

FRANCHISE DISCLOSURE DOCUMENT

GREAT HARVEST FRANCHISING, LLC

A Delaware limited liability company

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www.greatharvest.com



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 franchise ranges from \$298,145 - \$979,639. This includes \$35,000 that must be paid to the franchisor.

The total investment necessary to begin the operation of a Great Harvest multi-unit development business ranges from \$308,145 - \$989,639, for a minimum of 2 Great Harvest outlets to be developed. This includes \$45,000 that must be paid to the franchisor.

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

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

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

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

Issuance Date: February 25, 2025

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit E.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit 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 Exhibit E lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with us by mediation, 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 us in New Jersey than in your own state.
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.
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. **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 Addenda" (if any) to see whether your state requires other risks to be highlighted.

Great Harvest Franchising, LLC
Franchise Disclosure Document

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

To simplify the language in this disclosure document, the terms “Franchisor”, or “we” or “us” means Great Harvest Franchising, LLC, 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 as “you” or “Franchisee”, whether an individual, a partnership, corporation, or limited liability company. If you are a corporation, partnership or other entity, our Franchise Agreement also will apply to your owners, officers, and directors. If you are married and your spouse is not a partner in the franchise business, certain provisions of our Franchise Agreement will also apply to that spouse.

We were formed as a corporation in the State of Montana on May 1, 1980 and converted to a limited liability company in the State of Delaware on September 10, 2024. Our principal business address is 28 South Montana Street, Dillon, Montana, 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 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 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 100 U.S. franchises and 20 Canadian franchises as of its 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 143 franchises as of its 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, LLC, the franchisor of the Central Bark franchise system, since November 2021. Central Bark has 41 franchises as of its 2024 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 2 franchises as of its 2024 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 198 franchises as of its 2024 fiscal year end.

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.

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: BUSINESS EXPERIENCE

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.

Chief Financial Officer – Christine L. Koch, CPA

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

Chief Administrative and Projects Officer – Janet R. Tatarka

Janet R. Tatarka has been our Chief Administrative and Projects Officer since November 2020. From July 2000 through October 2020, Janet held the position of Director of Bakery Cafe Training with us.

Director of Development – Ben Green

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

Director of Bakery Cafe Training – Jeff Evans

Jeff Evans has been our Director of Bakery Cafe Training since February 2025. From June 2024 through February 2025, he held the position of Senior Operations Specialist with us. Jeff was 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 & Rod Design from July 2010 to July 2020.

ITEM 3: LITIGATION

Our Litigation

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 cafe 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: BANKRUPTCY

No bankruptcies are required to be disclosed in this Item.

ITEM 5: INITIAL FEES

Initial Franchise Fee

We will charge you an initial franchise fee (“Initial Franchise Fee”) when you sign the Franchise Agreement, which is included in this Disclosure Document in Exhibit B. The Initial Franchise Fee is \$35,000. The Initial Franchise Fee is fully earned by us and due in lump sum when you sign the Franchise Agreement. The Initial Franchise Fee is not refundable under any circumstance.

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: OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty Fee	5% of Gross Sales	Tuesday for Gross Sales of the prior calendar week (Monday through Sunday)	Payable to us. See footnote 1.
Required Minimum Expenditure for Local Marketing and Advertising	1% of Gross Sales or \$500, whichever is greater	Monthly	Payable to third parties. All advertising must be pre-approved by us.
Administrative Fee to Implement your Local Advertising	\$1,000	As incurred	Payable 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.
Brand Fund Contribution	2.5% of Gross	Tuesday for Gross Sales of the prior calendar week (Monday through Sunday)	Brand Fund Contributions are paid directly to the Brand Fund. See footnote 2.
Advertising Cooperative	Your share of actual cost of advertising	As determined by cooperative	No cooperatives have been established as of the date of this Disclosure Document. You are required to join an advertising cooperative if one is formed. Cooperatives will be comprised of all franchised Great Harvest outlets in a designated geographic area. Any affiliate-owned outlet may participate in an advertising cooperative, in our sole discretion.
Late Charge	\$200	As incurred	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.

Type of Fee	Amount	Due Date	Remarks
Interest Charge	12% of overdue amount or the maximum permitted by law, whichever is lower	As incurred	If you fail to pay us any amount when due, we may charge you interest on the unpaid balance until the payment is received.
Insufficient Funds Fee	\$50 per occurrence	As incurred	If your check is returned or an electronic funds transfer from your bank account is denied for non-sufficient funds, for each occurrence, we may charge you a Insufficient Funds Fee.
Relocation Fee	\$5,000	As incurred	This fee is due if we approve your request to relocate your Great Harvest outlet.
Successor Term Fee	\$7,500	Before signing successor agreement	Payable to us. See Item 17.
Transfer Fee – Franchise Agreement	75% of the then-current initial franchise fee; however, for transfers to: (i) an existing franchisee in good standing, the transfer fee is 50% of the then-current initial franchise fee (ii) an entity owned and controlled by the franchisee for convenience purposes or for transfers among owners that does not change management control, the transfer fee is \$1,500, or (iii) a spouse, parent or child upon death or permanent disability, the transfer fee is \$3,500	Upon your request for approval of the transfer	Payable to us. See Item 17
Initial Training	\$2,500 for each additional or replacement trainee	Fees for training your additional personnel are due prior to the commencement of training	See Item 11 for information about our Initial Training Program. You pay the travel costs of your additional or replacement trainees.

Type of Fee	Amount	Due Date	Remarks
Additional Training - Courses	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.	As incurred	For mandatory training, the tuition is payable to us and is due regardless of attendance. See footnote 3.
Additional Training – Franchisee Convention or Business Meeting	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	The registration fee is payable to us and is due regardless of attendance. See footnote 3.
Remedial Training Fee	Our then-current per diem rate for each trainer, plus travel and other expenses. Our current rate is \$500 per day.	As incurred	We may impose this fee, payable to us, if you request additional training at your premises from time-to-time, or if you are operating below our standards and we require you to have additional training. You must also pay all costs of our trainer, which include but are not limited to, airfare, transportation, hotel and meals.
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.
Architect's Review Fee	\$2,500	As incurred	If you choose to use your own architect, we may charge you a fee for our architect to review your plans.

Type of Fee	Amount	Due Date	Remarks
Contractor Management Services	\$2,500	As incurred	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.
System Technology Fee	Our actual costs of the provided technology, plus a 10% administrative fee.	Monthly	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.
Examination of Books and Records	Cost of examination plus related expenses	As incurred	We have the right under the Franchise Agreement to examine your books, records and tax returns. If an examination reveals that you have understated any Gross 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.
Operational Standards Violation Fee	\$50 to \$500 per occurrence	As incurred	Payable to us.
Evaluation Fee of Unapproved Item or Supplier	Actual costs of inspection and/or testing	As incurred	Payable to us. See footnote 5.
Quality Review Services - Inspections	Up to \$700 per visit, subject to increase to no more than the actual charge by the third-party provider	As incurred	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.
Quality Review Services – Mystery Shoppers	Up to \$250 per quarter, subject to increase	As incurred	Payable to third-party providers for customer service evaluations.
Insurance Reimbursement	Amount paid by us for your insurance obligations, plus a 10% administrative fee and other actual expenses	As incurred	You must reimburse us for any insurance costs and other fees we incur due to your failure to meet the insurance obligations required by the Franchise Agreement.

Type of Fee	Amount	Due Date	Remarks
Liquidated Damages – Default and Termination of Franchise	Up to 24 months of Royalty Fees and Brand Fund Contributions	Upon termination of the Franchise Agreement due to your default, in a lump sum	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.
Liquidated Damages – Breach of Confidentiality or Non-Competition Covenant	\$100,000, plus our attorney’s fees	As incurred	Payable to us.
Indemnification	Amount of loss or damages plus costs	As incurred	See footnote 6.
Reimbursement of fees and expenses	Our costs and expenses, including but not limited to attorneys’ fees, incurred for your failure to pay amounts when due or failure to comply in any way with the Franchise Agreement.	As Incurred	Payable to us.
Taxes	Amount of taxes	When incurred	You must reimburse us for any taxes that we must pay to any taxing authority on account of either the operation of your Franchised Business or payments that you make to us, including, but not limited to any sales, withholding, excise, use, privilege, or income taxes imposed by any authority.

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

¹ “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: ESTIMATED INITIAL INVESTMENT**YOUR ESTIMATED INITIAL INVESTMENT
(Single Unit)**

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is Made
Initial Franchise Fee	\$35,000	Lump sum payment in cash or available funds	Upon signing the Franchise Agreement	Us
Your Training Expenses ¹	\$2,049- \$10,300	As required	As required	Suppliers of transportation lodging & meals.
Premises Deposits ²	\$4,500- \$7,000	As required by landlord	As required by landlord, utility provider	Landlord, Utilities
Leasehold Improvements ³	\$102,377- \$474,762	As required	As required	Suppliers
Signage	\$4,059 - \$15,321	As required	As required	Suppliers
Furniture, Fixtures & Equipment	\$84,785 - \$315,000	As required	As required	Suppliers
Computer Systems ⁴	\$9,000 - \$15,000	As required	As required	Suppliers
Initial Inventory ⁵	\$10,000 - \$26,586	As required	As required	Suppliers
Grand Opening Marketing	\$15,000	As required	As required	Suppliers
Professional Fees ⁶	\$2,250- \$10,000	As required	As required	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 ⁹	\$25,625 - \$48,170	As incurred	As arranged	Landlord, Employees, Suppliers, etc.
TOTAL (excluding tenant improvement allowance)	\$298,145 - \$979,639			
TOTAL PROJECT COST*	\$298,145 - \$854,639 *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 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.			

YOUR ESTIMATED INITIAL INVESTMENT

(Multi-Unit – 2 outlets)

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is Made
Development Fee ¹	\$45,000	Lump sum payment in cash or available funds	Upon signing the Franchise Agreement	Us
Your Training Expenses ¹	\$2,049- \$10,300	As required	As required	Suppliers of transportation lodging & meals.
Premises Deposits ²	\$4,500- \$7,000	As required by landlord	As required by landlord, utility provider	Landlord, Utilities
Leasehold Improvements ³	\$102,377- \$474,762	As required	As required	Suppliers
Signage	\$4,059 - \$15,321	As required	As required	Suppliers
Furniture, Fixtures & Equipment	\$84,785 - \$315,000	As required	As required	Suppliers
Computer Systems ⁴	\$9,000 - \$15,000	As required	As required	Suppliers
Initial Inventory ⁵	\$10,000 - \$26,586	As required	As required	Suppliers
Grand Opening Marketing	\$15,000	As required	As required	Suppliers
Professional Fees ⁶	\$2,250- \$10,000	As required	As required	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 ⁹	\$25,625 - \$48,170	As incurred	As arranged	Landlord, Employees, Suppliers, etc.
TOTAL (excluding tenant improvement allowance)	\$308,145 - \$989,639			
TOTAL PROJECT COST*	\$308,145 - \$864,639 *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 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.			

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: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

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: FRANCHISEE'S OBLIGATIONS

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

Obligation	Section or Article in Franchise Agreement	Section or Article in Multi-Unit Development Agreement	Item in Franchise Disclosure Document
a. Site Selection and Acquisition/Lease	8.1	Not Applicable	11
b. Pre-Opening Purchase/Leases	8.3, 12.1.3, 12.3.1	Not Applicable	7, 11
c. Site Development & other Pre-Opening Requirements	8.2, 8.3, 12.1.1	Article 5	11
d. Initial and Ongoing Training	Article 7	Not Applicable	11
e. Opening	8.2.3, 8.3	Not Applicable	11
f. Fees	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	Article 4	5, 6, 7
g. Compliance with Standards and Policies/Operating Manual	Article 9, Article 12, 19.1	Not Applicable	8, 11
h. Trademarks and Proprietary Information	9.4, 12.1.8, Article 14, 19.2, 19.3, 19.4	Not Applicable	13, 14

Obligation	Section or Article in Franchise Agreement	Section or Article in Multi-Unit Development Agreement	Item in Franchise Disclosure Document
i. Restrictions on Products/Services Offered	12.1.1, 12.1.5, 12.6	Not Applicable	8, 16
j. Warranty and Customer Service Requirements	Not Applicable	Not Applicable	Not Applicable
k. Territorial Development and Sales Quotas	13.2	Article 5	12
l. Ongoing Product/Service Purchases	12.1.4, 12.3.5	Not Applicable	8
m. Maintenance, Appearance and Remodeling Requirements	Article 9, 12.1.2, 12.1.8	Not Applicable	Item 11
n. Insurance	Article 15	Not Applicable	7
o. Advertising	12.1.9, Article 13	Not Applicable	6, 11
p. Indemnification	15.6, 16.3.7, 19.11, 21.1	Article 9	6
q. Owner's Participation, Management, Staffing	11.1, 11.4, 12.1.6	Not Applicable	11, 15
r. Records /Reports	6.1.4, 12.2	Not Applicable	6
s. Inspections and Audits	9.2, 12.1.7, 12.2.5	Not Applicable	6, 11
t. Transfer	Article 16	Article 6	17
u. Renewal	Article 5	Not Applicable	17
v. Post-Termination Obligations	Article 18	Section 7.4	17
w. Non-Competition Covenants	19.5	Article 8	17
x. Dispute Resolution	Article 20	Article 10	17
y. Spouse Guaranty	11.3, Attachment 6	Not Applicable	15

ITEM 10: FINANCING

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

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

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

1. Pre-Opening Obligations

Before you open your Franchised Business, we will:

- a. provide you with 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

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING	LOCATION
Bread Making and Cafe Items	79	160	Dillon, Montana
Customer Service	4	20	Dillon, Montana

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING	LOCATION
Promotion/Marketing	3	10	Dillon, Montana
Location Hunting	2	0	Dillon, Montana
Feedback and Counseling	5	10	Dillon, Montana
Totals	93	200	

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 and development roles. There are also approximately 20 individuals from our corporate office, as well as experienced Great Harvest Bakery Cafe franchisees and employees, who will provide various aspects of your training. These individuals have 1-25 years of experience in the Great Harvest System.

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: TERRITORY

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.

