVERAGE PRODUCTS; THE FRANCHISED BUSINESS PREMISES; OR FRANCHISEE'S ADVERTISING OR BUSINESS PRACTICES. FRANCHISEE AGREES TO

PAY FOR ALL FRANCHISOR PARTY INDEMNITEES' LOSSES, EXPENSES (INCLUDING, BUT NOT LIMITED TO ATTORNEYS' FEES) OR CONCURRENT OR CONTRIBUTING LIABILITY INCURRED IN CONNECTION WITH ANY ACTION, SUIT, PROCEEDING, INQUIRY (REGARDLESS OF WHETHER THE SAME IS REDUCED TO JUDGMENT OR DETERMINATION), OR ANY SETTLEMENT THEREOF FOR THE INDEMNIFICATION GRANTED BY FRANCHISEE HEREUNDER. THE FRANCHISOR PARTY INDEMNITEES SHALL HAVE THE RIGHT TO SELECT AND APPOINT INDEPENDENT COUNSEL TO REPRESENT ANY OF THE FRANCHISOR PARTY INDEMNITEES IN ANY ACTION OR PROCEEDING COVERED BY THIS INDEMNITY. FRANCHISEE AGREES THAT TO HOLD THE FRANCHISOR PARTY INDEMNITEES HARMLESS, FRANCHISEE WILL REIMBURSE THE FRANCHISOR PARTY INDEMNITEES AS THE COSTS AND EXPENSES ARE INCURRED BY THE FRANCHISOR PARTY INDEMNITEES.

Initial

16. TRANSFERS.

16.1 Transfers by Franchisor.

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

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

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

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

16.3 Transfers by Franchisee. Neither Franchisee nor any Principal(s) shall directly or indirectly sell, assign, transfer, give, devise, convey or encumber this Agreement or any right or interest herein or hereunder (a "Transfer"), the Franchise, the Franchised Business or any assets thereof (except in the ordinary course of business) or suffer or permit any such assignment, transfer, or encumbrance to occur by operation of law, unless Franchisee or Principal(s) first obtains the written consent of Franchisor. A transfer of any stock in the Franchisee if it is a corporation or a transfer of any ownership rights in Franchisee if it is a partnership, a limited liability company or limited partnership shall be considered a Transfer restricted hereunder. If Franchisee and Principal(s) have complied fully with this Agreement and subject to Franchisor's Right of First Refusal set forth in Section 16.6, Franchisor will not unreasonably withhold its consent of a Transfer that meets the following requirements:

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

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

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

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

16.3.5 The transferee agrees to renovate, refurbish, remodel, and/or replace, at the transferee's own cost, elements of the Franchised Business premises, signage and/or equipment within timeframes specified by Franchisor to comply with Franchisor's then-current specifications;

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

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

16.3.8 Franchisor has granted written approval of the material terms and conditions of the Transfer, including, without limitation, that the price and terms of payment will not adversely affect the Franchised Business's operation. However, Franchisor's approval of a Transfer is not in any way a representation or warranty of the transferee's success or the soundness of Franchisee's decision to purchase

the Franchise on such terms and conditions. Franchisee shall provide Franchisor all proposed transfer documents for Franchisor's review at least thirty (30) days prior to a closing of the proposed Transfer;

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

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

16.4 As a condition to any Transfer, Franchisee shall pay Franchisor a transfer fee equal to seventy-five percent (75%) of the then-current initial franchise fee; provided however, for a transfer to (i) an existing franchisee in good standing, the transfer fee is fifty percent (50%) of the then-current initial franchise fee, (ii) add a business entity or new shareholder or member of the Franchisee entity and such transfer does not change management control of the franchise, the transfer fee is equal to One Thousand Five Hundred Dollars (\$1,500.00), or (iii) a spouse, parent or child upon death or permanent disability of Franchisee or Franchise's Principal, as the case may be, the transfer fee is Three Thousand Five Hundred Dollars (\$3,500.00).

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

16.6 Franchisor 's Right of First Refusal.

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

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

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

16.6.4 If Franchisor does not exercise its right to buy within thirty (30) days, Franchisee may thereafter transfer the interest to the transferee on terms no more favorable than those disclosed to

Franchisor, provided that such transfer is subject to Franchisor's prior written approval pursuant to Section 16.3 hereof. However, if (i) the sale to the transferee is not completed within one hundred twenty (120) days after the offer is given to Franchisor or (ii) there is any material change in the terms of the offer, the offer will again be subject to Franchisor's right of first refusal.

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

Immediately after the death or permanent disability of such person, or while the Franchise is owned by an executor, administrator, guardian, personal representative or trustee of that person, the Franchised Business shall be supervised by an interim successor manager satisfactory to Franchisor, or Franchisor, in its sole discretion, may provide interim management at Franchisor's then-current interim management support fee, plus any and all costs of travel, lodging, meals and other expenses reasonably incurred by Franchisor, pending transfer of the Franchise to the deceased or disabled individual's lawful heirs or successors.

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

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

17. DEFAULTS.

17.1 Default and Automatic Termination. Franchisee shall be deemed to be in material default under this Agreement, and all rights granted herein shall automatically terminate without notice to Franchisee, if Franchisee shall become insolvent or makes a general assignment for the benefit of creditors; or if Franchisee files a voluntary petition under any section or chapter of federal bankruptcy law or under any similar law or statute of the United States or any state thereof, or admits in writing its inability to pay its debts when due; or if Franchisee is adjudicated a bankrupt or insolvent in proceedings filed against Franchisee under any section or chapter of federal bankruptcy law or under any similar law

or statute of the United States or any state; or if a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee; or if a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee; or if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); or if Franchisee entity is dissolved; or if execution is levied against Franchisee's business or property; or if suit to foreclose any lien or mortgage against the Franchised Business premises or equipment is instituted against Franchisee and not dismissed within thirty (30) days.

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

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

17.2.2 fails to (i) acquire a site for the Franchised Business, (ii) complete construction of the Franchised Business premises, (iii) obtain all licenses and permits before opening, or (iv) open the Franchised Business within the time and in the manner specified in Article 8.

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

17.2.4 loses for any cause whatsoever the right of possession of the Franchised Business premises; provided, however, that this provision shall not apply if through no fault of Franchisee, Franchisee loses right of possession and Franchisee applies within thirty (30) days after such event, for Franchisor's approval to relocate the Franchised Business (which approval shall not be unreasonably withheld) and Franchisee diligently pursues such relocation in accordance with Section 8.4;

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

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

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

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

17.2.9 fails to comply with the covenants in Article 15;

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

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

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17.2.12 is convicted of, or pleads no contest to, a felony or to a crime that could damage the goodwill associated with the Marks; or engages in any other conduct that may harm the reputation of the System or the goodwill associated with the Marks;

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

17.2.14 conceals revenues, knowingly maintains false books or records, submits any false reports, fails to input all sales (whether made on-premises, through delivery or catering, or at off-site events) into the POS System, or otherwise attempts to circumvent Franchisor's sales and data reporting requirements;

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

17.2.16 refuses to permit Franchisor to inspect the Franchised Business premises or audit Franchisee's books or records;

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

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

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

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

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

17.2.22 terminates this Agreement without cause.

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

17.3.1 fails to pay when due any amounts due to Franchisor under this Agreement or any related agreement and does not correct the failure within five (5) days after written notice; provided, however, Franchisor has no obligation to give written notice of a late payment more than two (2) times in any twelve (12)-month period, and the third such late payment in any twelve (12)-month period shall be a non-curable default under Sections 17.2.19 and/or 17.2.20;

17.3.2 fails to perform any non-monetary obligation imposed by this Agreement (excepting those defaults of obligations set forth in Sections 17.1 and 17.2 for which there is no opportunity to cure) and such default shall continue for five (5) days after Franchisor has given written notice of such default, or if the default cannot be reasonably corrected within said five (5)-day period, then if it is not corrected within such additional time as may be reasonably required assuming Franchisee proceeds diligently to cure; provided, however, Franchisor has no obligation to give written notice of a non-monetary default more than two (2) times in any twelve (12)-month period, and the third such default, whether monetary or non-monetary, in any twelve (12) – month period shall be a non-curable default under Section 17.2.19.

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

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

17.4.2 enter upon the Franchised Business premises and exercise complete authority with respect to the operation thereof until such time as Franchisor determines that the default of Franchisee has been cured and that Franchisee is complying with the requirements of this Agreement. Franchisee specifically agrees that a designated representative of Franchisor may take over, control, and operate the Franchised Business. In addition to all other fees paid under this Agreement, Franchisee shall pay Franchisor the then-current interim management support fee, plus any and all costs of travel, lodging, meals, and other expenses reasonably incurred by Franchisor during Franchisor’s operation thereof as compensation therefor. Further, Franchisee shall reimburse Franchisor for the full compensation paid to such representative including the cost of all fringe benefits plus all travel expenses, lodging, meals, and other expenses reasonably incurred by such representative until the default has been cured and Franchisee is complying with the terms of this Agreement.

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

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

18. POST-TERMINATION OR EXPIRATION.

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

18.1.1 immediately cease to operate the Franchised Business, and shall not thereafter, directly, or indirectly identify himself, herself, or itself as a current Great Harvest owner, franchisee, or licensee;

18.1.2 immediately and permanently (i) cease to use the Marks, any imitation of any Mark, logos, copyrighted material, or other intellectual property, Confidential Information (as defined in Section 19.2 hereof), confidential or proprietary material or indicia of a Great Harvest outlet, (ii) cease to use any trade name, trade or service mark or other commercial symbol that suggests a current or past association with Franchisor, Franchisor's affiliates, or the System and (iii) de-identify the Franchised Business premises. In particular, Franchisee shall cease to use, without limitation, all signs, billboards, advertising materials, displays, stationery, forms, and any other articles, which display the Marks;

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

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

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

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

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

18.1.8 in the event this Agreement is terminated due to Franchisee's default, pay Franchisor a lump sum payment (as liquidated damages and not as a penalty) in an amount equal to: (a) the average monthly Royalty Fee and Brand Fund Contribution payable by Franchisee over the twelve (12) month period immediately prior to the date of Franchisee's default (or such shorter time period if the Franchised Business has been open less than twelve (12) months); (b) multiplied by the lesser of (i) twenty-four (24) or (ii) the number of months then remaining in the then ~~Current Agreement of this Agreement.~~

Franchisee acknowledges that a precise calculation of the full extent of the damages Franchisor will incur in the event of termination of this Agreement as a result of Franchisee's default is difficult to determine and that this lump sum payment is reasonable in light thereof. The liquidated damages payable by Franchisee pursuant to this Section 18.1.8 shall be in addition to all other amounts payable under this Agreement and shall not affect Franchisor's right to obtain appropriate injunctive relief and remedies pursuant to any other provision of this Agreement.

18.2 Right to Purchase.

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

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

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

18.3 Assignment of Communications. Franchisee, at the option of Franchisor, shall assign to Franchisor all rights to the telephone numbers of the Franchised Business and any related public directory listing or other business listings and execute all forms and documents required by Franchisor and any telephone company at any time, to transfer such service and numbers to Franchisor. Further, Franchisee shall assign to Franchisor any and all social media and internet listings, domain names, internet advertising, websites, listings with search engines, electronic mail addresses or any other similar listing or usage related to the Franchised Business. Notwithstanding any forms and documents that may have been executed by Franchisee under Section 11.7, Franchisee shall provide Franchisor with all passwords and administrative rights, and hereby appoints Franchisor its true and lawful agent and attorney-in-fact with full power and authority, for the sole purpose of taking such action as is necessary to complete such assignment. This power of attorney shall survive the expiration or termination of this Agreement. Franchisee shall thereafter use different telephone numbers, electronic mail addresses or other listings or usages at or in connection with any subsequent business conducted by Franchisee.

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

19. NON-DISCLOSURE AND NON-COMPETITION COVENANTS.

19.1 Operations Manual.

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

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

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

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

19.2 Confidential Information. Franchisee along with its Principal(s) acknowledge and accept that during the term of this Agreement, Franchisee and Principal(s) will have access to Franchisor's trade

secrets, including, but not limited to, recipes, methods, processes, customer lists, vendor partnerships and/or relationships, sales and technical information, financial information, costs, pricing formulae, equipment, technologies and procedures relating to the operation of the Franchised Business; the Manual; methods of advertising and promotion; instructional materials; and any other information which Franchisor may or may not specifically designate as "confidential" or "proprietary"; and the components of the System, whether or not such information is protected or protectable by patent, copyright, trade secret or other proprietary rights (collectively referred to herein as the "Confidential Information"). Franchisee and Principal(s) covenant and agree that Franchisee and Principal(s) shall not, during the term of this Agreement and thereafter, communicate or divulge to, or use for the benefit of, any other person or entity, and, following the expiration or termination of this Agreement, shall not use for their own benefit, any Confidential Information that may be communicated to Franchisee or Principal(s) or of which Franchisee or Principal(s) may be apprised in connection with the operation of the Franchised Business under the terms of this Agreement. Franchisee and Principal(s) shall not divulge and make any Confidential Information available to anyone other than those of Franchisee's employees who require the Confidential Information to operate the Franchised Business and who have themselves entered into confidentiality and non-compete agreements containing the same provisions as contained in this Agreement, in accordance with Section 19.11 hereof. Franchisee and Principal(s) shall not at any time copy, duplicate, record or otherwise reproduce any Confidential Information, in whole or in part, or otherwise make the same available to any person other than those authorized above, without Franchisor's prior written consent. The covenants in this Section 19.2 shall survive the expiration, termination or transfer of this Agreement or any interest herein and shall be perpetually binding upon Franchisee and each Principal.

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

19.4 New Concepts. If Franchisee or Principal(s) develops any new concept, process, product, recipe, or improvement in the operation or promotion of the Franchised Business ("Improvements"), Franchisee is required to promptly notify Franchisor and provide Franchisor with all related information, processes, products, recipe or other improvements, and sign any and all forms, documents and/or papers necessary for Franchisor to obtain full proprietary rights to such Improvements, without compensation and without any claim of ownership or proprietary rights to such Improvements. Franchisee and Principal(s) acknowledge that any such Improvements will become the property of Franchisor, and Franchisor may use or disclose such information to other franchisees as it determines to be appropriate. Franchisee acknowledges and agrees that nothing in this Section 19.4 permits Franchisee to test, introduce, provide, or otherwise offer any Improvement to customers, or use any Improvement in the operation of the Franchised Business, unless and until Franchisor consents to the use of the Improvement for such purpose.

19.5 Noncompetition Covenants. Franchisee and Principal(s) specifically acknowledge that, pursuant to this Agreement, Franchisee and Principal(s) will receive valuable training, trade secrets and Confidential Information of the System that are beyond the present knowledge, training and experience of Franchisee and Principal(s). Franchisee and Principal(s) acknowledge that such specialized training, trade secrets and Confidential Information provide a competitive advantage and will be valuable to them in the development and operation of the Franchised Business, and that gaining access to such specialized training, trade secrets and Confidential Information is, therefore, a primary reason why Franchisee and Principal(s) are entering into this Agreement. In consideration for such specialized training, trade secrets, Confidential Information and rights, Franchisee and Principal(s) covenant and agree that, except as otherwise approved in writing by Franchisor:

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19.5.1 During the term of this Agreement, Franchisee and each Principal shall not, either directly or indirectly, for themselves or through, on behalf of, or in conjunction with, any person or entity (i) divert, or attempt to divert, any business or customer of the Franchised Business or of other franchisees in the System to any competitor, by direct or indirect inducement or otherwise; (ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any capacity in any business that (a) produces, sells, or has for sale more than four (4) varieties of bread on any given day; or (b) derives more than twenty percent (20%) of its gross receipts from the sale of bread, baked goods, salads, soups, coffee, coffee-based drinks, and/or sandwiches; or (c) uses any part of Franchisor's trade secrets, proprietary recipes, bread-baking methods, or other Confidential Information; or (d) uses any part of Franchisor's Intellectual Property, Marks, other trademarks or product names in its trade name, trade dress, product names or advertising ("Competitive Business"); or (iii) do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System or (iv) in any manner interfere with, disturb, disrupt, decrease or otherwise jeopardize the business of the Franchisor or any Great Harvest franchisees or Franchisor-affiliated outlets.

19.5.2 Upon the expiration or earlier termination of this Agreement or upon a Transfer and continuing for twenty-four (24) months thereafter, Franchisee and Principal(s) shall not, either directly or indirectly, for themselves or through, on behalf of or in conjunction with any person or entity (i) divert, or attempt to divert, any business or customer of the Franchised Business or of other franchisees in the System to any competitor, by direct or indirect inducement or otherwise; or (ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any other capacity in any Competitive Business within ten (10) miles of the Territory or of any Great Harvest outlet; or (iii) do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System; or (iv) in any manner interfere with, disturb, disrupt, decrease or otherwise jeopardize the business of the Franchisor or any Great Harvest franchisees.

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

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

19.8 Injunctive Relief. Franchisee and Principal(s) acknowledge that a violation of the covenants of confidentiality and non-competition contained in this Agreement would result in immediate and irreparable injury to Franchisor for which monetary damages cannot fully remedy. Accordingly, Franchisee and Principal(s) hereby consent to the entry of a temporary and permanent injunction prohibiting any conduct by Franchisee or Principal(s) in violation of the terms of the covenants set forth in this Article 19 and hereby agree to waive any and all defenses to the entry of such injunction(s). Notwithstanding, Franchisee and Principal(s) acknowledge and agree that the foregoing injunctive relief is in addition to, and does not restrict Franchisor from pursuing, any and all claims for monetary damages resulting from a breach by Franchisee or Principal(s) of the covenants contained herein.

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19.9 Liquidated Damages – Violation of Confidentiality or Non-Competition Covenants. In the event Franchisee and/or Principal(s) violate the covenants of confidentiality and/or non-competition set forth herein, Franchisee and/or Principal(s) shall pay Franchisor a lump sum payment (as liquidated damages and not as a penalty) an amount equal to One Hundred Thousand Dollars (\$100,000.00), plus Franchisor’s attorney’s fees, for each such violation. Franchisee and Principal(s) acknowledge that a precise calculation of the full extent of the damages that Franchisor will incur in the event of Franchisee’s and/or Principal(s)’ violation of the covenants of confidentiality and/or non-competition is difficult to determine and that this lump sum payment is reasonable in light thereof. The liquidated damages payable by Franchisee pursuant to this Section 19.9 shall be in addition to all other amounts payable under this Agreement and shall not affect Franchisor’s right to obtain appropriate injunctive relief and remedies pursuant to any other provision hereof.

19.10 No Defense. Franchisee and Principal(s) expressly agree that the existence of any claims they may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Article 19.

19.11 Covenants of Employees, Agents, and Third Persons. Franchisee shall require and obtain execution of covenants similar to those set forth in this Article 19 (including covenants applicable upon the termination of a person’s employment with Franchisee) from all employees, contractors or third persons who will have access to Franchisor’s Confidential Information, and Franchisee shall provide Franchisor with executed versions thereof. Such covenants shall be substantially in the forms set forth in Attachment 8 as revised and updated from time to time and contained in the Manual. Franchisee shall indemnify and hold Franchisor harmless from any and all liability, loss, attorneys’ fees, or damage Franchisor may suffer as a result of Franchisee’s failure to obtain executed restricted covenants by employees, agents and third persons as required by this Section.

20. DISPUTE RESOLUTION.

20.1 Internal Dispute Resolution. Franchisee shall first bring any claim, controversy or dispute arising out of or relating to this Agreement, the Attachments hereto or the relationship created by this Agreement to Franchisor’s president and/or chief executive officer for resolution by providing notice as set forth in Section 21.6 below. Franchisee must exhaust this internal dispute resolution procedure before Franchisee may bring Franchisee’s dispute before a third party. This agreement to first attempt resolution of disputes internally shall survive termination or expiration of this Agreement.

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

20.3 Arbitration.

20.3.1 Except disputes not subject to alternative dispute resolution as set forth in Section 20.4, any dispute between Franchisor and Franchisee and/or any Principal arising out of or

relating to this Agreement, the Attachments hereto or any breach thereof, including any claim that this Agreement or any of its parts, is invalid, illegal or otherwise voidable or void, which has not been resolved in accordance with Sections 20.1 or 20.2, will be resolved by submission to the American Arbitration Association or its successor organization to be settled by a single arbitrator in accordance with the Commercial Arbitration Rules then in effect for such Association or successor organization.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

20.8 Injunctive Relief. Nothing herein contained (including, without limitation, Sections 20.1 through 20.3 above) shall bar Franchisor from the right to obtain immediate injunctive relief from any court of competent jurisdiction against threatened conduct by Franchisee that may cause Franchisor loss or damage, under the usual equity rules, including the applicable rules for obtaining specific performance, restraining orders, and preliminary injunctions.

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

20.10 Attorney’s Fees. In the event of any action in law or equity by and between Franchisor and Franchisee concerning the operation, enforcement, construction or interpretation of this Agreement, the prevailing party in such action shall be entitled to recover reasonable attorney’s fees and court costs incurred.

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

21. GENERAL.

21.1 Relationship of the Parties.

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21.1.1 Independent Licensee. Franchisee is and shall be an independent licensee under this Agreement, and no partnership shall exist between Franchisee and Franchisor. This Agreement does not constitute Franchisee as an agent, legal representative, or employee of Franchisor for any purpose whatsoever, and Franchisee is not granted any right or authority to assume or create any obligation for or on behalf of, or in the name of, or in any way to bind Franchisor. Franchisee agrees not to incur or contract any debt or obligation on behalf of Franchisor or commit any act, make any representation, or advertise in any manner which may adversely affect any right of Franchisor or be detrimental to Franchisor or other franchisees of Franchisor. Franchisor does not assume any liability, and will not be considered liable, for any agreements, representations, or warranties made by Franchisee which are not expressly authorized under this Agreement. Franchisor will not be obligated for any damages to any person or property which directly or indirectly arise from or relate to Franchisee operation of the Franchised Business. Pursuant to the above, Franchisee agrees to indemnify Franchisor and hold Franchisor harmless from any and all liability, loss, attorneys' fees, or damage Franchisor may suffer as a result of claims, demands, taxes, costs, or judgments against Franchisor arising out of any allegation of an agent, partner, or employment relationship.

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

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

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

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

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

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

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

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

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

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

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

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21.11 Survival. Any obligation of Franchisee or Principal(s) that contemplates performance of such obligation after termination or expiration of this Agreement or the transfer of any interest of Franchisee or a Principal thereof shall be deemed to survive such termination, expiration or transfer.

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

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

_____ FRANCHISOR:

_____ Great Harvest Franchising, LLC

_____ By:

_____,
_____ (Print Name: _____, Title)

_____ FRANCHISEE (Entity):

_____ By:

_____,
_____ (Print Name, Title)

_____ FRANCHISEE (Principal):

_____ (Print Name)

_____ FRANCHISEE (Principal):

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(Print Name)

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ATTACHMENT 1

TRADEMARKS

Service Marks –

Great Harvest Bread Co.

Bread. The Way it Ought To Be.



ATTACHMENT 2

**TERRITORY DESCRIPTION AND
FRANCHISED BUSINESS ADDRESS**

(If there is no Approved Site on the Effective Date, include: ****TERRITORY AND ADDRESS TO BE DETERMINED AND INSERTED AFTER A GREAT HARVEST BAKERY CAFE SITE IS APPROVED BY FRANCHISOR IN THE NON-EXCLUSIVE SITE SEARCH AREA OF _____.**)

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

Approved Franchised Business Address:

ATTACHMENT 4

CONDITIONAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, the undersigned _____ ("Assignor") hereby assigns and transfers to Great Harvest Franchising, LLC, a Delaware limited liability company, with its principal place of business at 28 South Montana Street, Dillon, Montana, 59725 ("Assignee"), all of Assignor's right, title and interest as tenant in, to and under that certain lease, a copy of which shall be attached hereto (the "Lease") respecting premises commonly known as _____. This Assignment is for collateral purposes only and except as specified herein, Assignee shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment or the Lease unless Assignee takes possession of the premises demised by the Lease pursuant to the terms hereof and assumes the obligations of Assignor thereunder.

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

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

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

ASSIGNOR:

DATED: _____ By: _____

(Print Name, Title)

DATED: _____

DATED: _____

CONSENT AND AGREEMENT OF LANDLORD

to that Conditional Assignment of Lease from _____ (Assignor) to Great Harvest Franchising, LLC (Assignee) dated _____ for the property known as _____.

The undersigned Landlord under the aforescribed Lease further hereby:

- (a) Agrees to notify Assignee in writing of and upon the failure of Assignor to cure any default by Assignor under the Lease;
- (b) Agrees that Assignee shall have the right, but shall not be obligated, to cure any default by Assignor under the Lease within 30 days after delivery by Landlord of notice thereof in accordance with paragraph (a) above;
- (c) Consents to the foregoing Conditional Assignment and agrees that if Assignee takes possession of the Premises demised by the Lease and confirms to Landlord the assumption of the Lease by Assignee as tenant thereunder, Landlord shall recognize Assignee as tenant under the Lease, provided that Assignee cures within the 30-day period the non-monetary defaults, if any, of Assignor under the Lease;
- (d) Agrees that Assignee may further assign the Lease to a person, firm or corporation who shall agree to assume the tenant's obligations under the Lease and who is reasonably acceptable to Landlord and upon such assignment Assignee shall have no further liability or obligation under the Lease as assignee, tenant or otherwise.
- (e) Permits Assignee to enter upon the Premises without being guilty of trespass or any other crime or tort to de-identify the Premises as a Great Harvest Bakery Café outlet if Tenant fails to do so following termination of the Franchise Agreement or Lease, provided that Assignee shall repair any damage caused thereby.

DATED: _____ LANDLORD: _____

ATTACHMENT 5

**STATEMENT OF OWNERSHIP INTERESTS IN
FRANCHISEE ENTITY**

<u>Name</u>	<u>Percentage of Ownership</u>
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ATTACHMENT 6

GUARANTY

This Guaranty and Covenant (this “Guaranty”) is given by the undersigned (“Guarantor”) on _____, (the “Effective Date”) to Great Harvest Franchising, LLC, a Delaware limited liability company (“Franchisor”), in order to induce Franchisor to enter into that certain Franchise Agreement dated on or about the Effective Date hereof (the “Franchise Agreement”) with _____, a(n) _____ and _____ (collectively “Franchisee”).

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

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

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

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

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

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

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

Franchise Agreement, Page

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

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

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

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

GUARANTOR - SPOUSE OF FRANCHISEE'S PRINCIPAL:

Signature

Name:

Address:

ATTACHMENT 7

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

THIS INTERNET ADVERTISING, SOCIAL MEDIA, SOFTWARE, AND TELEPHONE ACCOUNT AGREEMENT (the “Agreement”) is made and entered into this day of _____ (the “Effective Date”) by and between Great Harvest Franchising, LLC, a Delaware limited liability company (the “Franchisor”), and _____ a(n) _____, with its principal place of business located at _____ and _____’s principal(s) _____, an individual residing at _____ and _____, an individual residing at _____ (“Principal(s)”). _____ and Principal(s) shall be individually and collectively referred to, and each is, the “Franchisee”.

WHEREAS, Franchisee desires to enter into a franchise agreement with Franchisor for a Great Harvest Bakery Cafe business (“Franchise Agreement”) which will allow Franchisee, among other things, to conduct internet-based advertising, maintain social media accounts, software accounts, and use telephone listings linked to the Great Harvest brand.

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

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

1. Definitions

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

2. Internet Advertising and Telephone Accounts

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

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

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

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

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

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

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

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

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

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

Franchise Agreement, Page

2.6 Cessation of Obligations. After the Internet Companies and the Telephone Companies have duly transferred all Franchisee's interests as described in paragraph 2.3 above to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further interest in, or obligations with respect to the particular Electronic Advertising and/or Telephone Listing. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Internet Companies and Telephone Companies for the respective sums Franchisee is obligated to pay to them for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such interests, or for any other obligations not subject to the Franchise Agreement or this Agreement.

3. Miscellaneous

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

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

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

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

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

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

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

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

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

FRANCHISOR:
Great Harvest Franchising, LLC

By: _____

(Print Name, Title)

FRANCHISEE (Entity):

By: _____

(Print Name, Title: _____)

FRANCHISEE (Principal):

(Print Name)

FRANCHISEE (Principal):

(Print Name)

ATTACHMENT 8

CONFIDENTIALITY AND NON-COMPETE AGREEMENT

This Confidentiality and Non-Compete Agreement (the “Agreement”) is made and entered into this day of _____, by _____, a(n) _____ (“Franchisee”), a franchisee of Great Harvest Franchising, LLC a Delaware limited liability company (“Franchisor”), and _____, an individual (“Covenantor”).

WHEREAS, Franchisee and Franchisor are parties to a franchise agreement dated _____ (the “Franchise Agreement”), whereby Franchisor has granted Franchisee the right to use certain of Franchisor’s trademarks and copyrights, including but not limited to, the Great Harvest trademarks and logo, website, documents, recipes, advertisements, photographs, social media content, promotional materials and operations manual (collectively referred to as the “Intellectual Property”) for the establishment and operation of a Great Harvest Bakery Cafe franchised business;

WHEREAS, in connection with his or her duties, it will be necessary for Covenantor to have access to some or all of the Intellectual Property and other confidential information, knowledge, know-how, techniques, training, and other materials used in or related to the Great Harvest brand and/or concerning the methods of operation of a Great Harvest franchised business (collectively referred to as “Confidential Information”);

WHEREAS, the Intellectual Property and Confidential Information provide economic advantages to Franchisor and licensed users of Franchisor, including Franchisee;

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

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

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

1. Confidentiality Agreement.

a. Covenantor shall, at all times, maintain the confidentiality of the Confidential Information and shall use the Intellectual Property and such Confidential Information only in the course of his or her employment by or association with Franchisee in connection with the operation of a Great Harvest franchised business under the Franchise Agreement and in accordance with the requirements thereof.

b. Covenantor shall not at any time make copies of any documents or compilations containing some or all of the Intellectual Property or Confidential Information, and shall not reproduce, in whole or in part, any of the Intellectual Property or Confidential Information, without Franchisor’s express written permission.

