

FRANCHISE DISCLOSURE DOCUMENT

HEY YOGURT FRANCHISING LLC
A New Jersey Limited Liability Company
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Hey Yogurt

The franchisee will open and operate a quick-service retail beverage and specialty dessert outlet (an "Outlet") specializing in the sale of yogurt-based beverages, smoothies, specialty drinks, and related programs, food and dessert products.

The total investment necessary to begin operation of a Hey Yogurt franchise is from \$206,750 to \$562,300, including \$42,000 to \$54,500 that must be paid to the franchisor or its affiliate. The total investment necessary to begin operation of a Hey Yogurt area development business (for two to five Outlets, although 5 is not a maximum) is from \$291,750 to \$982,300, including \$122,000 to \$454,500 that must be paid to the franchisor or its affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Grace Hwang at 10 Malcolm Ave. Teterboro, NJ 07608, telephone 201-908-0999, or Hello@hey yogurtus.com.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, 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: April 23, 2026

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.
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 Hey Yogurt 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 Hey Yogurt franchisee?	Item 20 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 D.

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement and area development agreement each require you to resolve disputes with the franchisor by litigation only in the state and county in which the franchisor's principal place of business is then located, which is currently Bergen County, New Jersey. Out-of-state litigation may force you to accept a less favorable settlement for disputes. It may also cost more to litigate with the franchisor in the state and county in which the franchisor's principal place of business is then located than in your own state.
2. The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

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

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Exhibits

A Franchise Agreement and Related Materials

State Addenda to Franchise Agreement

Exhibits to Franchise Agreement:

Exhibit A	-	Initial Franchise Fee; Site Location; Protected Territory
Exhibit B	-	Proprietary Marks
Exhibit C	-	Required Provisions for Lease Rider
Exhibit D	-	Software License Agreement
Exhibit E-1	-	Confidentiality/Non-Competition Agreement
Exhibit E-2	-	Confidentiality Agreement (Non-Managerial Personnel)
Exhibit F	-	Guarantee
Exhibit G	-	General Release - Termination
Exhibit H	-	General Release – Successor Term

	Exhibit I	-	General Release – Assignment
	Exhibit J	-	Information Regarding Franchisee
B	Area Development Agreement and Related Materials		
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	Exhibits to Area Development Agreement:		
	Exhibit A	-	Franchise Territories
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	Exhibit C	-	First Unit Franchise Agreement You and We Will Sign
	Exhibit D-1	-	Confidentiality / Non-Compete Agreement
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ITEM 1 THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this disclosure document, “we” or “us” means Hey Yogurt Franchising LLC, the franchisor. “You” means the individual, corporation or partnership who buys the franchise. If the franchisee will operate through a corporation, limited liability company, partnership or other business entity, “you” also includes the franchisee’s owners or partners. Our agents for service of process in the states whose franchise laws require us to name a state agency as agent for service are shown on Exhibit E.

We franchise businesses that are quick-service retail beverage and specialty dessert outlets (each, an “Outlet”) specializing in the sale of yogurt-based beverages, smoothies, specialty drinks, and related food and dessert products (the “Hey Yogurt Businesses” or the “Businesses”). We have not conducted business in any other line of business. We do not operate businesses of the type being franchised under this Disclosure Document, but we have affiliates that do operate three businesses of the type being franchised under this Disclosure Document. Those affiliates are HeyYogurt Hoboken LLC, a New Jersey limited liability company with a principal business address at 90 Hudson Street, Hoboken, NJ 07030, J&N Food LLC, a New Jersey limited liability company with a principal business address at 515 Main Street, Fort Lee, NJ 07024, and J&N Yogurt LLC, a New Jersey limited liability company with a principal business address at 700 Sylvan Avenue, Englewood Cliffs, NJ 07832.

We are a New Jersey limited liability company organized in March, 2026. We conduct business under the names “Hey Yogurt” and “Hey Yogurt Franchising.” Our principal business address is 10 Malcolm Avenue # 4, Teterboro, NJ 07608 and our telephone number is (858) 877-8888.

Our parent company is Daeji Holdings LLC and is a New Jersey limited liability company organized in March, 2026. The principal business address of Daeji Holdings LLC is 10 Malcolm Avenue # 4, Teterboro, NJ 07608.

Our predecessor and affiliate, HEYYOGURT US LLC, is a New Jersey limited liability company formed in April, 2024. The principal business address of HEYYOGURT US LLC is 10 Malcolm Avenue # 4, Teterboro, NJ 07608. HEYYOGURT US LLC has entered into joint venture and related agreements with approximately 16 unaffiliated third parties regarding individual Hey Yogurt outlets in the United States since 2024, under which the owner of the unaffiliated third party manages the operations of the outlet on a day-to-day basis through the joint venture entity.