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 Agreement and your development schedule, we will not grant anyone else the right to establish a Great Harvest Bakery Cafe outlet in your development territory during the term of your Multi-Unit Development Agreement. Your exclusive development territory is not dependent on achieving a certain sales volume, market penetration, or other contingency or circumstance, unless you are in default of your Multi-Unit Development 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: TRADEMARKS

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 Date	Register
	6735082	May 24, 2022	Principal
	6735081	May 24, 2022	Principal
GREAT HARVEST	3632019	June 2, 2009	Principal

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

You must notify us immediately when you learn about an infringement of or challenge to your use of the Principal Trademarks or other Marks. We will take any action we think appropriate and, if you have given us timely notice and are in full compliance with the Franchise Agreement, we will indemnify you for all expenses and damages arising from any claim challenging your authorized use of the Principal 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.

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

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

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

ITEM 14: PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We hold no patents and have no pending patent applications that are material to the franchise. We have registered no copyright with the United States Copyright Office. However, we claim copyrights on 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 are no current material determinations of, or proceedings pending in, the United States Patent and Trademark Office, the U.S. Copyright Office, or any court regarding any of our copyrights discussed above.

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

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

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: RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

	Provision	Section in Franchise Agreement	Summary
a.	Length of the franchise term	Art. 4	Term is 10 years
b.	Renewal or extension of the Term	Art. 5	If you are in good standing as defined below, you can sign a successor agreement an additional term 10-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 Agreement	Summary
c.	Requirements for franchisee to renew or extend	Sections 5.1 and 5.2	Provide written notice to us at least 6 months before the end of the term; be in full compliance; have no more than 3 events of default during current term; completion of any required additional training; have the right to continued occupancy of the Franchised Business premises or obtain our approval to relocate; repair, upgrade or replace the equipment and other Franchised Business assets to meet then-current specifications; execute a general release; execute a new franchise agreement; and pay us a successor agreement fee. You may be asked to sign a new Franchise Agreement with materially different terms and conditions than your original Franchise Agreement.
d.	Termination by franchisee	Not Applicable	You may seek termination upon any grounds available by state law.
e.	Termination by franchisor without cause	Not Applicable	Not Applicable
f.	Termination by franchisor with cause	Article 17	We may terminate only if you default, subject to state law. The Franchise Agreement describes defaults throughout. Please read it carefully.
g.	“Cause” defined – curable defaults	Section 17.3	You have 5 days to cure non-payments and any other defaults (except for non-curable defaults listed in the Franchise Agreement and described in h. immediately below).
h.	“Cause” defined - non-curable defaults	Sections 17.1 and 17.2	The Franchise Agreement will terminate automatically, without notice for the following defaults: insolvency; bankruptcy; written admission of inability to pay debts; receivership; levy; composition with creditors; unsatisfied final judgment for more than 30 days; or foreclosure proceeding that is not disclosed within 30 days. 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

	Provision	Section in Franchise Agreement	Summary
			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 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.
i.	Franchisee's obligations on termination/ non-renewal	Article 18	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.
j.	Assignment of contract by franchisor	Section 16.1.1	No restrictions on our right to assign.
k.	"Transfer" by franchisee defined	Section 16.3	Any assignment, sale, transfer, gift, devise or encumbrance of any interest in the Franchise Agreement, the Franchised Business, any assets of the Franchised Business, or in the Franchisee (if the Franchisee is a business entity).
l.	Franchisor approval of transfer by franchisee	Section 16.3	No transfer is allowed without our consent, which we will not unreasonably withhold.

	Provision	Section in Franchise Agreement	Summary
m.	Conditions for franchisor approval of a transfer	Sections 16.3 and 16.4	Conditions include: our decision not to exercise our right of first refusal; transferee meets our then-current standards for qualifying franchisees; transferee signs our then-current form of Franchise Agreement, which may have materially different terms from your Franchise Agreement; transferee 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; and payment of a transfer fee.
n.	Franchisor's right of first refusal to acquire franchisee's business	Section 16.6	You must promptly notify us of any written offer to purchase your Franchise. We have 30 days to exercise our first right to buy it on the same terms and conditions, provided that (a) we may substitute cash for any other consideration (b) we may pay the entire purchase price at closing, (c) our credit is deemed as good as the proposed purchaser, (d) we have at least 60 days to close and (e) you shall give us all customary seller's representations and warranties.
o.	Franchisor's option to purchase franchisee's business	Section 18.2	Upon termination of the Franchise Agreement, we have the option to purchase any or all of your equipment, signs, advertising materials, and supplies at your cost or fair market value, whichever is less.
p.	Death or disability of franchisee	Sections 16.3, 16.4 and 16.7	The executor of your estate or other personal representative must transfer the Franchise within 6 months to a replacement franchisee that we approve.
q.	Non-competition covenants during the term of the franchise	Section 19.5.1	You may not: divert, or attempt to divert, customers of any 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.

	Provision	Section in Franchise Agreement	Summary
r.	Non-competition covenants after the franchise is terminated or expires	Section 19.5.2	For 24 months after the termination of the Franchise Agreement, you may not: divert, or attempt to divert, customers of any 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.
s.	Modification of the agreement	Sections 9.4, 14.6 19.1.4 and 21.12	No oral modifications generally, but we may change the Operations Manual and System standards at any time. You may be required to implement these changes at your own costs. We have the right to modify our Marks at any time upon written notice to you.
t.	Integration/merger clause	Section 21.12	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable. Notwithstanding the foregoing, nothing in any Franchise Agreement is intended to disclaim the express representations made in this Franchise Disclosure Document.
u.	Dispute resolution by arbitration or mediation	Sections 20.1, 20.2 and 20.3	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.
v.	Choice of forum	Section 20.5	Litigation takes place in Montana, subject to applicable state law.
w.	Choice of law	Section 20.5	Montana, subject to applicable state law.

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

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

	Provision	Section in Multi-Unit Development Agreement	Summary
a.	Length of the franchise term	Art. 3	As determined by you and us based on the number of Great Harvest Bakery Cafe outlet outlets you are to develop.
b.	Renewal or extension of the Term	Not Applicable	Not Applicable

	Provision	Section in Multi-Unit Development Agreement	Summary
c.	Requirements for franchisee to renew or extend	Not Applicable	Not Applicable
d.	Termination by franchisee	Not Applicable	You may seek termination upon any grounds available by state law.
e.	Termination by franchisor without cause	Not Applicable	Not Applicable
f.	Termination by franchisor with cause	Article 7	We may terminate only if you default. The Multi-Unit Development Agreement describes defaults throughout. Please read it carefully.
g.	“Cause” defined – curable defaults	Section 7.3	You have 5 days to cure non-payments and any other defaults (except for non-curable defaults listed in the Multi-Unit Development Agreement and described in h. immediately below).
h.	“Cause” defined - non-curable defaults	Sections 7.1 and 7.2	<p>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.</p> <p>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.</p>
i.	Franchisee’s obligations on termination/ non-renewal	Section 7.4	Upon termination, you must: cease all development operations and comply with the non-disclosure and non-competition covenants.

	Provision	Section in Multi-Unit Development Agreement	Summary
j.	Assignment of contract by franchisor	Section 6.1	No restrictions on our right to assign.
k.	“Transfer” by franchisee defined	Section 6.2	Any assignment, sale, transfer, gift, devise or encumbrance of any interest in the Multi-Unit Development Agreement or Development Rights.
l.	Franchisor approval of transfer by franchisee	Sections 6.2	Not Applicable
m.	Conditions for franchisor approval of a transfer	Not Applicable	Not Applicable
n.	Franchisor’s right of first refusal to acquire franchisee’s business	Not Applicable	Not Applicable
o.	Franchisor’s option to purchase franchisee’s business	Not Applicable	Not Applicable
p.	Death or disability of franchisee	Section 6.2	Agreement terminates upon your death or permanent disability.
q.	Non-competition covenants during the term of the franchise	Section 8.3.1	You may not: divert, or attempt to divert, customers of any 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.
r.	Non-competition covenants after the franchise is terminated or expires	Section 8.3.2	For 24 months after the termination of the Franchise Agreement, you may not: divert, or attempt to divert, customers of any 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.
s.	Modification of the agreement	Section 11.12	No oral modifications. No amendment of the provisions will be binding upon either party unless the amendment has been made in writing and executed by all interested parties.
t.	Integration/merger clause	Section 11.12	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.

	Provision	Section in Multi-Unit Development Agreement	Summary
u.	Dispute resolution by arbitration or mediation	Sections 10.1, 10.2, 10.3, and 10.4	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.
v.	Choice of forum	Section 10.5	Litigation takes place in Montana, subject to applicable state law.
w.	Choice of law	Section 10.5	Montana, subject to applicable state law.

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

ITEM 18: PUBLIC FIGURES

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

ITEM 19: FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor owned outlets, if there is a reasonable-basis for the information, and if the information is included in the 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 performance at a particular location or under particular circumstances.

The following representation is a historic financial 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, we no longer offer Great Harvest franchises with limited menu items and/or limited seating, although many of these outlets remaining in operation. Since 2017, we have only offered franchises to operate a Great Harvest Bakery Cafe, which has an extensive menu and seating.

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**

	Single Site Operation	Hub and Spoke Operation
Number of Outlets	35	7 sets (14 total)
Average Gross Sales	\$ 948,105	\$ 1,761,286
Outlets Exceeding Average	13 or 38%	4 sets (8 total) or 57%
Median Gross Sales	\$ 823,366	\$ 1,582,815
Lowest Gross Sales	\$ 234,253	\$ 1,141,033
Highest Gross Sales	\$ 2,903,260	\$ 2,586,501

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

	Hubs	Spokes
Number of Outlets	7	7
Average Gross Sales	\$ 1,224,945	\$ 536,342
Outlets Exceeding Average	3 or 43%	3 or 43%
Median Gross Sales	\$ 1,089,815	\$ 492,461
Lowest Gross Sales	\$ 637,407	\$ 259,055
Highest Gross Sales	\$ 1,743,400	\$ 978,499

**Chart 3¹
Income and Expense - Reporting Bakery Cafes³
January 1 – December 31, 2023⁴**

	Single Site Operation			
Number of Reporting Outlets	19			
	Average	% of Gross Sales	Median	% of Gross Sales
Income				
Gross Sales ⁵	\$ 1,184,488	100.0	\$ 964,230	100.0
Expense				
Variable Costs ⁶	\$ 822,645	69.45	\$ 675,129	70.02
Fixed Costs ⁷	\$ 133,532	11.27	\$ 125,031	12.97

	Hub and Spoke Operation			
Number of Reporting Outlets	7 sets (14 total)			
	Average	% of Gross Sales	Median	% of Gross Sales
Income				
Gross Sales ⁸	\$ 1,764,680	100.0	\$ 1,783,463	100.0
Expense				
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 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 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.

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

⁵ For Single Site operations, the lowest performing outlet had \$407,966 in Gross Sales in 2023 and the highest performing outlet had \$2,625,367 in Gross Sales in 2023. Of the 19 reporting single site outlets, (i) 7 or 37% exceeded the average Gross Sales, (ii) 7 or 37% exceeded the average Variable Costs, and (iii) 6 or 32% exceeded the average Fixed Costs.

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 Spoke operations, the lowest performing set had \$1,404,435 in Gross Sales in 2023 and the highest performing set had \$2,459,222 in Gross Sales in 2023. Of the 7 reporting sets, (i) 4 or 57% exceeded the average Gross Sales, (ii) 2 or 28% exceeded the average Variable Costs, and (iii) 4 or 57% exceeded the average Fixed Costs.

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

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

Other than the preceding financial performance representation, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, 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 at 28 South Montana Street, Dillon, Montana, 59725, or 800-442-0424, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20: OUTLETS AND FRANCHISEE INFORMATION

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 2022 to 2024

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2022	175	169	-6
	2023	169	160	-9
	2024	160	159	-1
Company – Owned	2022	1	1	0
	2023	1	1	0
	2024	1	0	-1
Total Outlets	2022	176	170	-6
	2023	170	161	-9
	2024	161	159	-2

Table No. 2a

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

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Alabama	2022	0
	2023	1
	2024	0
California	2022	0
	2023	1
	2024	1
Colorado	2022	1
	2023	0
	2024	0
Georgia	2022	1
	2023	0
	2024	0
Idaho	2022	0
	2023	0
	2024	1
Illinois	2022	0
	2023	0
	2024	1
Indiana	2022	1
	2023	0
	2024	0
Kansas	2022	0
	2023	1

Column 1 State	Column 2 Year	Column 3 Number of Transfers
	2024	0
Kentucky	2022	0
	2023	0
	2024	2
Maryland	2022	0
	2023	2
	2024	0
Michigan	2022	1
	2023	1
	2024	0
Minnesota	2022	0
	2023	4
	2024	0
Montana	2022	2
	2023	1
	2024	0
Nebraska	2022	0
	2023	0
	2024	2
North Carolina	2022	0
	2023	1
	2024	0
North Dakota	2022	1
	2023	0
	2024	0
Ohio	2022	0
	2023	1
	2024	0
South Carolina	2022	1
	2023	0
	2024	0
Texas	2022	0
	2023	0
	2024	1
Utah	2022	0
	2023	0
	2024	2
Washington	2022	1
	2023	1
	2024	0
Total	2022	9
	2023	14
	2024	10

Table No. 3a
Status of Franchised Outlets

For Years 2022 to 2024

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminat ions	Column 6 Non- renewals	Column 7 Reacquir ed by Franchis or	Column 8 Ceased Operations - Other Reasons	Column 9 Outlets at End of the Year
Alabama	2022	2	0	0	0	0	1	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Alaska	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Arizona	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
California	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	1 ¹	4
Colorado	2022	7	0	0	0	0	0	7
	2023	7	0	0	0	0	1	6
	2024	6	0	0	0	0	0	6
Connecticut	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Florida	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Georgia	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
Hawaii	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Idaho	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	1	5
	2024	5	0	0	0	0	0	5
Illinois	2022	7	1	0	0	0	0	8
	2023	8	0	0	0	0	1	7
	2024	7	0	0	0	0	0	7
Indiana	2022	3	0	0	0	0	0	3
	2023	3	1	0	0	0	0	4