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c. Covenantor shall not at any time disclose or permit the disclosure of the Confidential Information except, and only then to the limited extent necessary, to those employees of Franchisee for training and assisting such employees in the operation of Franchisee’s Great Harvest Bakery Cafe franchised business.

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

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

f. Upon termination of employment or association with Franchisee, Covenantor shall immediately lose all rights to access and/or use the Intellectual Property and Confidential Information for any purpose whatsoever.

2. Covenants Not to Compete.

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

(i) divert, or attempt to divert, any business or customer of Franchisee’s Great Harvest Bakery Cafe franchised business or of other franchisees in the Great Harvest system to any competitor, by direct or indirect inducement or otherwise, or

(ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any capacity in any business that (a) produces, sells, or has for sale more than four (4) varieties of bread on any given day; or (b) derives more than twenty percent (20%) of its gross receipts from the sale of bread, baked goods, salads, soups, coffee, coffee-based drinks, and/or sandwiches; or (c) uses any part of Franchisor’s trade secrets, proprietary recipes, bread-baking methods, or other Confidential Information; or (d) uses any part of Franchisor’s Intellectual Property, trademarks or product names in its trade name, trade dress, product names or advertising (“Competitive Business”).

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

(i) divert, or attempt to divert, any business or customer of Franchisee’s Great Harvest Bakery Cafe franchised business or of other franchisees in the Great Harvest system to any competitor, by direct or indirect inducement or otherwise, or

(ii) participate as an owner, partner, director, officer, employee, or consultant or serve in any other managerial, operational, or supervisory capacity in any Competitive

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Business within ten (10) miles of Franchisee's Territory or of any other Great Harvest outlet.

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

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

3. General.

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

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

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

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

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

FRANCHISOR OR FRANCHISEE MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE THAT HAS JURISDICTION.

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

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

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

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

If directed to Franchisee:

If directed to Covenantor:

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

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

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

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

FRANCHISEE:

By:

Name:

Title:

COVENANTOR:

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Name: _____

EXHIBIT C

MULTI-UNIT DEVELOPMENT AGREEMENT

GREAT HARVEST FRANCHISING, LLC

**GREAT HARVEST BAKERY CAFE
MULTI-UNIT DEVELOPMENT AGREEMENT**

DEVELOPER

EFFECTIVE DATE

GREAT HARVEST FRANCHISING, LLC

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- ATTACHMENT 1: DEVELOPMENT AREA
- ATTACHMENT 2: MANDATORY DEVELOPMENT SCHEDULE

MULTI-UNIT DEVELOPMENT AGREEMENT

THIS MULTI-UNIT DEVELOPMENT AGREEMENT (this "Agreement") is being entered into this day of _____, (the "Effective Date") by and between Great Harvest Franchising, LLC, a Delaware limited liability company, with a principal place of business at 28 South Montana Street, Dillon, Montana, 59725 (herein "Franchisor") and _____, an individual residing at _____ and _____, an individual residing at _____ (herein "Developer").

RECITATIONS

Through the expenditure of considerable time, effort and money, Franchisor has developed and established a high quality bakery cafe brand that features fresh-baked whole wheat breads, baked goods, soups, salads, sandwiches and related menu items using Franchisor's trademarks and confidential operations manual of business practices and policies, distinctive fixtures and furnishings, operations methods, sales techniques, inventory, procedures for management control and training, assistance, advertising, and promotional programs, all of which may be changed, improved or further developed by Franchisor at any time (taken together herein the "System").

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

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

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

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

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

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

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

2. GRANT OF DEVELOPMENT RIGHTS.

2.1 Grant. Franchisor hereby grants to Developer, and the Developer hereby accepts from the Franchisor, on the terms and conditions set forth in this Agreement, which includes, but is not limited to, the execution of a Franchise Agreement pursuant to Section 4.2 hereof, the right to develop, construct, open and operate one (1) Great Harvest Bakery Cafe outlet within the Development Area set forth in Attachment 1. Developer shall be granted the exclusive right to establish additional Great Harvest Bakery Cafe outlets in the Development Area, up to the total number of outlets set forth in the Mandatory Development Schedule set forth in Attachment 2 hereof, subject to Developer's full compliance with all conditions precedent to the grant of such rights outlined below, which rights shall be exercised in accordance with Sections 5.1 and 5.4 hereof.

2.2 Reservation of Rights. Notwithstanding the provisions of Section 2.1 above, Developer understands and agrees Franchisor fully reserves all other rights, other than as specified in this Agreement, for sales, solicitation and distribution of Great Harvest products and services within and/or outside of the Development Area to (i) offer and sell other products or services not offered under the Marks; (ii) offer and sell other food service concepts under the Marks or other trademarks; (iii) offer and sell Great Harvest products or services at or through non-traditional or captive market venues and/or through wholesale distribution accounts, which includes distribution at or through kiosks, carts, food trucks, counters, stores-within-a-store, grocery stores, convenience stores, restaurants, amusement or theme parks, sports stadiums and arenas, college and university campuses, business campuses, enclosed shopping centers, military bases, airports, train stations, and gas stations; and (iv) engage in solicitation and sales of Great Harvest products or services through the Internet, catalog sales, telemarketing and direct marketing.

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

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

4. DEVELOPMENT AND FRANCHISE FEES.

4.1 Multi-Unit Development Fee. In consideration of the rights granted under this Agreement, Developer shall pay Franchisor a development fee equal to Forty-Five Thousand Dollars

(\$45,000.00) for two (2 Great Harvest Bakery Cafe outlets, plus an additional Ten Thousand Dollars (\$10,000.00) for each additional Great Harvest Bakery Cafe outlet Developer agrees to develop as set forth on the Mandatory Development Schedule (the “Development Fee”). The Development Fee is fully earned at the time this Multi-Unit Development Agreement is signed and is not refundable under any circumstances. Developer shall pay the full amount of the Development Fee to Franchisor upon Developer’s execution of this Agreement.

4.2 Application of Development Fee. Contemporaneous with the execution of this Agreement, Developer shall execute the initial Franchise Agreement for the first Great Harvest Bakery Cafe outlet to be established pursuant to the Mandatory Development Schedule. Developer shall receive a Thirty-Five Thousand Dollar (\$35,000.00) credit from the Development Fee, which shall be payment in full of the Initial Franchise Fee due under the initial Franchise Agreement. Upon the execution of the second and each additional Franchise Agreement, Developer shall receive a Ten Thousand Dollar (\$10,000.00) credit from the Development Fee, which shall be applied to the discounted Initial Franchise Fee of Twenty Thousand Dollars (\$20,000.00) due under the second and each additional Franchise Agreement, and Developer shall pay the remaining discounted Initial Franchise Fee balance of Ten Thousand Dollars (\$10,000.00). Upon Franchisor’s approval, Developer may enter into the initial Franchise Agreement or any subsequent Franchise Agreement as required under this Agreement using a newly formed entity, such as a limited liability company, corporation or partnership, for the sole purpose of entering into a Franchise Agreement and operating the Great Harvest outlet pursuant thereto, provided that Developer shall also personally sign such Franchise Agreement as a principal.

5. EXERCISE OF DEVELOPMENT RIGHTS.

5.1 Valid Exercise. Developer shall exercise the development rights granted hereunder only by entering into a separate Franchise Agreement with Franchisor for each Great Harvest Bakery Cafe outlet for which a development right is granted. Developer shall execute and deliver to Franchisor, concurrently with the execution and delivery of this Agreement, Franchisor’s current form of Franchise Agreement for the first Great Harvest Bakery Cafe outlet to be established by Developer pursuant to the Mandatory Development Schedule. For each subsequent Great Harvest Bakery Cafe outlet to be established hereunder, Developer shall execute and deliver to Franchisor Franchisor’s then-current form of Franchise Agreement, which shall be presented to Developer together with Franchisor’s then-current Franchise Disclosure Document. The then-current form of Franchise Agreement may differ from the current form of Franchise Agreement; provided however, the initial franchise fee for each additional outlet shall be the applicable amount set forth in in Section 4.2 hereof.

5.2 Mandatory Development Schedule. Subsequent to Developer’s signing of this Agreement and the initial Franchise Agreement, and provided that all conditions in Section 5.4 hereof are satisfied or waived, Developer shall execute an additional Franchise Agreement for the development of the second Great Harvest Bakery Cafe outlet to be opened under the Mandatory Development Schedule set forth in Attachment 2 no later than twelve (12) months following the Effective Date hereof. For each additional Great Harvest Bakery Cafe outlet to be opened under the Mandatory Development Schedule, provided that all conditions in Section 5.4 hereof are satisfied or waived, Developer shall execute an additional Franchise Agreement on the next anniversary of Effective Date. Notwithstanding the foregoing, Developer shall open the Great Harvest outlets by the Mandatory Open Date set forth on Attachment 2.

Developer acknowledges and agrees that the terms of the Mandatory Development Schedule are reasonable and viable based upon Developer's independent investigation and analysis. Failure by Developer to adhere to the Mandatory Development Schedule (including any extensions thereof approved by Franchisor in writing pursuant to Section 5.3 below) shall constitute a material event of default under this Agreement and Franchisor, at Franchisor's option, may either (i) revoke Developer's exclusive development rights in the Development Area, or (ii) terminate this Agreement.

5.3 Extension of Mandatory Development Schedule. If Developer is unable to meet the Mandatory Development Schedule for any outlet, Developer may seek a reasonable extension from Franchisor. Any request for an extension must be in writing and submitted to Franchisor at least sixty (60) days prior to the Mandatory Open Date for such outlet. Franchisor shall not unreasonably withhold consent for such reasonable extension provided that Developer has (i) submitted its extension request in a timely manner; (ii) demonstrated diligent efforts to meet the original Mandatory Open Date; and (iii) has at all times acted in good faith and is otherwise fulfilling its obligations under this Agreement.

5.4 Conditions to Exercise Developer's Rights. All of the following conditions must be satisfied or waived, in Franchisor's sole discretion, before Franchisor grants Developer the right to develop an additional Great Harvest outlet in accordance with Section 4.2 hereof and pursuant to a Franchise Agreement:

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

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

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

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

6. TRANSFER

6.1. Transfers by Franchisor.

6.1.1. Franchisor shall have the right to assign this Agreement, and all of Franchisor's

rights and privileges hereunder, to any person, firm, corporation or other entity, without Developer's permission or prior knowledge, provided that, with respect to any assignment resulting in the subsequent performance by the assignee of Franchisor's obligations, the assignee shall expressly assume and agree to perform Franchisor's obligations hereunder. Specifically, and without limitation to the foregoing, Developer expressly affirms and agrees that Franchisor may: (i) sell Franchisor's assets and Franchisor's rights to the Marks and the System outright to a third party; (ii) engage in a public or private placement of some or all of Franchisor's securities; (iii) merge, acquire other business entities, or be acquired by another business entity, including competitors; (iv) undertake a refinancing, recapitalization, leveraged buy-out or other economic or financial restructuring; and (v) with regard to any or all of the above sales, assignments and dispositions, Developer expressly and specifically waives any claims, demands, or damages arising from or relating to the loss of association with or identification of Franchisor.

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

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

6.2 Restrictions on Transfers by Developer. Developer's rights and duties under this Agreement are personal to Developer, and Franchisor has made this Agreement with Developer in reliance on Franchisor's perceptions of the individual character, skill, aptitude, attitude, business ability, and financial capacity of Developer. Accordingly, no Transfer of the rights granted to Developer by this Agreement is permissible, and any attempt to transfer such right is void. As used in this Agreement, Transfer includes any attempt to directly or indirectly sell, assign, transfer, give, devise, bequeath, convey or encumber this Agreement or any right or interest herein or hereunder, or suffer or permit any such assignment, transfer, or encumbrance to occur by operation of law. The restriction on Transfer as set forth in this Section 6.2 apply to development rights only. The transfer of any of Developer's Great Harvest Bakery Cafe outlets for which a Franchise Agreement has been executed shall be governed by such Franchise Agreement. In the event of Developer's death or permanent disability, this Agreement shall immediately terminate.

7. DEFAULT AND TERMINATION.

7.1 Default and Automatic Termination. Developer shall be deemed to be in material default under this Agreement, and all rights granted herein shall automatically terminate without notice to Developer, if Developer shall become insolvent or makes a general assignment for the benefit of creditors; or if Developer files a voluntary petition under any section or chapter of federal bankruptcy law or under any similar law or statute of the United States or any state thereof, or admits in writing his or her inability to pay debts when due; or if Developer is adjudicated a bankrupt or insolvent in

proceedings filed against Developer under any section or chapter of federal bankruptcy laws or under any similar law or statute of the United States or any state; or if a bill in equity or other proceeding for the appointment of a receiver of Developer or other custodian for Developer's business or assets is filed and consented to by Developer; or if a receiver or other custodian (permanent or temporary) of Developer's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against Developer; or if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); or if Developer is dissolved; or if execution is levied against Developer's business or property; or if suit to foreclose any lien or mortgage against any of Developer's Great Harvest outlet premises or equipment is instituted against Developer and not dismissed within thirty (30) days.

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

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

7.2.2 falsifies any report required to be furnished Franchisor under this Agreement or any Franchise Agreement;

7.2.3 fails to comply with any federal, state or local law, rule or regulation, applicable to the development and operations of Developer's Great Harvest Bakery Cafe outlets;

7.2.4 fails to develop the Great Harvest Bakery Cafe outlets in accordance with the Mandatory Development Schedule, as may be extended by Franchisor pursuant to Section 5.3 hereof;

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

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

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

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

7.2.9 defaults, or an affiliate of Developer defaults, under any other agreement, including any Franchise Agreement, with Franchisor or any of its affiliates or suppliers and does not cure such default within the time period provided in such other agreement; or

7.2.10 terminates this Agreement without cause.

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

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

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

7.4. Post-Termination Obligations. Upon termination or expiration of this Agreement, all rights and licenses granted hereunder to Developer shall immediately terminate and Developer shall (i) immediately cease all development operations pursuant to this Agreement; and (ii) comply with the non-disclosure and non-competition covenants contained in Article 8.

8. NON-DISCLOSURE AND NON-COMPETITION COVENANTS.

8.1 Confidential Information. Developer acknowledges and accepts that during the term of this Agreement, Developer will have access to Franchisor's trade secrets, including, but not limited to, recipes, methods, processes, customer lists, vendor partnerships and/or relationships, sales and technical information, financial information, costs, pricing formulae, equipment, technologies and procedures relating to the operation of the Franchised Business; the Manual; methods of advertising and promotion; instructional materials; any other information which Franchisor may or may not specifically designate as "confidential" or "proprietary"; and the components of the System, whether or not such information is protected or protectable by patent, copyright, trade secret or other proprietary rights (collectively referred to herein as the "Confidential Information"). Developer shall not, during the term of this Agreement and thereafter, communicate or divulge to, or use for the benefit of, any other person or entity, and, following the expiration or termination of this Agreement, shall not use for Developer's own benefit, any Confidential Information that may be communicated to Developer or of which Developer may be apprised in connection with the

development of Great Harvest Bakery Cafe outlets under the terms of this Agreement. Developer shall not at any time copy, duplicate, record or otherwise reproduce any Confidential Information, in whole or in part, or otherwise make the same available to any person, without Franchisor's prior written consent. The covenant in this Section 8.1 shall survive the expiration, termination or transfer of this Agreement or any interest herein and shall be perpetually binding upon Developer.

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

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

8.3.1 During the term of this Agreement, Developer shall not, either directly or indirectly, for himself or herself or through, on behalf of, or in conjunction with, any person or entity (i) divert, or attempt to divert, any business or customer of the Developer's Great Harvest Bakery Cafe outlets or of other developers or franchisees in the System to any competitor, by direct or indirect inducement or otherwise; (ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any capacity in any business that (a) produces, sells, or has for sale more than four (4) varieties of bread on any given day; or (b) derives more than twenty percent (20%) of its gross receipts from the sale of bread, baked goods, salads, soups, coffee, coffee-based drinks, and/or sandwiches; or (c) uses any part of Franchisor's trade secrets, proprietary recipes, bread-baking methods, or other Confidential Information; or (d) uses any part of Franchisor's Intellectual Property, Marks, other trademarks or product names in its trade name, trade dress, product names or advertising ("Competitive Business"); or (iii) do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System or (iv) in any manner interfere with, disturb, disrupt, decrease or otherwise jeopardize the business of the Franchisor, Franchisor's affiliate-owned outlets, or any Great Harvest developers or franchisees.

8.3.2 Upon the expiration or earlier termination of this Agreement or upon a Transfer and continuing for twenty-four (24) months thereafter, Developer shall not, either directly or indirectly, for himself or herself or through, on behalf of or in conjunction with any person or entity (i) divert, or attempt to divert, any business or customer of Developer's Great Harvest Bakery Cafe outlets or of other franchisees in the System to any competitor, by direct or indirect inducement or otherwise; or (ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any Competitive Business within ten (10) miles of the Development Area or of any Great Harvest outlet; or (iii) do or perform, directly or indirectly, any other act injurious or

prejudicial to the goodwill associated with the Marks and the System or (iv) in any manner interfere with, disturb, disrupt, decrease or otherwise jeopardize the business of the Franchisor, Franchisor's affiliate-owned outlets, or any Great Harvest developers or franchisees.

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

8.5 Reduction of Time or Scope. If the period of time or the geographic scope specified above is either beyond applicable law or is adjudged unreasonable in any proceeding, then the period of time will be reduced by such number of months or the geographic scope will be reduced by the elimination of such portion thereof, or both, so that such restrictions may be enforced for such time and scope as permitted by applicable law and/or as adjudged to be reasonable. In addition, Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Article 8 or any portion thereof, without Developer's consent, effective immediately upon receipt by Developer of written notice thereof, and Developer agrees to forthwith comply with any covenant as so modified.

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

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

9. INDEMNIFICATION. TO THE FULLEST EXTENT PERMITTED BY LAW, DEVELOPER AGREES TO EXONERATE AND INDEMNIFY AND HOLD HARMLESS GREAT HARVEST FRANCHISING, LLC, AND ANY OF ITS PARENT COMPANIES, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES, AS WELL AS THEIR DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, SUCCESSORS, DESIGNEES AND REPRESENTATIVES (COLLECTIVELY REFERRED TO AS THE "FRANCHISOR PARTY INDEMNITEES"), FROM ALL CLAIMS BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATED TO THE DEVELOPMENT, OPERATION, CONDITION, OR ANY PART OF ANY OF DEVELOPER'S GREAT HARVEST OUTLETS TO BE DEVELOPED HEREUNDER, INCLUDING BUT NOT LIMITED TO, CLAIMS RELATED TO DEVELOPER'S CONTRACTORS, EMPLOYEES OR AGENTS OR CONSTRUCTION, ADVERTISING OR OTHER BUSINESS PRACTICES. DEVELOPER AGREES TO PAY FOR ALL THE FRANCHISOR PARTY INDEMNITEES' LOSSES, EXPENSES (INCLUDING, BUT NOT LIMITED TO ATTORNEYS' FEES) OR CONCURRENT OR CONTRIBUTING LIABILITY INCURRED IN CONNECTION WITH ANY ACTION, SUIT, PROCEEDING, INQUIRY (REGARDLESS OF WHETHER THE SAME IS REDUCED TO JUDGMENT OR DETERMINATION), OR ANY SETTLEMENT THEREOF

FOR THE INDEMNIFICATION GRANTED BY DEVELOPER HEREUNDER. THE FRANCHISOR PARTY INDEMNITEES SHALL HAVE THE RIGHT TO SELECT AND APPOINT INDEPENDENT COUNSEL TO REPRESENT ANY OF THE FRANCHISOR PARTY INDEMNITEES IN ANY ACTION OR PROCEEDING COVERED BY THIS INDEMNITY. DEVELOPER AGREES THAT TO HOLD THE FRANCHISOR PARTY INDEMNITEES HARMLESS, DEVELOPER WILL REIMBURSE THE FRANCHISOR PARTY INDEMNITEES AS THE COSTS AND EXPENSES ARE INCURRED BY THE FRANCHISOR PARTY INDEMNITEES.

Initial

10. DISPUTE RESOLUTION

10.1 Internal Dispute Resolution. Developer shall first bring any claim, controversy or dispute arising out of or relating to this Agreement or the relationship created by this Agreement to Franchisor's president and/or chief executive officer for resolution. After providing notice as set forth in Section 11.6 below. Developer must exhaust this internal dispute resolution procedure before Developer may bring Developer's dispute before a third party. This agreement to first attempt resolution of disputes internally shall survive termination or expiration of this Agreement.

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

10.3 Arbitration.

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

10.3.2 All issues relating to arbitrability or the enforcement of the agreement to arbitrate contained in this Article 20 will be governed by the Federal Arbitration Act (9 U.S.C. §1 *et seq.*) and the federal common law of arbitration. All hearings and other proceedings will take place in

Beaverhead County, Montana, or, if Franchisor so elects, at the offices of the American Arbitration Association or in the county where the principal place of business of Developer is then located.

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

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

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

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

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

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

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

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

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

10.5 Governing Law and Venue. Any claims, controversies, disputes or actions arising out of this Agreement shall be governed, enforced and interpreted pursuant to the laws of the State of Montana. Developer, except where specifically prohibited by law, hereby irrevocably submit himself and/or herself to the sole and exclusive jurisdiction of the state and federal courts in

Beaverhead County, Montana. Developer hereby waives all questions of personal jurisdiction for the purpose of carrying out this provision.

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

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

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

10.9 Attorneys' Fees. In the event of any action in law or equity by and between Franchisor and Developer concerning the operation, enforcement, construction or interpretation of this Agreement, the prevailing party in such action shall be entitled to recover reasonable attorney's fees and court costs incurred.

10.10 Survival. The provisions of this Article 10 shall continue in full force and effect notwithstanding the expiration or termination of this Agreement or a transfer by Developer of his/her respective interests in this Agreement.

11. GENERAL

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

includes costs, losses, expenses, attorneys fees relative to assignment or the transfer of right to develop and transactional costs relative thereto, defaults under any leases, subleases, notes, receipt of revenues or any other relationships arising directly or indirectly out of the development and operation of the Great Harvest outlets.

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

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

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

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

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

11.7 Effect of Waivers No waiver, delay, omission or forbearance on the part of Franchisor to exercise any right, option, duty or power arising from any default or breach by Developer shall affect or impair the rights of Franchisor with respect to any subsequent default of the same or of a different kind.

11.8 Remedies Cumulative. All rights and remedies of the parties to this Agreement shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies that are provided for herein or that may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement or any other agreement between Developer or any of its affiliates and Franchisor or any of its affiliates. The rights and remedies of the parties to this Agreement shall be continuing and shall not be exhausted by any one or more uses thereof, and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such

right or remedy may be exercised or taken at any time and from time to time. The expiration, earlier termination or exercise of Franchisor's rights pursuant to Article 7 shall not discharge or release Developer from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration, the earlier termination or the exercise of such rights under this Agreement.

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

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

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

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

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

FRANCHISOR:

GREAT HARVEST FRANCHISING, LLC

By: _____

_____, _____
(Print Name, Title)

DEVELOPER:

(Print Name)

DEVELOPER:

(Print Name)

ATTACHMENT 1

DEVELOPMENT AREA

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

ATTACHMENT 2

MANDATORY DEVELOPMENT SCHEDULE

Outlet for Development	Mandatory Open Date
1	_____ months following the Effective Date
2	_____ months following the Effective Date
3 (if applicable)	_____ months following the Effective Date

EXHIBIT D

FINANCIAL STATEMENTS

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

~~**EXHIBIT D**~~

~~**LIST OF FRANCHISEES**~~

Great Harvest Bakeries List as of December 31st, 2023

ALABAMA

Kaleb & Sarah Kaetterhenry
933 Bob Wallace Ave.
Suite #215
Huntsville, AL 35801 *
Bakery: (256-945-7697

ALASKA

Jenia & David Jarrett
Metro Mall, 570 E. Benson
Anchorage, AK 99503 *
Bakery: (907) 274-3331

Eric & Tricia Cray
1990 Airport Way
Fairbanks, AK 99701 *
Bakery: (907) 374-3900

ARIZONA

Leslie Walston
1730 E. Warner Rd
Suite #1
Tempe, AZ 85284
Bakery: (480) 777-1141

CALIFORNIA

Julie Kampfen & Jamie
Hughes
1223 Mangrove Ave.
Chico, CA 95926
Bakery: (530) 899-7273

SATELLITE:

1141 Forest Ave.
Suite #60
Chico, CA 95928
Bakery: (530) 345-7155

SATELLITE:

2760 Esplanade
Suite #160
Chico, CA 95973
Bakery: (530) 566-9605

Fawna & Gus Burgoyne
930 Hilltop Drive
Suite D
Redding, CA 96003
Bakery: (530) 222-8083

Daniel Khalili and Mitra
Adeshi
31795 Rancho California
Temecula, CA 92591
Bakery: (951) 676-0550

COLORADO

Aimee Charlton and King &
Michaela Nelson
7745 Wadsworth Blvd.
Arvada, CO 80003 *
Bakery: (303) 420-0500

Stephen Turk
2525 Arapahoe, Suite A4
Boulder, CO 80302 +
Bakery: (303) 442-3062

Julie Damschroder
Scotch Pines Village
2601 S. Lemay, Suite #1
Ft. Collins, CO 80525
Bakery: (970) 223-8311

Benjamin & Elizabeth Markley
The Grand Mesa Center
2464 U.S. Hwy 6 & 50, #130
Grand Junction, CO 81505
Bakery: (970) 241-0788

Steve & Sarah Kellogg
5910 S. Univ. Blvd. #A-12
Greenwood Village, CO
80121 *
Bakery: (303) 347-8767

David & Rachel Hogue
11068 West Jewell Ave.
Unit #C-7
Lakewood, CO 80232
Bakery: (303) 716-0905

CONNECTICUT

Jean & Dale Roberts
425 Talcottville Road.
Vernon, CT 06066
Bakery: (860) 647-8837

FLORIDA

Erald Qama
11526 Lake Mead Ave. #101
Jacksonville, FL 32256
Bakery: (904) 551-2263

Guy Patterson, Evan
DeLaney, & Erald Qama
101 Lake Ave #4
Orlando, FL 32801 *
Bakery: (321) 352-7509

GEORGIA

Sunil & Deepali Patel
4915 Windward Pkwy
Suite 120
Alpharetta, GA 30004 **
Bakery: (678) 209-2229

Sunil & Deepali Patel
10305 Medlock Bridge
Suite A-4
Johns Creek, GA 30097 **
Bakery: (770) 622-0222

David & Nancy Goebel
150 Athens Hwy, Ste. 700
Loganville, GA 30052 +/+
Bakery: (678) 580-0734

Debra Dowdle
3894 Due West Rd.
Marietta, GA 30064
Bakery: (770) 421-9998

HAWAII

Patrick Brady
4400 Kalaniana'ole, #7
Honolulu, HI 96821
Bakery: (808) 735-8810

Patrick Brady
131 Hekili Street, Suite 101
Kailua, HI 96734 *
Bakery: (808) 312-3615

IDAHO

Zane & Heather Colby
5608 Fairview Ave.
Boise, ID 83706 *
Bakery: (208) 377-5587

Tyler & Mandy Fortunati
12570 W. Fairview Ave.
Boise, ID 83706 *
Bakery: (208) 322-2378

Tyler & Mandy Fortunati
4363 West Gray Fox
Eagle, ID 83616 *
Bakery: (208) 844-4411

Tiffani & John VanOrman
360 A Street
Idaho Falls, ID 83402
Bakery: (208) 522-7444

Josh & Abbey Despain
727 Blue Lake Blvd
Twin Falls, ID 83301
Bakery: (208) 329-6253

ILLINOIS

Ben Smith
1704 Eastland Dr.
Bloomington, IL 61704
Bakery: (309) 662-8500

Dave & Liz Schaps
2126 Central St.
Evanston, IL 60201
Bakery: (847) 866-8609

Craig Janssen
664 West Jackson
Morton, IL 61550 **
Bakery: (309) 263-0300

Larry & Peggy Boik
192 W. Gartner
Naperville, IL 60540
Bakery: (630) 369-5115

Craig Janssen
9010 N. Allen Rd.
Prairie Pointe Center
Suite G
Peoria, IL 61615 **
Bakery: (309) 589-0900

Craig Janssen
124 S.W. Adams Street
Peoria, IL 61602
Bakery: (309) 308-2221

Barbara Kaiser & Andy Kaiser
1668 N Alpine Rd.
Rockford, IL 61107
Bakery: (815) 395-6460

INDIANA

Kodiak & Elise Smith and
Kathryn Smith
10420 Broadway
Crown Point, IN 46307 */+
Bakery: (219) 310-1375

Braden Henson & Joseph
Henson
423 Metro Avenue
Evansville, IN 47715
Bakery: (812) 476-4999

Mark McSweeney
5060 E 62nd Street #124
Indianapolis, IN 46220
Bakery: (317) 251-2222

Jerry & Janet Lecy
1500 Kossuth Street
Lafayette, IN 47905
Bakery: (765) 742-7323

IOWA

Kim & Janet Sharp
502 Burnett Ave.
Ames, IA 50010 */+
Bakery: (515) 598-2624

Dion & Laurel Williams
5070 Lindale Road NE
Cedar Rapids IA 52402
Bakery: (319) 826-6257

Dion & Laurel Williams
3998 Westdale Parkway SW
Cedar Rapids IA 52404 *
Bakery: (319) 200-5980

KANSAS

Sarah Burtch & Martha
Peterson
807 Vermont
Lawrence, KS 66044 *
Bakery: (785) 749-2227

Laura Ruffin and Jessica
Stefek 535 N. Woodlawn
Wichita, KS 67206 *
Bakery: (316) 685-6455

KENTUCKY

Greg Garrard
3211 Frederica St.
Owensboro, KY 42301 **
Bakery: (270) 691-0093

Greg Garrard
4431 Springhill Road
Owensboro, KY 42303 **
Bakery: (270) 240-5554

Great Harvest Bakeries List as of December 31st, 2023

LOUISIANA

Brian Melancon
854A Kaliste Saloom Rd.
Lafayette, LA 70508
Bakery: (337) 236-8966

Michael & Shelly Miguez
4112 Lake Street, Ste. 100
Lake Charles, LA 70605 *
Bakery: (337) 477-3033