HEYYOGURT US LLC has also licensed us rights to use the Hey Yogurt System, trademarks, service marks and other intellectual property and to sublicense them to our franchisees in a license agreement dated as of March 17, 2026. None of our other affiliates offers products or services to our franchisees.

Other than as stated above, neither we nor our parent, predecessor, or affiliates have previously offered and sold franchises for Hey Yogurt Businesses or any other businesses, nor engaged in any other businesses.

You will establish and operate a quick-service retail beverage and specialty dessert outlet (each, an “Outlet”) specializing in the sale of yogurt-based beverages, smoothies, specialty drinks, and related food and dessert products. If you are an area developer, you will establish and operate an agreed upon number of Outlets (at least two Outlets, and there is no maximum we can agree upon) in an agreed upon geographic Development Area, according to an agreed upon Development Schedule, and upon establishing each additional outlet under your Area Development Agreement you will be required to sign a unit Franchise Agreement, which may differ from the current Franchise Agreement included with this Disclosure Document.

The franchised business operates within the specialty beverage and dessert retail market, which is a well-developed and competitive segment of the quick-service food industry. Consumer demand for

yogurt-based beverages, smoothies, and specialty drinks continues to be supported by evolving preferences for convenient, customizable, and better-for-you refreshment options. The primary customer base includes a broad demographic group, including teenagers, young adults, families, students, and working professionals. Locations situated in shopping centers, high-traffic retail areas, and mixed-use developments may attract diverse customer segments throughout the day. While beverage sales may experience seasonal fluctuations, particularly in warmer months, the business may mitigate seasonality through product diversification, promotional offerings, and varied retail formats.

Franchisees will compete within the quick-service beverage and specialty dessert retail market. Competition may include national and regional franchise chains offering smoothies, frozen yogurt, bubble tea, coffee, and other specialty beverages, as well as independent local businesses and cafés. The market is competitive and may vary by geographic location, population density, consumer preferences, and retail environment. Franchisees may also compete with grocery stores, convenience stores, and other food service providers offering ready-to-consume beverages and desserts.

The franchised business operates within the food and beverage service industry and is subject to various federal, state, and local laws and regulations applicable specifically to food preparation, handling, and retail sale of consumable products. These regulations may include public health department requirements, food safety standards, sanitation and inspection requirements, food labeling and nutritional disclosure regulations, and compliance with applicable regulations of the U.S. Food and Drug Administration (FDA) and corresponding state and local health authorities. Franchisees are also required to obtain and maintain all licenses and permits necessary to operate a retail food establishment in their respective jurisdictions. We do not represent that you will have the ability to procure any required license, permit, certificate or other governmental authorization that may be necessary or required for you to carry out the activities contemplated by the Franchise Agreement.

In addition, the laws, rules and regulations which apply to businesses in general will affect you. Consult your lawyer about them.

ITEM 2 BUSINESS EXPERIENCE

President: Yongnan Lin

Yongnan Lin has served as our President since our formation in March 2026. In addition, since October 2025 he has served as Managing Member of JN Yogurt LLC (which operates a Hey Yogurt outlet) in Englewood Cliffs, New Jersey, and since 2017 he has been an investor in Wok Bar in Fort Lee, New Jersey.

CEO: Junhao Li

Junhao Li has served as our CEO since our formation in March 2026. In addition, since February 2021 he has been an owner of Wok Bar in Fort Lee, New Jersey, and since March 2023 he has served as Managing Member of JN Food LLC (which operates a Hey Yogurt outlet) in Fort Lee, New Jersey. In addition, he has been an owner of HeyYogurt US LLC in Teterboro, New Jersey since its formation in April 2024.

ITEM 3 LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4 BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5 INITIAL FEES

All franchisees pay an Initial Franchise Fee of \$40,000 to \$50,000, which we will determine in each case based on the location of the franchise. In the fiscal year before the issuance date of this disclosure document, franchisees paid our predecessor and affiliate, HEYYOGURT US LLC, initial fees (in the form of trademark license fees) of \$40,000.

You must pay the Initial Franchise Fee in full on the date that we (the Franchisor) countersigns the Franchise Agreement.

The Franchisor will offer a \$5,000 discount off of the amount the Franchisor would otherwise charge, for the second franchised unit operated by the same franchisee within the same state.