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminat ions	Column 6 Non- renewals	Column 7 Reacquir ed by Franchis or	Column 8 Ceased Operations - Other Reasons	Column 9 Outlets at End of the Year
	2024	4	1	0	0	0	0	5
Iowa	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Kansas	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	1	2
	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	2	0	0	0	0	0	2
Louisiana	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Maryland	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
Massachusetts	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Michigan	2022	12	0	0	0	0	1	11
	2023	11	0	0	0	0	1	10
	2024	10	0	0	0	0	0	10
Minnesota	2022	10	0	0	0	0	0	10
	2023	10	0	0	0	0	0	10
	2024	10	0	0	0	0	0	10
Missouri	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Montana	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6
	2024	6	0	0	0	0	0	6
Nebraska	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Nevada	2022	4	0	0	0	0	2	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
New Jersey	2022	1	0	0	0	0	1	0
	2023	0	0	0	0	0	0	0

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminat ions	Column 6 Non- renewals	Column 7 Reacquir ed by Franchis or	Column 8 Ceased Operations - Other Reasons	Column 9 Outlets at End of the Year
	2024	0	0	0	0	0	0	0
New Mexico	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
New York	2022	1	0	0	0	0	1	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
North Carolina	2022	10	0	0	0	0	0	10
	2023	10	0	0	0	0	0	10
	2024	10	0	0	1	0	1	8
North Dakota	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Ohio	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	1	4
	2024	4	0	0	0	0	0	4
Oklahoma	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	1	0
	2024	0	0	0	0	0	0	0
Oregon	2022	10	0	0	0	0	0	10
	2023	10	0	0	0	0	2	8
	2024	8	0	0	0	0	1	7
Pennsylvania	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	1	0
	2024	0	0	0	0	0	0	0
Rhode Island	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	1	0
	2024	0	0	0	0	0	0	0
South Carolina	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Tennessee	2022	2	0	0	0	0	1	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Texas	2022	8	0	0	0	0	0	8
	2023	8	2	0	0	0	3	7
	2024	7	0	0	0	0	0	7
Utah	2022	16	0	0	0	0	0	16
	2023	16	1	0	0	0	0	17

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminat ions	Column 6 Non- renewals	Column 7 Reacquir ed by Franchis or	Column 8 Ceased Operations - Other Reasons	Column 9 Outlets at End of the Year
	2024	17	1	0	0	0	0	18
Vermont	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Virginia	2022	8	0	0	0	0	1	7
	2023	7	0	0	0	0	0	7
	2024	7	1	0	0	0	0	8
Washington	2022	7	0	0	0	0	0	7
	2023	7	0	0	0	0	1	6
	2024	6	0	0	0	0	0	6
West 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	2022	9	0	0	0	0	2	7
	2023	7	0	0	0	0	0	7
	2024	7	0	0	0	0	0	7
Wyoming	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Totals	2022	175	4	0	0	0	10	169
	2023	169	6	0	0	0	15	160
	2024	160	3	0	1	0	3	159

¹Outlet closed temporarily to relocate.

Table No. 4a

Status of Company Owned Outlets
For Years 2022 to 2024

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

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

Table No. 5a

Projected Openings as of October 31, 2024

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company Owned Outlets in the Next Fiscal Year
Alaska	1	1	0
Arkansas	1	1	0
California	1	1	0
Florida	1	1	0
Georgia	1	0	0
Idaho	1	0	0
Kentucky	0	1	0
Nevada	1	0	0
Virginia	1	0	0
Wisconsin	2	2	0
Total	10	6	0

Table No. 1b

Bakery Cafe Outlet Summary
For Years 2022 to 2024

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2022	53	51	-2
	2023	51	53	+2
	2024	53	55	+2
Company – Owned*	2022	1	1	0
	2023	1	1	0
	2024	1	0	-1
Total Outlets	2022	54	52	-2
	2023	52	54	+2
	2024	54	55	+1

Table No. 2b

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

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Alabama	2022	0
	2023	1
	2024	0
California	2022	0
	2023	0
	2024	1
Georgia	2022	1
	2023	0
	2024	0
Idaho	2022	0
	2023	0
	2024	1
Kansas	2022	0
	2023	1
	2024	0
Kentucky	2022	0
	2023	0
	2024	2
Michigan	2022	1
	2023	0
	2024	0
Minnesota	2022	0
	2023	1
	2024	0
Montana	2022	1
	2023	1
	2024	0
Texas	2022	0
	2023	0
	2024	1
Utah	2022	0
	2023	0
	2024	2
Washington	2022	1
	2023	1
	2024	1
Total	2022	3
	2023	4
	2024	6

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

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non- renewals	Column 7 Reacquir ed by Franchis or	Column 8 Ceased Operations - Other Reasons	Column 9 Outlets at End of the Year
Alabama	2022	2	0	0	0	0	1	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Alaska	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Colorado	2022	1	0	0	0	0	0	1
	2023	1	1 ²	0	0	0	1	2
	2024	2	0	0	0	0	0	2
Florida	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Georgia	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
Hawaii	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	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
Illinois	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	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	1	0	0	0	0	2
Iowa	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	0	0	0	0	1	1
Kansas	2022	1	1 ²	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	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

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non- renewals	Column 7 Reacquir ed by Franchis or	Column 8 Ceased Operations - Other Reasons	Column 9 Outlets at End of the Year
	2024	2	0	0	0	0	0	2
Louisiana	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Michigan	2022	3	0	0	0	0	1	2
	2023	2	0	0	0	0	1	1
	2024	1	0	0	0	0	0	1
Minnesota	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Montana	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
Nevada	2022	1	0	0	0	0	1	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
New Jersey	2022	1	0	0	0	0	1	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
New York	2022	1	0	0	0	0	1	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
North Carolina	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	1	0	0	1
North Dakota	2022	0	0	0	0	0	0	1
	2023	0	0	0	0	0	0	1
	2024	0	1 ²	0	0	0	0	1
Ohio	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	1	0
	2024	0	0	0	0	0	0	0
Oklahoma	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	1	0
	2024	0	0	0	0	0	0	0
Oregon	2022	0	0	0	0	0	0	0
	2023	0	1 ²	0	0	0	0	1
	2024	1	0	0	0	0	0	1
South Carolina	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non- renewals	Column 7 Reacquir ed by Franchis or	Column 8 Ceased Operations - Other Reasons	Column 9 Outlets at End of the Year
	2024	1	0	0	0	0	0	1
Texas	2022	6	0	0	0	0	0	6
	2023	6	2	0	0	0	2	6
	2024	6	0	0	0	0	0	6
Utah	2022	5	0	0	0	0	0	5
	2023	5	1	0	0	0	0	6
	2024	6	1	0	0	0	0	7
Virginia	2022	2	0	0	0	0	1	2
	2023	2	0	0	0	0	0	2
	2024	2	1	0	0	0	0	3
Washington	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
West 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	2022	2	0	0	0	0	1	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Wyoming	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Totals	2022	53	4 ³	0	0	0	6	51
	2023	51	8 ³	0	0	0	6	53
	2024	53	4 ³	0	1	0	1	55

² This was an existing Great Harvest outlet that converted to a Bakery Cafe.

³This figure includes both newly opened outlets and existing Great Harvest outlets that converted to a Bakery Café.

Table No. 4b

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

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

Table No. 5b

Projected Openings of Bakery Cafes as of October 31, 2024

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company Owned Outlets in the Next Fiscal Year
Alaska	1	1	0
Arkansas	1	1	0
California	1	1	0
Florida	1	1	0
Georgia	1	0	0
Idaho	1	0	0
Kentucky	0	1	0
Nevada	1	0	0
Virginia	1	0	0
Wisconsin	2	2	0
Total	10	6	0

Exhibit F lists the location of each Great Harvest franchised outlet in our System and each franchisee during our last fiscal year who has had an outlet terminated, canceled, not renewed, or has otherwise voluntarily or involuntarily ceased to do business under the franchise agreement or has not communicated with us within 10 weeks of the date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

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

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

ITEM 21: FINANCIAL STATEMENTS

Our audited financial statements, 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, and October 31, 2024, and related notes to the financial statements, are included in Exhibit D.

Our fiscal year end is October 31.

ITEM 22: CONTRACTS

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

Exhibit B – Franchise Agreement

Exhibit C – Multi-Unit Development Agreement

Exhibit F – Form of Release

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 ADMINISTRATORS/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

State	State Agency	Agent for Service of Process
MINNESOTA	Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce
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
SOUTH CAROLINA	Secretary of State P.O. Box 11350 Columbia, SC 29211 (803) 734-2166	Legalinc Corporate Services Inc. 1591 Savannah Highway Suite 201 Charleston, SC 29407
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 Department of Financial Institutions Division of Securities 4822 Madison Yards Way, North Tower Madison, WI 53705 (608) 266-0448	Commissioner of Securities of Wisconsin

EXHIBIT B
FRANCHISE AGREEMENT

GREAT HARVEST FRANCHISING, LLC

**GREAT HARVEST
FRANCHISE AGREEMENT**

DATA SHEET

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

Spouse Guarantor(s): _____

Effective Date: _____

Accepted Location: _____

Territory: _____

Site Search Area: _____

Initial Franchise Fee: _____

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

**GREAT HARVEST FRANCHISING, LLC
FRANCHISE AGREEMENT**

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Attachments

- 1 - Trademarks
- 2 - Territory
- 3- ACH Authorization
- 4 - Conditional Assignment of Lease
- 5 - Statement of Ownership Interests in Franchisee Entity
- 6 - Guaranty
- 7 - Internet Advertising, Social Media, Software, and Telephone Account Agreement
- 8 - Confidentiality and Non-Compete Agreement

THIS FRANCHISE AGREEMENT (the “Agreement”) is being entered into this day of _____ (the “Effective Date”), by and between Great Harvest Franchising, LLC, a Delaware limited liability company with its principal place of business at 28 South Montana Street, Dillon, Montana, 59725 (herein “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”.

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 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 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 ("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.

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.

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-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 improvements.

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

8.3 Time to Open. Franchisee acknowledges that time is of the essence in this Agreement. Subject to Franchisee's compliance with the conditions stated below, Franchisee shall open the Franchised Business and commence business within 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 any inspection reports. It shall be a default of this Agreement if, upon inspection, Franchisee does not obtain such rating or if Franchisee fails to operate in accordance with the general standards of quality, maintenance, repairs, and sanitation required by the System, and Franchisor may, at its option, terminate this Agreement.

9.3 Equipment and Technology Updates. Franchisee shall make any and all upgrades to equipment, including but not limited to, 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 required food storage 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;

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 support until such General 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:

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 as they may 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;

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.

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 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.

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 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 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.

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.

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 transferee's decision to purchase the Franchise on such terms and conditions. Franchisee shall provide Franchisor all proposed transfer documents for Franchisor's review at least thirty (30) days prior to a closing of the proposed Transfer;

16.3.9 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; (vi) 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 laws or under any similar law or statute of the United States or any state; or if a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee; or if a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part

thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee; or if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); or if Franchisee 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.

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 term of this Agreement. Franchisee acknowledges that a precise calculation of the full extent of the damages Franchisor will incur in the event of termination of this Agreement as a result of Franchisee's default is difficult to determine and that this lump sum payment is reasonable in light thereof. The liquidated damages payable by Franchisee pursuant to this Section 18.1.8 shall be in addition to all other amounts payable under this Agreement and shall not affect Franchisor's right to obtain appropriate injunctive relief and remedies pursuant to any other provision of this Agreement.

18.2 Right to Purchase.

18.2.1 Franchisor shall have the option, to be exercised within thirty (30) days after 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.

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:

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.

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

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.

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.

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.

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):

(Print Name)

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 3

AUTHORIZATION AGREEMENT AUTOMATIC DEPOSITS (ACH WITHDRAWALS)



ACH AUTHORIZATION

This authorization is to be completed and signed for each account that is being ACH credited or debited by a Stockman Bank ACH Origination customer. The Stockman Bank ACH Origination customer will have the proper agreements in place prior to submission of ACH activity.

Ownership Name of Account being credited/debited: _____

As either Financial Institution

I (we) hereby authorize _____, the "originator" through Stockman Bank, to initiate ☐ Credit ☐ Debit (select one) entries to my (our) account at the financial institution (Bank) named below. I (we) acknowledge that the origination of ACH transactions to my (our) account must comply with the provisions of U.S. law. *If possible, please attach a voided check.*

Purpose of ACH: Collection of amounts due to franchise

Amount of credit/debit entry: _____ every _____ (How often?)

☐ Amounts will vary in accordance with the product/services provided.

Bank: _____

Branch: _____

City, State, Zip code: _____

Routing number: _____

Account number: _____

☐ Checking ☐ Savings

This authorization is to remain in full force and effect until the above named originator has received written notification from me (or either of us) of its termination in such time and in such manner as to afford the originator and Stockman Bank a reasonable opportunity to act on it.

A change to any terms, other than the variable amounts as noted above, to the above transaction requires a new authorization form to be completed for the new transaction.

In the event of an ACH debit if your payment is returned unpaid, you authorize us to make a one-time electronic fund transfer from your account to collect a fee.

Notice of Change in Amount/Change in Crediting Date for Recurring Entries

For recurring entries, when the amount varies, specific requirements apply. If a preauthorized credit/debit transfer varies from a previous transfer relating to the same authorization, or from a fixed preauthorized amount, the Originator must send the Receiver written notification of the amount and scheduled date of the transfer at least ten (10) calendar days before the scheduled transfer date. Additionally, if the Originator informs the corporate account of the right to receive notice of all varying transfers, the corporate account may elect to receive notice only when a transfer does not fall within a specified range of amounts; or, alternatively, the corporate account may elect to receive notice only when a transfer differs from the most recent transfer by more than an agreed upon amount.

Name: _____

Please Print

Date: _____ Signature: _____

Revocation of above credit/debit transaction: Date: _____ Date transaction is to stop: _____

Signature: _____

Name: _____

Please Print

7/2022

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 Cafe 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**

Name

Percentage of Ownership

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.

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.

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.

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.

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.