MARYLAND

Frank Dembia
208 Ridgely Ave.
Annapolis, MD 21401
Bakery: (410) 268-4662

Omar Sait
8835 Centre Park Drive
Suite #104
Columbia, MD 21045
Bakery: (443) 542-5912

Rahel Tesfagaber and
Tsegaye Eyob
Federal Plaza, Suite N
12268 Rockville Pike
Rockville, MD 20852
Bakery: (301) 770-8544

MASSACHUSETTS

Nicole Caron
233 Massachusetts Ave.
Lexington, MA 02420
Bakery: (781) 861-9990

Jim & Cheryl Celluci
316 Walnut St.
Newtonville, MA 02460
Bakery: (617) 928-1162

MICHIGAN

Ryan & Camie Messick
2220 S. Main St.
Ann Arbor, MI 48103
Bakery: (734) 996-8890

Kyungmi Jung
1137 S. Adams
Birmingham, MI 48009
Bakery: (248) 594-0505

Amy McCauley & Mac Hawes
416 W. Main
Brighton, MI 48116
Bakery: (810) 225-1400

Jim Payne
3376 E. West Maple Road
Commerce Township, MI 48390
Bakery: (248) 926-9848

Bob & Scott Sassack
252 Perry Rd., Suite C
Grand Blanc, MI 48439
Bakery: (810) 953-1197

David & Kristen Wisen
120 Washington Street
Grand Haven, MI 49417
Bakery: (616) 847-6700

Alka Josh
6137 W. Saginaw
Lansing, MI 48917
Bakery: (517) 327-1088

David & Julie Cole
139 E. Main St.
Northville, MI 48167 *
Bakery: (248) 344-4404

Ken & Sue Ulrich
1919 W. Grand River
Okemos, MI 48864
Bakery: (517) 347-0022

Austin & Miranda Schafer
48923 Hayes
Shelby Township, MI 48315
Bakery: (586) 566-9500

MINNESOTA

Mike Kadow
1100 E. Cty. Rd. 42
Suite 102
Burnsville, MN 55337
Bakery: (952) 891-4767

Ian Kidd & Lee Davidson
3 South 13th Ave. E.
Duluth, MN 55802
Bakery: (218) 728-9510

Daramoon Seng
13714 Grove Drive
Maple Grove, MN 55314
Bakery: (763) 416-1911

Steve & Gail Arnold
4314 Upton Avenue S.
Minneapolis, MN 55410
Bakery: (612) 929-2899

Vantha Khon
17416 Minnetonka Blvd.
Minnetonka, MN 55345
Bakery: (952) 476-2515

Richard Hedstrom
706 N. Broadway
Rochester, MN 55906
Bakery: (507) 286-1101

Richard Hedstrom
2483 Commerce Drive
Rochester, MN 55901 *
Bakery: (507) 258-5300

Mai Ker Hang
534 Selby Ave.
St. Paul, MN 55102
Bakery: (651) 221-1057

Bob & Natasha Fleischman
2510 Curve Blvd.
Stillwater, MN 55082
Bakery: (651) 351-0311

DeNae & Mike Hiltner
135 W. Division St.
Waite Park, MN 56387
Bakery: (320) 259-4622

MISSOURI

Paul Barkoske & Edwards
McCarthy
125 W. Argonne Drive
Kirkwood, MO 63122
Bakery: (314) 821-1848

Steve & Alecia Jawor
7360 Manchester Road
Maplewood, MO 63143
Bakery: (314) 991-0049

MONTANA

Bryan & Susie Layton
907 Poly Drive
Billings, MT 59102 *
Bakery: (406) 248-8889

Heather & Lorenzo Snyder
3133 Central Ave., Ste. #5
Billings, MT 59102 *
Bakery: (406) 702-1505

Ashley Zahm
1803 Harrison Ave.
Butte, MT 59701 *
Bakery: (406) 723-4988

Ryan & Laura Connell
515 First Ave. N.
Great Falls, MT 59403
Bakery: (406) 452-6941

Leah Martin
1133 Helena Ave.
Helena, MT 59601
Bakery: (406) 443-5623

Charlie Scheel
1407 S. Higgins
Missoula, MT 59801
Bakery: (406) 728-4549

NEBRASKA

Marian & Dennis Cihacek
Rockbrook Village
10916 Elm St.
Omaha, NE 68144
Bakery: (402) 390-9988

SATELLITE:
4910 Underwood Ave.
Omaha, NE 68132
Bakery: (402) 551-8800

NEVADA

Jason & Kim Jacobs
2520 W. Horizon Ridge
Suite #160
Henderson, NV 89052
Bakery: (702) 459-3663

Jason & Kim Jacobs
611 Marks Street, Pad D
Henderson, NV 89014
Bakery: (702) 454-1262

NEW MEXICO

Jim Guthrie & Liz Pierce
Suite #4, El Dorado Square
11200 Montgomery NE
Albuquerque, NM 87114
Bakery: (505) 293-8277

NORTH CAROLINA

Jin Kim
1220 NW Maynard Rd.
Cary, NC 27513
Bakery: (919) 460-8158

Amy Kelley Village Plaza-229
S. Elliott Rd
Chapel Hill, NC 27514
Bakery: (919) 932-1112

Nouri Motameni
King's Court Shopping Ctr.
901 S. Kings Drive
Charlotte, NC 28204
Bakery: (704) 333-0431

Nouri Motameni
The Shops at Piper Glen
6420 Rea Road, Ste. B6
Charlotte, NC 28277
Bakery: (704) 543-5550

Nouri Motameni
1824 East Arbors Drive #390
Charlotte, NC 28262
Bakery: (704) 971-7280

Nouri Motameni
19901 South Main Street
Cornelius, NC 28031
Bakery: (980) 689-5444

Bryan & Michele Jones
1721 East Ash Street
Goldsboro, NC 27408 *
Bakery: (919) 288-2401

Gregg & Kim Green
2803 South Evans Street
Greenville, NC 27858 *
Bakery: (252) 689-6012

Nouri Motameni
110 Matthews Station Street
Suite 1D
Matthews, NC 28105
Bakery: (980) 262-3090

Eric & Janette Campbell
8801-119 Lead Mine Rd
Raleigh, NC 27615
Bakery: (919) 845-8122

Great Harvest Bakeries List as of December 31st, 2023

NORTH DAKOTA

Cassie Wiste
1523 University Drive S.
Fargo, ND 58103
Bakery: (701) 293-9382

OHIO

Fred, Tony & Kris Lariccia
9440 Mentor Ave.
Mentor, OH 44060
Bakery: (440) 205-8199

Carl & Nancy May
4058 Fishcreek
Stow, OH 44224
Bakery: (330) 688-8894

Stephen & Laura Brown 4723
Reed Rd
Upper Arlington, OH 43220
Bakery: (614) 457-9800

Jim & Debbie Horstman
445 S. State St.
Westerville, OH 43081
Bakery: (614) 899-6100

OREGON

Jeremy & Kristi Testerman
835 N.W. Bond St.
Bend, OR 97701
Bakery: (541) 389-2888

Michael Muth & Emily Krieg
8926 SE Sunnyside Rd
Clackamas, OR 97015
Bakery: (503) 659-5392

Gordo & Jess Wood
2564 Willamette St.
Eugene, OR 97405 *
Bakery: (541) 345-5398

Emily Krieg & Michael Muth
2105 NW 185th
Hillsboro, OR 97124
Bakery: (503) 466-1112

Lisa & Dan Allen
203 Genessee St.
Medford, OR 97504
Bakery: (541) 245-3310

Jamey & Tony Taylor
810 S-W 2nd
Portland, OR 97204
Bakery: (503) 224-1532

Ian & Lonna Hagen
3405 Commercial Dr. SE
Salem, OR 97302
Bakery: (503) 363-3215

Ian & Lonna Hagen
525 Taggart Dr., NW
West Salem, OR 97304
Bakery: (503) 363-7555

SOUTH CAROLINA

Keith Brown & Angela Zamora
1467-B Woodruff Rd.
Greenville, SC 29607
Bakery: (864) 286-6944

Christopher Dodson
8636 Dorchester Road
North Charleston, SC 29420 */+
Bakery: (843) 867-4440

TENNESSEE

Paul & Christy Beauvais
3900 Hillsboro Pike
Suite #32
Nashville, TN 37215
Bakery: (615) 298-1032

TEXAS

Jon & Bonnie McCabe
9409 Sage Meadow Trail,
Suite 101
Fort Worth, TX 76177 **
Bakery: (817) 488-9313

Timothy & Colleen Neal
212 S. Friendswood Drive
Friendswood, TX */+
Bakery: (832) 513-5544

Dana, Diane & Heidi Roark
1623 South Fry Road
Katy, TX 77450
Bakery: (281) 578-3097

Dana, Diane & Heidi Roark
24111 Stockdick School Road
Katy, TX 77493 *
Bakery: (713) 898-3558

Jon & Bonnie McCabe
1241 E. State Hwy 114
Suite 160
Southlake, TX 76092 **/+
Bakery: (817) 488-9313

Laura Jones & Elizabeth Jones
6621 South Broadway Ave.
Suite #100
Tyler, TX 75703 */+
Bakery: (903) 630-3094

Brett & Claudia Bradford
1115 Forth Worth Highway
Suite #100
Weatherford, TX 76086 */+
Bakery: (682) 410-3829

UTAH

Dustin & Jamie Shaw
456 East State Road #100
American Fork, UT 84003 */+
Bakery: (385) 498-3401

Jeff Turpin
43 East 500 South
Bountiful, UT 84010
Bakery: (801) 296-2524

Eric & Allison Maxwell &
Andrea Hyer
126 North Main, #C3
Cedar City, UT 84720
Bakery: (435) 865-6848

Sean & Melanie Elm
2201 N 2000 W
Clinton, UT 84015
Bakery: (801) 773-5459

Jason & Natalie Pennock
217 E. 12300 S.
Suite J 5
Draper, UT 84020
Bakery: (801) 572-3373

Joe & Lisa Rich
96 North Main
Layton, UT 84041
Bakery: (801) 614-0304

Lisa & James Clawson
37 W. Center
Logan, UT 84321 *
Bakery: (435) 787-4442

Chris Zenger
2633 North East Market Place
Plaze
North Ogden, UT 84414
Bakery: (801) 689-3288

Melanie & Sean Elm,
1231 E. 4800 S.
Ogden, UT 84403 *
Bakery: (801) 476-4605

Chris Zenger
272 25th. St.
Ogden, UT 84401
Bakery: (801) 394-6800

Joe & Lisa Rich
6541 Landmark Drive
Park City, UT 84098
Bakery: (435) 655-7244

Joshua & Vivkie Christensen
1774 N University Pkwy. #48
Provo, UT 84604
Bakery: (801) 373-9816

Stephen Washburn
Peggy McVea
4655 South 2300 East
Salt Lake City, UT 84117 *
Bakery: (801) 277-3277

Jason & Natalie Pennock
3591 West 11400 South
South Jordan, UT 84095 *
Bakery: (801) 367-0221

Jeff & Sarah John
140 N. 400 W.
St. George, UT 84770
Bakery: (435) 674-2952

Jeff & Sarah John
922 East Brigham Road
St. George, UT 84790 *
Bakery: (435) 674-1952

JoEllen & Rand Kunz
5592 S. Redwood Rd.
Taylorsville, UT 84123
Bakery: (801) 966-9699

VERMONT

Chistopher Brown & Joanne Casale
382 Pine Street
Burlington, VT 05401
Bakery: (802) 660-2733

VIRGINIA

Brad & Megan Hurst
1711 Centre Plaza
Alexandria, VA 22302
Bakery: (703) 671-8678

Jeanette Moler
6030-G Burke Commons Rd.
Burke, VA 22015 **
Bakery: (703) 249-0044

SATELLITE
9000-S Lorton Station Blvd.
Lorton, VA 22079 **
Bakery: (703) 372-2339

Michael & Aileen Magnotto
1701 Allied Lane
Charlottesville, VA 22903
Bakery: (434) 202-7813

Kevin Taylor & Mari Taylor
Edmonds
785 Station St.
Herndon, VA 20170
Bakery: (703) 471-4031

SATELLITE:
132 Church St. NW
Vienna, VA 22180
Bakery: (703) 938-0921

Great Harvest Franchising,
Inc.
13541 Midlothain Turnpike
Midlothain, VA 23113 *
Bakery: (804) 893-4393

Pablo Teodoro Estate
108 Main Street
Warrenton, VA 20186
Bakery: (540) 878-5200

WASHINGTON

Wei Lin & Yuan Cheng Loehmann's Plaza
3610 C Factoria Blvd. SE
Bellevue, WA 98006
Bakery: (425) 643-8420

Scott & Renea Molyneaux 305 E. Magnolia
Bellingham, WA 98225
Bakery: (360) 671-0873

Mike & Karri Stoker
8378 W. Grandridge Blvd **Kennewick, WA 99336** ** Bakery: (509) 737-7437

Mike & Karri Stoker 6705 Chapel Hill Blvd. **Pasco, WA 99301** ** Bakery: (509) 491-1310

Joel Williamson East 2530 29th
Spokane, WA 99223
Bakery: (509) 533-6645

WEST VIRGINIA

David & Marilyn Kelsing 3000 Jerry Dove Drive Suite 100
Bridgeport, WV 26330 * Bakery: (304) 848-8040

David & Marilyn Kelsing 60 Planation Way **Elkins, WV 26241** */+ Bakery: (681) 298-4083

WISCONSIN

James & Ruth Metz 128 Front Street
Beaver Dam, WI 53916 */+ Bakery: (920) 219-9160

Jon Rasmussen 603 Genesee Street
Delafield, WI 53018
Bakery: (262) 337-9023

Brent Felchlin 802 George St
De Pere, WI 54115 Bakery: (920) 336-9114

Jill & Leland Fletcher 4324 Southtowne Place **Eau Claire, WI 54701** Bakery: (715) 552-8000

Lance Van Der Ploeg 13404 Watertown Plank Rd. **Elm Grove, WI 53122** Bakery: (262) 821-0118

Kevin & Melissa Lisowe 116 W. Wisconsin Ave. **Neenah, WI 54956**
Bakery: (920) 727-0135

~~Great Harvest Bakeries List as of December 31st, 2023~~
~~Signed But Not Yet Open~~

ALASKA

Link & Kelly Larson
Wasilla, AK

* Denotes HUB and SPOKE

** Denotes Development Rights Exist

GEORGIA

Sunil & Depali Patel
Dunwoody, GA *

Our Office Address:
Great Harvest Franchising
28 South Montana St.
Dillon, MT 59725
Ph: 1-800-442-0424

IDAHO

Tyler & Mandy Fortunati
Nampa, ID *

ILLINOIS

Ben Smith
Bloomington, IL *

INDIANA

Anthony Floyd **
Mishawaka, IN *

LOUISIANA

Kirk Broussard **
Baton Rouge, LA *

NEVADA

Jason & Kim Jacobs
Las Vegas, NV

UTAH

Stephen Washburn,
Peggy McVea, and Jacob &
Hannah Fisher
Salt Lake City, UT *

VIRGINIA

Kevin Taylor & Mari Taylor
Edmonds
Ashburn, VA *

Rahel Tesfagaber & Tsegaye
Eyob
Centerville, VA *

~~EXHIBIT E~~

**~~LIST OF FRANCHISEES WHO LEFT OUR SYSTEM
OR HAVE NOT COMMUNICATED WITH US~~**

EXHIBIT F E

***~~TABLES OF CONTENTS FOR CONFIDENTIAL START-UP MATERIALS, TRACKING GUIDE, AND
OPENING GUIDELINES~~***

~~*List of Confidential Start-Up Materials MyGH Links Bakery: _____*~~

- ~~• *Introduction Letter*~~
- ~~• *The Tracking Guide*~~
- ~~• *Equipment Guide*~~
- ~~• *Location Hunting Guide*~~
- ~~• *Merchandising Manual*~~
- ~~• *Pricing manual/Chef Metrics*~~
- ~~• *Sandwich Resources/ Sandwich Marketing*~~
- ~~• *Videos:*~~
 - ~~○ *Win the Game: MTO Line Busting*~~
 - ~~○ *Creating a WOW Customer Service Experience*~~
 - ~~○ *Art of the Slice—the Breadboard*~~
 - ~~○ *Kneading and Cleaning*~~
 - ~~○ *The Art of Bread Baking*~~
 - ~~○ *Sponge & Dough/Bread Theory*~~

~~*List of recommended MyGH links for your research/education:*~~

- ~~• *Great Harvest University*~~
 - ~~○ *My Modules and Courses*~~
 - ~~• *HR Manual*~~
 - ~~○ *Business Operations*~~
- ~~• *Empowerkit Website Sign-up Info*~~
 - ~~○ *Marketing*~~
- ~~• *Constant Contact Sign-up Info*~~
 - ~~○ *Marketing*~~
- ~~• *Design Wizard*~~
 - ~~○ *Marketing*~~

~~*List of Confidential Materials Hardecopy*~~

- ~~• *Bread Quality Handbook (ID: _____)*~~
 - ~~• *Financial Plan*~~
- ~~• *Opening Guidelines Business Plan*~~

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GREAT HARVEST TRACKING GUIDE Version 6.0

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GREAT HARVEST TRACKING GUIDE Version 6.0

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Familiarize yourself with the contents of the startup kit 7

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EXHIBIT G F
DEVELOPMENT RIGHTS RIDER TO FRANCHISE AGREEMENT

**DEVELOPMENT RIGHTS RIDER
TO GREAT HARVEST FRANCHISING, LLC. FRANCHISE AGREEMENT**

1. ~~Background.~~ This Development Rights Rider (the “Rider”) is made between Great Harvest Franchising, LLC. (“we,” “us,” or “our”) and ___ (“you” or “your”). This Rider is attached to, and intended to be a part of, the Franchise Agreement that we and you are signing concurrently with signing this Rider (the “Franchise Agreement”) for the development and operation of your first Great Harvest® bakery cafe at a location to be specified within the Area (see Exhibit B). We and you are signing this Rider because you want the right to develop additional Great Harvest® bakery cafes (besides the Bakery Cafe covered by the Franchise Agreement) within the Area over a certain time period, and we are willing to grant you those development rights if you comply with this Rider.

2. ~~Grant of Development Rights.~~ Subject to your strict compliance with this Rider, we grant you the right to develop ___ (___) Great Harvest® bakery cafes (including the Bakery Cafe covered by the Franchise Agreement), according to the mandatory development schedule described in Exhibit A to this Rider (the “Schedule”), within the following geographic area shown in Exhibit B to this Rider (the “Area”).

Great Harvest® bakery cafes that you (or your affiliates) are permitted to operate at Restricted Venues (defined below) physically located in the Area do not count toward your compliance with the Schedule.

If you (and, to the extent applicable, your Approved Affiliates (defined in Section 3 below)) are fully complying with all of your (and their) obligations under this Rider, the Franchise Agreement, and all other franchise agreements then in effect between us and you (and, to the extent applicable, your Approved Affiliates) for the development and operation of Great Harvest® bakery cafes, then during this Rider’s term only, we (and our affiliates) will not, except in the situations described below, establish and operate or grant to others the right to establish and operate Great Harvest® Stores having their physical locations within the Area:

The exceptions referenced above to your exclusive right to establish Great Harvest® bakery cafes having their physical locations within the Area are described in this paragraph. If:

- (i) we become aware during this Rider’s term of one or more opportunities to establish and operate a Great Harvest® bakery cafe at a location within the Area for which that location’s owner or manager sets financial, experience, or organizational standards for an acceptable operator (for example, a national or multi-regional concessionaire) that you do not and cannot satisfy when the opportunity becomes available; or
- (ii) the location is a Non-Traditional Venue (which is defined to mean a hospital or medical center, airport, public or private school, university or college campus, airport terminal, train or bus station, convention center, exhibition hall, amusement park, fairground, sports arena, military base, state or national park, hotel, lodge, country club, social club, resort, casino, theater, or similar venue) (the locations referenced in (i) and (ii) are referred to collectively as “Restricted Venues”);

~~then we (or our affiliates) may pursue the opportunity for that Restricted Venue and establish, or franchise or license another to establish, a Great Harvest® bakery cafe at that Restricted Venue. Our, our affiliate's, or another franchisee's or licensee's development and operation of a Great Harvest® bakery cafe at a Restricted Venue in the Area does not count toward your compliance with the Schedule. As noted above, Great Harvest® bakery cafes that you (or your affiliates) are permitted to operate at Restricted Venues physically located in the Area likewise do not count toward your compliance with the Schedule.~~

~~The location exclusivity described above (with the noted exceptions) is the only restriction on our (and our affiliates') activities within the Area during this Rider's term. You acknowledge and agree that we and our affiliates have the right to engage, and grant to others the right to engage, in any other activities of any nature whatsoever within the Area, including, without limitation, those we reserve in the Franchise Agreement. After this Rider expires or is terminated (regardless of the reason for termination), we and our affiliates have the right, without any restrictions whatsoever, to (a) establish and operate, and grant to others the right to establish and operate, Great Harvest® Stores having their physical locations within the Area and (b) continue to engage, and grant to others the right to engage, in any other activities we (and our affiliates) desire within the Area.~~

~~YOU ACKNOWLEDGE AND AGREE THAT TIME IS OF THE ESSENCE UNDER THIS RIDER, AND YOUR RIGHTS UNDER THIS RIDER ARE SUBJECT TO TERMINATION (WITHOUT ANY CURE OPPORTUNITY) IF YOU DO NOT COMPLY STRICTLY WITH THE DEVELOPMENT OBLIGATIONS PROVIDED IN THE SCHEDULE. WE MAY ENFORCE THIS RIDER STRICTLY.~~

3. ~~Development Obligations. To maintain your rights under this Rider, you (and/or Approved Affiliates) must, by the dates specified in the Schedule, sign franchise agreements for and then construct, develop, and have open and operating within the Area the agreed-upon minimum number of Great Harvest® bakery cafes. If your owners establish a new legal entity to operate one or more of the Great Harvest® bakery cafes to be developed pursuant to this Rider and that new legal entity's ownership is completely identical to your ownership, that legal entity automatically will be considered an "Approved Affiliate" without further action. However, if the new legal entity's ownership is not completely identical to your ownership, you first must seek our approval for that new entity to develop and operate the proposed Bakery Cafe as an Approved Affiliate. We may refuse any such request if you and/or your owners do not own and control at least two-thirds of the new entity's ownership interests and retain management control of the Bakery Cafe proposed to be owned by the new entity.~~

~~You (and/or your Approved Affiliates) will operate each Great Harvest® bakery cafe under a separate franchise agreement with us. The franchise agreement (and related documents, including Guaranty Agreement) that you and your owners (or your Approved Affiliate and its owners) must sign for each Great Harvest® bakery cafe developed pursuant to this Rider will be our then-current form of franchise agreement (and related documents, including guaranty agreement), any or all terms of which may differ substantially and materially from any or all terms contained in the Franchise Agreement (and related documents), provided, however, that the monthly continuing fee and marketing and technology fee percentages specified under our then-current form of franchise agreement will be modified to be the same as those specified in the Franchise Agreement. Despite any contrary provision contained in the newly signed~~

franchise agreements, your (and your Approved Affiliates') additional Great Harvest® bakery cafes within the Area must be open and operating by the dates specified in the Schedule (unless you are entitled to an extension of the opening date as provided in the Franchise Agreement or another franchise agreement). To retain your rights under this Rider, each Great Harvest® bakery cafe opened pursuant to this Rider must operate continuously throughout this Rider's term in full compliance with its franchise agreement.

4. ~~Subfranchising Rights. This Rider does not give you any right to franchise, license, subfranchise, or sublicense others to develop and operate Great Harvest® bakery cafes. Only you (and/or Approved Affiliates) may construct, develop, open, and operate Great Harvest® bakery cafes pursuant to this Rider. This Rider also does not give you (or your Approved Affiliates) any independent right to use the Great Harvest® trademark or our other trademarks and commercial symbols. The right to use our trademarks and commercial symbols is granted only under a franchise agreement signed directly with us. This Rider only grants you potential development rights if you fully comply with its terms.~~

5. ~~Development Fees. As consideration for the development rights we grant you in this Rider, you must pay us when you sign this Rider a total of _ Dollars (\$____) (the "Development Fee"), which equals (a) the Thirty Five Thousand Dollar (\$35,000) initial franchise fee due under the Franchise Agreement, plus (b) total deposits equaling _____ Dollars (\$_____) for the additional Great Harvest® bakery cafes you agree to construct, develop, and operate. Our initial franchise fee for each Great Harvest® bakery cafe you develop under this Rider (after the first bakery cafe) is Fifteen Thousand Dollars (\$15,000). The deposits appearing above represent Seven Thousand Five Hundred Dollars (\$7,500) of the initial franchise fee due for each Great Harvest® bakery cafe to be developed after the Bakery Cafe covered by the Franchise Agreement. The Development Fee is consideration for the rights we grant you in this Rider and for reserving the Area for you to the exclusion of others while you are in compliance (except as provided in this Rider), is fully earned by us when we and you sign this Rider, and (except as provided in the Franchise Agreement) is not refundable under any circumstances, even if you do not comply or attempt to comply with the Schedule and we then terminate this Rider for that reason.~~

While the Development Fee is not (except as provided in the Franchise Agreement) refundable under any circumstances, each time you (or your Approved Affiliate) sign a franchise agreement for another Great Harvest® bakery cafe to be developed within the Area, we will apply the deposit related to that Great Harvest® bakery cafe (which is part of the Development Fee) toward the initial franchise fee due for that Great Harvest® bakery cafe (leaving Seven Thousand Five Hundred Dollars (\$7,500) of the initial franchise fee due at time of signing).

6. ~~Grant of Franchises. You must send us a separate application for each Great Harvest® bakery cafe that you (or your Approved Affiliate) wish to develop in the Area. You agree to give us all information and materials we request to assess each proposed Bakery Cafe site. It is your responsibility to locate, evaluate, and select the Bakery Cafe's site. We will not conduct site selection activities for you. In granting you the development rights under this Rider, we are relying on your knowledge of the real estate market in the Area and your ability to locate and access sites. We will give you our then current criteria for Great Harvest® bakery cafe sites (including, without limitation, population density and other demographic characteristics, visibility, traffic flow, competition, accessibility, parking, size, and other physical and~~

~~commercial characteristics) to help you select and identify each Bakery Cafe's site. We will not unreasonably withhold our acceptance of a site if, in our experience and based on the factors outlined above, the proposed site is not inconsistent with sites that we regard as favorable or that otherwise have been successful sites for Great Harvest® Stores in the past. However, we have the absolute right to reject any site not meeting our criteria or to require you to acknowledge in writing that a site you have chosen is accepted but not recommended due to its incompatibility with certain factors that bear on a site's suitability as a location for a Great Harvest® bakery cafe. We agree to use reasonable efforts to review and accept (or not accept) sites you propose within thirty (30) days after we receive all requested information and materials. You may not proceed with a site that we have not accepted.~~

~~If we accept the proposed site but you (or your Approved Affiliate) have not yet signed a franchise agreement for that Great Harvest bakery cafe, you agree within the time period we specify (but no later than the date specified in the Schedule) to sign (or have your Approved Affiliate sign) a separate franchise agreement (and related documents) for that Bakery Cafe and to pay us the remaining portion of the initial franchise fee due. If you (or your Approved Affiliate) fail to do so, or cannot obtain lawful possession of the proposed site, we may withdraw our acceptance of the proposed site and exercise any of our other rights under this Rider. After you and your owners (or your Approved Affiliate and its owners) sign the franchise agreement (and related documents, including guaranty agreement), its terms and conditions will control the construction, development, and operation of the Great Harvest® bakery cafe (except that the required opening date is governed exclusively by the Schedule in this Rider, as provided in Section 3 above, unless you are entitled to an extension of the opening date as provided in the Franchise Agreement or another franchise agreement):~~

~~In addition to our rights with respect to proposed Bakery Cafe sites, we may delay your development and/or opening of additional Great Harvest® bakery cafes within the Area for the time period we deem best if we believe in our sole judgment, when you submit your application for another Bakery Cafe, or after you (or your Approved Affiliate) have developed and constructed but not yet opened a particular Bakery Cafe, that you (or your Approved Affiliate) are not yet operationally, managerially, or otherwise prepared (no matter the reason) to develop, open, and/or operate the additional Great Harvest® bakery cafes in full compliance with our standards and specifications. We may delay additional development and/or a Bakery Cafe's opening for the time period we deem best as long as the delay will not in our reasonable opinion cause you to breach your development obligations under the Schedule (unless we are willing to extend the Schedule proportionately to account for the delay).~~

~~7. — Term. This Rider's term begins on the date we sign it and ends on the date when (a) you (or your Approved Affiliate) open for business the final Great Harvest® bakery cafe under the Schedule, or (b) this Rider otherwise is terminated, but in any event this Rider's term will end no later than <insert date>.~~

~~8. — Termination. We may at any time terminate this Rider and your right under this Rider to develop Great Harvest® bakery cafes within the Area, such termination to be effective upon our delivery to you of written notice of termination:~~

~~(a) if you fail to satisfy either your development obligations under the Schedule or any other obligation under this Rider, which defaults you have no right to cure; or if the Franchise Agreement, or another franchise~~

~~agreement between us and you (or your Approved Affiliate) for a Great Harvest® bakery cafe, is terminated by us in compliance with its terms or by you (or your Approved Affiliate) for any (or no) reason; or~~

~~(b) if we have delivered a formal written notice of default to you (or your Approved Affiliate) under the Franchise Agreement, or another franchise agreement between us and you (or your Approved Affiliate) for a Great Harvest® bakery cafe, whether or not you (or your Approved Affiliate) cure that default and whether or not we subsequently terminate the Franchise Agreement or the other franchise agreement.~~

~~No portion of the Development Fee is refundable upon termination of this Rider or under any other circumstances (except as provided in the Franchise Agreement).~~

~~If we terminate this Rider because you fail to satisfy your development obligations under the Schedule, we will keep the Development Fee (which is not refundable) but otherwise will not seek to recover damages from you due solely to your failure to comply with the Schedule.~~

~~Termination of this Rider under clause (a), (b), or (c) above is not deemed to be the termination of any franchise rights (even though this Rider is attached to the Franchise Agreement) because this Rider grants you no separate franchise rights. Franchise rights arise only under franchise agreements signed directly with us. Termination of this Rider does not affect any franchise rights granted under any then effective individual franchise agreements.~~

~~9. Assignment. Your development rights under this Rider are not assignable at all. This means we will not under any circumstances allow the development rights to be transferred. A transfer of the development rights would be deemed to occur (and would be prohibited) if there is an assignment of the Franchise Agreement, a transfer of a controlling ownership interest in you, a transfer of this Rider separate and apart from the Franchise Agreement, or any other event attempting to assign the development rights. An assignment of only a non-controlling ownership interest in you is permitted (and would not be deemed to be a transfer of your development rights) to the extent permitted by the terms and conditions of the Franchise Agreement.~~

~~10. Rider to Control. Except as provided in this Rider, the Franchise Agreement remains in full force and effect as originally written. If there is any inconsistency between the Franchise Agreement and this Rider, this Rider's terms will control.~~

{SIGNATURE PAGE FOLLOWS}

Dated this day of , 20 .

FRANCHISED OUTLETS

As of October 31, 2024

<u>GREAT HARVEST FRANCHISING, LLC Franchisee</u>	<u>FRANCHISEE Address</u>	<u>City/State</u>	<u>Phone</u>
<u>By: _____</u>	<u>{Name}</u>	<u>Huntsville, AL 35801</u>	<u>(256) 945-7697</u>
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<u>Ian Kidd & Lee Davidson</u>	<u>3 South 13th Ave. E.</u>	<u>Duluth, MN 55802</u>	<u>(218) 728-9510</u>
<u>Daramoon Seng</u>	<u>13714 Grove Drive</u>	<u>Maple Grove, MN 55311</u>	<u>(763) 416-1911</u>
<u>Steve & Gail Arnold</u>	<u>4314 Upton Avenue S.</u>	<u>Minneapolis, MN 55410</u>	<u>(612) 929-2899</u>
<u>Vantha Khon</u>	<u>17416 Minnetonka Blvd.</u>	<u>Minnetonka, MN 55345</u>	<u>(952) 476-2515</u>
<u>Richard Hedstrom</u>	<u>706 N. Broadway</u>	<u>Rochester, MN 55906</u>	<u>(507) 286-1101</u>
<u>Richard Hedstrom</u>	<u>2483 Commerce Drive</u>	<u>Rochester, MN 55901</u>	<u>(507) 258-5300</u>
<u>Mai Ker Hang</u>	<u>534 Selby Ave.</u>	<u>St. Paul, MN 55102</u>	<u>(651) 221-1057</u>
<u>Bob & Natasha Fleischman</u>	<u>2510 Curve Blvd.</u>	<u>Stillwater, MN 55082</u>	<u>(651) 351-0311</u>
<u>DeNae & Mike Hiltner</u>	<u>135 W Division St.</u>	<u>Waite Park, MN 56387</u>	<u>(320) 259-4622</u>
<u>Paul Barkoske & Edwards McCarthy</u>	<u>125 W. Argonne Drive</u>	<u>Kirkwood, MO 63122</u>	<u>(314) 821-1848</u>
<u>Steve & Alecia Jawor</u>	<u>7360 Manchester Road</u>	<u>Maplewood, MO 63143</u>	<u>(314) 991-0049</u>
<u>Bryan & Susie Layton</u>	<u>907 Poly Drive</u>	<u>Billings, MT 59102</u>	<u>(406) 248-8889</u>
<u>Heather & Lorenzo Snyder</u>	<u>3133 Central Ave., Suite #5</u>	<u>Billings, MT 59102</u>	<u>(406) 702-1505</u>
<u>Ashley Zahm</u>	<u>1803 Harrison Ave.</u>	<u>Butte, MT 59701</u>	<u>(406) 723-4988</u>
<u>Ryan & Laura Connell</u>	<u>515 First Ave. N.</u>	<u>Great Falls, MT 59403</u>	<u>(406) 452-6941</u>
<u>Leah Martin</u>	<u>1133 Helena Ave.</u>	<u>Helena, MT 59601</u>	<u>(406) 443-5623</u>

<u>Charlie Scheel</u>	<u>1407 S. Higgins</u>	<u>Missoula, MT 59801</u>	<u>(406) 728-4549</u>
<u>Owen Drew & Elizabeth Butler</u>	<u>Rockbrook Village 10916 Elm St.</u>	<u>Omaha, NE 68144</u>	<u>(402) 390-9988</u>
<u>Owen Drew & Elizabeth Butler</u>	<u>4910 Underwood Ave.</u>	<u>Omaha, NE 68132</u>	<u>(402) 551-8800</u>
<u>Jason & Kim Jacobs</u>	<u>2520 W. Horizon Ridge Suite #160</u>	<u>Henderson, NV 89052</u>	<u>(702) 459-3663</u>
<u>Jason & Kim Jacobs</u>	<u>611 Marks Street, Pad D</u>	<u>Henderson, NV 89014</u>	<u>(702) 454-1262</u>
<u>Jim Guthrie & Liz Pierce</u>	<u>Suite #4, El Dorado Square 11200 Montgomery NE</u>	<u>Albuquerque, NM 87111</u>	<u>(505) 293-8277</u>
<u>Jin Kim</u>	<u>1220 NW Maynard Rd.</u>	<u>Cary, NC 27513</u>	<u>(919) 460-8158</u>
<u>Nouri Motameni</u>	<u>King's Court Shopping Ctr. 901 S. Kings Drive</u>	<u>Charlotte, NC 28204</u>	<u>(704) 333-0431</u>
<u>Nouri Motameni</u>	<u>The Shops at Piper Glen 6420 Rea Road, Suite B6</u>	<u>Charlotte, NC 28277</u>	<u>(704) 543-5550</u>
<u>Nouri Motameni</u>	<u>1824 East Arbors Drive #390</u>	<u>Charlotte, NC 28262</u>	<u>(704) 971-7280</u>
<u>Nouri Motameni</u>	<u>19901 South Main Street</u>	<u>Cornelius, NC 28031</u>	<u>(980) 689-5444</u>
<u>Bryan & Michele Jones</u>	<u>1721 East Ash Street</u>	<u>Goldsboro, NC 27408</u>	<u>(919) 288-2401</u>
<u>Nouri Motameni</u>	<u>110 Matthews Station Street Suite 1D</u>	<u>Matthews, NC 28105</u>	<u>(980) 262-3090</u>
<u>Eric & Janette Campbell</u>	<u>8801-119 Lead Mine Rd</u>	<u>Raleigh, NC 27615</u>	<u>(919) 845-8122</u>
<u>Cassie Wiste</u>	<u>1523 University Drive S.</u>	<u>Fargo, ND 58103</u>	<u>(701) 293-9382</u>
<u>Fred, Tony & Kris Lariccia</u>	<u>9440 Mentor Ave.</u>	<u>Mentor, OH 44060</u>	<u>(440) 205-8199</u>
<u>Carl & Nancy May</u>	<u>4058 Fishcreek</u>	<u>Stow, OH 44224</u>	<u>(330) 688-8894</u>
<u>Stephen & Laura Brown</u>	<u>4723 Reed Rd</u>	<u>Upper Arlington, OH 43220</u>	<u>(614) 457-9800</u>
<u>Jim & Debbie Horstman</u>	<u>445 S. State St.</u>	<u>Westerville, OH 43081</u>	<u>(614) 899-6100</u>
<u>Jeremy & Kristi Testerman</u>	<u>835 N.W. Bond St.</u>	<u>Bend, OR 97701</u>	<u>(541) 389-2888</u>
<u>Michael Muth & Emily Krieg</u>	<u>8926 SE Sunnyside Rd</u>	<u>Clackamas, OR 97015</u>	<u>(503) 659-5392</u>
<u>Gordo & Jess Wood</u>	<u>2564 Willamette St.</u>	<u>Eugene, OR 97405</u>	<u>(541) 345-5398</u>

<u>Emily Krieg & Michael Muth</u>	<u>2105 NW 185th</u>	<u>Hillsboro, OR 97124</u>	<u>(503) 466-1112</u>
<u>Lisa & Dan Allen</u>	<u>203 Genessee St.</u>	<u>Medford, OR 97504</u>	<u>(541) 245-3310</u>
<u>Jamey & Tony Taylor</u>	<u>810 S W 2nd</u>	<u>Portland, OR 97204</u>	<u>(503) 224-1532</u>
<u>Ian & Lonna Hagen</u>	<u>3405 Commercial Dr. SE</u>	<u>Salem, OR 97302</u>	<u>(503) 363-3215</u>
<u>Keith Brown & Angela Zamora</u>	<u>1467-B Woodruff Rd.</u>	<u>Greenville, SC 29607</u>	<u>(864) 286-6944</u>
<u>Christopher Dodson</u>	<u>8636 Dorchester Road</u>	<u>North Charleston, SC 29420</u>	<u>(843) 867-4440</u>
<u>Paul & Christy Beauvais</u>	<u>3900 Hillsboro Pike, Suite #32</u>	<u>Nashville, TN 37215</u>	<u>(615) 298-1032</u>
<u>Jon & Bonnie McCabe</u>	<u>9409 Sage Meadow Trail, Suite 101</u>	<u>Fort Worth, TX 76177</u>	<u>(817) 488-9313</u>
<u>Robert & Diana Roark, Heidi Roark, and Curtis Roark</u>	<u>212 S. Friendswood Drive</u>	<u>Friendswood, TX</u>	<u>(832) 513-5544</u>
<u>Robert & Diane Roark and Heidi Roark</u>	<u>1623 South Fry Road</u>	<u>Katy, TX 77450</u>	<u>(281) 578-3097</u>
<u>Robert & Diane Roark and Heidi Roark</u>	<u>24111 Stockdick School Road</u>	<u>Katy, TX 77493</u>	<u>(713) 898-3558</u>
<u>Jon & Bonnie McCabe</u>	<u>1241 E. State Hwy 114, Suite 160</u>	<u>Southlake, TX 76092</u>	<u>(817) 488-9313</u>
<u>Laura Jones & Elizabeth Jones</u>	<u>6621 South Broadway Ave. Suite #100</u>	<u>Tyler, TX 75703</u>	<u>(903) 630-3094</u>
<u>Brett & Claudia Bradford</u>	<u>1115 Forth Worth Highway Suite #100</u>	<u>Weatherford, TX 76086</u>	<u>(682) 410-3829</u>
<u>Dustin & Jamie Shaw</u>	<u>456 East State Road #100</u>	<u>American Fork, UT 84003</u>	<u>(385) 498-3401</u>
<u>Jeff Turpin</u>	<u>43 East 500 South</u>	<u>Bountiful, UT 84010</u>	<u>(801) 296-2524</u>
<u>Eric & Allison Maxwell</u>	<u>126 North Main #C3</u>	<u>Cedar City, UT 84720</u>	<u>(435) 865-6848</u>
<u>Sean & Melanie Elm</u>	<u>2201 N 2000 W</u>	<u>Clinton, UT 84015</u>	<u>(801) 773-5459</u>
<u>Jason & Natalie Pennock</u>	<u>217 E. 12300 S. Suite J 5</u>	<u>Draper, UT 84020</u>	<u>(801) 572-3373</u>
<u>Joe & Lisa Rich</u>	<u>96 North Main</u>	<u>Layton, UT 84041</u>	<u>(801) 614-0304</u>

<u>Lisa & James Clawson</u>	<u>37 W. Center</u>	<u>Logan, UT 84321</u>	<u>(435) 787-4442</u>
<u>Chris Zenger</u>	<u>2633 North East Market Place Plaze</u>	<u>North Ogden, UT 84414</u>	<u>(801) 689-3288</u>
<u>Melanie & Sean Elm</u>	<u>1231 E. 4800 S.</u>	<u>Ogden, UT 84403</u>	<u>(801) 476-4605</u>
<u>Chris Zenger</u>	<u>272 25th. St.</u>	<u>Ogden, UT 84401</u>	<u>(801) 394-6800</u>
<u>Joe & Lisa Rich</u>	<u>6541 Landmark Drive</u>	<u>Park City, UT 84098</u>	<u>(435) 655-7244</u>
<u>Joshua & Vivkie Christensen</u>	<u>1774 N University Pkwy. #48</u>	<u>Provo, UT 84604</u>	<u>(801) 373-9816</u>
<u>Stephen Washburn & Peggy McVea</u>	<u>4655 South 2300 East</u>	<u>Salt Lake City, UT 84117</u>	<u>(801) 277-3277</u>
<u>Stephen Washburn, Peggy McVea, Jacob & Hannah Fisher</u>	<u>2145 East 2100 South #1113</u>	<u>Salt Lake City, UT 84108</u>	<u>(801) 456-2121</u>
<u>Jason & Natalie Pennock</u>	<u>3591 West 11400 South</u>	<u>South Jordan, UT 84095</u>	<u>(801) 367-0221</u>
<u>Arrowhead Investment Properites, LLC; Matt Hamlin; Kolby Traveller; and Michelle Ence</u>	<u>140 N. 400 W.</u>	<u>St. George, UT 84770</u>	<u>(435) 674-2952</u>
<u>Arrowhead Investment Properites, LLC; Matt Hamlin; Kolby Traveller; and Michelle Ence</u>	<u>922 East Brigham Road</u>	<u>St. George, UT 84790</u>	<u>(435) 674-1952</u>
<u>JoEllen Kunz and Alex Artigues</u>	<u>5592 S. Redwood Rd.</u>	<u>Taylorsville, UT 84123</u>	<u>(801) 966-9699</u>
<u>Chistopher Brown & Joanne Casale</u>	<u>382 Pine Street</u>	<u>Burlington, VT 05401</u>	<u>(802) 660-2733</u>
<u>Brad & Megan Hurst</u>	<u>1711 Centre Plaza</u>	<u>Alexandria, VA 22302</u>	<u>(703) 671-8678</u>
<u>Jeanette Moler</u>	<u>6030-G Burke Commons Rd.</u>	<u>Burke, VA 22015</u>	<u>(703) 249-0044</u>
<u>Jeanette Moler</u>	<u>9000-S Lorton Station Blvd.</u>	<u>Lorton, VA 22079</u>	<u>(703) 372-2339</u>
<u>Michael & Aileen Magnotto</u>	<u>1701 Allied Lane</u>	<u>Charlottesville, VA 22903</u>	<u>(434) 202-7813</u>

<u>Kevin Taylor & Mari Taylor Edmonds</u>	<u>785 Station St.</u>	<u>Herndon, VA 20170</u>	<u>(703) 471-4031</u>
<u>Kevin Taylor & Mari Taylor Edmonds</u>	<u>132 Church St. NW</u>	<u>Vienna, VA 22180</u>	<u>(703) 938-0921</u>
<u>Jeff Laine and Trace Carson</u>	<u>13541 Midlothain Turnpike</u>	<u>Midlothain, VA 23113</u>	<u>(804) 893-4393</u>
<u>Pablo Teodoro Estate</u>	<u>108 Main Street</u>	<u>Warrenton, VA 20186</u>	<u>(540) 878-5200</u>
<u>Wei Lin & Yuan Cheng</u>	<u>Loehmann's Plaza 3610 C Factoria Blvd. SE</u>	<u>Bellevue, WA 98006</u>	<u>(425) 643-8420</u>
<u>Scott & Renea Molyneaux</u>	<u>305 E. Magnolia</u>	<u>Bellingham, WA 98225</u>	<u>(360) 671-0873</u>
<u>Mike & Karri Stoker</u>	<u>8378 W. Grandridge Blvd.</u>	<u>Kennewick, WA 99336</u>	<u>(509) 737-7437</u>
<u>Mike & Karri Stoker</u>	<u>6705 Chapel Hill Blvd.</u>	<u>Pasco, WA 99301</u>	<u>(509) 491-1310</u>
<u>Mike & Karri Stoker</u>	<u>3335 Innovation Blvd.</u>	<u>Richland, WA 99354</u>	<u>(509) 371-6080</u>
<u>Joel Williamson</u>	<u>East 2530 29th</u>	<u>Spokane, WA 99223</u>	<u>(509) 533-6645</u>
<u>David & Marilyn Kelsing</u>	<u>3000 Jerry Dove Drive Suite 100</u>	<u>Bridgeport, WV 26330</u>	<u>(304) 848-8040</u>
<u>David & Marilyn Kelsing</u>	<u>60 Planation Way</u>	<u>Elkins, WV 26241</u>	<u>(681) 298-4083</u>
<u>James & Ruth Metz</u>	<u>128 Front Street</u>	<u>Beaver Dam, WI 53916</u>	<u>(920) 219-9160</u>
<u>Jon Rasmussen</u>	<u>603 Genesee Street</u>	<u>Delafield, WI 53018</u>	<u>(262) 337-9023</u>
<u>Brent Felchlin</u>	<u>802 George St.</u>	<u>De Pere, WI 54115</u>	<u>(920) 336-9111</u>
<u>Jill & Leland Fletcher</u>	<u>4324 Southtowne Place</u>	<u>Eau Claire, WI 54701</u>	<u>(715) 552-8000</u>
<u>Lance Van Der Ploeg</u>	<u>13404 Watertown Plank Rd.</u>	<u>Elm Grove, WI 53122</u>	<u>(262) 821-0118</u>
<u>Kevin & Melissa Lisowe</u>	<u>116 W. Wisconsin Ave.</u>	<u>Neenah, WI 54956</u>	<u>(920) 727-0135</u>
<u>Clayton Rosenberg</u>	<u>329 Broadway</u>	<u>Wisconsin Dells, WI 53965</u>	<u>(608) 678-2264</u>
<u>Michel Skaf, Tony Skaf & Karine Amour</u>	<u>428 S. Durbin St., Suite #101</u>	<u>Casper, WY 82601</u>	<u>(307) 337-4286</u>
<u>**Robert Jones</u>	<u>Chalan Kanoa, Beach Road</u>	<u>Saipan, MP 96950</u>	<u>(670) 234-2733</u>

EXHIBIT A: SCHEDULE
TO DEVELOPMENT RIGHTS RIDER

~~You agree to develop and open () Great Harvest® bakery cafes in the Area, including the Bakery Cafe that is the subject of the Franchise Agreement, according to the following Schedule:~~

**denotes an international location

FRANCHISEES WITH SIGNED AGREEMENTS
OUTLETS NOT YET OPEN
As of October 31, 2024

Bakery Cafe Number	Franchise Agreement to Be Signed by Franchisee (or Approved Affiliate) By (Date) Franchisee	Date by which Bakery Cafe Must be Opened (Opening Deadline) City/State	Minimum Cumulative Number of new Franchised Great Harvest® Bakery Cafes to Be Open and Operating in Area No Later than the Opening Deadline	Contact Information
<u>1</u> Link & Kelly Larson		Concurrent ly with this Development Rights Rider Wasilla, AK		<u>klarson@greatharvest.com</u>
<u>2</u> Dustin & Karla White		Bentonville, AR		<u>dwhite@greatharvest.com</u>
<u>3</u> Ronald Stickney		Redding, CA		<u>rstickney@greatharvest.com</u>
<u>4</u> Rishy Studer		Pensacola, FL		<u>rstuder@greatharvest.com</u>
<u>5</u> Sunil & Depali Patel		Dunwoody, GA		<u>sdpatel@greatharvest.com</u>
<u>Tyler & Mandy Fortunati</u>		Nampa, ID		<u>mfortunati@greatharvest.com</u>
<u>Jason & Kim Jacobs</u>		Las Vegas, NV		<u>jkjacobs@greatharvest.com</u>
<u>Kevin Taylor & Mari Taylor Edmonds</u>		Ashburn, VA		<u>mtaylor@greatharvest.com</u>
<u>Paul & Greta Zielski</u>		Germantown, WI		<u>pzielski@greatharvest.com</u>
<u>Rishy Studer</u>		Janesville, WI		<u>rstuder@greatharvest.com</u>

FORMER FRANCHISEES

As of October 31, 2024

that had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year or has not communicated with the franchisor within the 10 weeks preceding the Issuance Date of this Disclosure Document:

GREAT HARVEST FRANCHISING, LLC Franchisee	FRANCHISEE City/State	Contact Information

By: _____ Title: _____ Date: <u>Kirk & Pamela Taylor</u>	[Name] By: _____ Title: _____ Date: <u>Scottsdale</u> <u>AZ</u>	<u>480-845-4131</u>
<u>Gus & Fawna Burgoyne¹</u>	<u>Redding CA</u>	<u>530-526-3767</u>
<u>Zane & Heather Colby¹</u>	<u>Boise ID</u>	<u>208-908-2318</u>
<u>Dave & Liz Schaps¹</u>	<u>Evanston IL</u>	<u>847-274-7456</u>
<u>Dion & Laurel Williams²</u>	<u>Cedar Rapids IA</u>	<u>319-270-8154</u>
<u>Greg Garrard¹</u>	<u>Owensboro KY</u>	<u>270-929-5843</u>
<u>Kirk Broussard</u>	<u>Baton Rouge LA</u>	<u>337-912-5080</u>
<u>Dennis & Marian Cihacek</u>	<u>Omaha NE</u>	<u>402-319-4122</u>
<u>Greg & Kim Green³</u>	<u>Greenville NC</u>	<u>252-414-2412</u>
<u>Amy Kelley</u>	<u>Chapel Hill NC</u>	<u>919-538-4154</u>
<u>Ian & Lonna Hagen²</u>	<u>Salem OR</u>	<u>775-354-7291</u>
<u>Timothy & Colleen Neal¹</u>	<u>League City TX</u>	<u>281-216-3110</u>
<u>Jeffrey & Sarah John¹</u>	<u>St. George UT</u>	<u>586-596-7754</u>

EXHIBIT B: AREA
TO DEVELOPMENT RIGHTS RIDER

The Area is identified on the attached map.

GREAT HARVEST FRANCHISING, LLC.

FRANCHISEE

By: _____ Title: _____ Date: _

{Name}

By: _____

Title: _____ Date: _

~~EXHIBIT H~~

~~STATE ADDENDA AND FRANCHISE AGREEMENT RIDERS~~

~~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 registration/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 agreed¹ This franchisee transferred the franchised outlet to a new owner.~~

~~² This franchisee currently operates another franchised outlet pursuant to a separate franchise agreement.~~

~~³ This franchisee chose not to renew their agreement.~~

EXHIBIT G
FORM OF RELEASE

GENERAL RELEASE

This release (the "Release") is given this day of _____ by ~~you~~ _____,
a(n) _____, with its principal place of business located at _____
("Franchisee") and _____'s principals _____, an individual residing at _____
and ("Principal(s)").

Franchisee and Principal(s), on behalf of themselves and their respective officers, directors, employees, successors, assigns, heirs, personal representatives, and all other persons acting on their behalf or claiming under them (collectively, the "Franchisee Releasors"), hereby release, discharge and hold harmless Great Harvest Franchising, LLC ("Franchisor") and Franchisor's parent company, affiliates, officers, directors, members, shareholders, employees, agents, attorneys, successors, and assigns (collectively, the "Franchisor Releasees") from any suits, claims, controversies, rights, promises, debts, liabilities, demands, obligations, costs, expenses, actions, and causes of action of every nature, character and description, in law or in equity, whether presently known or unknown, vested or contingent, suspected or unsuspected arising under, relating to, or in connection with the ~~commencement of the franchise~~ Franchise Agreement dated _____ between Franchisee and Franchisor and any related agreements and the relationship shall have the effect of (i) ~~waiving any claims under any applicable~~ created thereby, or the Franchised Business operated under the Franchise Agreement, or any claims or representations made relative to the sale of the franchise to operate such Franchised Business or under any federal or state franchise law, ~~including fraud in the inducement, or (ii) disclaiming reliance on any statement made by us, any franchise seller, or or unfair or deceptive trade practice laws, which any other person acting on our behalf. This provision supersedes~~ of the Franchisee Releasors now own or hold or have at any ~~other term of time~~ heretofore owned or held against the Franchisor Releasees (collectively, the "Franchisee Released Claims").

~~FRANCHISEE AND PRINCIPAL(S) ON BEHALF OF THEMSELVES AND THE FRANCHISEE RELEASORS WAIVE ANY RIGHTS AND BENEFITS CONFERRED BY ANY APPLICABLE PROVISION OF LAW EXISTING UNDER ANY FEDERAL, STATE OR POLITICAL SUBDIVISION THEREOF WHICH WOULD INVALIDATE ALL OR ANY PORTION OF THE RELEASE CONTAINED HEREIN BECAUSE SUCH RELEASE MAY EXTEND TO CLAIMS WHICH THE FRANCHISEE RELEASORS DO NOT KNOW OR SUSPECT TO EXIST IN THEIR FAVOR AT THE TIME OF EXECUTION OF THIS AGREEMENT. The Franchisee Releasors also covenant not to bring any document executed in connection with the franchise~~ suit, action, or proceeding, or make any demand or claim of any type, against any Franchisor Releasees with respect to any Franchisee Released Claim, and Franchisee and Principal(s) shall defend, indemnify and hold harmless each of Franchisor Releasees against same.

Release given this day of _____ by:

FRANCHISEE (Entity): _____ FRANCHISEE (Principal): _____

By: _____ (Print Name)

(Print Name, Title)

FRANCHISEE (Principal): _____

_____ (Print Name)

EXHIBIT H
STATE ADDENDA

ADDENDUM TO THE
MULTI-STATE FRANCHISE DISCLOSURE DOCUMENT OF GREAT HARVEST FRANCHISING, LLC.
REQUIRED BY THE STATE OF CALIFORNIA

Registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

~~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 14 DAYS PRIOR TO THE EXECUTION OF ANY AGREEMENT.~~

1. California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer or non-renewal of a franchise. If the Franchise Agreement or Multi-Unit Development Agreement contain provisions that are inconsistent with the law, the law will control.
2. The Franchise Agreement and Multi-Unit Development Agreement provide for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A. Sec. 101 et seq.).
3. The Franchise Agreement and Multi-Unit Development Agreement contain covenants not to compete which extend beyond the termination of the agreements. These provisions may not be enforceable under California law.
4. Section 31125 of the California Corporation Code requires the franchisor to provide you with a disclosure document before asking you to agree to a material modification of an existing franchise.
5. Neither the franchisor ~~nor~~, any person or franchise broker 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. 78a79a et seq., suspending or expelling such ~~person~~persons from membership in such association or exchange.

~~3. OUR WEBSITE, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THE WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION AT~~

~~4. The following language is added to the “Special Risks to Consider About *This Franchise*” page of the Franchise Disclosure Document:~~

~~**Spousal Liability.** While your spouse need not sign a personal guarantee unless he or she is an owner of the legal entity that is the franchisee, the fact that California is a community property state means that both your and your spouse’s marital and personal assets, including your house, could be lost if your franchise fails.~~

~~5. The following language is added as the last paragraph of Items 5 and 7 of the~~

Franchise Disclosure Document:

~~Despite the payment provisions above, we will defer your payment of the initial franchise fee you owe us until we have fulfilled all our initial obligations to you under the Franchise Agreement and you have commenced doing business. You must pay us the initial franchise fee on the day you open the bakery cafe for business. In addition, we will defer your payment of the development fee you owe us until you open the first~~

~~bakery cafe to be developed under the Development Rights Rider. You must pay us the development fee on the day you open that first bakery cafe for business.~~

~~6. The following language is added to the “Remarks” column of the line item titled “Interest” in Item 6 of the Franchise Disclosure Document:~~

~~The highest interest rate allowed under California law is 10% annually.~~

~~7. The following paragraphs are added to the end of Item 17 of the Franchise Disclosure Document:~~

~~California Law Regarding Termination, Nonrenewal, and Transfer. California Business and Professions Code Sections 20000 through 20043 provide rights to franchisees concerning termination, nonrenewal, and transfer of a franchise. If the Franchise Agreement contains any provision that is inconsistent with the law, the law will control.~~

~~Post-Termination Noncompetition Covenants. The Franchise Agreement contains a covenant not to compete that extends beyond the termination of the franchise. This provision might6. The franchise agreement requires binding arbitration. The arbitration will occur in Delaware with the costs being borne by the franchisee and franchisor. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as 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. Business and Professions Code Section 20040.5 relating to forum selection clauses restricting venue outside the state of California or arbitration may be preempted by the Federal Arbitration Act. Section 20040.5 may still apply to any provision relating to judicial proceedings. A binding arbitration provision may not be enforceable under generally applicable contract defenses, such as fraud, duress, or unconscionability.~~

~~7. The Franchise Agreement and Area Development Agreement require application of the laws of Delaware. This provision may not be enforceable under California law.~~

~~Liquidated Damages for Violation of Non-Competition Provision.8. You must sign a general release if you renew or transfer your franchise. California Corporation Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).~~

~~9. 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.~~

~~10. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as 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.~~

~~11. The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.~~

~~Applicable Law. The Franchise Agreement requires application of the laws of the State of Montana with certain exceptions. This provision might not be enforceable under California law.~~

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

~~Material Modification. Section 31125 of the Franchise Investment Law requires us to give you a disclosure document approved by the Commissioner of Financial Protection & Innovation before we ask you to consider a material modification of your franchise agreement.~~

~~Release. You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the~~

Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

HAWAII

~~THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF REGULATORY AGENCIES OR A FINDING BY THE DIRECTOR OF REGULATORY AGENCIES THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING. THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE. THIS OFFERING CIRCULAR CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.~~

1. ~~—The following language is added as the last paragraph of Items 5 and 7 of the Franchise Disclosure Document:~~

~~Despite the payment provisions above, we will defer your payment of the initial franchise fee you owe us until we have fulfilled all our initial obligations to you under the Franchise Agreement and you have commenced doing business. You must pay us the initial franchise fee on the day you open the bakery cafe for business. In addition, we will defer your payment of the development fee you owe us until you open the first bakery cafe to be developed under the Development Rights Rider. You must pay us the development fee on the day you open that first bakery cafe for business.~~

2. ~~—The following paragraph is added to the end of Item 17 of the Franchise Disclosure Document:~~

12. OUR WEBSITE, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT at www.dbo.ca.gov.

ADDENDUM TO THE MULTI-UNIT DEVELOPMENT AGREEMENT
REQUIRED BY THE STATE OF CALIFORNIA

 No statement, questionnaire, or ~~acknowledgement~~acknowledgment signed or agreed to by ~~you~~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 ~~us,~~any franchisor, franchise seller, or ~~any~~ other person acting on ~~our~~ behalf. This of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

~~provision~~

The parties hereto have duly executed this California Addendum to the Multi-Unit Development Agreement on the same date as that on which the Multi-Unit Development Agreement was executed.