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 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:

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:

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



Consolidated Financial Statements
October 31, 2024, 2023, and 2022

Great Harvest Franchising, LLC

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Independent Auditor's Report

The Member and Board of Directors
Great Harvest Franchising, LLC
Dillon, Montana

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Great Harvest Franchising, LLC, which comprise the consolidated balance sheets as of October 31, 2024, 2023, and 2022, and the related consolidated statements of operations, stockholders' deficit and member's deficit, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Great Harvest Franchising, LLC as of October 31, 2024, 2023, and 2022, and the results of its consolidated operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Consolidated Financial Statements

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

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

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

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

In performing an audit in accordance with GAAS, we:

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

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



Billings, Montana
January 31, 2025

Great Harvest Franchising, LLC

Consolidated Balance Sheets

October 31, 2024, 2023, and 2022

	2024	2023	2022
Assets			
Current Assets			
Cash and cash equivalents	\$ 1,272,599	\$ 366,235	\$ 504,524
Royalties receivable, net of allowance for credit loss of \$26,638, \$54,369, and \$4,932 at 2024, 2023, and 2022, respectively	465,236	384,562	396,410
Trade receivables, net of allowance for credit loss of \$-0-	31,485	69,941	96,591
Current portion of note receivable	14,199	-	-
Inventory	16,547	39,151	57,811
Prepaid expenses and other current assets	143,953	79,240	113,929
Total current assets	1,944,019	939,129	1,169,265
Property and Equipment			
Land	32,657	32,657	32,657
Building and improvements	1,314,954	1,318,970	1,314,954
Fixtures and equipment	438,478	591,071	580,677
Construction in progress	10,572	-	-
	1,796,661	1,942,698	1,928,288
Less accumulated depreciation	(1,622,522)	(1,653,810)	(1,600,269)
Net property and equipment	174,139	288,888	328,019
Operating Lease Right-of-Use Assets, Net	-	152,457	-
Other Assets			
Intangible asset	4,602	4,749	5,336
Note receivable, less current portion	55,280	-	-
Other asset	-	4,562	4,562
Goodwill, net	-	-	118,520
Total other assets	59,882	9,311	128,418
Total assets	\$ 2,178,040	\$ 1,389,785	\$ 1,625,702

Great Harvest Franchising, LLC

Consolidated Balance Sheets

October 31, 2024, 2023, and 2022

	2024	2023	2022
Liabilities and Stockholders' Deficit and Member's Deficit			
Current Liabilities			
Accounts payable	\$ 112,832	\$ 162,884	\$ 269,586
Accrued interest	-	38,019	38,709
Accrued compensation and benefits	575,348	75,103	107,897
Current maturities of long-term debt	-	479,232	483,088
Current maturities of operating lease liability	-	44,438	-
Current portion of deferred franchise fees and territory deposits	212,040	229,723	267,895
Other accrued liabilities	506,520	495,269	470,914
Total current liabilities	1,406,740	1,524,668	1,638,089
Long-Term Debt, Less Current Maturities and Unamortized Debt Issuance Costs of \$-0-, \$138,008, and \$163,292 at 2024, 2023, and 2022, respectively	-	4,005,521	4,422,728
Deferred Franchise Fees and Territory Deposits, Less Current Portion	566,273	564,422	725,799
Operating Lease Liability, Less Current Maturities	-	128,124	-
Contingent Consideration	4,236,842	-	-
Total liabilities	6,209,855	6,222,735	6,786,616
Commitments and Contingencies			
Stockholders' Deficit and Member's Deficit			
Member's Deficit	(4,031,815)	-	-
Common stock, no par value; 50,000 authorized shares, issued and outstanding shares of -0-, 11,262, and 11,262 in 2024, 2023, and 2022	-	962,949	962,949
Retained earnings	-	832,996	498,499
Treasury stock of -0- shares in 2024, 5,581 shares in 2023, 5,572 shares in 2022	-	(6,628,895)	(6,622,362)
Total stockholders' deficit and member's deficit	(4,031,815)	(4,832,950)	(5,160,914)
Total liabilities and stockholders' deficit and member's deficit	\$ 2,178,040	\$ 1,389,785	\$ 1,625,702

Great Harvest Franchising, LLC
Consolidated Statements of Operations
Years Ended October 31, 2024, 2023, and 2022

	2024	2023	2022
Revenues			
Franchise royalties	\$ 5,172,911	\$ 5,107,505	\$ 4,910,081
Franchise fees	311,456	438,049	559,074
Company owned and operated bakery sales	116,959	555,099	431,933
Total revenues	<u>5,601,326</u>	<u>6,100,653</u>	<u>5,901,088</u>
Operating Expenses			
Franchise	5,652,258	4,224,379	4,324,844
Contingent consideration	4,236,842	-	-
Company owned and operated bakery	206,500	916,714	781,238
Total operating expenses	<u>10,095,600</u>	<u>5,141,093</u>	<u>5,106,082</u>
Operating income (loss)	<u>(4,494,274)</u>	<u>959,560</u>	<u>795,006</u>
Other Income (Expense)			
Interest income	1,197	455	1,058
Employee retention tax credit	-	-	87,110
Interest expense	(496,056)	(426,120)	(322,202)
Gain (loss) on sale of property and equipment	(38,292)	4,149	(13,156)
Other income (expense)	68,130	41,200	(48,812)
Total other income (expense)	<u>(465,021)</u>	<u>(380,316)</u>	<u>(296,002)</u>
Net income (loss)	<u>\$ (4,959,295)</u>	<u>\$ 579,244</u>	<u>\$ 499,004</u>

Great Harvest Franchising, LLC
Consolidated Statements of Stockholders' Deficit and Member's Deficit
Years Ended October 31, 2024, 2023, and 2022

	Common Stock		Retained Earnings	Treasury Stock	Total Stockholders' Deficit	Member's Deficit
	Shares	Amount				
Balance at October 31, 2021	11,262	\$ 962,949	\$ 355,653	\$ (6,572,642)	\$ (5,254,040)	\$ -
Cash dividends paid	-	-	(356,158)	-	(356,158)	-
Reissuance of treasury stock	-	-	-	(49,720)	(49,720)	-
Net income	-	-	499,004	-	499,004	-
Balance at October 31, 2022	11,262	962,949	498,499	(6,622,362)	(5,160,914)	-
Cash dividends paid	-	-	(244,747)	-	(244,747)	-
Reissuance of treasury stock	-	-	-	(6,533)	(6,533)	-
Net income	-	-	579,244	-	579,244	-
Balance at October 31, 2023	11,262	962,949	832,996	(6,628,895)	(4,832,950)	-
Cash dividends paid	-	-	(470,020)	-	(470,020)	-
Reissuance of treasury stock	-	-	-	(6,140)	(6,140)	-
Net loss pre-acquisition	-	-	(717,986)	-	(717,986)	-
Change in company structure from S-Corporation to Limited Liability Company	(11,262)	(962,949)	355,010	6,635,035	6,027,096	(6,027,096)
Member contribution	-	-	-	-	-	6,236,590
Net loss post-acquisition	-	-	-	-	-	(4,241,309)
Balance at October 31, 2024	-	\$ -	\$ -	\$ -	\$ -	\$ (4,031,815)

Great Harvest Franchising, LLC
Consolidated Statements of Cash Flows
Years Ended October 31, 2024, 2023, and 2022

	2024	2023	2022
Operating Activities			
Net income (loss)	\$ (4,959,295)	\$ 579,244	\$ 499,004
Adjustments to reconcile net income to net cash from operating activities			
Depreciation	34,200	67,968	107,045
Amortization	147	13,517	11,313
Goodwill impairment	-	105,590	-
Interest expense attributable to amortization of debt issuance costs	138,008	25,284	25,284
Provision for credit losses	14,543	54,369	34,173
(Gain) loss on sale of property and equipment	38,292	(4,149)	13,156
Contingent consideration expense	4,236,842	-	-
Changes in assets and liabilities, net of acquisition of RVA Bread, Inc.			
Royalties receivable	(95,217)	(42,521)	38,693
Trade receivables	38,456	26,650	27,539
Inventory	22,604	18,660	(35,458)
Prepaid expenses and other assets	(60,151)	34,689	8,461
Operating lease assets and liabilities	(20,105)	20,105	-
Accounts payable	(50,052)	(106,702)	191,602
Accrued interest	(38,019)	(690)	11,448
Accrued compensation and benefits	505,766	(32,794)	(33,284)
Deferred franchisee fees and territory deposits	(30,832)	(199,549)	(116,199)
Other accrued liabilities	11,251	24,355	78,615
Net Cash from (used for) Operating Activities	(213,562)	584,026	861,392
Investing Activities			
Purchases of property and equipment	(17,743)	(33,788)	(25,750)
Cash acquired with acquisition of GHBC Midlothian, LLC	-	-	66,888
Payment of origination costs	-	-	(5,875)
Proceeds from sale of property and equipment	-	9,100	12,350
Net Cash from (used for) Investing Activities	(17,743)	(24,688)	47,613

Great Harvest Franchising, LLC
Consolidated Statements of Cash Flows
Years Ended October 31, 2024, 2023, and 2022

	2024	2023	2022
Financing Activities			
Principal payments on debt	\$ (512,872)	\$ (446,347)	\$ (469,020)
Advances on line of credit	50,000	-	-
Principal payments on line of credit	(50,000)	-	-
Member contribution	2,126,701	-	-
Purchase of treasury stock	(6,140)	(6,533)	(49,720)
Dividends paid	(470,020)	(244,747)	(356,158)
Net Cash from (used for) Financing Activities	<u>1,137,669</u>	<u>(697,627)</u>	<u>(874,898)</u>
Net Change in Cash and Cash Equivalents	906,364	(138,289)	34,107
Cash and Cash Equivalents, Beginning of Year	<u>366,235</u>	<u>504,524</u>	<u>470,417</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 1,272,599</u></u>	<u><u>\$ 366,235</u></u>	<u><u>\$ 504,524</u></u>
Supplemental Disclosure of Cash Flow Information			
Cash payments for interest	<u><u>\$ 396,113</u></u>	<u><u>\$ 401,526</u></u>	<u><u>\$ 285,470</u></u>
Supplemental Disclosure of Non-cash Investing and Financing Activities			
Note receivable issued with sale of company owned bakery and signed franchise agreement	\$ 69,479	\$ -	\$ -
Member contribution paid to lender for long-term debt	\$ 4,109,889	\$ -	\$ -
Contingent consideration liability incurred with ownership transfer	\$ 4,236,842	\$ -	\$ -
Purchase of RVA Bread, Inc. with proceeds of long-term debt	\$ -	\$ -	\$ 350,000
Deposit applied to purchase of RVA Bread, Inc.	\$ -	\$ -	\$ 20,000

Note 1 - Principal Business Activity and Significant Accounting Policies

Principal Business Activity

Great Harvest Franchising, LLC (the “Company”) is a franchisor of Great Harvest Bread Co. bread stores. At October 31, 2024, Great Harvest Franchising, LLC had no Company operated bread store and approximately 160 franchised bread stores and satellite locations open throughout 38 states. Great Harvest Franchising, LLC provides various support services and programs to its franchisees.

Effective September 12, 2024, Great Harvest Franchising, Inc., a Montana corporation, converted to a Delaware limited liability Company (LLC).

Effective September 17, 2024, all outstanding common stock of the Company was transferred to Great Harvest Holdings, LLC (GHHL) and all treasury shares were cancelled. GHHL is a newly formed entity that holds 100% ownership in Great Harvest Franchising, LLC. The transfer of ownership is treated as an acquisition of the assets and liabilities of Great Harvest Franchising, LLC. The Company did not elect push down accounting and therefore, the assets and liabilities of the Company were not adjusted.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and GHBC Midlothian, LLC, a wholly owned subsidiary of the Company. All significant intercompany accounts and transactions have been eliminated.

Concentrations of Credit Risk

The Company maintains its cash in bank deposit accounts which exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per insured bank, for each account ownership category. At October 31, 2024, 2023, and 2022, the Company had approximately \$985,000, \$39,000, and \$193,000, respectively, in excess of FDIC-insured limits.

Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid investments with original maturity of three months or less.

Receivables and Allowance for Credit Losses

Royalties receivable are uncollateralized obligations due under terms of the Company’s franchise agreements with its franchisees, requiring monthly payment. At the Company’s discretion, it may charge a \$50 to \$100 late fee and interest on past-due balances. Royalties receivable are stated at the contractual amounts under each franchise agreement and are based upon a specified percentage of each franchisee’s monthly gross sales. Payment of royalties’ receivable are allocated to the specific month to which the payment applies or, if unspecified, are applied to the earliest unpaid month.

Trade receivables consist principally of franchisee obligations due to the Company for reimbursement of advertising costs.

The Company has tracked historical loss information for its royalty and trade receivables and compiled historical credit loss percentages for different aging categories (current, 1–30 days past due, 31–60 days past due, 61–90 days past due, and more than 90 days past due).

Management believes that the historical loss information it has compiled is a reasonable base on which to determine expected credit losses for royalty and trade receivables held at October 31, 2024, 2023, and 2022, because the composition of the royalty and trade receivables at those dates are consistent with that used in developing the historical credit-loss percentages (i.e., the similar risk characteristics of its franchisees and its lending practices have not changed significantly over time). Additionally, management has determined that the current and reasonable and supportable forecasted economic conditions are consistent with the economic conditions included in the historical information. As a result, the historical loss rates have not been adjusted for differences in current conditions or forecasted changes. Accordingly, the allowance for credit losses at October 31, 2024, 2023, and 2022, totaled \$26,638, \$54,369, and \$4,932, respectively.

Changes in the allowance for credit losses for receivables are as follows for the years ended October 31:

	<u>2024</u>
Opening Allowance for Credit Losses	\$ 54,369
Impact of adopting Topic 326	-
Provisions for credit losses	14,543
Charge-offs	(42,274)
Recoveries	<u>-</u>
	<u><u>\$ 26,638</u></u>

Note receivable represents a collateralized obligation due under extended payment terms exceeding one year. The note carries a fixed interest rate of 8.5%, with payments applied first to unpaid interest balances and any remainder to the principal balance. Management has determined that the current and reasonable and supportable forecasted economic conditions are consistent with the economic conditions included in the historical information. As a result, the historical loss rates have not been adjusted for differences in current conditions or forecasted changes. Accordingly, the allowance for credit losses at October 31, 2024, 2023, and 2022, totaled \$-0-.

Inventory

Inventories are stated at the lower of cost, determined on a first in, first out basis, or net realizable value.