FRANCHISOR:

Great Harvest Franchising, LLC

By:

(Print Name, Title)

FRANCHISEE:

By:

(Print Name, Title)

PRINCIPAL:

(Print Name)

PRINCIPAL:

(Print Name)

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

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.

ILLINOIS

1. ~~The following language is added as the last paragraph of Items 5 and 7 of the Franchise Disclosure Document:~~

~~Due to our financial condition, the Illinois Attorney General's Office requires us to defer payment of the initial franchise fee and other initial payments you owe us until we parties hereto have completed all of our pre-opening obligations to you underduly executed this California Addendum to the Franchise Agreement on the same date as that on which the Franchise Agreement and you have begun operating your Great Harvest bakery cafe. You must pay us the initial franchise fee on the day you open the bakery cafe for business. In addition, we will defer your payment of the development fee you owe us until you open the first bakery cafe to be developed under the Development Rights Rider. You must pay us the development fee on the day you open that first bakery cafe for businesswas executed.~~

2. ~~The following paragraphs are added to the end of Item 17 of the Franchise Disclosure Document:~~

~~Except for the Federal Arbitration Act that applies to arbitration,~~ _____

FRANCHISOR:

Great Harvest Franchising, LLC

By: _____

(Print Name, Title)

FRANCHISEE:

By: _____

(Print Name, Title)

PRINCIPAL:

(Print Name)

PRINCIPAL:

(Print Name)

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
PURSUANT TO THE ILLINOIS FRANCHISE DISCLOSURE ACT**

The Illinois Attorney General requires that certain provisions contained in franchise documents be amended to be consistent with Illinois law, including the Illinois Franchise Disclosure Act, 815 ILCS §§ 705/1 et seq. (1987) (the “Act”). To the extent that (i) the jurisdictional requirements of the Act are met and (ii) this Franchise Disclosure Document and Franchise Agreement contain provisions that are inconsistent with the following, such provisions are hereby amended:

(a) Illinois law governs the Franchise Agreement.~~(s).~~

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 ~~of~~ the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

~~Franchisees’ rights upon termination and non-renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.~~

~~In conformance with Section 41 of the Illinois Franchise Disclosure Act, any~~ (b) No franchisee shall be required to litigate any cause of action, with the exception of arbitration proceedings, arising under the Franchise Agreement or the Act outside of the State of Illinois, nor shall the Franchise Agreement provide for a choice of law provision for any state other than Illinois.

(c) Any condition, stipulation, or provision purporting to bind any person acquiring any franchise a franchisee to waive compliance with any provision of the Illinois Franchise Disclosure Act, or any other law of Illinois law is void.

MARYLAND

1. ~~The following language is added to the end of Item 5 of the Franchise Disclosure Document:~~

Any foregoing requirement, however, shall not prevent a franchisee from entering into a settlement agreement or executing a general release required as a condition of obtaining a refund of the initial fees shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law regarding a potential or actual lawsuit filed under any of the provisions of the Act, and shall not prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.

The following language is added as the last paragraph

2. ~~_____ (d) Payment of Items 5 and 7 of the Initial Franchise Disclosure Document:~~

~~Based upon our financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall/Development Fees will be deferred until we complete our pre-opening Franchisor has met its initial obligations under the Franchise Agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.~~

3. ~~The “Summary” sections in Items 17(e) and 17(m) of the Franchise Disclosure Document, titled “Requirements for to franchisee to renew or extend” and “Conditions for Franchisor approval of transfer,” are amended to add the following:~~

~~provided, however, that such release shall not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.~~

4. ~~The “Summary” section in Item 17(h) of the Franchise Disclosure Document, titled “Cause’ defined non-curable defaults,” is amended to add the following:~~

~~The Franchise Agreement provides for termination upon your 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.~~

5. ~~The “Summary” section in Items 17(v) of the Franchise Disclosure Document, titled “Choice of forum,” is amended by adding the following:~~

~~A. and franchisee may bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law~~has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor’s financial condition.

6. ~~The following paragraph is added to the end of Item 17 of the Franchise Disclosure Document:~~

(e) No statement, questionnaire, or ~~acknowledgement~~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.

**AMENDMENT TO THE FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF ILLINOIS**

In recognition of the requirements of the Illinois Franchise Disclosure Act, 815 ILCS §§ 705/1 et seq. (1987) (the “Act”), which govern the attached Franchise Agreement (the “Franchise Agreement”), the parties thereto agree as follows:

1. To the extent of any inconsistencies, the Franchise Agreement is hereby amended to further state:

“Section 4 of the Act provides that no franchisee shall be required to litigate any cause of action, with the exception of arbitration proceedings, arising under the Franchise Agreement or the Act outside of the State of Illinois.”

2. To the extent of any inconsistencies, the Franchise Agreement is hereby amended to further state:

“Illinois law governs the terms of this Franchise Agreement.”

3. To the extent of any inconsistencies, the Franchise Agreement is hereby amended to further state:

“Section 41 of the Act provides that any condition, stipulation, or provision purporting to bind Franchisee to waive compliance with any provision of the Act, or any other Illinois law is void. The foregoing requirement, however, shall not prevent Franchisee from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of the Act, and shall not prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.”

4. To the extent of any inconsistencies, the Franchise Agreement is hereby amended to further state:

“To the extent any provision regarding termination or renewal of the Franchise Agreement is inconsistent with the Illinois Franchise Disclosure Act §§ 815 ILCS §§ 705/19 and 705/20, the provisions of these sections of the Act will control.”

5. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Act are met independently without reference to this Amendment.

6. 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 with the franchise.

MINNESOTA

1. ~~The following language is added as the last paragraph of Items 5 and 7 of the Franchise Disclosure Document:~~

~~Despite the payment provisions above, we will defer your payment of the initial franchise fee you owe us until we have fulfilled all our initial obligations to you under the Franchise Agreement and you have commenced doing business. You must pay us the initial franchise fee on the day you open the bakery cafe for business. In addition, we will defer your payment of the development fee you owe us until you open the first bakery cafe to be developed under the Development Rights Rider. You must pay us the development fee on the day you open that first bakery cafe for business.~~

~~2. The Item 6 line item titled "Liquidated Damages" is deleted to the extent required by applicable law.~~

~~3. The fourth paragraph of Item 13 of the Franchise Disclosure Document after the trademark chart is amended to read as follows:~~

~~You must notify us immediately when you learn about a possible infringement of our Marks. We will take the action we think appropriate (which might be no action). We may control exclusively any litigation or other proceeding resulting from any infringement, challenge, or claim concerning our Marks. If you have complied with all of our requirements that apply to the Marks, we will protect your right to use the principal Marks and 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). It is our policy actively to police and defend our Marks and other intellectual property.~~

~~4. The following paragraphs are added to the end of Item 17 of the Franchise Disclosure Document:~~

~~With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. §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 for non-renewal of the Franchise Agreement.~~

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

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

The parties hereto have duly executed this Illinois Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

Great Harvest Franchising, LLC

By:

(Print Name, Title)

FRANCHISEE:

By:

(Print Name, Title)

PRINCIPAL:

(Print Name)

PRINCIPAL:

(Print Name)

**AMENDMENT TO THE GREAT HARVEST MULTI-UNIT DEVELOPMENT AGREEMENT
REQUIRED BY THE STATE OF ILLINOIS**

Illinois law governs the Franchise Agreement(s).

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 of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

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

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.

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.

Signatures to Follow

The parties hereto have duly executed this Illinois Amendment to the Multi-Unit Development Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

Great Harvest Franchising, LLC

By:

(Print Name, Title)

FRANCHISEE:

By:

(Print Name, Title)

PRINCIPAL:

(Print Name)

PRINCIPAL:

(Print Name)

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO
THE INDIANA FRANCHISE DISCLOSURE LAW AND THE
INDIANA DECEPTIVE FRANCHISE PRACTICES ACT**

The Indiana Securities Commissioner requires that certain provisions contained in franchise documents be amended to be consistent with Indiana law, including the Indiana Franchises Act, Ind. Code Ann. §§ 1 - 51 (1994) and the Indiana Deceptive Franchise Practices Act, Ind. Code Ann. § 23-2-2.7 (1985) (collectively referred to as the "Acts"). To the extent that (a) the jurisdictional requirements of the Acts are met and (b) this Franchise Disclosure Document and Franchise Agreement contain provisions that are inconsistent with the following, such provisions are hereby amended:

(a) To the extent the Franchise Agreement contains provisions allowing the establishment of franchisor-owned outlets that are inconsistent with the Indiana Deceptive Franchise Practices Act § 23-2-2.7(2), the requirements of this section of the Indiana Act will control.

(b) The franchisor may not make any substantial modification of the Franchise Agreement without the franchisee's written consent.

(c) To the extent any provision regarding renewal or termination of the Franchise Agreement is inconsistent with the Indiana Deceptive Franchise Practices Act §§ 23-2-2.7(7) and (8), the provisions of these sections of the Indiana Act will control.

(d) Any requirement in the Franchise Agreement that requires the franchisee to prospectively assent to a release, assignment, novation, wavier or estoppel shall not relieve any person from liability arising under the Acts.

(e) To the extent the covenants not to compete upon expiration or termination of the Franchise Agreement are inconsistent with the Indiana Deceptive Franchise Practices Act § 23-2-2.7(9), the provisions of this section of the Indiana Act will control.

(f) To the extent that any provision of the Franchise Agreement would be deemed unenforceable pursuant to the Indiana Deceptive Franchise Practices Act § 23-2-2.7(10), as this section of the Indiana Act is interpreted and applied, such provision of the Franchise Agreement shall be so deleted therefrom.

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF MARYLAND**

The Office of Attorney General for the State of Maryland requires that certain provisions contained in franchise documents be amended to be consistent with Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. § 14-201 et seq., and of the Rules and Regulations promulgated under the Act (collectively the "Maryland Franchise Law"). To the extent that this Disclosure Document or Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

1. No requirement that you agree to any release, assignment, novation, estoppel or waiver of liability as a condition to your purchasing a franchise shall act as a release, estoppel or waiver of any liability under the Maryland Franchise Law.

2. Item 5 is amended to state:

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

3. Item 17 is amended to state:

(a) Any claims arising under the Maryland Franchise Law must be brought within three (3) years after the grant of the franchise.

(b) Any general release required by the terms and conditions of the Franchise Agreement as a condition of renewal, assignment or transfer shall not apply to any liability under the Maryland Franchise Law.

(c) Our right to terminate you upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. §101 et. seq.).

(d) Nothing herein shall waive your right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland.

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

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

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. § 14-201 et seq., and of the Rules and Regulations promulgated thereunder, the parties to the attached Franchise Agreement (the “Franchise Agreement”) agree as follows:

1. The Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a franchisee’s assent to a release of liability under that Law as a condition for the sale, renewal, assignment or transfer of the franchise. To the extent of any inconsistencies with the Maryland Franchise Registration and Disclosure Law contained in Article 5 or Section 16.3 of the Franchise Agreement, such inconsistent provisions are hereby deleted.

2. To the extent of any inconsistencies, Section 6.1.1 of the Franchise Agreement is hereby amended to further state:

“Based upon Franchisor’s financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the Franchisor completes its initial pre-opening obligations under the Franchise Agreement, and the franchisee has opened their franchise outlet.”

3. To the extent of any inconsistencies, Section 17.1 of the Franchise Agreement is hereby amended to further state:

“Our right to terminate you upon your bankruptcy, however, may not be enforceable under federal bankruptcy law (11 U.S.C. §101 et. seq.)”

4. To the extent of any inconsistencies, Section 20.3 of the Franchise Agreement is hereby amended to further state:

“Nothing herein shall waive your right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland.”

5. To the extent of any inconsistencies, Section 20.8 of the Franchise Agreement is hereby amended to further state:

“Any claims arising under the Maryland Franchise Law must be brought within three (3) years after the grant of the franchise.”

6. To the extent of any inconsistencies, the Franchise Agreement and Franchisee Acknowledgement Statement, are hereby amended to further state:

“All representations requiring prospective franchisees 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.”

7. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. § 14-201 et seq., are met independently without reference to this Amendment.

8. 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.

The parties hereto have duly executed this Maryland Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

Great Harvest Franchising, LLC

By:

(Print Name, Title)

FRANCHISEE:

By:

(Print Name, Title)

PRINCIPAL:

(Print Name)

PRINCIPAL:

(Print Name)

AMENDMENT TO THE MULTI-UNIT DEVELOPMENT AGREEMENT REQUIRED BY THE STATE OF MARYLAND

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. § 14-201 et seq., and of the Rules and Regulations promulgated thereunder, the parties to the attached Multi-Unit Development Agreement (the “Multi-Unit Development Agreement”) agree as follows:

1. The Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a franchisee’s assent to a release of liability under that Law as a condition for the sale, renewal, assignment or transfer of the franchise. To the extent of any inconsistencies with the Maryland Franchise Registration and Disclosure Law contained in Article 6 of the Multi-Unit Development such inconsistent provisions are hereby deleted.

2. To the extent of any inconsistencies, Section 4.1 of the Multi-Unit Development Agreement is hereby amended to add:

“Based upon Franchisor’s financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed shall be deferred until the Franchisor completes its initial pre-opening obligations under the Franchise Agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.”

3. To the extent of any inconsistencies, Section 7.1 of the Multi-Unit Development Agreement is hereby amended to further state:

“Our right to terminate you upon your bankruptcy, however, may not be enforceable under federal bankruptcy law (11 U.S.C. §101 et. seq.)”

4. To the extent of any inconsistencies, Section 10.5 of the Multi-Unit Development Agreement is hereby amended to further state:

“Nothing herein shall waive your right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Registration and Disclosure Law in any court of competent jurisdiction in the State of Maryland.”

5. To the extent of any inconsistencies, Section 10.8 of the Multi-Unit Development Agreement is hereby amended to further state:

“Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise.”

6. All representations requiring prospective franchisees 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.

7. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. § 14-201 et seq., are met independently without reference to this Amendment.

8. The acknowledgement section of the Franchise Agreement is hereby deleted in its entirety.

The parties hereto have duly executed this Maryland Amendment to the Multi-Unit Development Agreement on the same date as that on which the Multi-Unit Development Agreement was executed.

FRANCHISOR:

Great Harvest Franchising, LLC

By:

(Print Name, Title)

FRANCHISEE:

By:

(Print Name, Title)

PRINCIPAL:

(Print Name)

PRINCIPAL:

(Print Name)

DISCLOSURE REQUIRED BY THE STATE OF MICHIGAN

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 this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than thirty (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 five (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 six (6) months' advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

 - (i) Failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.
 - (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

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

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

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.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, franchisee has the right to request an escrow arrangement.

Any questions regarding this notice should be directed to:

Consumer Protection Division
Attn: Katharyn Barron
525 W. Ottawa Street, 1st Floor
Lansing, Michigan 48933
(517) 335-7567

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF MINNESOTA**

This addendum to the Disclosure Document effectively amends and revises said Disclosure Document Agreement as follows:

1. Item 5 of the Disclosure Document, Section 3.1 of the Franchise Agreement, Article 3 of the Multi-Unit Development Agreement are amended by the addition of the following language to the original language that appears therein:

“Franchise will defer collection of the initial fee and other initial fees payable to the Franchisor until Franchisor has fulfilled its initial pre-opening obligations, and Franchisee is open for business. “

2. Item 13 of the Disclosure Document and Article 6 of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

“In accordance with applicable requirements of Minnesota law, Franchisor shall protect Franchisee’s right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or shall indemnify Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding such use.”

3. Item 17 of the Disclosure Document and Article 16 of the Franchise Agreement and Article IV of the Multi-Unit Development Agreement are amended by the addition of the following language to the original language that appears therein:

“With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes Sec. 80C.14, Subds.3, 4 and 5, which require (except in certain specified cases) that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the franchise agreement and that consent to the transfer of the franchise will not be unreasonably withheld.”

4. Item 17 of the Disclosure Document and Article 23 of the Franchise Agreement and Article VII of the Multi-Unit Development Agreement are amended by the addition of the following language to amend the Governing Law, Jurisdiction and Venue, and Choice of Forum sections:

“Minn. Stat. Sec. 80C.21 and Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce any of the franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.”

5. Item 17 of the Disclosure Document and Article 4 of the Franchise Agreement and Article VIII of the Multi-Unit Development Agreement are amended by the addition of the following language to the original language that appears therein:

“Minn. Rule 2860.4400D prohibits us from requiring you to assent to a general release.”

6. Any reference to liquidated damages in the Franchise Agreement is hereby deleted in accordance with Minn. Rule 2860.4400J which prohibits requiring you to consent to liquidated damages.

7. Article 23 of the Franchise Agreement is hereby deleted in accordance with Minn. Rule 2860.4400J which prohibits waiver of a jury trial.

8. Article 23 of the Franchise Agreement regarding Limitations of Claims is hereby amended to comply with Minn. Stat. §80C.17, Subd. 5.

9. Under Minn. Rule 2860.440J, the franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. A court will determine if a bond is required. Article 22 of the Franchise Agreement is hereby amended accordingly.

**AMENDMENT TO THE FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF MINNESOTA**

In recognition of the requirements of the Minnesota Statutes Chapter 80C, the parties to the attached Franchise Agreement (the "Franchise Agreement") agree as follows:

1. Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee's assent to a release other than as part of a voluntary settlement of disputes. To the extent of any inconsistencies with the Minnesota Rules requirement contained in Sections 5.2.5 or 16.3.6 of the Franchise Agreement, such inconsistent provisions are hereby deleted.
2. To the extent of any inconsistencies, Section 5.1.1 of the Franchise Agreement is hereby amended to state:

"Except in certain specified cases as set forth in Minn. Stat. § 80C.14 subd. 4, Franchisor will give Franchisee 180 days' notice for non-renewal of the Franchise Agreement."
3. To the extent of any inconsistencies, Section 6.4 of the Franchise Agreement is hereby amended to state that the non-sufficient funds fee is Thirty Dollars (\$30.00) per occurrence.
4. To the extent of any inconsistencies, Sections 17.1 through 17.3 of the Franchise Agreement are hereby amended to state:

"Except in certain specified cases as set forth in Minn. Stat. § 80C.14 subd. 3, Franchisor will give Franchisee 90 days notice of termination (with 60 days to cure)".
5. To the extent of any inconsistencies, Article 20, Dispute Resolution, of the Franchise Agreement is hereby amended to state:

"Franchisor cannot require Franchisee to: (i) conduct litigation outside Minnesota, (ii) waive a jury trial, or (iii) consent to liquidated damages, termination penalties or judgment notes. Nothing in this Franchise Agreement shall abrogate or reduce (1) any of Franchisee's rights as provided for in Minn. Stat. Chapter 80C or (2) Franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction. Franchisee cannot consent to Franchisor obtaining injunctive relief. Franchisor may seek injunctive relief."
6. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Statutes Chapter 80C are met independently without reference to this Amendment.
7. 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 with the franchise.

The parties hereto have duly executed this Minnesota Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:
Great Harvest Franchising, LLC

By:
(Print Name, Title)

FRANCHISEE:

By:
(Print Name, Title)

PRINCIPAL:
(Print Name)

PRINCIPAL:
(Print Name)

NEW YORK ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

~~1.~~ 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 ~~BA~~ OR YOUR PUBLIC LIBRARY FOR SOURCES OF 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 THAT ANYTHING IN ~~THE FRANCHISE~~ THIS DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE NEW YORK STATE DEPARTMENT OF LAW, ~~BUREAU OF INVESTOR PROTECTION AND SECURITIES~~ BUREAU, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005. THE FRANCHISOR MAY, IF IT ~~CHOOSES~~ CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

~~2.~~ 2. The following ~~paragraphs are~~ is added ~~to~~ at the end of Item 3 ~~of the Franchise Disclosure Document~~:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

~~A.~~ 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.~~ 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.

E. 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.

3. 3. The following ~~paragraph~~ is added to the end of Item 4 ~~of the Franchise Disclosure Document~~:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. 4. The following ~~paragraph~~ is added to the end of Item 5 ~~of the Franchise Disclosure Document~~:

~~We use the proceeds of the~~ The initial franchise fee ~~to defray~~ constitutes part of our ~~costs~~ general operating funds and ~~expenses of providing initial training and assistance to you.~~ will be used as such in our discretion.

5. 5. The following ~~language~~ is added to the end of the “Summary” sections of Item 17(c) ~~of the Franchise Disclosure Document~~, titled **“Requirements for franchisee to renew or extend,”** and Item 17(m) ~~of the Franchise Disclosure Document, titled~~, 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.

~~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.~~

~~6. 6.~~ The following language replaces the “Summary” section of Item 17(d) ~~of the Franchise Disclosure Document,~~ titled “**Termination by franchisee**”:

You may terminate the agreement on any grounds available by law: ~~__~~

~~7. 7.~~ The following ~~language~~ is added to the end of the “Summary” section of Item 17(j) ~~of the Franchise Disclosure Document,~~ titled “**Assignment of contract by franchisor**”:

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor’s obligations under the Franchise Agreement.

~~8. 8.~~ The following ~~language~~ is added to the end of the “Summary” sections of Item 17(v) ~~of the Franchise Disclosure Document,~~ titled “**Choice of forum,**” ~~__~~ and Item 17(w) ~~of the Franchise Disclosure Document,~~ titled “**Choice of law**”:

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

NORTH DAKOTA

~~1. — The following language is added as the last paragraph of Items 5 and 7 of the Franchise Disclosure Document:~~

~~Despite the payment provisions above, we will defer your payment of the initial franchise fee you owe us until we have fulfilled all our initial obligations to you under the Franchise Agreement and you have commenced doing business. You must pay us the initial franchise fee on the day you open the bakery cafe for business. In addition, we will defer your payment of the development fee you owe us until you open the first bakery cafe to be developed under the Development Rights Rider. You must pay us the development fee on the day you open that first bakery cafe for business.~~

~~2. — The Item 6 line item titled “Liquidated Damages” is deleted to the extent required by applicable law.~~

~~3. — The “Summary” sections in Items 17(c) and (m) of the Franchise Disclosure Document are amended by adding the following:~~

~~(Any release executed will not apply to the extent prohibited by applicable law with respect to claims arising under the North Dakota Franchise Investment Law.)~~

~~4. The “Summary” section in Item 17(r) of the Franchise Disclosure Document is amended by adding the following:~~

~~Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota. However, we will seek to enforce them to the extent enforceable.~~

~~5. The “Summary” section in Item 17(v) of the Disclosure Document is amended to add the following:~~

~~; however, to the extent required by applicable law, you may bring an action in North Dakota.~~

~~6. The “Summary” section in Item 17(w) of the Franchise Disclosure Document is deleted and replaced with the following:~~

~~Except for federal law, North Dakota law applies.~~

~~7. The following paragraph is added to the end of Item 17 of the Franchise Disclosure Document:~~

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

RHODE ISLAND

~~1. The “Summary” section in Item 17(v) of the Franchise Disclosure Document is deleted in its entirety, and the following is substituted in its place:~~

~~Litigation generally must be in Montana except as otherwise required by applicable law with respect to claims arising under the Rhode Island Franchise Investment Act.~~

~~2. The “Summary” section in Item 17(w) of the Franchise Disclosure Document is deleted in its entirety, and the following is substituted in its place:~~

~~Montana law generally applies, except as otherwise required by law for claims which arise under the Rhode Island Franchise Investment Act.~~

SOUTH DAKOTA

1. ~~—The following language is added as the last paragraph of Items 5 and 7 of the Franchise Disclosure Document:~~

~~Despite the payment provisions above, we will defer your payment of the initial franchise fee you owe us until we have fulfilled all our initial obligations to you under the Franchise Agreement and you have commenced doing business. You must pay us the initial franchise fee on the day you open the bakery cafe for business. In addition, we will defer your payment of the development fee you owe us until you open the first bakery cafe to be developed under the Development Rights Rider. You must pay us the development fee on the day you open that first bakery cafe for business.~~

VIRGINIA

1. ~~—The first (1st) sentence in the sixth (6th) paragraph of Item 5 of the Franchise Disclosure Document is replaced with the following:~~

~~We may terminate the Franchise Agreement at any time for reasonable cause during the period between its effective date and 30 days after the main Bakery Cafe operator completes “Bakery Cafe School” in Dillon.~~

2. ~~—The following language is added as the last paragraph of Items 5 and 7 of the Franchise Disclosure Document:~~

~~The Virginia State Corporation Commission’s Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to us until we have completed our pre-opening obligations under the Franchise Agreement. Therefore, we will defer your payment of the initial franchise fee you owe us until we have fulfilled all our initial obligations to you under the Franchise Agreement and you have commenced doing business. You must pay us the initial franchise fee on the day you open the bakery cafe for business. In addition, we will defer your payment of the development fee you owe us until you open the first bakery cafe to be developed under the Development Rights Rider. You must pay us the development fee on the day you open that first bakery cafe for business.~~

3. ~~—The “Summary” section in Item 17(e) of the Franchise Disclosure Document is deleted in its entirety, and the following is substituted in its place:~~

~~We do not have the right to terminate the Franchise Agreement without cause.~~

WASHINGTON

1. ~~The following language is added as the last paragraph of Items 5 and 7 of the Franchise Disclosure Document:~~

~~Despite the payment provisions above, we will defer your payment of the initial franchise fee due to us under a Franchise Agreement until we have fulfilled all our initial obligations to you and you have commenced doing business. You must pay us the initial franchise fee on the day you open the Great Harvest bakery cafe for business.~~

~~In addition, because we have material pre-opening obligations with respect to each bakery cafe you open pursuant to the rights granted by the Development Rights Rider, we will defer your payment of the portion of the development fee allocable to a particular bakery cafe until you open that bakery cafe for business.~~

2. ~~The following language is added to the end of the “Summary” section of Item 17(u) of the Franchise Disclosure Document, titled “Dispute resolution by arbitration or mediation”:~~

~~(subject to Washington state law).~~

3. ~~The following paragraph is added to the end of Item 17 of the Franchise Disclosure Document:~~

~~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 us, 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 us, 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, you 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 our 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 our behalf. This provision supersedes any other term of any document executed in connection with the franchise.~~

~~4. The "Summary" section in Item 17(d) of the Franchise Disclosure Document is amended to add the following:~~

~~You also may terminate the Franchise Agreement on any grounds available by law.~~

~~*****~~

~~**ASSURANCE OF DISCONTINUANCE
STATE OF WASHINGTON**~~

~~To resolve an investigation by the Washington Attorney General and without admitting any liability, we have entered into an Assurance of Discontinuance (“AOD”) with the State of Washington, where we have agreed to remove from our form franchise agreement a provision which restricts a franchisee from soliciting and/or hiring the employees of our other franchisees and/or our employees, which the Attorney General alleges violates Washington state and federal antitrust and unfair practices laws. We have agreed, as part of the AOD, to not enforce any such provisions in any existing franchise agreement, to request that our Washington franchisees amend their existing franchise agreements to remove such provisions, and to notify our franchisees about the entry of the AOD. In addition, the State of Washington did not assess any fines or other monetary penalties against us.~~

~~THE FOLLOWING PAGES IN THIS EXHIBIT ARE
STATE-SPECIFIC RIDERS~~

NEW YORK RIDER TO
THE FRANCHISE AGREEMENT

THIS RIDER TO THE GREAT HARVEST FRANCHISING, LLC. FRANCHISE
AGREEMENT FOR USE IN CALIFORNIA

This ~~NEW YORK~~ (“Rider”) is entered into this _____ day of _____, _____, by and between ~~GREAT HARVEST FRANCHISING~~ Great Harvest Franchising, LLC, a Delaware limited liability company, with its principal office at _____ (“we,” “us,” or “our”); and _____ (“Franchisee,” “you,” or “your”).

Background. We _____ (“you” or “your”), whose principal business address is _____.

1. ~~WHEREAS, we and you are parties to that~~ we and you have entered into a certain Franchise Agreement dated _____, _____ that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the offer or sale of the franchise for the _____, which grants you the right to operate a Great Harvest bakery cafe you will operate under the Franchise Agreement was made in the State of California and you are a California resident, and/or (b) the bakery cafe will operate in California. franchise (the “Franchise Agreement”);

Initial Fees. ~~The~~ WHEREAS, you are domiciled in New York and the franchise will be located in New York, and/or any of the offering or sales activity relating to the Franchise Agreement occurred in the State of New York; and

WHEREAS, in recognition of the requirements of the General Business Law of the State of New York, Article 33, Sections 680-695, we and you desire to amend certain terms of the Franchise Agreement in accordance with the terms and conditions contained in this Rider.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained in the Franchise Agreement and this Rider and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, we and you agree as follows:

2. 1. Sections 5.2.5 and 16.3.6 of the Franchise Agreement are amended by adding the following language is added to the end of each Section FYP6 of the Franchise Agreement:

~~Despite the payment provisions above, we will defer your payment of the initial franchise fee you owe us until we have fulfilled all our initial obligations to you under the Franchise Agreement and you have commenced doing business. You must pay us the initial franchise fee on the day you open the bakery cafe for business.~~

~~In addition, if you signed our Development Rights Rider, we will defer your payment of the development fee you owe us until you open the first bakery cafe to~~

~~be developed under the Development Rights Rider (which would be the bakery cafe under the Franchise Agreement to which the Development Rights Rider is attached). You must pay us the development fee on the day you open that first bakery cafe for business.~~

{Signature Page Follows}

Intending to be legally bound, the parties have executed this Rider at the times and places written below. The effective date of this Rider is the latter of the two dates of signing.

GREAT HARVEST FRANCHISING, LLC.,
a Delaware limited liability company

By: _____

Title: _____

Date: _____

Place: _____

BAKERY CAFE OWNER (If Individuals)

By: _____

Percentage of Ownership: _____%

And by: _____

Percentage of Ownership: _____%

Date: _____

Place: _____

BAKERY CAFE OWNER (If Entity)

[Name of Entity]

By: _____

Title: _____

Date: _____

Place: _____

~~**RIDER TO THE GREAT HARVEST FRANCHISING, LLC.
FRANCHISE AGREEMENT
FOR USE IN HAWAII**~~

This Rider is ~~entered into this _____ day of _____, _____, by and between GREAT HARVEST FRANCHISING, LLC., a Delaware limited liability company (“we,” “us,” or “our”), and _____ (“Franchisee,” “you,” or “your”).~~

1. ~~**Background.** We and you are parties to that certain Franchise Agreement dated _____, _____ that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the offer or sale of the franchise for the Great Harvest bakery cafe you will operate under the Franchise Agreement was made in the State of Hawaii, or (b) you are a resident of the State of Hawaii.~~

2. ~~**Initial Fees.** The following language is added to the end of Section FYP6 of the Franchise Agreement:~~

~~Despite the payment provisions above, we will defer your payment of the initial franchise fee you owe us until we have fulfilled all our initial obligations to you under the Franchise Agreement and you have commenced doing business. You must pay us the initial franchise fee on the day you open the bakery cafe for business.~~

~~In addition, if you signed our Development Rights Rider, we will defer your payment of the development fee you owe us until you open the first bakery cafe to be developed under the Development Rights Rider (which would be the bakery cafe under the Franchise Agreement to which the Development Rights Rider is attached). You must pay us the development fee on the day you open that first bakery cafe for business.~~

3. ~~**Acknowledgments.** The first three paragraphs of Section C34 of the Franchise Agreement are hereby deleted.~~

~~{Signature Page Follows}~~

~~Intending to be legally bound, the parties have executed this Rider at the times and places written below. The effective date of this Rider is the latter of the two dates of signing.~~

~~**GREAT HARVEST FRANCHISING, LLC.,**
a Delaware limited liability company~~

~~By: _____~~

~~Title: _____~~

~~Date: _____~~

~~Place: _____~~

~~**BAKERY CAFE OWNER (If Individuals)**~~

~~By: _____~~

~~Percentage of Ownership: _____%~~

~~And by: _____~~

~~Percentage of Ownership: _____%~~

~~Date: _____~~

~~Place: _____~~

~~**BAKERY CAFE OWNER (If Entity)**~~

~~_____~~

~~[Name of Entity]~~

~~By: _____~~

~~Title: _____~~

~~Date: _____~~

~~Place: _____~~

~~**RIDER TO THE GREAT HARVEST FRANCHISING, LLC.
FRANCHISE AGREEMENT
FOR USE IN ILLINOIS**~~

This Rider is ~~entered into this _____ day of _____, _____, by and between GREAT HARVEST FRANCHISING, LLC., a Delaware limited liability company (“we,” “us,” or “our”), and _____ (“Franchisee,” “you,” or “your”).~~

1. ~~**Background.** We and you are parties to that certain Franchise Agreement dated _____, _____ that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the offer or sale of the franchise for the Great Harvest bakery cafe you will operate under the Franchise Agreement was made in the State of Illinois and you will operate the bakery cafe in Illinois, and/or (b) you are a resident of Illinois.~~

2. ~~**Initial Fees.** The following language is added to the end of Section FYP6 of the Franchise Agreement:~~

~~Due to our financial condition, the Illinois Attorney General’s Office requires us to defer payment of the initial franchise fee and other initial payments you owe us until we have completed all of our pre-opening obligations to you under the Franchise Agreement and you have begun operating your Great Harvest bakery cafe. You must pay us the initial franchise fee on the day you open the bakery cafe for business.~~

~~In addition, if you signed our Development Rights Rider, we will defer your payment of the development fee you owe us until you open the first bakery cafe to be developed under the Development Rights Rider (which would be the bakery cafe under the Franchise Agreement to which the Development Rights Rider is attached). You must pay us the development fee on the day you open that first bakery cafe for business.~~

3. ~~**Governing Law & venue; construction.** Section C30 of the Franchise Agreement, titled “Governing Law & venue; construction,” is amended to read as follows:~~

~~Except for the Federal Arbitration Act that applies to arbitration, Illinois law governs the 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 of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.~~

4. ~~**Termination, refund, expiration.**~~ The following language is added to the end of the second paragraph of Section FYP13 of the Franchise Agreement, titled “Termination, refund, expiration”:

~~Your rights upon termination and non-renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.~~

5. ~~**Illinois Franchise Disclosure Act.**~~ The following language is added as Section C35 of the Franchise Agreement:

~~**C35. Illinois Franchise Disclosure Act.** 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 any provision of the Act or any other law of Illinois is void. However, that Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any provision of the Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.~~

~~Intending to be legally bound, the parties have executed this Rider at the times and places written below. The effective date of this Rider is the latter of the two dates of signing.~~

GREAT HARVEST FRANCHISING, LLC,
a Delaware limited liability company

By: _____

Title: _____

Date: _____

Place: _____

BAKERY CAFE OWNER (If Individuals)

By: _____

Percentage of Ownership: _____%

And by: _____

Percentage of Ownership: _____%

Date: _____

Place: _____

BAKERY CAFE OWNER (If Entity)

[Name of Entity]

By: _____

Title: _____

Date: _____

Place: _____

~~**RIDER TO THE GREAT HARVEST FRANCHISING, LLC
FRANCHISE AGREEMENT
FOR USE IN MARYLAND**~~

This Rider is ~~entered into this _____ day of _____, _____, by and between GREAT HARVEST FRANCHISING, LLC, a Delaware limited liability company (“we,” “us,” or “our”), and _____ (“Franchisee,” “you,” or “your”).~~

1. ~~**Background.** We and you are parties to that certain Franchise Agreement dated _____, _____ that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are a Maryland resident, or (b) the Great Harvest bakery cafe will be located or operated in Maryland.~~

2. ~~**Initial Fees.** The following language is added to the end of Section FYP6 of the Franchise Agreement:~~

~~Based upon our financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by you shall be deferred until we complete our pre-opening obligations under this Agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.~~

3. ~~**Releases.** The following language is added to the end of Sections FYP8, FYP13, C21, C22, C23, and C25 of the Franchise Agreement:~~

~~Any general release required as a condition of sale shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.~~

4. ~~**Termination, refund, expiration.** The following language is added to the end of the second paragraph of Section FYP13 of the Franchise Agreement, titled “Termination, refund, expiration”:~~

~~Any general release required as a condition of obtaining a refund of the initial fees shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.~~

5. ~~**Assignment and Renewal.** The following language is added both to the end of the first paragraph of Section C22 of the Franchise Agreement, titled “Selling your Bakery Cafe,” and to subparagraph (3) in Section C23 of the Franchise Agreement, titled “Renewal”:~~

~~provided, however, that such general release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.~~

6. — ~~**Our right to terminate.**~~ The following language is added to the end of the fourth bullet point of Section C24 of the Franchise Agreement, titled “Material Breach”:

~~;~~ however, such provision might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 ~~et seq.~~), although we intend to enforce it to the extent enforceable.

7. — ~~**Governing Law & venue; construction.**~~ The following language is added to the end of Section C30 of the Franchise Agreement:

~~A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.~~

8. — ~~**Acknowledgments.**~~ The first three paragraphs of Section C34 of the Franchise Agreement are hereby deleted.

9. — ~~**Representations.**~~ The following language is added as new Section C36 of the Franchise Agreement:

~~***C36. Representations.***~~

~~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.~~

{Signature Page Follows}

Intending to be legally bound, the parties have executed this Rider at the times and places written below. The effective date of this Rider is the latter of the two dates of signing.

GREAT HARVEST FRANCHISING, LLC
a Delaware limited liability company

By: _____

Title: _____

Date: _____

Place: _____

BAKERY CAFE OWNER (If Individuals)

By: _____

Percentage of Ownership: _____%

And by: _____

Percentage of Ownership: _____%

Date: _____

Place: _____

BAKERY CAFE OWNER (If Entity)

[Name of Entity]

By: _____

Title: _____

Date: _____

Place: _____

~~**RIDER TO THE GREAT HARVEST FRANCHISING, LLC
FRANCHISE AGREEMENT
FOR USE IN MINNESOTA**~~

This Rider is ~~entered into this _____ day of _____, 20____, by and between GREAT HARVEST FRANCHISING, LLC, a Delaware limited liability company (“we,” “us,” or “our”), and _____ (“Franchisee,” “you,” or “your”).~~

1. ~~**Background.** We and you are parties to that certain Franchise Agreement dated _____, 20____ that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the offer or sale of the franchise for the Great Harvest bakery cafe you will operate under the Franchise Agreement was made in the State of Minnesota, and/or (b) the Great Harvest bakery cafe will be located or operated in Minnesota.~~

2. ~~**Initial Fees.** The following language is added to the end of Section FYP6 of the Franchise Agreement:~~

~~Despite the payment provisions above, we will defer your payment of the initial franchise fee you owe us until we have fulfilled all our initial obligations to you under the Franchise Agreement and you have commenced doing business. You must pay us the initial franchise fee on the day you open the bakery cafe for business.~~

~~In addition, if you signed our Development Rights Rider, we will defer your payment of the development fee you owe us until you open the first bakery cafe to be developed under the Development Rights Rider (which would be the bakery cafe under the Franchise Agreement to which the Development Rights Rider is attached). You must pay us the development fee on the day you open that first bakery cafe for business.~~

3. ~~**Use of Marks.** The following is added to the end of Section C14 of the Franchise Agreement, titled “Building a brand”:~~

~~Provided you have complied with all provisions of the Franchise Agreement applicable to the Marks, we will protect your right to use the Marks and 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).~~

4. ~~**Non-competition and confidentiality.** The following is added to Sections C17 and C18 of the Franchise Agreement:~~

~~Pursuant to Section 80C.14, Chapter 2860.4400, paragraph (J) of the Rules and Regulations promulgated by the Securities Division of the Minnesota Department~~

of Commerce pursuant to the Minnesota Franchise Act, this Franchise Agreement shall not, to the extent prohibited by law, provide for liquidated damages upon the occurrence of any event.

5. ~~**Releases.**~~ The following language is added after the first set of bullet points in Section C22 of the Franchise Agreement, titled “Selling your Bakery Cafe,” and to the end of subparagraph (3) of Section C23 of the Franchise Agreement, titled “Renewal”:

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

6. ~~**Renewal and Our right to terminate.**~~ The following is added to the beginning of Sections C23 and C24 of the Franchise Agreement:

Minnesota law provides you with certain termination and non-renewal rights. Minn. Stat. §80C.14 Subds. 3, 4 and 5 require, except in certain specified cases, that you be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of this Agreement.

7. ~~**Governing Law & venue; construction.**~~ The following sentence is added to Section C30 of the Franchise Agreement, titled “Governing Law & venue; construction”:

PURSUANT TO MINN. STAT. §80C.21 AND MINN. RULE PART 2860.4400J, THIS SECTION SHALL NOT IN ANY WAY ABROGATE OR REDUCE YOUR RIGHTS AS PROVIDED FOR IN MINNESOTA STATUTES 1984, CHAPTER 80C, INCLUDING THE RIGHT TO SUBMIT MATTERS TO THE JURISDICTION OF THE COURTS OF MINNESOTA.

{Signature Page Follows}

~~Intending to be legally bound, the parties have executed this Rider at the times and places written below. The effective date of this Rider is the latter of the two dates of signing.~~

~~**GREAT HARVEST FRANCHISING, LLC**~~

~~a Delaware limited liability company~~

~~By: _____~~

~~Title: _____~~

~~Date: _____~~

~~Place: _____~~

~~**BAKERY CAFE OWNER (If Individuals)**~~

~~By: _____~~

~~Percentage of Ownership: _____%~~

~~And by: _____~~

~~Percentage of Ownership: _____%~~

~~Date: _____~~

~~Place: _____~~

~~**BAKERY CAFE OWNER (If Entity)**~~

~~_____
[Name of Entity]~~

~~By: _____~~

~~Title: _____~~

~~Date: _____~~

~~Place: _____~~

~~**RIDER TO THE GREAT HARVEST FRANCHISING, LLC
FRANCHISE AGREEMENT
FOR USE IN NEW YORK**~~

This Rider is ~~entered into this _____ day of _____, 20____, by and between GREAT HARVEST FRANCHISING, LLC, a Delaware limited liability company (“we,” “us,” or “our”), and _____ (“Franchisee,” “you,” or “your”).~~

1. ~~**Background.** We and you are parties to that certain Franchise Agreement dated _____, _____ that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the offer or sale of the franchise for the Great Harvest bakery cafe you will operate under the Franchise Agreement was made in the State of New York, and/or (b) you are a resident of New York and will operate the bakery cafe in New York.~~

2. ~~**Assignment.** The first paragraph of Section C22 is amended to add the following:~~

~~;
; Provided however, that all rights enjoyed by you
However, to the extent required by applicable law, notwithstanding the signing of a General Release, 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 GBL, 687.4 and 687.5 be satisfied.~~

~~**Governing Law & venue; construction.** The first paragraph in~~

3. ~~2.~~ Section ~~C30~~16.1.1 of the Franchise Agreement, ~~titled “Governing Law & venue; construction,”~~ is amended ~~to add~~by adding the following language to this Section:

~~**;
; HOWEVER, THE GOVERNING CHOICE OF LAW SHALL NOT BE CONSIDERED A WAIVER OF ANY RIGHT CONFERRED UPON YOU BY THE PROVISIONS OF ARTICLE 33 OF THE NEW YORK STATE GENERAL BUSINESS LAW.**~~

{Signature Page Follows}

Intending to be legally bound, the parties have executed this Rider at the times and places written below. The effective date of this Rider is the latter of the two dates of signing.

~~GREAT HARVEST FRANCHISING~~ However, to the extent required by applicable law, Franchisor will not transfer and assign its rights and obligations under the Franchise Agreement unless the transferee will be able to perform the Franchisor's obligations under the Franchise Agreement, in Franchisor's good faith judgment.

3. Section 20.5 of the Franchise Agreement is amended by adding the following language:

New York Law governs any cause of action which arises under the New York General Business Law, Article 33, Sections 680-695. The provisions of this Franchise Agreement shall not be deemed a waiver of any rights conferred upon Franchisee by Article 33 of the General Business Law of the State of New York and the regulations issued thereunder.

4. In the event of any conflict between a provision of the Franchise Agreement and this Rider, the provision of this Rider shall control. All terms which are capitalized in this Rider and not otherwise defined, will have the meanings given to them in the Franchise Agreement. Except as amended by this Rider, the Franchise Agreement is unmodified and in full force and effect in accordance with its terms.

5. Each provision of this Rider will be effective only to the extent that the jurisdictional requirements of the New York General Business Law, Article 33, Sections 680-695 are met independent of this Rider.

The parties hereto have duly executed this New York Rider to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

Great Harvest Franchising, LLC

a Delaware limited liability company

By: _____

(Print Name, Title: _____)

Date: _____

Place: _____

BAKERY CAFE OWNER (If Individuals)

FRANCHISEE:

By: _____

Percentage of Ownership: _____%

And by: _____

Percentage of Ownership: _____%

Date: _____

Place: _____

BAKERY CAFE OWNER (If Entity)

{ _____
(Print Name of Entity)

By: _____

Title:-)

Date: _____

Place: _____

RIDER _____

PRINCIPAL:

(Print Name)

PRINCIPAL:

(Print Name)

ADDENDUM TO THE GREAT HARVEST FRANCHISING, LLC FRANCHISE DISCLOSURE DOCUMENT
AND FRANCHISE AGREEMENT
FOR USE IN
REQUIRED BY THE STATE OF NORTH DAKOTA

This Rider is entered into this _____ day of _____, by and between **GREAT HARVEST FRANCHISING, LLC**, a Delaware limited liability company (“we,” “us,” or “our”), and _____ (“Franchisee,” “you,” or “your”).

1. ~~**Background.** We and you are parties to that certain Franchise Agreement dated _____, _____ that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the offer or sale of the franchise for the Great Harvest bakery cafe you will operate under the Franchise Agreement was made in the State of North Dakota, and/or (b) you are a resident of North Dakota and will operate the bakery cafe in North Dakota.~~

2. ~~**Initial Fees.** The following language is added to the end of Section FYP6 of the Franchise Agreement:~~

Despite the payment provisions above, The North Dakota Securities Commissioner requires that certain provisions contained in franchise documents be amended to be consistent with North Dakota law, including the North Dakota Franchise Investment Law, NDCC § 51-19 et seq. (“NDFIL”). To the extent that (a) the jurisdictional requirements of the NDFIL are met and (b) this Franchise Disclosure Document and Franchise Agreement contain provisions that are inconsistent with the following, such provisions are hereby amended:

1. Covenants not to compete upon termination or expiration of the franchise agreement are subject to NDCC § 9-08-06.
2. To the extent required by the NDFIL, arbitration proceedings shall take place at a location mutually agreed upon by you and us.
3. Any requirement that you consent to liquidated damages or termination penalties shall not apply to the extent prohibited by the NDFIL;
4. Any requirement that you consent to (i) the jurisdiction of courts outside of North Dakota, (ii) the application of laws of a state other than North Dakota, (iii) waiver of jury trial or (iv) waiver of exemplary and punitive damages shall not apply to the extent prohibited by the NDFIL;
5. Any release required as a condition to a renewal of the franchise agreement shall not apply to the extent prohibited by the NDFIL;
6. Any requirement that you consent to a limitation of claims shall not apply to the extent prohibited by the NDFIL. As applicable, the statute of limitations under North Dakota law shall control.
7. The prevailing party in any enforcement action is entitled to recover all costs and expenses, including attorney's fees.

~~In the State of North Dakota, we will defer your^{the} payment of the initial franchise fee you owe us until we have fulfilled all our initial obligations to you under the Franchise Agreement and you have commenced doing business. You must pay us the initial franchise fee on the day you open the bakery cafe for business.~~

~~8. In addition, if you signed our Development Rights Rider, we will defer your payment of the development fee you owe us and any other initial payment until all of our material pre-opening obligations have been satisfied and until you open the first bakery cafe to be developed under the Development Rights Rider (which would be the bakery cafe under the Franchise Agreement to which the Development Rights Rider is attached). You must pay us the development fee on the day you open that first bakery cafe for business^{your business}, and it is operating. The North Dakota Securities Department imposed this deferral requirement due to Franchisor's financial condition.~~

~~**Non-Competition and confidentiality.**
[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]~~

~~3. The last paragraph of the “Non-Compete” subsections of Sections C17 and C18 of the parties hereto have duly executed this North Dakota Amendment to the Franchise Agreement will not be enforced to the extent prohibited by law, and the following language is added to the end of on the same date as that subsection in C18:~~

~~Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota. However, you acknowledge and agree that we intend to seek enforcement of these provisions to the extent enforceable under the law.~~

4. ~~**Releases.** The following language is added after the first set of bullet points in Section C22 of on which the Franchise Agreement, titled “Selling your Bakery Cafe,” and to the end of subparagraph (3) of Section C23 of the Franchise Agreement, titled “Renewal”: was executed.~~

~~(Any release executed will not apply to the extent otherwise prohibited by applicable law with respect to claims arising under the North Dakota Franchise Investment Law.)~~

5. ~~Your responsibilities after termination or expiration.~~ The second paragraph, titled “Money,” of Section C25 of the Franchise Agreement, titled “Your responsibilities after termination or expiration,” is amended to add the following language:

~~The Commissioner has determined termination or liquidated damages to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota~~

FRANCHISOR:

Great Harvest Franchising, LLC

By: _____

(Print Name, Title)

FRANCHISEE:

By: _____

(Print Name, Title)

PRINCIPAL:

(Print Name)

PRINCIPAL:

(Print Name)

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF RHODE ISLAND**

In recognition of the requirements of the Rhode Island Franchise Investment Law:

6. ~~**Governing Law & venue; construction**~~

(a) ~~The first paragraph of Section C30 of the Franchise Agreement, titled “Governing Law & venue; construction,” is amended to add the following to the end:~~

~~**DESPITE THIS PROVISION, NORTH DAKOTA LAW WILL APPLY TO THIS AGREEMENT.**~~

(b) ~~The third paragraph of Section C30 of the Franchise Agreement is amended to add the following to the end:~~

~~**HOWEVER, TO THE EXTENT REQUIRED BY THE NORTH DAKOTA FRANCHISE INVESTMENT LAW, YOU MAY BRING AN ACTION IN NORTH DAKOTA.**~~

7. ~~**Conflict and Dispute Resolution**~~, Section C32 of the Franchise Agreement, titled “Conflict and Dispute Resolution,” is amended to provide that the site for arbitration shall be agreed upon by the parties.

{Signature Page Follows}

Intending to be legally bound, the parties have executed this Rider at the times and places written below. The effective date of this Rider is the latter of the two dates of signing.

GREAT HARVEST FRANCHISING, LLC

a Delaware limited liability company

By: _____

Title: _____

Date: _____

Place: _____

BAKERY CAFE OWNER (If Individuals)

By: _____

Percentage of Ownership: _____%

And by: _____

Percentage of Ownership: _____%

Date: _____

Place: _____

BAKERY CAFE OWNER (If Entity)

[Name of Entity]

By: _____

Title: _____

Date: _____

Place: _____

**RIDER TO THE GREAT HARVEST
FRANCHISING, LLC FRANCHISE AGREEMENT
FOR USE IN RHODE ISLAND**

This Rider is entered into this _____ day of _____, by and between **GREAT HARVEST FRANCHISING, LLC**, a Delaware limited liability company (“we,” “us,” or “our”), and _____ (“Franchisee,” “you,” or “your”).

1. ~~Background.~~ We and you are parties to that certain Act, the Franchise Agreement dated _____,

_____ that has been signed concurrently with the signing of _____ this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the offer or sale of the franchise for the Great Harvest bakery cafe you will operate under the Franchise Agreement was made Disclosure Document (“we,” “us,” or “our”) for use in the State of Rhode Island, and/or (b) you are a resident of Rhode Island and will operate the bakery cafe shall be amended to include the following:

1. Items 17v. and 17w., under the provisions entitled “Choice of law” and “Choice of forum,” shall be supplemented with the following language:

However, you may sue us in Rhode Island:

2. ~~Governing Law & venue; construction.~~

(a) ~~The first paragraph of Section C30 of the Franchise Agreement, titled “Governing Law & venue; construction,” is amended to read as follows:~~

Except to the extent governed by the United States Trademark Act of 1946 (the Lanham Act, 15 U.S.C. §§ 1051 *et seq.*) or other federal law, and except as otherwise required by law for claims arising under the Rhode Island Franchise Investment Act, this Agreement will be construed and interpreted, and our relationship with you and the rights and obligations of the parties governed, in accordance with the internal laws of Montana, without regard to its conflicts of laws principles. Any law which may be adopted by the state of Montana regulating the sale of franchises or governing the relationship between us and our bakery cafe owners will not apply unless its jurisdictional requirements are met independently without reference to this paragraph.

2. The third paragraph Item 17 shall be supplemented by the addition of the following language at the end of Item 17:

Section ~~€30~~ of the 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.”

3. Each provision of this Addendum to the Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act are met independently without reference to this Addendum to the Disclosure Document.

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**AMENDMENT TO THE FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF RHODE ISLAND**

(b) In recognition of the requirements of the Rhode Island Franchise Investment Act, the parties to the attached Franchise Agreement is amended to add the following to the end (the "Franchise Agreement") agree as follows:

~~HOWEVER, NOTHING IN THIS PARAGRAPH AFFECTS YOUR RIGHT, TO THE EXTENT REQUIRED BY APPLICABLE LAW WITH RESPECT TO CLAIMS ARISING UNDER THE RHODE ISLAND FRANCHISE INVESTMENT ACT, TO SUE IN RHODE ISLAND FOR CLAIMS ARISING UNDER THAT LAW.~~

{Signature Page Follows}

Intending1. The following language shall be added at the end of Section 20.5 of the Franchise Agreement:

Notwithstanding the above, Rhode Island franchisees are permitted to ~~be legally bound, the~~bring a lawsuit in Rhode Island for claims arising under the Rhode Island Franchise Investment Act.

2. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act are met independently without reference to this Amendment.

The parties hereto have duly executed this Rider at the times and places written below. The effective Rhode Island Amendment to the Franchise Agreement on the same date of this Rider is the latter of the two dates of signing as that on which the Franchise Agreement was executed.

GREAT HARVEST FRANCHISING

FRANCHISOR:
Great Harvest Franchising, LLC

a Delaware limited liability company

By: _____

(Print Name, Title: _____)

Date: _____

Place: _____

BAKERY CAFE OWNER (If Individuals)

FRANCHISEE:

By: _____ Percentage of
Ownership: _____%

And by: _____

Percentage of Ownership: _____%

Date: _____

Place: _____

BAKERY CAFE OWNER (If Entity)

{ _____

(Print Name of Entity)

By: _____

Title: _____

Date: _____

Place: _____

~~RIDER TO THE GREAT HARVEST FRANCHISING, LLC~~ _____

PRINCIPAL:

_____ (Print Name)

_____ PRINCIPAL:

_____ (Print Name)

VIRGINIA ADDENDUM TO FRANCHISE AGREEMENT DISCLOSURE DOCUMENT
FOR USE IN SOUTH DAKOTA

This Rider is entered into this _____ day of _____, by and between **GREAT HARVEST FRANCHISING, LLC**, a Delaware limited liability company (“we,” “us,” or “our”), and _____ (“Franchisee,” “you,” or “your”).

1. ~~**Background.** We and you are parties to that certain Franchise Agreement dated _____, _____ that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because you will operate the bakery cafe in South Dakota.~~

2. ~~**Initial Fees.** The following language is added to the end of Section FYP6 of the Franchise Agreement:~~

~~Despite the payment provisions above, we will defer your payment of the initial franchise fee you owe us until we have fulfilled all our initial obligations to you under the Franchise Agreement and you have commenced doing business. You must pay us the initial franchise fee on the day you open the bakery cafe for business.~~

~~In addition, if you signed our Development Rights Rider, we will defer your payment of the development fee you owe us until you open the first bakery cafe to be developed under the Development Rights Rider (which would be the bakery cafe under the Franchise Agreement to which the Development Rights Rider is attached). You must pay us the development fee on the day you open that first bakery cafe for business.~~

{Signature Page Follows}

Intending to be legally bound, the parties have executed this Rider at the times and places written below. The effective date of this Rider is the latter of the two dates of signing.

GREAT HARVEST FRANCHISING, LLC

a Delaware limited liability company

By: _____

Title: _____

Date: _____

Place: _____

BAKERY CAFE OWNER (If Individuals)

By: _____

Percentage of Ownership: _____%

And by: _____

Percentage of Ownership: _____%

Date: _____

Place: _____

BAKERY CAFE OWNER (If Entity)

[Name of Entity]

By: _____

Title: _____

Date: _____

Place: _____

RIDER

The following statements are added to Item 17.h.

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

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a Franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

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

ADDENDUM TO THE GREAT HARVEST FRANCHISING, LLC FRANCHISE AGREEMENT DISCLOSURE
DOCUMENT
FOR USE IN VIRGINIA

This Rider is entered into this _____ day of _____, by and between **GREAT HARVEST FRANCHISING, LLC**, a Delaware limited liability company (“we,” “us,” or “our”), and _____ (“Franchisee,” “you,” or “your”).

1. ~~**Background.**~~ We and you are parties to that certain Franchise Agreement dated _____, _____ that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because you will operate the bakery cafe in Virginia.

2. ~~**Initial Fees.**~~ The following language is added to the end of Section FYP6 of the Franchise Agreement:

The Virginia State Corporation Commission’s Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to us until we have completed our pre-opening obligations under the Franchise Agreement. Therefore, we will defer your payment of the initial franchise fee you owe us until we have fulfilled all our initial obligations to you under the Franchise Agreement and you have commenced doing business. You must pay us the initial franchise fee on the day you open the bakery cafe for business.

In addition, if you signed our Development Rights Rider, we will defer your payment of the development fee you owe us until you open the first bakery cafe to be developed under the Development Rights Rider (which would be the bakery cafe under the Franchise Agreement to which the Development Rights Rider is attached). You must pay us the development fee on the day you open that first bakery cafe for business.

3. ~~**First Year Clauses—Termination, Refund, Expiration.**~~

The second paragraph of Section FYP13 of the Franchise Agreement, titled “Termination, Refund, Expiration,” is amended to read as follows:

We may terminate this Agreement by notice to you only for reasonable cause during the period between the Effective Date and 30 days following the completion of Bakery Cafe School by the main Bakery Cafe operator. In the event this right is exercised by us, the franchise fee paid us at time of signing will, except as provided below, be promptly refunded to you, without interest, once you have signed a Mutual Release and all of our confidential information (as defined in Section C16), computer and software (as provided per Section FYP1) is returned to us.

~~Intending to be legally bound, the parties have executed this Rider at the times and places written below. The effective date of this Rider is the latter of the two dates of signing.~~

GREAT HARVEST FRANCHISING, LLC
a Delaware limited liability company

By: _____

Title: _____

Date: _____

Place: _____

BAKERY CAFE OWNER (If Individuals)

By: _____

Percentage of Ownership: _____%

And by: _____

Percentage of Ownership: _____%

Date: _____

Place: _____

BAKERY CAFE OWNER (If Entity)

[Name of Entity]

By: _____

Title: _____

Date: _____

Place: _____

WASHINGTON ADDENDUM TO THE FRANCHISE AGREEMENT, DEVELOPMENT RIGHTS RIDER, AND RELATED AGREEMENTS

This Rider is entered into this _____ day of _____, by and between **GREAT HARVEST FRANCHISING, LLC**, a Delaware limited liability company (“we,” “us,” or “our”), and _____ (“Franchisee,” “you,” or “your”).