Other Intangible Assets

Intangible assets with finite life consist of origination fees and franchise fee and are carried at cost less accumulated amortization. The Company amortizes the cost of identifiable intangible assets on a straight-line basis over the expected period of benefit, which is fifteen years for the origination fees and the contractual term of eight years for the franchise fee.

Goodwill

Goodwill represents costs in excess of purchase price over the fair value of asset and liabilities of a franchise bakery acquired, including other identifiable intangible assets. The Company adopted two accounting alternatives for goodwill available to private companies under FASB ASC 350-20. The accounting alternative for goodwill amortization allows management to elect to amortize goodwill over a 10-year life. The accounting alternative for a goodwill triggering event evaluation allows the Company to evaluate for goodwill triggering event as of the end of each reporting period instead of monitoring for triggering events throughout the reporting period. In accordance with the adoption of these accounting alternative, the Company has elected to evaluate goodwill for impairment at the entity level at the end of the reporting period in which a triggering event occurs that indicates that the fair value of the entity may be below its carrying value. As of October 31, 2024, 2023, and 2022, the Company recorded goodwill impairment of \$0, \$105,590, and \$0, respectively. The impairment loss is included in operating expenses on the accompanying consolidated statement of operations.

As of November 1, 2021, the Company adopted Accounting Standards Update (ASU) 2014-08, *Accounting for Identifiable Intangible Assets in a Business Combination*. This accounting alternative allows management to no longer recognize separately from goodwill customer related intangible assets, unless they are capable of being sold or licensed independently from other assets of the business, and noncompetition agreements. The Company has adopted this standard as management believes that inclusion of these intangible assets are more accurately reflected as goodwill from the acquisition of another business.

Debt Issuance Costs

Debt issuance costs are amortized over the period the related obligation is outstanding using the straight-line method. The straight-line method is a reasonable estimate of the effective interest method. Debt issuance costs are included within the long-term debt on the consolidated balance sheets. Amortization of debt issuance costs is included in interest expense in the accompanying consolidated financial statements.

Property and Equipment

Property and equipment is recorded at cost. Expenditures for renewals and improvements that significantly add to the productive capacity or extend the useful life of an asset are capitalized. Expenditures for maintenance and repairs are charged to expense. When equipment is retired or sold, the cost and related accumulated depreciation are eliminated from the accounts and the resultant gain or loss is reflected in income.

Depreciation is provided using the straight-line method, based on useful lives of the assets as follows:

Building and improvements	30 years
Fixtures and equipment	2 to 5 years

The Company reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects, the manner in which the property is used, and the effects of obsolescence, demand, competition, and other economic factors. Based on this assessment there was no impairment at October 31, 2024, 2023, and 2022.

Fair Value Measurements

The Company has determined the fair value of certain assets and liabilities in accordance with generally accepted accounting principles, which provides a framework for measuring fair value.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques should maximize the use of observable inputs and minimize the use of unobservable inputs.

A fair value hierarchy has been established, which prioritizes the valuation inputs into three broad levels. Level 1 inputs consist of quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are external inputs other than quoted prices included within Level 1 that are observable for the related asset or liability. Level 3 inputs are unobservable inputs based on internal assumptions used to measure the asset or liability.

Gift Cards

The Company sells gift cards redeemable at its franchised locations. Gift cards are recorded as liabilities upon issuance. When gift cards are redeemed in franchised locations, the Company has a third-party gift card processor that reconciles and transfers funds between selling and redeeming bakery locations on a monthly basis. Franchisees include gift card redemptions in their revenue reporting to the Company, and the Company collects royalties from franchisees based on total revenues, including gift card redemptions. The Company recognizes revenue from unredeemed gift cards at the point in which redemption is deemed remote. Gift card breakage revenue included in other income (expenses) during each of the years ended October 31, 2024, 2023, and 2022, was \$16,962, \$900, and \$925, respectively. See Note 5 for the amount of outstanding gift cards at October 31, 2024, 2023, and 2022.

Income Taxes

The Company, with the consent of its stockholders, has elected under the Internal Revenue Code to be taxed as an S Corporation. The stockholders of an S Corporation are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for federal income taxes has been included in the consolidated financial statements. Certain specific deductions and credits flow through the Company to its stockholders.

Effective September 12, 2024, Great Harvest Franchising, Inc., a Montana corporation, converted to a Delaware limited liability company (LLC). As a limited liability company, the Company's taxable income or loss is allocated to the member. Therefore, no provision for income taxes has been included in the consolidated financial statements.

The Company evaluates its tax positions that have been taken or are expected to be taken on income tax returns to determine if an accrual is necessary for uncertain tax positions. As of October 31, 2024, 2023, and 2022, the unrecognized tax benefit accrual was zero. The Company will recognize future accrued interest and penalties related to unrecognized tax benefits in income tax expense if incurred.

Revenue Recognition

Franchise fees consist of initial fees due upon awarding franchises to franchisees. Franchise fees are recognized on a straight-line basis as the Company satisfies the performance obligation over the franchise term, which is no more than 10 years.

Franchise royalties consist of monthly fees based upon a percentage of franchisees' monthly gross sales. Royalties range from 1% to 7% of gross sales. Franchise royalties are paid monthly by the franchisees and are recognized by the Company during the period in which the related sales occur at the franchised bread stores.

During the year ended October 31, 2018, the Company began offering development rights riders for specified locations and territories. The fee for development rights is due upon signing of the development rider and is non-refundable. The Company recognizes the development rights fee on a straight-line basis as the Company satisfies the performance obligation over the development rights rider agreement term, which is not more than 5 years.

There are select states that prohibit the Company from collecting the development right fee and franchise initial fee until the bread stores opens. In such cases, the Company recognizes the revenue as identified above and records a receivable for the amount to be later collected as mandated by the state.

The Company recognizes Company owned and operated product sales upon delivery to the customer.

For the years ended October 31, 2024, 2023, and 2022, revenue recognized for services transferred at a point in time was \$5,289,870, \$5,662,604, and \$5,342,014, respectively. For the years ended October 31, 2024, 2023, and 2022, revenue recognized for services transferred over time totaled \$311,456, \$438,049, and \$559,074, respectively.

In addition, effective November 1, 2020, the Company adopted the amendments of Accounting Standards Update (ASU) 2021-02, *Franchisors – Revenue from Contracts with Customers Practical Expedient*. The practical expedient permits franchisors that are not public business entities to account for pre-opening services provided to the franchisee as distinct from the franchise license if services are consistent with a predefined list within the ASU. Additionally, amendments in ASU 2021-02 provides an accounting policy election to recognize the pre-opening services as a single performance obligation. As a result of the adoption of this practical expedient, the Company will continue to recognize the pre-opening services fees at the time of the franchise location opening rather than over the term of the franchise agreement.

Advertising

Advertising costs are expensed as incurred. Such costs approximated \$18,000, \$76,000, and \$36,000, respectively, for the years ended October 31, 2024, 2023, and 2022.

Sales Taxes

Various states impose a sales tax on the Company's sales to non-exempt customers. The Company collects the sales tax from customers and remits the entire amount to each respective state. The Company's accounting policy is to exclude the tax collected and remitted to the states from revenue and cost of sales.

Employee Retention Credit

The Coronavirus Aid, Relief, and Economic Security Act provided an employee retention credit (the credit) which is a refundable tax credit against certain employment taxes of up to \$5,000 per employee for eligible employers. The credit is equal to 50% of qualified wages paid to employees, capped at \$10,000 of qualified wages through December 31, 2020. During the year ended October 31, 2024 and 2023, the Company recorded no benefit related to the credit.

The Consolidated Appropriations Act of 2021 and the American Rescue Plan Act of 2021 expanded the availability of the credit, extended the credit through September 30, 2021, and increased the credit to 70% of qualified wages, capped at \$7,000 per quarter. As a result of the changes to the credit, the maximum credit per employee increased from \$10,000 in 2020 to \$21,000 in 2021. During the year ended October 31, 2022, the Company recorded a \$87,110 benefit related to the credit which is presented in the consolidated statement of operations as other income.

The Company has elected to account for the credits received as a loss recovery by applying FASB ASC 410, *Asset Retirement and Environmental Obligations*. Under this method, the Company recorded income related to the credits when it determined receipt of them was probable.

Estimates

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Adoption of Accounting Standards

As of November 1, 2023, the Company adopted Accounting Standards Update (ASU) No. 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (ASU 2016-13), which replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. The CECL model is applicable to the measurement of credit losses on financial assets measured at amortized cost, including trade and loan receivables. CECL requires entities to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. This standard provides financial statement users with more decision-useful information about the expected losses on financial instruments.

The Company adopted ASU 2016-13 using the modified retrospective review method for all financial assets measured at amortized cost. Results for reporting periods beginning after November 1, 2023, are presented under Topic 326 while prior period amounts continue to be reported in accordance with previously applicable GAAP. The Company did not recognize any cumulative effect to members' deficit as a result of the adoption of the new credit loss guidance upon adoption of the standard. See Note 1 for further disclosure of the Company's receivables.

Effective November 1, 2022, the Company adopted the new lease accounting guidance in Accounting Standards Update No. 2016-02, *Leases* (Topic 842). The Company elected to apply the guidance as of November 1, 2022, the beginning of the adoption period. The comparative financial information and disclosures presented are in accordance with the legacy standard, ASC 840. The standard requires the recognition of right-of-use assets and lease liabilities for lease contracts with terms greater than 12 months. Operating lease costs are recognized in the Consolidated Statements of Operations as a single lease cost and finance lease costs are recognized in two components, interest expense and amortization expense. The Company has elected the package of practical expedients permitted in ASC Topic 842. Accordingly, the Company accounted for its existing leases as either finance or operating lease under the new guidance, without reassessing (a) whether the contract contains a lease under ASC Topic 842, (b) whether classification of the operating lease would be different in accordance with ASC Topic 842, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in ASC Topic 842 at lease commencement. The Company has no financing leases.

As a result of the adoption of the new lease accounting guidance, the Company recognized on November 1, 2022, the beginning of the adoption period, a cumulative effect adjustment to the Company's Consolidated Statement of Operations of \$22,900, an operating lease liability of \$214,312, and an operating right-of-use asset of \$191,412. The adoption of the new standard did not materially impact the Company's Statements of Operations, Statements of Stockholders' Deficit, or Statements of Cash Flows. See Note 11 for further disclosure of the Company's lease contracts.

Note 2 - Receivables and Deferred Revenue

The beginning and ending balances for accounts receivable and deferred revenues are as follows for the years ended October 31, 2024, 2023, and 2022:

	October 31, 2024	October 31, 2023	October 31, 2022	November 1, 2021
Royalties receivable	\$ 465,236	\$ 384,562	\$ 396,410	\$ 440,036
Trade receivables	31,485	69,941	96,591	124,130
Deferred revenues	778,313	794,145	993,694	1,109,893

Note 3 - Note Receivable

In June 2024, the Company issued a note receivable to a new franchisee for the sale of the company owned bakery assets and assumed liabilities. The note has an original length of five years, and the interest on the note is a fixed annual rate of 8.5%. The note is carried at its estimated recoverable amount. The notes receivable is presented net of an allowance for credit losses of \$-0- for the year ended October 31, 2024.

Contractual maturities of the note receivable at October 31, 2024, is as follows:

Year Ending October 31,	Amount
2025	\$ 14,199
2026	14,315
2027	15,581
2028	16,958
2029	8,426
	<u>\$ 69,479</u>

Note 4 - Goodwill and Other Intangible Assets

Goodwill as of October 31, 2024, 2023, and 2022, consists of the following:

	Cost	Accumulated Amortization	Accumulated Impairment	Net
October 31, 2024	<u>\$ 129,294</u>	<u>\$ (23,704)</u>	<u>\$ (105,590)</u>	<u>\$ -</u>
October 31, 2023	<u>\$ 129,294</u>	<u>\$ (23,704)</u>	<u>\$ (105,590)</u>	<u>\$ -</u>
October 31, 2022	<u>\$ 129,294</u>	<u>\$ (10,774)</u>	<u>\$ -</u>	<u>\$ 118,520</u>

Amortization expense for each of the years ended October 31, 2024, 2023, and 2022, totaled \$-0-, \$12,930, and \$10,774, respectively.

Intangible assets as of October 31, 2024, 2023, and 2022, consist of the following:

	2024	2023	2022
Organization costs	\$ 5,875	\$ 5,875	\$ 5,875
Less accumulated amortization	<u>(1,273)</u>	<u>(1,126)</u>	<u>(539)</u>
Other intangible assets, net	<u>\$ 4,602</u>	<u>\$ 4,749</u>	<u>\$ 5,336</u>

Amortization expense for the years ended October 31, 2024, 2023, and 2022, totaled \$147, \$587, and \$539, respectively.

Note 5 - Accrued Liabilities

Other accrued liabilities at October 31, 2024, 2023, and 2022, consist of the following:

	2024	2023	2022
Unredeemed gift cards, net of breakage	\$ 326,223	\$ 317,480	\$ 297,868
Marketing rebates due to franchisees	118,819	111,799	109,287
Other	61,478	65,990	63,759
	<u> </u>	<u> </u>	<u> </u>
Other accrued liabilities	<u>\$ 506,520</u>	<u>\$ 495,269</u>	<u>\$ 470,914</u>

Note 6 - Line of Credit and Long-Term Debt

The Company had a \$50,000 line of credit, expiring in June 2025, with a variable interest rate at 1.5% above the bank index rate and was unsecured with personal guarantees of two stockholders. The line of credit was closed on September 17, 2024. There were no balances outstanding on the line of credit as of October 31, 2024, 2023, and 2022.

Long-term debt consists of:

	2024	2023	2022
Variable rate note payable to bank, paid in-full	\$ -	\$ 3,036,234	\$ 3,429,731
5.00% note payable to former stockholder, paid in-full	-	768,137	768,137
5.50% note payable to former stockholder, paid in-full	-	350,000	350,000
Variable rate note payable to bank, paid in-full	-	180,382	207,948
3.75% note payable to bank, paid in-full	-	150,000	150,000
	<u> </u>	<u> </u>	<u> </u>
	-	4,484,753	4,905,816
Less current maturities	<u>-</u>	<u>(479,232)</u>	<u>(483,088)</u>
	<u>\$ -</u>	<u>\$ 4,005,521</u>	<u>\$ 4,422,728</u>

Note 7 - Franchising

The Company provides franchisees support for site selection, architectural plans, interior and exterior design and layout, training, marketing and sales techniques, and opening assistance. Franchisees bear all direct costs involved in the development, construction, and operation of their bread stores. The current standard franchise agreement provides for payment to the Company of a total franchise fee of \$3,000 to \$38,000 per bread store, depending on the type of franchise bread store (i.e., first bread store, satellite bread store, legacy franchise, development right, or existing franchise transfer).