1. ~~**Background.** We and you are parties to that certain Franchise Agreement dated _____, _____ that has been signed concurrently with the signing of this Rider. 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 bakery cafe you will operate under the Franchise Agreement will be located or operated in Washington, and/or (c) any of the franchise offer or sales activity occurred in Washington.~~

2. ~~**Fees.** The following language is added to the end of Section FYP6 of the Franchise Agreement:~~

~~Despite the payment provisions above, we will defer your payment of the initial franchise fee you owe us (including the franchise fee due as part of the development fee payable under any Development Rights Rider to which we and you are parties, if applicable) until we have fulfilled all our initial obligations to you under the Franchise Agreement and you have commenced doing business. You must pay us the initial full franchise fee on the day you open the bakery cafe for business.~~

~~In addition, because we have material pre-opening obligations with respect to each bakery cafe you open pursuant to the rights granted by the Development Rights Rider (if applicable), we will defer your payment of the portion of the development fee allocable to a particular bakery cafe until you open that bakery cafe for business.~~

3. ~~The following language is added to the end of Section FYP13 of the Franchise Agreement:~~

~~Any provisions permitting us to terminate the Franchise Agreement without cause will not apply in Washington.~~

4. ~~The following language is deleted from Section C33 of the Franchise Agreement:~~

~~Conversations with us must never be misinterpreted as promises; impromptu statements made by us must never be taken out of context and relied on.~~

5. ~~**Washington Law.** The following paragraphs are added to the end of the Franchise Agreement:~~

REQUIRED BY THE STATE OF WASHINGTON

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~~franchise agreement in your relationship with ~~us, the franchisor~~ including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the ~~Franchise Agreement~~franchise agreement in your relationship with ~~us, 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, you~~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 ~~our~~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.

Use of Franchise Brokers. The franchisor may use the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former franchisees to ask them about their experience with the franchisor.

**AMENDMENT TO THE FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF WASHINGTON**

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

General Release attached as Attachment 3 to the Franchise Agreement to provide that the release contained therein does not apply to claims that arise under the Franchise Investment Protection Act, chapter 19.100 RCW, or the rules adopted thereunder in accordance with RCW 19.100.220.

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.

Use of Franchise Brokers. The franchisor may use the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former franchisees to ask them about their experience with the franchisor.

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~~ 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~~ franchise agreement or elsewhere are void and unenforceable in Washington.

The parties hereto have duly executed this Washington Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:
Great Harvest Franchising, LLC

By: _____

(Print Name, Title)

FRANCHISEE:

By: _____

(Print Name, Title)

PRINCIPAL:

(Print Name)

PRINCIPAL:

(Print Name)

EXHIBIT I

ACKNOWLEDGEMENT STATEMENTS

FRANCHISEE ACKNOWLEDGEMENT STATEMENT

Acknowledgement of the truthfulness of the statements below are an inducement for the Franchisor to enter into a Franchise Agreement. Notify the Franchisor immediately, prior to acknowledgment, if any statement below is incomplete or incorrect.

No statement, questionnaire, or ~~acknowledgement~~**acknowledgment** signed or agreed to by ~~you~~ **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 ~~us~~, any **franchisor**, franchise seller, or ~~any~~ other person acting on ~~our~~ behalf: **of the franchisor**. This provision supersedes any other term of any document executed in connection with the franchise.

~~Intending to be legally bound, the parties have executed this Rider at the times and places written below. The effective date of this Rider is the latter of the two dates of signing.~~

~~GREAT HARVEST FRANCHISING, LLC~~
a Delaware limited liability company

By: _____

Title: _____

Date: _____

Place: _____

~~BAKERY CAFE OWNER (If Individuals)~~

By: _____

Percentage of Ownership: _____%

And by: _____

Percentage of Ownership: _____%

Date: _____

Place: _____

~~BAKERY CAFE OWNER (If Entity)~~

[Name of Entity]

By: _____

Title: _____

Date: _____

Place: _____

EXHIBIT I
MUTUAL GENERAL RELEASE

**GREAT HARVEST FRANCHISING, LLC
MUTUAL GENERAL RELEASE AGREEMENT**

~~THIS MUTUAL GENERAL RELEASE AGREEMENT is made and entered into this _____ day of _____, 2024, by and between GREAT HARVEST FRANCHISING, LLC, a Delaware limited liability company ("Great Harvest"), and _____, collectively ("Franchisee").~~

~~WHEREAS, Great Harvest and Franchisee entered into a Great Harvest Franchise Agreement (the "Franchise Agreement") dated _____, granting Franchisee the right to operate a GREAT HARVEST BREAD CO.[®] business using the confidential policies, procedures and techniques developed by Great Harvest and using certain proprietary marks, including the trademark and service mark "GREAT HARVEST BREAD CO.[®]."~~

~~WHEREAS, Franchisee desires to renew his or her Great Harvest franchise.~~

~~WHEREAS, Great Harvest, as permitted by the Franchise Agreement, requires as one condition of its consent to such renewal the execution of this Mutual General Release Agreement by Franchisee and Great Harvest.~~

~~NOW THEREFORE, in consideration of the mutual covenants and conditions contained herein, and other good and valuable consideration, receipt of which is hereby acknowledged by each of the parties hereto, the parties agree as follows~~acknowledges the following:

~~1. Great Harvest and Franchisee do hereby mutually release and forever discharge each other and each other's heirs, successors, representatives, assigns, agents, franchisees, employees, officers, and directors ("Designees"), and each of them, of and from any claims, debts, liabilities, demands, obligations, costs, expenses, actions, and causes of action of every nature, character, and description known or unknown, vested or contingent, arising from the Franchise Agreement or any related contract, which each party now owns or holds, or has at any time heretofore owned or held, or may at any time own or hold against the other party hereto, arising prior to and including the date of this Mutual General Release Agreement; provided, however, that this release shall exclude (a) claims arising from assertion of any continuing rights reserved in this Mutual General Release Agreement, and (b) claims arising from assertion of any continuing rights or enforcement of obligations under the Franchise Agreement, including but not limited to any post-termination duties or obligations. If the parties to the Franchise Agreement are parties to any other franchise agreement for the operation of a Great Harvest bread company, this Mutual Release shall not apply to such other agreement.~~

~~2. The foregoing release shall not apply to any claims which the Franchisee may have which have arisen under (a) the California Franchise Investment Law or the California Franchise Relations Act; (b) the Hawaii Franchise Investment Law; (c) the Indiana Deceptive Franchise Practices Act, (d) the Illinois Franchise Disclosure Act of 1987, (e) Maryland Franchise Registration and Disclosure Law; (f) the Minnesota Franchise Act; (g) the New York Franchise Investment Law; (h) the North Dakota Franchise Investment Law; or (i) the Washington Franchise Investment Protection Act. This release shall exclude claims arising from~~

~~Franchisee's failure to pay any amounts due Great Harvest in the ordinary course of business. The parties expressly agree that this Mutual General Release Agreement will not apply to any claims Great Harvest may have under any Promissory Notes ancillary to the Franchise Agreement, or that pertain to other payment arrangements that the parties may have agreed upon.~~

~~3. The foregoing release shall not apply to any liabilities or claims related to any outstanding gift cards, gift certificates, coupons, or any other customer offers existing at the time you sold, transferred, or closed your store. You understand and acknowledge that you are solely responsible for any such liabilities. In the case of selling or otherwise transferring your ownership in the store, you may transfer any such liabilities to your store's buyer or transferee, only upon their full acceptance and acknowledgment that such liabilities are transferring to them. Whether you've closed, sold, or otherwise transferred your store, you also understand and acknowledge that if Great Harvest Franchising, LLC satisfies any such outstanding liabilities on your behalf, which may be done solely at its discretion, your responsibility for these liabilities is excluded from this Mutual Release.~~

~~4. By executing this Mutual General Release Agreement, Great Harvest and Franchisee, for themselves and their respective successors, represent and warrant that their representations herein are true and correct and that each of them has the right and authority to enter into and to accept the terms and covenants of this Mutual General Release Agreement, and that no third party has or claims an interest in any claim released by Paragraph 1 of this Mutual General Release Agreement.~~

~~5. Great Harvest and Franchisee, for themselves and their respective Designees, acknowledge that Paragraphs 1 and 4 of this Mutual General Release Agreement shall be a complete defense to any claim that is subject to the terms thereof; consent to the entry of a temporary or permanent injunction, whether affirmative or negative, to prevent or end any breach hereof; and agree to indemnify each other and their successors for any and all costs and expenses incurred as a result of their breach of Paragraphs 1 and 4 hereof, including reasonable attorney's fees.~~

~~6. This Mutual General Release Agreement represents the complete, integrated, and entire agreement between the parties, and may not be modified except in writing signed by the parties.~~

~~7. This Mutual General Release Agreement shall take effect upon its execution and dating by Great Harvest in Montana and shall be governed by the laws of the State of Montana, which laws shall be controlling in the event of any conflict of law.~~

~~8. The provisions of this Mutual General Release Agreement are severable, and, in the event that any of them is held void and unenforceable as a matter of law, the remainder shall continue in full force and effect.~~

~~9. Each of the undersigned, if a corporation, partnership, or limited liability company, hereby represents and warrants that, as of the date of execution of this Mutual General Release Agreement, it is in good standing in the state of its organization, has the power to enter into this Mutual General Release Agreement, has duly authorized the execution of this Mutual~~

~~General Release Agreement, and that such execution does not violate any other agreement to which it is a party.~~

~~*****~~

~~**The following language applies only to transactions governed by the Maryland Franchise Registration and Disclosure Law**~~

~~The release provided above will not apply to the extent prohibited by the Maryland Franchise Registration and Disclosure Law. Franchisee may commence a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law that are not released.~~

~~**The following language applies only to transactions governed by the Washington Franchise Investment Act**~~

~~The release provided above does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.~~

~~*****~~

~~IN WITNESS WHEREOF, the parties have executed and delivered this Mutual General Release Agreement as of the date first above written.~~

~~**GREAT HARVEST FRANCHISING, LLC**~~

By: 1. Franchisee has conducted an independent investigation of all aspects relating to the financial, operational and other aspects of the business of operating the Franchised Business. Franchisee further acknowledges that, except as may be set forth in Franchisor's Disclosure Document, no representations of performance (financial or otherwise) for the Franchised Business provided for in this Agreement has been made to Franchisee by Franchisor and Franchisee and any and all Principals hereby waive any claim against Franchisor for any business failure Franchisee may experience as a franchisee under this Agreement.

Initial

2. Franchisee has conducted an independent investigation of the business contemplated by this Agreement and understands and acknowledges that the business contemplated by this Agreement involves business risks making the success of the venture largely dependent upon the business abilities and participation of Franchisee and its efforts as an independent business operation.

Initial

3. Franchisee agrees that no claims of success or failure have been made to it or him or her prior to signing the Franchise Agreement and that it/she/he understands all the terms and conditions of the Franchise Agreement. Franchisee further acknowledges that the Franchise Agreement contains all oral and written agreements, representations and arrangements between the parties hereto, and any rights which the respective parties hereto

may have had under any other previous contracts are hereby cancelled and terminated, and that this Agreement cannot be changed or terminated orally.

Initial

4. Franchisee has no knowledge of any representations by Franchisor or its officers, directors, shareholders, employees, sales representatives, agents or servants, about the business contemplated by the Franchise Agreement that are contrary to the terms of the Franchise Agreement or the documents incorporated herein. Franchisee acknowledges that no representations or warranties are made or implied, except as specifically set forth in the Franchise Agreement. Franchisee represents, as an inducement to Franchisor's entry into this Agreement, that it has made no misrepresentations in obtaining the Franchise Agreement.

Initial

5. Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received or relied upon, any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business venture contemplated by the Franchise Agreement.

Initial

6. Franchisee acknowledges that Franchisor's approval or acceptance of Franchisee's Business location does not constitute a warranty, recommendation or endorsement of the location for the Franchised Business, nor any assurance by Franchisor that the operation of the Franchised Business at the premises will be successful or profitable.

Initial

7. Franchisee acknowledges that it has received the Great Harvest Franchising, LLC, Franchise Disclosure Document with a complete copy of the Franchise Agreement and all related Attachments and agreements at least fourteen (14) calendar days prior to the date on which the Franchise Agreement was executed. Franchisee further acknowledges that Franchisee has read such Franchise Disclosure Document and understands its contents.

Initial

8. Franchisee acknowledges that it has had ample opportunity to consult with its own attorneys, accountants and other advisors and that the attorneys for Franchisor have not advised or represented Franchisee with respect to the Franchise Agreement or the relationship thereby created.

Initial

9. Franchisee, together with Franchisee's advisers, has sufficient knowledge and experience in financial and business matters to make an informed investment decision with respect to the Franchise granted by the Franchise Agreement.

Initial

10. Franchisee is aware of the fact that other present or future franchisees of Franchisor may operate under different forms of agreement(s), and consequently that Franchisor's obligations and rights with respect to its various franchisees may differ materially in certain circumstances.

Initial

11. It is recognized by the parties that Franchisor is also (or may become) a manufacturer or distributor of certain products under the Marks licensed herein; and it is understood that Franchisor does not warrant that such products will not be sold within the Franchisee's Territory by others who may have purchased such products from Franchisor.

Initial

12. BY EXECUTING THE FRANCHISE AGREEMENT, FRANCHISEE AND ANY PRINCIPAL, INDIVIDUALLY AND ON BEHALF OF FRANCHISEE'S AND SUCH PRINCIPAL'S HEIRS, LEGAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS, HEREBY FOREVER RELEASE AND DISCHARGE GREAT HARVEST FRANCHISING, LLC, AND ANY OF ITS PARENT COMPANIES, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES, AS WELL AS THEIR DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, AND SHAREHOLDERS FROM ANY AND ALL CLAIMS, DEMANDS AND JUDGMENTS RELATING TO OR ARISING UNDER THE STATEMENTS, CONDUCT, CLAIMS OR ANY OTHER AGREEMENT BETWEEN THE PARTIES EXECUTED PRIOR TO THE DATE OF THE FRANCHISE AGREEMENT, INCLUDING, BUT NOT LIMITED TO, ANY AND ALL CLAIMS, WHETHER PRESENTLY KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, ARISING UNDER THE FRANCHISE, SECURITIES, TAX OR ANTITRUST LAWS OF THE UNITED STATES OR OF ANY STATE OR TERRITORY THEREOF. THIS RELEASE IS SPECIFICALLY INAPPLICABLE TO ANY CLAIMS ARISING FROM REPRESENTATIONS MADE BY FRANCHISOR IN FRANCHISOR'S FRANCHISE DISCLOSURE DOCUMENT RECEIVED BY FRANCHISEE.

Initial

FRANCHISEE (Entity): _____

FRANCHISEE (Principal): _____

By: _____
Name: _____
Title: _____

Name: _____
Date: _____

Date: _____

FRANCHISEE (Principal): _____

Name: _____
Date: _____

DEVELOPER ACKNOWLEDGEMENT STATEMENT

Acknowledgement of the truthfulness of the statements below are an inducement for the Franchisor to enter into a Multi-Unit Development Agreement. Notify the Franchisor immediately, prior to acknowledgment, if any statement below is incomplete or incorrect.

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

Developer hereby acknowledges the following:

Developer has conducted an independent investigation of all aspects relating to the financial, operational and other aspects of the business of developing Great Harvest Bakery Cafe outlets contemplated hereunder. Developer further acknowledges that, except as may be set forth in Franchisor's Disclosure Document, no representations of performance (financial or otherwise) for Great Harvest Bakery Cafe outlets to be developed hereunder has been made to Developer by Franchisor and Developer hereby waives any claim against Franchisor for any business failure Developer may experience as a developer under this Agreement.

Initial

Developer agrees that no claims of success or failure have been made to him or her prior to signing this Agreement and that he/she understands all the terms and conditions of this Agreement. Developer further acknowledges that this Agreement contains all oral and written agreements, representations and arrangements between the parties hereto, and any rights which the respective parties hereto may have had under any other previous contracts are hereby cancelled and terminated, and that this Agreement cannot be changed or terminated orally; provided, however, nothing in this Multi-Unit Development Agreement or in any related agreement is intended to disclaim the representations made to Developer in Franchisor's Franchise Disclosure Document.

Initial

Developer has no knowledge of any representations by Franchisor or its officers, directors, shareholders, employees, sales representatives, agents or servants, about the business contemplated by this Agreement that are contrary to the terms of this Agreement or the documents incorporated herein. Developer acknowledges that no representations or warranties are made or implied, except as specifically set forth herein. Developer represents, as an inducement to Franchisor's entry into this Agreement, that Developer has made no misrepresentations in obtaining this Agreement.

Initial

Franchisor expressly disclaims the making of, and Developer acknowledges that it has not received or relied upon, any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business venture contemplated by this Agreement.

Initial

Developer acknowledges that he/she has received the Great Harvest Franchising, LLC Franchise Disclosure Document with a complete copy of this Agreement and all related Exhibits and agreements at least fourteen (14) calendar days prior to the date on which this Agreement was executed. Developer further acknowledges that Developer has read such Franchise Disclosure Document and understands its contents.

Initial

Developer acknowledges that he/she has had ample opportunity to consult with his/her own attorneys, accountants and other advisors and that the attorneys for Franchisor have not advised or represented Developer with respect to this Agreement or the relationship thereby created.

Initial

Developer, together with Developer’s advisers, has sufficient knowledge and experience in financial and business matters to make an informed investment decision with respect to the development rights granted by this Agreement.

Initial

BY EXECUTING THIS AGREEMENT, DEVELOPER, INDIVIDUALLY AND ON BEHALF OF DEVELOPER’S HEIRS, LEGAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS, HEREBY FOREVER RELEASE GREAT HARVEST FRANCHISING, LLC AND ANY OF ITS PARENT COMPANIES, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES, AS WELL AS THEIR DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, AND SHAREHOLDERS FROM ANY AND ALL CLAIMS, DEMANDS AND JUDGMENTS RELATING TO OR ARISING UNDER THE STATEMENTS, CONDUCT, CLAIMS OR ANY OTHER AGREEMENT BETWEEN THE PARTIES EXECUTED PRIOR TO THE DATE OF THE FRANCHISE AGREEMENT, INCLUDING, BUT NOT LIMITED TO, ANY AND ALL CLAIMS, WHETHER PRESENTLY KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, ARISING UNDER THE FRANCHISE, SECURITIES, TAX OR ANTITRUST LAWS OF THE UNITED STATES OR OF ANY STATE OR TERRITORY THEREOF. THIS RELEASE IS SPECIFICALLY INAPPLICABLE TO ANY CLAIMS ARISING FROM REPRESENTATIONS MADE BY FRANCHISOR IN FRANCHISOR’S FRANCHISE DISCLOSURE DOCUMENT RECEIVED BY DEVELOPER.

Initial

DEVELOPER:

Name: _____

Date: _____

FRANCHISEE:

As individuals:

By: _____ And by: _____
DEVELOPER:

Name:

Date: _____ Place: _____

On behalf of the corporation or limited liability company:

By: _____

Name: _____

Date: _____

Place: _____

EXHIBIT J
GUARANTY AGREEMENT

~~When you sign agreements with Great Harvest, you do so as people. If you fail to comply with the terms of the Franchise Agreement, we can hold you—as people—responsible for your actions. If you incorporate your Bakery Cafe, however, we find ourselves dealing with a corporation which is harder to hold accountable legally. Consequently, if you want to incorporate your business—for tax and other liability reasons—we ask you to sign the following agreement where you agree to be responsible to us personally for complying with the terms of the Franchise Agreement.~~

~~GUARANTY AGREEMENT~~

~~This Agreement is between Great Harvest Franchising, LLC, a Delaware limited liability company whose principal place of business is in Dillon, Montana (hereafter “we” or “us” or “our”)~~
~~and _____ (hereafter “you”) as an owner and/or officer of _____, a(n) _____ limited liability company (hereafter “your limited liability company”).~~

~~In consideration of us accepting your corporation’s Franchise Agreement and for other good and valuable consideration, you guarantee to us the following:~~

- ~~1. That your limited liability company will personally pay and satisfy, or if it does not, you will personally pay and satisfy every claim made by us against it so long as these obligations are consistent with agreements signed by both you and us. This includes any expenses, damages and fees that are due or may become due to us by your corporation.~~
- ~~2. You will personally perform in a timely manner the same promises your limited liability company made in the Franchise Agreement including, but not limited to, the terms in the Franchise Agreement relating to non-competition and confidentiality.~~
- ~~3. If we are required to use an attorney to enforce this guaranty, you agree to pay all court costs and reasonable Attorney’s Fees along with any expenses we may incur trying to compel you to satisfy the terms of your corporation’s Franchise Agreement with us.~~

~~This guaranty extends throughout the life of the contractual relationship between your limited liability company and us, including the length of the Franchise Agreement and any subsequent renewals of, amendments to, or changes to that Franchise Agreement. The Franchise Agreement now and into the future will be presumed to be covered by this guaranty even if any of these renewals, amendments or changes to the Franchise Agreement involve execution of new contracts. We do not have to notify you or ask you~~

~~to sign any additional guaranty documents for this guaranty to continue to apply to the Franchise Agreement now and into the future.~~

We may without asking you do the following:

- ~~1. Change the manner, terms of payment or change or extend the time of payment between you and us consistent with our rights as defined by the Franchise Agreement.~~
- ~~2. Settle or compromise any liabilities guaranteed by this Agreement.~~

~~This agreement does not affect our right to terminate the Franchise Agreement consistent with our promises to your limited liability company in the Franchise Agreement. Also this Agreement will remain in effect even if the Franchise Agreement between your limited liability company and us is terminated, expires or is cancelled.~~

~~You agree that we don't have to first sue you or your limited liability company to enforce this Guaranty's terms. You also agree that this Guaranty is non-revocable, except with the express written consent of us. If you are more than one person—as might be the case if a husband and wife co-signed this Guaranty—you agree you are both liable for 100% of the terms of this Agreement even if the other of you two fails to meet their obligations under the terms of this Guaranty.~~

Signature: _____

<<fill in name of member 1>>

Owner of _____% interest in the Franchise

Signature: _____

<<fill in name of member 2>>

Owner of _____% interest in the Franchise

~~**EXHIBIT K**~~

~~**AMENDMENTS FOR ADDITIONAL BAKERY CAFE AND ADDITIONAL NON-TRADITIONAL BAKERY
CAFE**~~

Amendment for an Additional Bakery Cafe

This Amendment for an Additional Bakery Cafe amends the Franchise Agreement entered into on this same date by the undersigned parties (the "Franchise Agreement").

Sections FYP 1, FYP 4, FYP 6, FYP 7, FYP 8, FYP 13, C7, and C22 in the Franchise Agreement are deleted or amended to make the Agreement appropriate for the opening of an additional bakery cafe.

FYP 4. Initial training

FYP 4 will be deleted and replaced with the following:

We will provide you initial training in the Great Harvest System. We will provide a minimum of fifty (50) total working hours of hands-on, person-to-person training by us, established bakery cafe owners, or their experienced employees, including personal visits by you to the Dillon, Montana, Franchise Office, and training at your Bakery Cafe during its first week of operation. If you do not comply with the Pre-Opening Requirements, you may not receive the full 50 working hours. We will provide you with a current version of the Pre-Opening Requirements before you sign this Agreement.

FYP 6. Franchise fee

FYP 6 will be deleted and replaced with the following:

You will pay us a non-refundable franchise fee at the time of signing this Agreement for the rights to open an additional Bakery Cafe location. Your fee will be \$10,000 if your additional bakery cafe is located within your exclusive territory you have been granted via any Franchise Agreement with us. Your fee will be \$15,000 if your additional bakery cafe is located outside your exclusive territory you have been granted via any Franchise Agreement with us. If you pay \$10,000 and then sign a lease for a location outside territory you have been granted via any Franchise Agreement with us, you will owe us \$5,000 within 14 days of lease signing. We offer a 15% discount for honorably discharged veterans of the United States Armed Forces who control at least 50% of the bakery at the time of signing this Franchise Agreement.

FYP 7. Initial training

FYP 7 will be deleted and replaced with the following:

This Agreement entitles you to two training slots. You must send your Certified Manager for the additional location to our required training program before opening. If you want more training slots, you will be able to purchase them upon availability at our then current charges.

All persons attending our required training program must complete the Great Harvest University ("GHU") online coursework before arriving for training. The training consists of five full days of training in Dillon, Montana. This week is a culmination of training to prepare you and make your additional location a success. Travel, food, and lodging, along with any costs or inconvenience caused by taking time off or paying employees to attend, will be at your expense and should be anticipated as a cost of start-up.

FYP 8. Substantial and continuing process toward opening

FYP 8 will be deleted and replaced with the following:

~~Your Bakery Cafe must be opened within fifteen (15) months from the effective date of this Agreement (or, if earlier, by the date provided in a Development Rights Rider to which we and you or your affiliate are parties). If not, this Agreement will automatically terminate on that date without notice from us, unless further extended by us in writing. Should this Agreement automatically terminate due to not being opened within the fifteen (15) month timeline (or earlier date), we will keep your franchise fee.~~

~~If you signed this Agreement pursuant to a Development Rights Rider we signed with you or your affiliate granting multi Bakery Cafe development rights, no portion of any franchise fee paid with respect to the second or subsequent Bakery Cafe to be developed under a Development Rights Rider (if this Agreement relates to that second or subsequent Bakery Cafe), whether as part of the development fee under the Development Rights Rider or otherwise, is refundable under any circumstances, no matter why this Agreement is terminated. No portion of the development fee paid under a Development Rights Rider with respect to a second or subsequent Bakery Cafe to be developed is refundable under any circumstances.~~

~~Your intent is to open a Bakery Cafe as quickly as possible within the realm of good business judgment. Therefore, you must demonstrate a reasonable, sincere, and continuing effort to get the Bakery Cafe opened throughout the start-up process. You will present us with your selected location(s) for our evaluation and approval, and you agree you will not sign a lease for a location we have not approved.~~

FYP 13. Termination, refund, expiration

~~FYP 13 will be deleted and replaced with the following:~~

~~You may terminate this Agreement by notice to us in writing at any time before you open your Bakery Cafe. We will keep all of your non-refundable franchise fee.~~

~~Should this Agreement automatically terminate because the Bakery Cafe is not opened within the fifteen (15) month timeline (or, if earlier, by the date provided in a Development Rights Rider to which we and you or your affiliate are parties), we will keep all of your non-refundable franchise fee.~~

~~If you signed this Agreement pursuant to a Development Rights Rider we signed with you or your affiliate granting multi Bakery Cafe development rights, no portion of any franchise fee paid with respect to the second or subsequent Bakery Cafe to be developed under the Development Rights Rider (if this Agreement relates to that second or subsequent Bakery Cafe), whether as part of the development fee under the Development Rights Rider or otherwise, is refundable under any circumstances, no matter why this Agreement is terminated. No portion of the development fee paid under a Development Rights Rider with respect to a second or subsequent Bakery Cafe to be developed is refundable under any circumstances.~~

~~If not sooner terminated by other means, these First Year Promises will automatically expire one year from the day you open your Bakery Cafe. None of the provisions of this First Year Promises section continues beyond the first year of operation.~~

C7. Continuing fee.

~~In accordance with the Franchise Agreement provisions and our policies regarding Additional Bread Companies, Section C7. Continuing fee, shall be amended with the following language:~~

~~You agree to pay to us a monthly continuing fee equal to four percent (4%) of the Gross Sales of your Bakery Cafe, payable from the first day that product is sold.~~

C22. Selling your Bakery Cafe

The first paragraph of Section C22, Selling your Bakery Cafe, will be deleted and replaced with the following paragraph:

We have an interest in who is in the Great Harvest family. We chose you because of your character, experience, attitude and financial capacity. We approved your application for expansion and allowed this Bakery Cafe to be located near your other bakery cafe(ies) based on common ownership. Accordingly, if you want to sell or transfer any part of this Agreement, the franchised business, or the Bakery Cafe's assets, the sale or transfer is subject to our approval. None of your owners may sell or transfer an ownership interest in you (if you are a corporation or other legal entity) without our approval. We may require, at our sole discretion, that locations with separate franchise agreements are sold together to retain common ownership in the future, and you agree this is not unreasonable. We will not unreasonably withhold our approval. Some of the things we'll be looking for follow: *(see second paragraph in C22 for the continuation of this section)*

In all other aspects the terms of the Franchise Agreement shall remain enforceable between the parties.

GREAT HARVEST FRANCHISING, LLC

By: _____

Title: _____

Date: _____

Place: _____

BAKERY CAFE OWNER:

By: _____

And by: _____

Date: _____

Place: _____

~~Amendment for an Additional Non-Traditional Bakery Cafe~~

~~This Amendment for an Additional Bakery Cafe amends the Franchise Agreement entered into on this same date by the undersigned parties (the "Franchise Agreement").~~

~~Sections FYP 1, FYP 4, FYP 6, FYP 7, FYP 8, FYP 9, FYP 12, FYP 13, C5, C8, and C22 in the Franchise Agreement are hereby deleted in their entirety or (as noted below) amended to make the Agreement appropriate for the opening of an additional non-traditional bakery cafe.~~

~~FYP 6. Franchise fee~~

~~FYP 6 will be deleted and replaced with the following:~~

~~You will pay us a non-refundable franchise fee at the time of signing this Agreement for the rights to open an additional non-traditional Bakery Cafe location. Your fee will be \$7,500.~~

~~FYP 8. Substantial and continuing process toward opening~~

~~FYP 8 will be deleted and replaced with the following:~~

~~Your Bakery Cafe must be opened within fifteen (15) months from the effective date of this Agreement. If not, this Agreement will automatically terminate on that date without notice from us, unless further extended by us in writing. Should this Agreement automatically terminate due to not being opened within the fifteen (15) month timeline (or earlier date), we will keep your franchise fee.~~

~~Your intent is to open a Bakery Cafe as quickly as possible within the realm of good business judgment. Therefore, you must demonstrate a reasonable, sincere, and continuing effort to get the Bakery Cafe opened throughout the start-up process. You will present us with your selected location(s) for our evaluation and approval, and you agree you will not sign a lease for a location we have not approved.~~

~~FYP 13. Termination, refund, expiration~~

~~FYP 13 will be deleted and replaced with the following:~~

~~You may terminate this Agreement by notice to us in writing at any time before you open your Bakery Cafe. We will keep all of your non-refundable franchise fee.~~

~~Should this Agreement automatically terminate because the Bakery Cafe is not opened within the fifteen (15) month timeline, we will keep all of your non-refundable franchise fee.~~

~~If not sooner terminated by other means, these First Year Promises will automatically expire one year from the day you open your Bakery Cafe. None of the provisions of this First Year Promises section continues beyond the first year of operation.~~

~~C5. Territorial rights~~

~~Section C5 of the Franchise Agreement is hereby deleted. You will receive no exclusive territorial~~

rights if your Bakery Cafe is operated at a non-traditional location.

C22. Selling your Bakery Cafe

The first paragraph of Section C22, *Selling your Bakery Cafe*, will be deleted and replaced with the following paragraph:

We have an interest in who is in the Great Harvest family. We chose you because of your character, experience, attitude and financial capacity. We approved your application for expansion and allowed this Bakery Cafe to be located near your other bakery cafe(ies) based on common ownership. Accordingly, if you want to sell or transfer any part of this Agreement, the franchised business, or the Bakery Cafe's assets, the sale or transfer is subject to our approval. None of your owners may sell or transfer an ownership interest in you (if you are a corporation or other legal entity) without our approval. We may require, at our sole discretion, that locations with separate franchise agreements are sold together to retain common ownership in the future, and you agree this is not unreasonable. We will not unreasonably withhold our approval. Some of the things we'll be looking for follow: *(see second paragraph in C22 for the continuation of this section)*

In all other aspects the terms of the Franchise Agreement shall remain enforceable between the parties.

GREAT HARVEST FRANCHISING, LLC

By: _____

Title: _____

Date: _____

Place: _____

BAKERY CAFE OWNER:

By: _____

And by: _____

Date: _____

Place: _____

~~EXHIBIT L~~

~~TRANSFER AMENDMENT TO FRANCHISE AGREEMENT~~

~~Amendment for Transfer of the Great Harvest bread company~~

This Amendment for Transfer of the Great Harvest bread company amends the Franchise Agreement entered into on _____ by _____, the selling party.

All sections of the Franchise Agreement shall be fully effective and fully binding on the parties as of the date signed below; provided that the parties acknowledge and understand that the Bread Company subject to the Franchise Agreement is currently owned and operated by the transferring franchisee, and that certain aspects of the Franchise Agreement will therefore not take effect until the date of closing on the transfer of assets (the "Closing"). The "Effective Date" of the Franchise Agreement shall be the date of Closing. You shall begin paying the Continuing Fees described in Section C7 as of the Effective Date, and not before. The Non-competition and Confidentiality provisions in Sections _____, and all others provisions protecting our rights and yours, shall begin as of the date we sign this Transfer Amendment.

You and we expressly agree that your right to become an operating franchise owner under the Franchise Agreement is conditioned on your completion of training to our reasonable satisfaction, and a successful Closing. If these conditions are not met, we may terminate your rights to operate a Great Harvest Bread Company under the Franchise Agreement.

Sections FYP 1 through FYP 11, C7, C13, C20, C 21, C23, and C24 in the Franchise Agreement are deleted or amended to make the Agreement appropriate for transferring ownership of an existing bread company.

Transfer fee

We acknowledge receiving a total Transfer Fee of \$17,500.

We will give you a \$1,000 fee rebate upon the return of all of the Seller's Great Harvest confidential information at or very near to closing. If we do not receive all of the confidential information at or very near to closing, you are not eligible for the rebate.

We will give you a \$1,500 fee rebate upon completion of all of the following requirements:

- ~~Complete the Great Harvest University ("GHU") Initial Training online coursework prior to attending Baking Fundamentals School, Made To Order School, and Bakery Cafe School, and~~
- ~~attend Baking Fundamentals School before Closing, and~~
- ~~attend Made To Order School before Closing, and~~
- ~~attend Bakery Cafe School before Closing, and~~
- ~~update systems, if required, within the first one hundred eighty (180) days after Closing, and~~
- ~~install new exterior signage, if required, within the first year after Closing.~~

~~This rebate expires one year after Closing.~~

Termination, refund

Either party may terminate this Agreement by notice to the other in writing at any time within a period of 20 days following the date this Transfer Amendment has been signed by both parties, or until Closing, whichever period of time is shorter. No cause need be given, and, in the event this right is exercised by either you or us, the transfer fee paid us at time of signing, less our actual costs incurred to

~~date, will be promptly refunded to you, once all of our confidential information (as defined in Section C-) is returned to us. If you chose to purchase the optional computer directly from us, you may not return the computer to us for a refund, but you are required to allow us to erase our confidential information from the computer using an on-line service or by returning it to GHF. You promise to keep no copies, electronic or otherwise, of the information we erase.~~

~~Except for the specific time period defined above, the Transfer Fee is not refundable.~~

Initial Training

This Agreement entitles you to two training slots. You must send the Certified Manager to all of our required training programs. Every organization must have a Certified Manager. You may use the second slot to send a manager. If you want more training slots, you will be able to purchase them upon availability at our then current charges.

All persons who plan to attend training schools in Dillon, Montana will complete the GHU Initial Training online coursework, which lays the groundwork for successful bakery cafe ownership. This coursework consists entirely of self directed, self paced learning activities designed to teach key concepts to bakery cafe owners. All persons are required to complete the GHU Initial Training coursework before attending Baking Fundamentals School, Made To Order School, or Bakery Cafe School.

You will send the Bread Company Certified Manager for completion of the "Baking Fundamentals School Training," consisting of five full days of production training in Dillon, Montana. This portion of the training is for becoming proficient in bread making and sweets making skills. Travel, food, and lodging, along with any costs or inconvenience caused by taking time off, will be at your expense.

You will send the Bread Company Certified Manager for completion of the "Made To Order School Training," consisting of five full days of hands on training in our test lab and classroom sessions in Dillon on various topics, such as food safety, pricing, equipment usage and safety, and ingredient control. Travel, food, and lodging, along with any costs or inconvenience caused by taking time off, will be at your expense.

You will send the Bread Company Certified Manager for completion of Bakery Cafe School Training, an intensive five day program, in which you will plan for, prepare for, and then actually open and operate a live bakery called Great Harvest University Bakery. This learning experience gives you the opportunity to perform the daily activities involved in running a Great Harvest bakery. GHU On-line coursework, Made-To-Order School, and Baking Fundamentals School are prerequisites for attending Bakery Cafe School. Travel, food, and lodging, along with any costs or inconvenience caused by taking time off, will be at your expense and should be anticipated as a cost of start-up.

At least one person whose signature is on this Transfer Amendment (or one member or shareholder of the entity signing this Amendment) will spend at least five days training in the Bread Company with the selling owner in order to learn the non-baking systems of the Bread Company.

The above training must be completed prior to Closing.

In addition, you agree to allow a Transfer trainer(s) to spend two to seven days training you at the Bread Company, after Closing. If you are moving the Bread Company, refer to the Moving paragraph below for more details on this training.

In order that we may track and assist you during the initial transition period, you agree to send us monthly income statements for the first six months after the Closing date.

Menu, Pricing, and Systems

~~You are required to have your menu boards and labels meet all federal and state regulations.~~

~~You are required to use the then recommended systems~~

- ~~• Point of Sale (POS) system and allow us access to the system;~~
- ~~• Credit Card Processor;~~
- ~~• Pricing tool;~~
- ~~• Labor management program and allow us access to the program;~~
- ~~• Online accounting software programs and allow us access to the programs;~~
- ~~• Website developer and hosting provider;~~
- ~~• Gifting and catering programs;~~
- ~~• Online order ahead and national online catering providers;~~
- ~~• National purchasing programs;~~
- ~~• National coffee vendor;~~
- ~~• Inventory & ingredients cost control programs;~~
- ~~• Great Harvest Bake Record; and~~
- ~~• Harvest Rewards.~~

~~If not updated before closing, you will have one hundred eighty (180) days from the Effective Date of this Transfer Amendment to update systems as needed.~~

~~Your failure to update systems as required within the one hundred eighty (180) day period is a violation of this Agreement and will trigger incalculable administrative and management costs for us to address the violation (separate and apart from any damages your violation might cause to us). Therefore, you agree to compensate us for our incalculable administrative and management costs by paying us One Hundred Dollars (\$100) for each month you fail to update systems as required (the “Non-Compliance Fee”). We and you consider the Non-Compliance Fee to be a reasonable estimate of our administrative and management costs and not a penalty. We may debit your bank account directly for Non-Compliance Fees. We must receive the Non-Compliance Fee within five (5) days after we notify you that we are charging it due to your violation. We need not give you a cure opportunity before charging the Non-Compliance Fee. Charging the Non-Compliance Fee does not prevent us from seeking to recover damages due to your violation, seeking injunctive relief to restrain any subsequent or continuing violation, and/or formally defaulting you and terminating this Agreement.~~

Territory

~~Your territorial rights are described in Section C5 of the Seller’s Franchise Agreement, and your Exclusive Franchise Territory as of the date of this Amendment is drawn on the attached map. Great Harvest Franchising, LLC, agrees to give you this larger Exclusive Franchise Territory only in consideration for your agreement to open an additional Great Harvest Bakery Cafe inside the Exclusive Franchise Territory within two (2) years after the date you sign this Amendment. If you do not open an additional Great Harvest Bakery Cafe inside the Exclusive Franchise Territory within this timeframe, the definition of your Exclusive Franchise Territory will then be unilaterally reduced and modified by Great Harvest Franchising, LLC to match the minimum size of the franchise territories that Great Harvest Franchising, LLC then grants to new franchisees of single site Great Harvest Bakery Cafes, as reflected in Item 12 of Great Harvest Franchising, LLC’s then current Franchise Disclosure Document.~~

Continuing fees

The following changes will be made in regard to reporting sales in paragraph C7. Continuing fees:

You agree to make these continuing fee payments electronically for sake of speed, accuracy, and convenience, and will cooperate with us in making all necessary banking arrangements for electronic fund transfers. You agree to submit your Gross Sales figures to us by the 15th of the month following the month being reported. You also agree to submit your monthly sales tax reports along with your Gross Sales figures should you be required to file one with your state or local tax authority. Electronic continuing fee payments will be completed, by us, no later than the 25th of the month following the month for which royalties are due. We will add a \$100 late charge for any Gross Sales not reported to us by the 20th, and interest will accrue at 1% per month beginning the first day of the following month. At our sole discretion, we may waive the late charge in certain circumstances of excessive hardship. You agree to report your Gross Sales to us electronically in a format we specify. If for any reason you cannot make an electronic submission, then the report shall be on paper on a form we give you. In either case, the report format may breakdown the Gross Sales figures by location, wholesale, and other off-site sales.

Funding your gift card liabilities

The following changes will be made to C____. Funding your gift card liabilities:

We offer a national gift card program in which you are required to participate. You are not allowed to offer a different gift card in your Bakery Cafe. Gift cards are issued by individual Great Harvest Stores and redeemed either in the issuing store or in another Great Harvest Store location. Gift certificates have been discontinued by the Franchise Office and are not to be sold in your Bakery Cafe.

You are required to have a designated bank account within which settlement of gift card transactions occurs monthly. You understand you must maintain funds in your designated bank account, at all times, sufficient to fund all redemptions of gift cards issued by your Bakery Cafe, including any associated fees of the gift card program. If, at any time, you do not have sufficient funds to cover redemptions of gift cards issued by your Bakery Cafe, together with any associated fees, you are responsible for reimbursement to us for any deficiency, within 10 days of notice by us. Upon the third such occurrence within a 24-month period, you agree to (i) pay us, within 20 days' notice, an amount equal to 100% of your outstanding gift card liabilities in exchange for our acceptance of 100% of your outstanding gift card liabilities; (ii) stop selling gift cards from your Bakery Cafe; and (iii) continue redemption of all gift cards presented to your Bakery Cafe, for which you'll receive payment through the national program's monthly settlement.

Building a brand

The following sentence will be added to C____. Building a brand. The section referred to as Products Displaying the Trademark:

In addition, you agree to purchase and use all available Great Harvest branded packaging that is available through the then-current distribution partner.

In-term Non-Competition and Post-term Non-Competition

The following paragraph will be deleted in C_. In-term Non-Competition and C_. Post-term Non-Competition.

~~EMPLOYEES:~~

~~You promise not to hire or attempt to hire any employee of Great Harvest Franchising, LLC or any employee, manager, or partner of a Great Harvest bread company, or assist in such hiring by anyone else, or encourage any employee to terminate his or her employment with Great Harvest Franchising, LLC or any Great Harvest bread company, at any time during the term of this Agreement.~~

~~Expansion~~

~~The following sentences will be added to C₁. Expansion—Additional bread companies:~~

~~The then current franchise agreement may contain a Marketing Fee.~~

~~Area Development Agreements replaced with Development Rights Riders~~

~~The term “Area Development Agreements” in clause C₁. Expansion—Area Development Agreements is replaced with the term “Development Rights Riders.”~~

~~Selling your Bread Company~~

~~The following sentences will be removed from C₁. Selling your Bread Company~~

~~The standard form Great Harvest Franchise Agreement present to your transferee will be the most recent version reviewed and approved by the Franchise Agreement Board, which is an elected board of franchisees.~~

~~Your rights in various sections of “C₁. Selling your Bread Company” are subject to “Our Right-Of-First Refusal,” which is added to C₁ of your Franchise Agreement as provided below.~~

~~The following will be added to C₁. Selling your Bread Company~~

~~OUR RIGHT-OF-FIRST-REFUSAL:~~

~~If you, any of your owners, or the owner of a controlling ownership interest (defined below) in a legal entity with an ownership interest in you at any time determines to sell or transfer for money or other consideration (which can be independently valued in dollars) the franchise rights granted by this Agreement and the Bakery Cafe (including its physical structure and/or all or substantially all of its operating assets), a controlling ownership interest in you, or a controlling ownership interest in a legal entity with a controlling ownership interest in you (except to or among your current owners or in a transfer covered under “If You Want To Sell To Your Kids” or “If You Want To Create A Corporation,” which are not subject to this right of first refusal), you agree to obtain from a responsible and fully disclosed buyer, and send us, a true and complete copy of a bona fide, executed written offer (which we may require to include a copy of all proposed agreements related to the sale or transfer). The offer must include details of the proposed sale or transfer’s payment terms and the financing sources and terms of the proposed purchase price and provide for an earnest money deposit of at least five percent (5%) of the proposed purchase price. To be a valid, bona fide offer, the proposed purchase price must be a fixed dollar amount, without any contingent payments of purchase price (such as earn-out payments), and the proposed transaction must relate exclusively to the rights granted by this Agreement and the Bakery Cafe (including its physical structure and/or all or substantially all of its operating assets), a controlling ownership interest in you, or a controlling ownership interest in a legal entity with a controlling ownership interest in you. It may not~~

~~relate to any other interests or assets. We may require you (or your owners) to send us copies of any materials or information you send to the proposed buyer or transferee regarding the possible transaction.~~

~~We may, by written notice delivered to you within thirty (30) days after we receive both an exact copy of the offer and all other information we request, elect to purchase the interest offered for the price and on the terms and conditions contained in the offer, provided that: (1) we may substitute cash for any form of consideration proposed in the offer; (2) our credit will be deemed equal to the credit of any proposed buyer; (3) the closing of our purchase will not (unless we agree otherwise) be earlier than sixty (60) days after we notify you of our election to purchase or, if later, the closing date proposed in the offer; (4) you and your owners must sign a Mutual General Release; and (5) we must receive, and you and your owners agree to make, all customary representations, warranties, and indemnities given by the seller of the assets of a business or of ownership interests in a legal entity, as applicable, including representations and warranties regarding ownership and condition of, and title to, assets and (if applicable) ownership interests; your and your owners' authorization to sell, as applicable, any ownership interests or assets without violating any law, contract, or requirement of notice or consent; liens and encumbrances on ownership interests and assets; validity of contracts and liabilities, contingent or otherwise, relating to the assets or ownership interests being purchased; and indemnities for all actions, events, and conditions that existed or occurred in connection with the Bakery Cafe before the closing of our purchase. If the offer is to purchase all of your ownership interests, we may elect instead to purchase all of the Bakery Cafe's assets (including its physical structure), and not any of your ownership interests, on the condition that the amount we pay you for such assets equals the full value of the transaction as proposed in the offer (i.e., the value of all assets to be sold and of all liabilities to be assumed).~~

~~Once you or your owners submit the offer and related information to us triggering the start of the thirty (30) day decision period referenced above, the offer is irrevocable for that thirty (30) day period. This means we have the full thirty (30) days to decide whether to exercise the right of first refusal and may choose to do so even if you or your owners change your, his, her, or its mind during that period and prefer after all not to sell the particular interest that is the subject of the offer. You and your owners may not withdraw or revoke the offer for any reason during the thirty (30) days, and we may exercise the right to purchase the particular interest in accordance with this Section's terms.~~

~~If we exercise our right of first refusal and close the transaction, you and your transferring owners agree that, for two (2) years beginning on the closing date, you and they (and the other restricted persons) will be bound by the non-competition covenants contained in Section C18.~~

~~If we do not exercise our right of first refusal, you or your owners may complete the sale to the proposed buyer on the original offer's terms, but only if we approve the transfer as provided in this Section C22. If you or your owners do not complete the sale to the proposed buyer within sixty (60) days after we notify you that we do not intend to exercise our right of first refusal, or if there is a material change in the sale's terms (which you agree to tell us promptly), we will have an additional right of first refusal during the thirty (30) days following either expiration of the sixty (60) day period or our receipt of notice of the material change(s) in the sale's terms, either on the terms originally offered or the modified terms, at our option.~~

~~We have the unrestricted right to assign this right of first refusal to a third party (including an affiliate), which then will have the rights described in this portion of Section C22. (All references in this portion of Section C22 to "we" or "us" include our assignee if we have exercised our right to assign this right of first refusal to a third party.)~~

~~References in this portion of Section C22 to a "controlling ownership interest" in you or one of your owners (if a legal entity) mean the percent of voting shares or other voting rights resulting from dividing one hundred percent (100%) of the ownership interests by the number of owners. In the case of a proposed transfer of an ownership interest in you or one of your owners, whether a "controlling ownership interest" is involved must be determined both immediately before and immediately after the proposed transfer to see if a "controlling ownership interest" will be transferred (because of the number of owners before the~~

~~proposed transfer) or will be deemed to have been transferred (because of the number of owners after the proposed transfer).~~

Renewal

The following sentence will be removed from C~~_~~ Renewal

~~The standard form Great Harvest Franchise Agreement presented to you at renewal will be the most recent version reviewed and approved by the Franchise Agreement Board which is an elected board of franchisees.~~

Your responsibilities after termination or expiration

~~Your obligation under C~~_~~ of your Franchise Agreement to de-identify the premises of your Bakery Cafe location is subject to our right (described below) to purchase the Bakery Cafe's operating assets and/or receive an assignment of the Bakery Cafe's lease upon expiration or termination of the Franchise Agreement.~~

The following will be added to C~~_~~ Your Responsibilities after termination or expiration

OPTION TO PURCHASE OPERATING ASSETS:

Exercise of Option

~~Upon our termination of this Agreement in compliance with its terms, your termination of this Agreement without cause, or expiration of this Agreement (without renewal), we have the option, exercisable by giving you written notice before or within thirty (30) days after the effective date of termination or expiration, to purchase the operating assets and other assets associated with the Bakery Cafe's operation that we designate. We have the unrestricted right to assign this purchase option to a third party (including an affiliate), which then will have the rights and, if the purchase option is exercised, obligations described in this portion of Section C25. (All references in this portion of Section C25 to "we" or "us" include our assignee if we have exercised our right to assign this purchase option to a third party.) We are entitled to all customary representations, warranties, and indemnities in our asset purchase, including representations and warranties regarding ownership and condition of, and title to, assets; liens and encumbrances on assets; validity of contracts and liabilities affecting the assets, contingent or otherwise; and indemnities for all actions, events, and conditions that existed or occurred in connection with the Bakery Cafe before the closing of our purchase. While we (or our assignee) are deciding whether to exercise the option to purchase, we (or our assignee) have the right to conduct any investigations to determine: (1) the ownership and condition of the operating assets; (2) liens and encumbrances on the operating assets; (3) environmental and hazardous substances at or upon the Bakery Cafe's site; and (4) the validity of contracts and liabilities inuring to us (or our assignee) or affecting the operating assets. You must give us and our representatives access to the Bakery Cafe at all reasonable times to conduct inspections of the operating assets.~~

~~If you or one or more of your owners, directly or through another entity, hold title to the underlying real estate on which the Bakery Cafe's physical structure is located, we (or our assignee) may elect to lease that site from you or your owner (or the entity) for an initial five (5) or ten (10) year term (at our option), with one renewal term of five (5) or ten (10) years (again at our option), on commercially reasonable terms. If you lease the Bakery Cafe's site from an unaffiliated lessor, you agree (at our option) to assign the lease to us or to enter into a sublease for the remainder of the lease term on the same terms (including renewal options) as the lease.~~

Purchase Price

~~If we elect to purchase all or substantially all of the operating assets and other assets associated with the Bakery Cafe's operation, the purchase price for those assets (other than "Inventory," which is addressed above) will be their fair market value, although fair market value will not include any value for (1) the franchise or any rights granted by this Agreement, (2) goodwill attributable to our trademarks, brand image, and other intellectual property, or (3) participation in the Great Harvest system. In all cases, we may exclude from the assets purchased any operating assets or other items not reasonably necessary (in function or quality) to the Bakery Cafe's operation or that we have not approved as meeting our required standards and specifications; the purchase price will reflect those exclusions. We and you must work together in good faith to agree upon the assets' fair market value within fifteen (15) days after we deliver our notice exercising our right to purchase. If we and you cannot agree on fair market value within this fifteen (15)-day period, fair market value will be determined by the following appraisal process.~~

~~Fair market value will be determined by one independent accredited appraiser upon whom we and you agree who, in conducting the appraisal, will be bound by the criteria specified above. We and you agree to select the appraiser within fifteen (15) days after we deliver our purchase notice (if we and you do not agree on fair market value before then). If we and you cannot agree on a mutually acceptable appraiser within the fifteen (15) days, we will send you a list of three (3) independent appraisers, and you must within seven (7) days select one of them to be the designated appraiser to determine the purchase price. Otherwise, we have the right to select the appraiser. We and you will share equally the appraiser's fees and expenses. Within thirty (30) days after delivery of notice invoking the appraisal mechanism, we and you each must send the appraiser our and your respective calculations of the purchase price, with such detail and supporting documents as the appraiser requests and according to the criteria specified above. Within fifteen (15) days after receiving both calculations, the appraiser must decide whether our proposed purchase price or your proposed purchase price most accurately reflects the assets' fair market value. The appraiser has no authority to compromise between the two (2) proposed purchase prices; it is authorized only to choose one or the other. The appraiser's choice will be the purchase price and is final.~~

Closing

~~We will pay the purchase price at the closing, which will take place not later than thirty (30) days after the purchase price is determined. However, we may decide after the purchase price is determined not to complete the purchase and will have no liability to you for choosing not to do so. We may set off against the purchase price, and reduce the purchase price by, any and all amounts you owe us (or our affiliates). At the closing, you agree to deliver instruments transferring to us: (1) good and merchantable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to us), with all sales and transfer taxes paid by you; (2) all of the Bakery Cafe's licenses and permits that may be assigned; and (3) possessory rights to the Bakery Cafe's site.~~

~~If you cannot deliver clear title to all purchased assets, or if there are other unresolved issues, the sale will be closed through an escrow. You and your owners further agree to sign a Mutual General Release, in a form satisfactory to us, of any and all claims. If we exercise our rights under this portion of Section C25, then for two (2) years beginning on the closing date, you and your owners (and the other restricted persons) will be bound by the non-competition covenants contained in Section C18.~~

~~You may not under any circumstances sell any of the Bakery Cafe's assets until we have exercised or elected not to exercise our right to purchase those assets, as provided in this Section.~~

~~Note: the signage section below will only be included in the Amendment when the Seller's exterior signage doesn't meet our current standards:~~

Signage

If not installed before closing, you will have one year from the Effective Date of this Transfer Amendment to install new exterior signage if needed. The new signage must be approved by us, in writing, before installation.

In all other respects, the terms of the Agreement shall remain enforceable between the parties.

GREAT HARVEST FRANCHISING, LLC

By: _____

Title: _____

Date: _____

Place: _____

BREAD COMPANY OWNER:

By: _____

And by: _____

Date: _____

Place: _____

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the ~~state~~states, 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	April 1, 2024 Pending
Illinois	March 25, 2024, as amended November 15, 2024 Pending
Indiana	March 25, 2024 Pending
Maryland	March 28, 2024 Pending
Michigan	March 25, 2024 Pending
Minnesota	April 5, 2024 Pending
New York	April 19, 2024, as amended December 6, 2024 Pending
North Dakota	April 23, 2024, as amended November 12, 2024 Pending
Rhode Island	March 27, 2024, as amended November 14, 2024 2024Pending
South Dakota	March 25, 2024 Pending
Virginia	April 3, 2024, as amended December 5, 2024 Pending
Washington	June 28, 2024 Pending
Wisconsin	March 25, 2024 Pending

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

EXHIBIT J

RECEIPTS

RECEIPT

This ~~disclosure document~~ Franchise Disclosure Document summarizes certain provisions of the ~~franchise agreement~~ Franchise Agreement and other information in plain language. Read this ~~disclosure document~~ Franchise Disclosure Document and all ~~agreements~~ exhibits carefully.

If Great Harvest Franchising, LLC offers you a franchise, it must provide this ~~disclosure document~~ Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

~~[Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. New York requires that we give you this disclosure document. New York requires you to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.]~~

If Great Harvest Franchising, LLC does not deliver this ~~disclosure document~~ 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.~~ DC, 20580, and ~~the appropriate to your state~~ agency identified in authority listed on Exhibit ~~BA~~.

The ~~franchisor is~~ Great Harvest Franchising, LLC located at 28 South Montana Street, Dillon, Montana 59725. Its name and principal business address and telephone number ~~is~~ (800) 442-0424.

~~The of each~~ franchise ~~sellers for this seller~~ offering ~~are~~ J. Michael Ferretti, Ben Green, Jeanette Lemieux, and Greg Bastek, all of whom can be reached at 28 South Montana Street, Dillon, Montana 59725, (800) 442-0424. ~~the franchise is:~~

<u>John Dikos</u> <u>28 South Montana Street</u> <u>Dillon, MT 59725</u> <u>800-442-0424</u>	<u>Ben Green</u> <u>28 South Montana Street</u> <u>Dillon, MT 59725</u> <u>800-442-0424</u>	<u>Jeanette Lemieux</u> <u>28 South Montana Street</u> <u>Dillon, MT 59725</u> <u>800-442-0424</u>	<u>Greg Bastek</u> <u>28 South Montana Street</u> <u>Dillon, MT 59725</u> <u>800-442-0424</u>	Issuance Date: March <u>February</u> 25, 2024 <u>as amended</u> October 14, 2024 <u>2025</u>
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~~Great Harvest Franchising, LLC authorizes the respective state agents identified on Exhibit B to receive service of process for it in the particular states.~~ I received a ~~disclosure document from Great Harvest Franchising, LLC~~ Disclosure Document dated ~~March~~ February 25, 2024 as amended October 14, 2024 2025, that included the following Exhibits:

- ~~A. Franchise Agreement~~
- B. EXHIBIT A: List of State Agencies/Franchise Administrators and Agents for Service of Process
- ~~C. Financial Statements~~
- ~~D. List of Franchisees~~
- ~~E. List of Franchisees Who Left Our System or Have Not Communicated With Us~~
- ~~F. Tables of Contents for Confidential Start-Up Materials, Tracking Guide, and Opening Guidelines~~
- G. Development Rights Rider to EXHIBIT B: Franchise Agreement
- EXHIBIT C: Multi-Unit Development Agreement
- EXHIBIT D: Financial Statements of Great Harvest Franchising, LLC
- EXHIBIT E: Operations Manual Table of Contents
- EXHIBIT F: Outlets as of the date of this Disclosure Document
- EXHIBIT G: Form of Release
- H. EXHIBIT H: State Addenda and Franchise Agreement Riders
 - ~~I. Mutual General Release~~
 - ~~J. Guaranty Agreement~~
 - ~~K. Amendments for Additional Bakery Cafe and Additional Non-Traditional Bakery Cafe~~
 - ~~L. Transfer Amendment to Franchise Agreement~~

EXHIBIT I: Acknowledgment Statement

EXHIBIT J: Receipt

Date Received: _____

: _____ Date _____ Prospective Franchisee {:

(If other than date signed)

(Signature of recipient)

Print Name}:

Prospective Franchisee {Signature}

After signing and dating the Receipt, you may return it to us (to the attention of Jeanette Lemieux) by sending the original via overnight courier or 1st class mail to our address above, by faxing a copy to (406) 683-4545, or by emailing a scanned copy to

RECEIPT

~~(FRANCHISEE'S COPY-~~

Print Address:

KEEP THIS COPY FOR YOUR RECORDS

)
RECEIPT

This ~~disclosure document~~ Franchise Disclosure Document summarizes certain provisions of the franchise agreement ~~Franchise Agreement~~ and other information in plain language. Read this ~~disclosure document~~ Franchise Disclosure Document and all ~~agreements~~ exhibits carefully.

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~~The of each franchise sellers for this seller offering are J. Michael Ferretti, Ben Green, Jeanette Lemieux, and Greg Bastek, all of whom can be reached at 28 South Montana Street, Dillon, Montana 59725, (800) 442-0424, the franchise is:~~

<u>John Dikos</u> <u>28 South Montana Street</u> <u>Dillon, MT 59725</u> <u>800-442-0424</u>	<u>Ben Green</u> <u>28 South Montana Street</u> <u>Dillon, MT 59725</u> <u>800-442-0424</u>	<u>Jeanette Lemieux</u> <u>28 South Montana Street</u> <u>Dillon, MT 59725</u> <u>800-442-0424</u>	<u>Greg Bastek</u> <u>28 South Montana Street</u> <u>Dillon, MT 59725</u> <u>800-442-0424</u>
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EXHIBIT J: Receipt

Date Received: _____

: _____ Date ~~Prospective Franchisee~~ { _____

(If other than date signed)

(Signature of recipient)

Print Name { _____

~~Prospective Franchisee~~ {Signature}

Print Address: _____

Please return signed receipt to:
Jeanette Lemieux, Great Harvest Franchising, LLC
28 South Montana Street
Dillon, Montana, 59725