The current standard franchise agreement, signed November 1, 2017 or later, provides for payment to the Company a total franchise fee of \$35,000 for the first bread store. The initial fee for a second or subsequent bread store is \$15,000 each. A military discount of 15% is offered for honorably discharged veterans of the United States Armed Forces who control at least 50% of the bread store. Fees are due at the time the franchise agreement is signed. In addition to the franchise agreement, the franchisee may sign a Development Rights Rider, under which, the franchisee commits to develop two or more Great Harvest bread stores in an identified area. The development fee due upon signing the first Franchise Agreement and Development Rights Rider equals the full initial franchise fee for the first bread store, plus the development right fee (\$5,000 – \$10,000) of each additional bread store agreed to construct, develop, and operate under the development schedule.

For franchise agreements signed prior to November 1, 2017, the first franchise bread store, the prospective franchisee must deposit \$24,000 with the Company to enter into the franchise agreement. When the franchise is approved and ready to open for business, the franchisee must remit the final \$14,000 payment within one week prior to opening for business. The standard fee paid to the Company for the transfer of a franchise bread store ownership for an existing bread store is \$19,000 (\$25,000 for franchise agreements signed after January 1, 2015) but can vary based on circumstances. The Company's standard fee to open an additional bread store when they are the owner of an existing franchise bread store is \$8,000. This fee is non-refundable after a two-year "search" period. Initial franchise fees income is identified separately in the consolidated statements of operations.

Information about the number of franchised bread stores is as follows:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Franchise activity for the Year Ended October 31			
Franchises opened	3	6	5
Franchises discontinued	4	13	12
Transferred to (from) Company operated	(1)	-	1
Franchises in operation as of October 31	163	163	170

Note 8 - Employee Benefit Plans

Defined Contribution Plan

The Company sponsors a 401(k) plan (the "Plan") for substantially all employees. Participants in the Plan may elect to contribute up to 100% of their compensation to the Plan, subject to certain limitations. The Company, at its discretion, may match 100% of each employee's elective deferrals to the Plan, up to 3% (2% prior to December 31, 2021) of such employee's eligible compensation. Total Company contributions during 2024, 2023, and 2022, were \$64,187, \$56,971 and \$54,512, respectively.

Employee Stock Ownership Plan

The Company adopted and implemented an Employee Stock Ownership Plan (ESOP), effective October 31, 2015. Employees of the Company are eligible to participate in the ESOP as of the first day of each plan quarter coincident with or following the date of attaining age 21 and completion of one (1) year of service. The employer contributions to the ESOP are determined and at the sole discretion of the Company. Employer contributions to the ESOP are allocated among participants on the basis of their annual eligible compensation as defined by the Internal Revenue Code. Participants are fully (100%) vested immediately in the employer contributions. ESOP contribution expense for each of the years ended October 31, 2024, 2023, and 2022, totaled \$-0-. The ESOP owns -0- shares, 240.83 shares, and 250.18 shares of the Company issued shares for each of the year ended October 31, 2024, 2023, and 2022, respectively.

In the event an ESOP participant's employment is terminated, the ESOP is required to purchase the shares from the participant at current fair value. On November 9, 2022, the Company retired 9.22 shares with a total value of \$6,533. On November 1, 2023, the Company retired 8.12 shares with a total value of \$6,140. On September 17, 2024, the Company retired 232.83 shares with a total value of \$495,337. The fair value is based the most recent share valuation of the ESOP shares, of \$2,127 per share, which was completed as of September 16, 2024. There are no allocated shares, committed to be released shares, or suspense shares held by the ESOP as of October 31, 2024, 2023, and 2022. The fair value of the shares held in the ESOP as of October 31, 2024, was \$-0-.

The Company has a payable to the ESOP of \$498,404 included in accrued compensation and benefits. The payment will be made to the ESOP in February 2025. Once the payment is received the ESOP will be terminated.

Bonus Plan

The Company also sponsors a bonus plan whereby eligible employees can earn additional cash compensation if certain pre-determined operating objectives are met. No bonus awards were given during the years ended October 31, 2024, 2023, and 2022.

Note 9 - Related Party Transactions

In December 2021, the Company obtained a \$350,000 note payable from a shareholder, in which the proceeds were used to acquire GHBC Midlothian, LLC, a previous franchised bakery that the Company operated. During the year ended October 31, 2024, 2023, and 2022, the Company had interest expense of \$21,010, \$19,250, and \$16,191, respectively, related to this note payable. There is no accrued interest included in the consolidated balance sheet as of October 31, 2024, 2023, and 2022. As of October 31, 2024, the note has been paid in-full.

During the year ended October 31, 2017, the Company purchased 932 shares of common stock for treasury from the then current majority stockholder for \$903,919. As of October 31, 2024, 2023 and 2022, the Company has an outstanding note payable with the majority stockholder for \$-0-, \$768,137, and \$768,137, respectively, associated with the common stock redemption that occurred during the year ended October 31, 2017. During the year ended October 31, 2024, 2023, and 2022, the Company had interest expense of \$47,242, \$38,940, and \$38,940, respectively, related to this note payable. There is no accrued interest included in the consolidated balance sheet as of October 31, 2024, 2023, and 2022. As of October 31, 2024, the note has been paid in-full.

The Company has a consulting service agreement with the Company's former shareholder. During the years ended October 31, 2024, 2023, and 2022, the Company paid \$40,000, \$96,000, and \$96,000, respectively, under this arrangement. The consulting agreement terminated on March 31, 2024.

Following the ownership transfer on September 17, 2024, the prior majority shareholder signed a consulting agreement. During the year ended October 31, 2024, the Company paid \$18,000 under this arrangement.

The Company uses a law firm partially owned by a sibling of the Chief Executive Officer of the Company. During the years ended October 31, 2024, 2023, and 2022, the Company paid approximately \$269,000, \$42,000, and \$51,000, respectively for legal services.

Note 10 - Stockholders' Agreement

The stockholders of the Company entered into an agreement which (i) places restrictions on the transfer of the Company's stock; (ii) gives the Company a first right of refusal on third party offers to purchase a selling stockholder's stock; (iii) provides for a determination of a purchase price and payment method for involuntary transfers of stock; and (iv) provides for certain control provisions, among other things.

During the year ended October 31, 2016, the Company signed a redemption agreement for the purchase of treasury shares from its majority stockholder and Chairman of the Board of Directors, which was executed January 4, 2016. Included in this redemption agreement is a clause that the Company is obligated to pay the former stockholder 5% of the excess of the net sales proceeds from any future sale of Company shares in excess of a \$16,000,000 valuation or a pro-rata share thereof in the event of a partial sale of stock. This obligation extends to any sale of shares owned by stockholders of the Company even if the stockholders, rather than the Company, receive all the proceeds from the sale. The Company will recognize the expense associated with this excess of net sales proceeds transaction if and when incurred. With the transfer of all Company shares effective September 17, 2024, the sale of Company shares was not in excess of \$16,000,000 and this stockholders' agreement was terminated.

Note 11 - Leases

The Company leased a building under a long-term, non-cancelable operating lease agreement. The Company included in the determination of the right-of-use asset and lease liability any renewal options when the option was reasonably certain to be exercised. The lease provided for increases in future minimum annual rental payments, which are outlined in the lease agreement. Also, the agreement required the Company to pay real estate taxes, insurance, and repairs. Upon the sale of the company owned bakery, the Company transferred the lease to the new franchisee and became a guarantor of the lease only.

The weighted-average discount rate is based on the discount rate implicit in the lease. The Company has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. The Company has applied the risk-free rate option.

The Company has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis.

The Company elected the practical expedient to not separate lease and non-lease components for the building lease.

Total right-of-use assets and lease liabilities at October 31, 2024 and 2023, were as follows:

Lease Assets	Classification	2024	2023
Operating right-of-use assets	Buildings	\$ -	\$ 152,457
Lease Liabilities	Classification		
Current:			
Operating lease liabilities	Current operating lease liabilities	\$ -	\$ 44,438
Noncurrent:			
Operating lease liabilities	Noncurrent Operating lease liabilities	-	128,124
Total lease liabilities		\$ -	\$ 172,562

Total lease costs for the year ended October 31, 2024 and 2023, were as follows:

	2024	2023
Operating lease cost	\$ 35,229	\$ 64,651
Variable lease cost	-	-
Short-term lease cost	-	40,194

Total lease expense under noncancelable leases was \$164,615, for the year ended October 31, 2022.

The following table summarizes the supplemental cash flow information for the years ended October 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Cash Paid for Amounts Included in the Measurement of Lease Liabilities		
Operating cash flows from operating leases	\$ 39,273	\$ 41,751

The following summarizes the weighted-average remaining lease term and weighted-average discount rate at October 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Weighted-average remaining lease term		
Operating leases	0 yrs	3.62 yrs
Weighted-average discount rate		
Operating leases	0.0%	2.16%

There are no future minimum lease payments under noncancelable operating leases at October 31, 2024.

The annual future minimum payments, presented under ASC 840, Leases, for noncancelable operating leases with terms greater than one year as of October 31, 2022, are listed below:

<u>Year Ending October 31,</u>	<u>Operating</u>
2023	\$ 107,345
2024	54,164
2025	55,630
2026	57,139
2027	38,777
	<u>\$ 313,055</u>

Note 12 - Fair Value of Assets and Liabilities

There are three general valuation techniques that may be used to measure fair value, as described below:

1. Market approach – Uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Prices may be indicated by pricing guides, sale transactions, market trades, or other sources;
2. Cost approach – Based on the amount that currently would be required to replace the service capacity of an asset (replacement cost); and
3. Income approach – Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about the future amounts (includes present value techniques and option-pricing models). Net present value is an income approach where a stream of expected cash flows is discounted at an appropriate market interest rate.

Liabilities itemized below were measured at fair value using the income approach. The income approach was used for Level 3 liabilities.

Liabilities measured at fair value as of October 31, 2024, are as follows:

	Total	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Contingent consideration liability	\$ 4,236,842	\$ -	\$ -	\$ 4,236,842
	<u>\$ 4,236,842</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,236,842</u>

Quantitative Information about Significant Unobservable Inputs Used in Level 3 Fair Value Measurements

The following table represents the Company's Level 3 financial instruments, the valuation techniques used to measure the fair value of those financial instruments as of October 31, 2024, respectively, and the significant unobservable inputs:

2024			
Instrument	Fair Value	Principal Valuation Technique	Unobservable Inputs
Contingent consideration liability	\$ 4,236,842	Income Approach	Future royalty revenue

Note 13 - Commitments and Contingencies

Leases

Occasionally, the Company is a guarantor of franchisee's lease agreements.

During November 2019, the Company provided financial assistance to a franchisee by paying one-third of the security deposit needed for the franchisee's lease agreement. The Company has recorded this security deposit payment as an "Other Asset" on the balance sheet. The Company will receive this security deposit back, without interest, after the termination of the lease, provided that the franchisee has complied with the payment and other terms of the lease agreement. In the event the franchisee is in default of the lease agreement, the landlord may apply the security deposit to the amount owed. During the year ended October 31, 2022, the franchise location closed, and the full balance of the security deposit was applied to rents owed.

During September 2024, the Company became the guarantor for the building lease of a franchisee. The term of the guarantee is through June 14, 2027. At any time through that date, should the franchisee be in default on a lease payment, the Company will be obligated to perform under the guarantee by primarily making the required payments, including late fees and penalties.

Franchisee Gift Cards

The Company's franchisees sell gift cards through a non-pooled, closed-loop gift card program. Outstanding gift card balances for gift cards sold by franchisees are liabilities of each selling franchisee. Proceeds from gift cards sold by franchisees remain with the selling franchisee and, as gift cards are redeemed, funds flow directly from the selling franchisee to the redeeming franchisee. Franchisees are required to maintain adequate balances in their bank accounts to cover any gift card redemptions of cards they sell that are redeemed at other franchisees' locations. In the event there are insufficient funds in selling franchisees' bank accounts to cover redemptions at other franchisee locations, the Company funds such shortfalls.

At October 31, 2024, 2023, and 2022, outstanding gift card balances of gift cards issued by the Company's franchisees totaled \$4,157,447, \$3,956,935, and \$3,758,237, respectively. Included in these amounts are \$603,987, \$606,706, and \$609,787 at October 31, 2024, 2023, and 2022, respectively, in outstanding gift cards issued by former franchisees of the Company that are no longer in business. At November 1, 2021, outstanding gift card balance issued by the Company's franchisees totaled \$3,642,712. Included in this amount is \$510,931, at November 1, 2021, respectively, in outstanding gift cards issued by former franchisees of the Company that are no longer in business. During each of the years ended October 31, 2024, 2023, and 2022, the amount of gift card redemptions for gift cards issued by franchisees, but funded by the Company, was insignificant. The Company has not accrued any of its franchisees' outstanding gift card liabilities as of October 31, 2024, 2023, and 2022.

Other

Effective September 17, 2024, all outstanding common stock of the Company was transferred to Great Harvest Holdings, LLC (GHHL) and all treasury shares were cancelled. GHHL is a newly formed entity that holds 100% ownership in Great Harvest Franchising, LLC. Within the Membership Interest Purchase Agreement are contingent payments that will be paid by the Company. The contingent payments are earned when royalty revenue is in excess of identified thresholds for each fiscal year ended October 31, 2025, 2026, and 2027.

The Company recorded an estimated contingent liability of \$4,236,842 as of the date of transfer in ownership (September 17, 2024) using expected values. The Company determined this to be the most appropriate methodology given the structure of the contingent payment thresholds. The fair value of the contingent consideration will be remeasured at each reporting period with the adjustment being recorded to earnings. There was no adjustment to the original assessed value as of October 31, 2024.

The Company's employee retention credit filings remain open for potential examination by the Internal Revenue Service through the statute of limitations, which has varying expiration dates extending through 2027. Any disallowed claims resulting from such examinations could be subject to repayment to the federal government.

The Company is from time to time subject to routine litigation incidental to its franchising business. These lawsuits primarily involve claims arising from disputes over the terms of the franchise agreements signed by the Company and its franchisees and former franchisees. Management of the Company does not believe the final outcome of these matters will cause a material adverse effect on the Company's financial position, results of operations or liquidity.

Note 14 - Business Combination

On December 29, 2021, the Company acquired substantially all of the assets and assumed certain liabilities of a franchise bakery located in Midlothian, Virginia for a purchase price of \$303,112, net of \$66,888 acquired cash. The Company obtained a loan from a shareholder for this purchase. Goodwill represents the future economic benefits expected to arise from other intangible assets acquired that do not qualify for separate recognition, including assembled workforce, non-contractual relationships and expected future synergies.

The following table summarizes the fair value of the assets acquired and liabilities assumed during the year ended October 31, 2022, at the acquisition date.

	Amount
Cash	\$ 66,888
Inventories	9,781
Furniture and equipment	170,706
Goodwill	<u>129,294</u>
Total identifiable assets acquired	376,669
Accrued liabilities	<u>(6,669)</u>
Net assets acquired	<u><u>\$ 370,000</u></u>

The fair value recorded in the purchase price allocation are level 3 inputs, which have been determined by management based on various market and income analysis. The goodwill recognized as part of the acquisition is amortized and deductible for tax purposes.

Note 15 - Subsequent Events

The Company has evaluated subsequent events through January 31, 2025, the date which the consolidated financial statements were available to be issued.

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GREAT HARVEST TRACKING GUIDE Version 6.0

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EXHIBIT F**FRANCHISED OUTLETS**

As of October 31, 2024

Franchisee	Address	City/State	Phone
Kaleb & Sarah Kaetterhenry	933 Bob Wallace Ave. Suite #215	Huntsville, AL 35801	(256) 945-7697
Jenia & David Jarrett	Metro Mall, 570 E. Benson	Anchorage, AK 99503	(907) 274-3331
Eric & Tricia Cray	1990 Airport Way	Fairbanks, AK 99701	(907) 374-3900
Leslie Walston	1730 E. Warner Rd Suite #1	Tempe, AZ 85284	(480) 777-1141
Julie Kampfen & Jamie Hughes	1223 Mangrove Ave.	Chico, CA 95926	(530) 899-7273
Julie Kampfen & Jamie Hughes	1141 Forest Ave. Suite #60	Chico, CA 95928	(530) 345-7155
Julie Kampfen & Jamie Hughes	2760 Esplanade, Suite #160	Chico, CA 95973	(530) 566-9605
Daniel Khalili and Mitra Adeshi	31795 Rancho California	Temecula, CA 92591	(951) 676-0550
Aimee Charlton and King & Michaela Nelson	7745 Wadsworth Blvd.	Arvada, CO 80003	(303) 420-0500
Stephen Turk	2525 Arapahoe, Suite A4	Boulder, CO 80302	(303) 442-3062
Julie Damschroder	Scotch Pines Village 2601 S. Lemay, Suite #1	Ft. Collins, CO 80525	(970) 223-8311
Benjamin & Elizabeth Markley	The Grand Mesa Center 2464 U.S. Hwy 6 & 50, #130	Grand Junction, CO 81505	(970) 241-0788
Steve & Sarah Kellogg	5910 S. Univ. Blvd. #A- 12	Greenwood Village, CO 80121	(303) 347-8767
David & Rachel Hogue	11068 West Jewell Ave. Unit #C-7	Lakewood, CO 80232	(303) 716-0905
Jean & Dale Roberts	425 Talcottville Road	Vernon, CT 06066	(860) 647-8837
Erald Qama	11526 Lake Mead Ave. #101	Jacksonville, FL 32256	(904) 551-2263

Guy Patterson, Evan DeLaney, & Erald Qama	101 Lake Ave #4	Orlando, FL 32801	(321) 352-7509
Sunil & Deepali Patel	4915 Windward Pkwy, Suite 120	Alpharetta, GA 30004	(678) 209-2229
Sunil & Deepali Patel	10305 Medlock Bridge Suite A-4	Johns Creek, GA 30097	(770) 622-0222
David & Nancy Goebel	150 Athens Hwy, Ste. 700	Loganville, GA 30052	(678) 580-0734
Debra Dowdle	3894 Due West Rd.	Marietta, GA 30064	(770) 421-9998
Patrick Brady	4400 Kalaniana'ole, #7	Honolulu, HI 96821	(808) 735-8810
Patrick Brady	131 Hekili Street, Suite 101	Kailua, HI 96734	(808) 312-3615
Ryan & Kala Marquez	5608 Fairview Ave.	Boise, ID 83706	(208) 377-5587
Tyler & Mandy Fortunati	12570 W. Fairview Ave.	Boise, ID 83706	(208) 322-2378
Tyler & Mandy Fortunati	4363 West Gray Fox	Eagle, ID 83616	(208) 844-4411
Tiffani & John VanOrman	360 A Street	Idaho Falls, ID 83402	(208) 522-7444
Josh & Abbey Despain	727 Blue Lake Blvd	Twin Falls, ID 83301	(208) 329-6253
Ben Smith and Teresa Reed	1704 Eastland Dr.	Bloomington, IL 61704	(309) 662-8500
Catherine Weber	2126 Central St.	Evanston, IL 60201	(847) 866-8609
Craig Janssen	664 West Jackson	Morton, IL 61550	(309) 263-0300
Larry & Peggy Boik	192 W. Gartner	Naperville, IL 60540	(630) 369-5115
Craig Janssen	9010 N. Allen Rd., Prairie Pointe Center Suite G	Peoria, IL 61615	(309) 589-0900
Craig Janssen	124 S.W. Adams Street	Peoria, IL 61602	(309) 308-2221
Barbara Kaiser & Andy Kaiser	1668 N Alpine Rd.	Rockford, IL 61107	(815) 395-6460
Kodiak & Elise Smith and Kathryn Smith	10420 Broadway	Crown Point, IN 46307	(219) 310-1375

Braden Henson & Joseph Henson	423 Metro Avenue	Evansville, IN 47715	(812) 476-4999
Mark McSweeney	5060 E 62 nd Street #124	Indianapolis, IN 46220	(317) 251-2222
Jerry & Janet Lecy	1500 Kossuth Street	Lafayette, IN 47905	(765) 742-7323
Anthony Floyd	227 West University Drive	Mishawaka, IN 46545	(574) 204-2909
Kim & Janet Sharp	502 Burnett Ave.	Ames, IA 50010	(515) 598-2624
Dion & Laurel Williams	5070 Lindale Road NE	Cedar Rapids IA 52402	(319) 826-6257
Sarah Burtch & Martha Peterson	807 Vermont	Lawrence, KS 66044	(785) 749-2227
Laura Ruffin and Jessica Stefek	535 N. Woodlawn	Wichita, KS 67206	(316) 685-6455
Joseph Alan Hancock	3211 Frederica St.	Owensboro, KY 42301	(270) 691-0093
Joseph Alan Hancock	4431 Springhill Road	Owensboro, KY 42303	(270) 240-5554
Brian Melancon	854A Kaliste Saloom Rd.	Lafayette, LA 70508	(337) 236-8966
Michael & Shelly Miguez	4112 Lake Street, Suite 100	Lake Charles, LA 70605	(337) 477-3033
Frank Dembia	208 Ridgely Ave.	Annapolis, MD 21401	(410) 268-4662
Omar Sait	8835 Centre Park Drive, Suite #104	Columbia, MD 21045	(443) 542-5912
Rahel Tesfagaber and Tsegaye Eyob	Federal Plaza, Suite N 12268 Rockville Pike	Rockville, MD 20852	(301) 770-8544
Nicole Caron	233 Massachusetts Ave.	Lexington, MA 02420	(781) 861-9990
Jim & Cheryl Celluci	316 Walnut St.	Newtonville, MA 02460	(617) 928-1162
Ryan & Camie Messick	2220 S. Main St.	Ann Arbor, MI 48103	(734) 996-8890
Kyungmi Jung	1137 S. Adams	Birmingham, MI 48009	(248) 594-0505
Amy McCauley & Mac Hawes	416 W. Main	Brighton, MI 48116	(810) 225-1400
Jim Payne	3376 E. West Maple Road	Commerce Township, MI 48390	(248) 926-9848

Bob & Scott Sassack	252 Perry Rd., Suite C	Grand Blanc, MI 48439	(810) 953-1197
David & Kristen Wisen	120 Washington Street	Grand Haven, MI 49417	(616) 847-6700
Alka Josh	6137 W. Saginaw	Lansing, MI 48917	(517) 327-1088
David & Julie Cole	139 E. Main St.	Northville, MI 48167	(248) 344-4404
Ken & Sue Ulrich	1919 W. Grand River	Okemos, MI 48864	(517) 347-0022
Austin & Miranda Schafer	48923 Hayes	Shelby Township, MI 48315	(586) 566-9500
Mike Kadow	1100 E. Cty. Rd. 42, Suite 102	Burnsville, MN 55337	(952) 891-4767
Ian Kidd & Lee Davidson	3 South 13th Ave. E.	Duluth, MN 55802	(218) 728-9510
Daramoon Seng	13714 Grove Drive	Maple Grove, MN 55311	(763) 416-1911
Steve & Gail Arnold	4314 Upton Avenue S.	Minneapolis, MN 55410	(612) 929-2899
Vantha Khon	17416 Minnetonka Blvd.	Minnetonka, MN 55345	(952) 476-2515
Richard Hedstrom	706 N. Broadway	Rochester, MN 55906	(507) 286-1101
Richard Hedstrom	2483 Commerce Drive	Rochester, MN 55901	(507) 258-5300
Mai Ker Hang	534 Selby Ave.	St. Paul, MN 55102	(651) 221-1057
Bob & Natasha Fleischman	2510 Curve Blvd.	Stillwater, MN 55082	(651) 351-0311
DeNae & Mike Hiltner	135 W Division St.	Waite Park, MN 56387	(320) 259-4622
Paul Barkoske & Edwards McCarthy	125 W. Argonne Drive	Kirkwood, MO 63122	(314) 821-1848
Steve & Alecia Jawor	7360 Manchester Road	Maplewood, MO 63143	(314) 991-0049
Bryan & Susie Layton	907 Poly Drive	Billings, MT 59102	(406) 248-8889
Heather & Lorenzo Snyder	3133 Central Ave., Suite #5	Billings, MT 59102	(406) 702-1505
Ashley Zahm	1803 Harrison Ave.	Butte, MT 59701	(406) 723-4988

Ryan & Laura Connell	515 First Ave. N.	Great Falls, MT 59403	(406) 452-6941
Leah Martin	1133 Helena Ave.	Helena, MT 59601	(406) 443-5623
Charlie Scheel	1407 S. Higgins	Missoula, MT 59801	(406) 728-4549
Owen Drew & Elizabeth Butler	Rockbrook Village 10916 Elm St.	Omaha, NE 68144	(402) 390-9988
Owen Drew & Elizabeth Butler	4910 Underwood Ave.	Omaha, NE 68132	(402) 551-8800
Jason & Kim Jacobs	2520 W. Horizon Ridge Suite #160	Henderson, NV 89052	(702) 459-3663
Jason & Kim Jacobs	611 Marks Street, Pad D	Henderson, NV 89014	(702) 454-1262
Jim Guthrie & Liz Pierce	Suite #4, El Dorado Square 11200 Montgomery NE	Albuquerque, NM 87111	(505) 293-8277
Jin Kim	1220 NW Maynard Rd.	Cary, NC 27513	(919) 460-8158
Nouri Motameni	King's Court Shopping Ctr. 901 S. Kings Drive	Charlotte, NC 28204	(704) 333-0431
Nouri Motameni	The Shops at Piper Glen 6420 Rea Road, Suite B6	Charlotte, NC 28277	(704) 543-5550
Nouri Motameni	1824 East Arbors Drive #390	Charlotte, NC 28262	(704) 971-7280
Nouri Motameni	19901 South Main Street	Cornelius, NC 28031	(980) 689-5444
Bryan & Michele Jones	1721 East Ash Street	Goldsboro, NC 27408	(919) 288-2401
Nouri Motameni	110 Matthews Station Street Suite 1D	Matthews, NC 28105	(980) 262-3090
Eric & Janette Campbell	8801-119 Lead Mine Rd	Raleigh, NC 27615	(919) 845-8122
Cassie Wiste	1523 University Drive S.	Fargo, ND 58103	(701) 293-9382
Fred, Tony & Kris Lariccia	9440 Mentor Ave.	Mentor, OH 44060	(440) 205-8199
Carl & Nancy May	4058 Fishcreek	Stow, OH 44224	(330) 688-8894
Stephen & Laura Brown	4723 Reed Rd	Upper Arlington, OH 43220	(614) 457-9800
Jim & Debbie Horstman	445 S. State St.	Westerville, OH 43081	(614) 899-6100
Jeremy & Kristi Testerman	835 N.W. Bond St.	Bend, OR 97701	(541) 389-2888

Michael Muth & Emily Krieg	8926 SE Sunnyside Rd	Clackamas, OR 97015	(503) 659-5392
Gordo & Jess Wood	2564 Willamette St.	Eugene, OR 97405	(541) 345-5398
Emily Krieg & Michael Muth	2105 NW 185 th	Hillsboro, OR 97124	(503) 466-1112
Lisa & Dan Allen	203 Genessee St.	Medford, OR 97504	(541) 245-3310
Jamey & Tony Taylor	810 S W 2 nd	Portland, OR 97204	(503) 224-1532
Ian & Lonna Hagen	3405 Commercial Dr. SE	Salem, OR 97302	(503) 363-3215
Keith Brown & Angela Zamora	1467-B Woodruff Rd.	Greenville, SC 29607	(864) 286-6944
Christopher Dodson	8636 Dorchester Road	North Charleston, SC 29420	(843) 867-4440
Paul & Christy Beauvais	3900 Hillsboro Pike, Suite #32	Nashville, TN 37215	(615) 298-1032
Jon & Bonnie McCabe	9409 Sage Meadow Trail, Suite 101	Fort Worth, TX 76177	(817) 488-9313
Robert & Diana Roark, Heidi Roark, and Curtis Roark	212 S. Friendswood Drive	Friendswood, TX	(832) 513-5544
Robert & Diane Roark and Heidi Roark	1623 South Fry Road	Katy, TX 77450	(281) 578-3097
Robert & Diane Roark and Heidi Roark	24111 Stockdick School Road	Katy, TX 77493	(713) 898-3558
Jon & Bonnie McCabe	1241 E. State Hwy 114, Suite 160	Southlake, TX 76092	(817) 488-9313
Laura Jones & Elizabeth Jones	6621 South Broadway Ave. Suite #100	Tyler, TX 75703	(903) 630-3094
Brett & Claudia Bradford	1115 Forth Worth Highway Suite #100	Weatherford, TX 76086	(682) 410-3829
Dustin & Jamie Shaw	456 East State Road #100	American Fork, UT 84003	(385) 498-3401
Jeff Turpin	43 East 500 South	Bountiful, UT 84010	(801) 296-2524

Eric & Allison Maxwell	126 North Main #C3	Cedar City, UT 84720	(435) 865-6848
Sean & Melanie Elm	2201 N 2000 W	Clinton, UT 84015	(801) 773-5459
Jason & Natalie Pennock	217 E. 12300 S. Suite J 5	Draper, UT 84020	(801) 572-3373
Joe & Lisa Rich	96 North Main	Layton, UT 84041	(801) 614-0304
Lisa & James Clawson	37 W. Center	Logan, UT 84321	(435) 787-4442
Chris Zenger	2633 North East Market Place Plaze	North Ogden, UT 84414	(801) 689-3288
Melanie & Sean Elm	1231 E. 4800 S.	Ogden, UT 84403	(801) 476-4605
Chris Zenger	272 25th. St.	Ogden, UT 84401	(801) 394-6800
Joe & Lisa Rich	6541 Landmark Drive	Park City, UT 84098	(435) 655-7244
Joshua & Vivkie Christensen	1774 N University Pkwy. #48	Provo, UT 84604	(801) 373-9816
Stephen Washburn & Peggy McVea	4655 South 2300 East	Salt Lake City, UT 84117	(801) 277-3277
Stephen Washburn, Peggy McVea, Jacob & Hannah Fisher	2145 East 2100 South #1113	Salt Lake City, UT 84108	(801) 456-2121
Jason & Natalie Pennock	3591 West 11400 South	South Jordan, UT 84095	(801) 367-0221
Arrowhead Investment Properites, LLC; Matt Hamlin; Kolby Traveller; and Michelle Ence	140 N. 400 W.	St. George, UT 84770	(435) 674-2952
Arrowhead Investment Properites, LLC; Matt Hamlin; Kolby Traveller; and Michelle Ence	922 East Brigham Road	St. George, UT 84790	(435) 674-1952
JoEllen Kunz and Alex Artigues	5592 S. Redwood Rd.	Taylorsville, UT 84123	(801) 966-9699
Chistopher Brown & Joanne Casale	382 Pine Street	Burlington, VT 05401	(802) 660-2733

Brad & Megan Hurst	1711 Centre Plaza	Alexandria, VA 22302	(703) 671-8678
Jeanette Moler	6030-G Burke Commons Rd.	Burke, VA 22015	(703) 249-0044
Jeanette Moler	9000-S Lorton Station Blvd.	Lorton, VA 22079	(703) 372-2339
Michael & Aileen Magnotto	1701 Allied Lane	Charlottesville, VA 22903	(434) 202-7813
Kevin Taylor & Mari Taylor Edmonds	785 Station St.	Herndon, VA 20170	(703) 471-4031
Kevin Taylor & Mari Taylor Edmonds	132 Church St. NW	Vienna, VA 22180	(703) 938-0921
Jeff Laine and Trace Carson	13541 Midlothain Turnpike	Midlothain, VA 23113	(804) 893-4393
Pablo Teodoro Estate	108 Main Street	Warrenton, VA 20186	(540) 878-5200
Wei Lin & Yuan Cheng	Loehmann's Plaza 3610 C Factoria Blvd. SE	Bellevue, WA 98006	(425) 643-8420
Scott & Renea Molyneaux	305 E. Magnolia	Bellingham, WA 98225	(360) 671-0873
Mike & Karri Stoker	8378 W. Grandridge Blvd.	Kennewick, WA 99336	(509) 737-7437
Mike & Karri Stoker	6705 Chapel Hill Blvd.	Pasco, WA 99301	(509) 491-1310
Mike & Karri Stoker	3335 Innovation Blvd.	Richland, WA 99354	(509) 371-6080
Joel Williamson	East 2530 29th	Spokane, WA 99223	(509) 533-6645
David & Marilyn Kelsing	3000 Jerry Dove Drive Suite 100	Bridgeport, WV 26330	(304) 848-8040
David & Marilyn Kelsing	60 Planation Way	Elkins, WV 26241	(681) 298-4083
James & Ruth Metz	128 Front Street	Beaver Dam, WI 53916	(920) 219-9160
Jon Rasmussen	603 Genesee Street	Delafield, WI 53018	(262) 337-9023
Brent Felchlin	802 George St.	De Pere, WI 54115	(920) 336-9111
Jill & Leland Fletcher	4324 Southtowne Place	Eau Claire, WI 54701	(715) 552-8000
Lance Van Der Ploeg	13404 Watertown Plank Rd.	Elm Grove, WI 53122	(262) 821-0118

Kevin & Melissa Lisowe	116 W. Wisconsin Ave.	Neenah, WI 54956	(920) 727-0135
Clayton Rosenberg	329 Broadway	Wisconsin Dells, WI 53965	(608) 678-2264
Michel Skaf, Tony Skaf & Karine Amour	428 S. Durbin St., Suite #101	Casper, WY 82601	(307) 337-4286
**Robert Jones	Chalan Kanoa, Beach Road	Saipan, MP 96950	(670) 234-2733

**denotes an international location

FRANCHISEES WITH SIGNED AGREEMENTS
OUTLETS NOT YET OPEN

As of October 31, 2024

Franchisee	City/State	Contact Information
Link & Kelly Larson	Wasilla, AK	klarson@greatharvest.com
Dustin & Karla White	Bentonville, AR	dwhite@greatharvest.com
Ronald Stickney	Redding, CA	rstickney@greatharvest.com
Rishy Studer	Pensacola, FL	rstuder@greatharvest.com
Sunil & Depali Patel	Dunwoody, GA	sdpatel@greatharvest.com
Tyler & Mandy Fortunati	Nampa, ID	mfortunati@greatharvest.com
Jason & Kim Jacobs	Las Vegas, NV	jkjacobs@greatharvest.com
Kevin Taylor & Mari Taylor Edmonds	Ashburn, VA	mtaylor@greatharvest.com
Paul & Greta Zielski	Germantown, WI	pzielski@greatharvest.com
Rishy Studer	Janesville, WI	rstuder@greatharvest.com

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:

Franchisee	City/State	Contact Information
Kirk & Pamela Taylor	Scottsdale AZ	480-845-4131
Gus & Fawna Burgoyne ¹	Redding CA	530-526-3767
Zane & Heather Colby ¹	Boise ID	208-908-2318
Dave & Liz Schaps ¹	Evanston IL	847-274-7456
Dion & Laurel Williams ²	Cedar Rapids IA	319-270-8154
Greg Garrard ¹	Owensboro KY	270-929-5843
Kirk Broussard	Baton Rouge LA	337-912-5080

Dennis & Marian Cihacek	Omaha NE	402-319-4122
Greg & Kim Green ³	Greenville NC	252-414-2412
Amy Kelley	Chapel Hill NC	919-538-4154
Ian & Lonna Hagen ²	Salem OR	775-354-7291
Timothy & Colleen Neal ¹	League City TX	281-216-3110
Jeffrey & Sarah John ¹	St. George UT	586-596-7754

¹ 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 _____, 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 Franchise Agreement dated _____ between Franchisee and Franchisor and any related agreements and the relationship created thereby, or the Franchised Business operated under the Franchise Agreement, or any claims or representations made relative to the sale of the franchise to operate such Franchised Business or under any federal or state franchise or unfair or deceptive trade practice laws, which any of the Franchisee Releasors now own or hold or have at any time heretofore owned or held against the Franchisor Releasees (collectively, the "Franchisee Released Claims").

FRANCHISEE AND PRINCIPAL(S) ON BEHALF OF THEMSELVES AND THE FRANCHISEE RELEASORS WAIVE ANY RIGHTS AND BENEFITS CONFERRED BY ANY APPLICABLE PROVISION OF LAW EXISTING UNDER ANY FEDERAL, STATE OR POLITICAL SUBDIVISION THEREOF WHICH WOULD INVALIDATE ALL OR ANY PORTION OF THE RELEASE CONTAINED HEREIN BECAUSE SUCH RELEASE MAY EXTEND TO CLAIMS WHICH THE FRANCHISEE RELEASORS DO NOT KNOW OR SUSPECT TO EXIST IN THEIR FAVOR AT THE TIME OF EXECUTION OF THIS AGREEMENT. The Franchisee Releasors also covenant not to bring any suit, action, or proceeding, or make any demand or claim of any type, against any Franchisor Releasees with respect to any Franchisee Released Claim, and Franchisee and Principal(s) shall defend, indemnify and hold harmless each of Franchisor Releasees against same.

Release given this day of _____ by:

FRANCHISEE (Entity):

FRANCHISEE (Principal):

By: _____

(Print Name)

(Print Name, Title)

FRANCHISEE (Principal):

(Print Name)

EXHIBIT H
STATE ADDENDA

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF CALIFORNIA

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, 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. 79a et seq., suspending or expelling such persons from membership in such association or exchange.
6. 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.
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.
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 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 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.

The parties hereto have duly executed this California Addendum 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)

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 the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

(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 a franchisee to waive compliance with any provision of the Act, or any other Illinois law is void. The foregoing requirement, however, shall not prevent a 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.

(d) Payment of Initial Franchise/Development Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor’s financial condition.

(e) 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 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 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 franchises.
- (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 acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other

person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

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. 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 A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE NEW YORK STATE DEPARTMENT OF LAW, INVESTOR PROTECTION BUREAU, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005. THE FRANCHISOR MAY, IF IT 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. The following is added at the end of Item 3:

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

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

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

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities

association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

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

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. The following is added to the end of Item 5:

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

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

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

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

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

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

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

**NEW YORK RIDER TO
FRANCHISE AGREEMENT**

THIS RIDER TO THE FRANCHISE AGREEMENT FOR NEW YORK ("Rider") is entered into by and between Great Harvest Franchising, LLC, a Delaware limited liability company, with its principal office at _____

_____ ("we,"
"us" or "our") and _____
_____ ("you" or "your"), whose principal business address is _____
_____.

WHEREAS, we and you have entered into a certain Franchise Agreement dated _____, which grants you the right to operate a Great Harvest franchise (the "Franchise Agreement");

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:

1. Sections 5.2.5 and 16.3.6 of the Franchise Agreement are amended by adding the following language to each Section:

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.

2. Section 16.1.1 of the Franchise Agreement is amended by adding the following language to this Section:

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

By: _____

(Print Name, Title)

FRANCHISEE:

By: _____
_____, _____
(Print Name, Title)

PRINCIPAL:

(Print Name)

PRINCIPAL:

(Print Name)

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
AND FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF NORTH DAKOTA

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.
8. In the State of North Dakota, we will defer the payment of the initial franchise fee, development fee and any other initial payment until all of our material pre-opening obligations have been satisfied and until you open your business, and it is operating. The North Dakota Securities Department imposed this deferral requirement due to Franchisor's financial condition.

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The parties hereto have duly executed this North Dakota 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)

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF RHODE ISLAND

In recognition of the requirements of the Rhode Island Franchise Investment Act, the Franchise Disclosure Document (“we,” “us,” or “our”) for use in the State of Rhode Island 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 for claims arising under the Rhode Island Franchise Investment Act.

2. Item 17 shall be supplemented by the addition of the following language at the end of Item 17:

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

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

In recognition of the requirements of the Rhode Island Franchise Investment Act, the parties to the attached Franchise Agreement (the "Franchise Agreement") agree as follows:

1. 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 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 Rhode Island 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)

VIRGINIA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

The following statements are added to Item 17.h.

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

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a Franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

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

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
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 in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

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

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

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

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

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

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 or elsewhere that conflict with these limitations are void and unenforceable in Washington.

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

The 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

I-1

FRANCHISEE ACKNOWLEDGEMENT STATEMENT

Acknowledgement of the truthfulness of the statements below are an inducement for the Franchisor to enter into a Franchise Agreement. Notify 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.

Franchisee hereby acknowledges the following:

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: _____

Date: _____

Name: _____

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: _____

DEVELOPER:

Name: _____
Date: _____

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the 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	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	Pending
Wisconsin	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 Franchise Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Franchise Disclosure Document and all exhibits carefully.

If Great Harvest Franchising, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires you to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Great Harvest Franchising, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC, 20580, and to your state authority listed on Exhibit A.

The name and principal business address and telephone number of each franchise seller offering the franchise is:

John Dikos 28 South Montana Street Dillon, MT 59725 800-442-0424	Ben Green 28 South Montana Street Dillon, MT 59725 800-442-0424	Jeanette Lemieux 28 South Montana Street Dillon, MT 59725 800-442-0424	Greg Bastek 28 South Montana Street Dillon, MT 59725 800-442-0424
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Issuance Date: February 25, 2025

I received a Disclosure Document dated February 25, 2025, that included the following Exhibits:

EXHIBIT A: List of State Franchise Administrators and Agents for Service of Process
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
EXHIBIT H: State Addenda
EXHIBIT I: Acknowledgment Statement
EXHIBIT J: Receipt

Date Received: _____
(If other than date signed)

Date: _____

(Signature of recipient)

Print Name: _____

Print Address: _____

KEEP FOR YOUR RECORDS

RECEIPT

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Date Received: _____
(If other than date signed)

Date: _____

(Signature of recipient)

Print Name: _____

Print Address: _____

Please return signed receipt to:
Jeanette Lemieux, Great Harvest Franchising, LLC
28 South Montana Street
Dillon, Montana, 59725