The Franchisor will offer a \$10,000 discount off of the amount the Franchisor would otherwise charge, for the third and each additional franchised unit operated by the same franchisee within the same state.

We will not refund any of the Initial Franchise Fee except under the following circumstances: If you or your Outlet's Manager fails to successfully complete our Initial Training Program, the person who failed can re-enroll in our next scheduled Initial Training Program at no additional charge. We can terminate the Franchise Agreement if the person fails to successfully complete the Initial Training Program again. If we terminate the Franchise Agreement, then we will refund 50% of the Initial Franchise Fee, minus our expenses, and you must sign a General Release in the form of Exhibit G to the Franchise Agreement.

Under your Franchise Agreement, you must pay us a Grand Opening Support Fee in the amount of \$2,000 to \$4,500, once you have a planned opening date set for your Outlet. We will determine and notify you of the amount of this fee in each case. The amount will depend on how many days of opening support and supplemental on-site staff training our operations manager will provide to you in connection with your Outlet's opening (between 2 to 4 days, which we determine in our business judgment).

If you choose to have us provide you with pre-opening marketing services for your Outlet, you must pay is an initial marketing fee before you open your Outlet, in the amount of \$1,500, at least 4 weeks before opening, in which case we or our affiliate(s) will provide you with the following pre-opening marketing services: (i) Grand opening event planning; (ii) Flyer design; (iii) Social media advertising; (iv) Local targeted advertising; (v) Poster design; and, (vi) "Coming soon" / Grand opening banner design files.

If you choose to have more than two individuals attend our Initial Training Program at our corporate-owned outlet in New Jersey, you must pay us \$500 for each additional person attending.

If you enter into an Area Development Agreement with us, you must pay us an Area Development Fee in full on the date that we (the Franchisor) countersigns the Area Development Agreement. The Area Development Fee will be determined by us on a case-by-case basis depending on the development area and number of Outlets to be developed.

You pay us or our affiliates no other fees or payments for services or goods before your Outlet opens or before your area development business commences operations.

ITEM 6 OTHER FEES

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
Continuing Royalty	5% of Gross Revenues	Payable monthly on the 3rd day of the next month	"Gross Revenues" includes all revenues from the franchised Business. Fully defined in Franchise Agreement, Section 5.04. Royalty percentage will not change during term of Franchise Agreement.
System Brand Fund Contribution	Currently 1% of Gross Revenues. We may modify it, up to 2% of Gross Revenues.	Payable monthly on the 3rd day of the next month	Contribution percentage may change during term of Franchise Agreement, upon our notice to you in writing, but will never exceed 2% of Gross Revenues per month.
Proprietary Products	See Note 1.	When you place orders for products from approved supplier(s).	Proprietary products currently include yogurt base powder, syrups, jam(s), branded cups, lids, straws, and other supplies, such as packaging materials and goods with our logo. See Item 8
Merchandise Cost	As invoiced by us or 3 rd party vendor	Upon receiving invoice	We may provide certain merchandising materials to you such as menu panels, point of purchase advertising materials, System memorabilia and other brand-relevant merchandise. We or our third-party vendor will invoice you for reasonable costs for such materials, plus the cost of shipping and insurance. Upon reasonable request, we will furnish you with documentation of those costs.
Software Costs, Software Support Services	Currently we do not offer proprietary software. If we or our designee develop proprietary software, we may charge a reasonable fee. See Note 2.	See Note 2.	See Note 2.
Alternative Supplier / Product Inspection or Testing Costs	\$500 - \$2,000. You must pay for our costs of inspecting and/or testing an alternative supplier or product you propose.	When we request	We may test the product or service of any supplier you propose. The fee for inspection or testing pays for our expenses. The estimated costs will depend on the nature and complexity of the inspection or testing necessary for the product or service you propose. See Item 8.

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
Initial Training	All living and transportation expenses of all trainees. The amounts are unknown and may vary depending upon factors such as the third-party suppliers selected and your distance from training. Additional (beyond 2 individuals) and subsequent trainee charge: \$500 per person. See remarks.	Fee for additional or subsequent trainees due before beginning of training; expenses as incurred	We include the Initial Training Program for you and your Outlet's Operating Manager in the Initial Franchise Fee. All Outlet Operating Managers you appoint later must also pass the Initial Training Program.
On-Going Training	Currently: Expenses only. Franchisees are responsible for their own travel, lodging, meals, and related expenses incurred in attending any training programs. Franchisor reserves the right to charge a reasonable fee for future required training programs, but no more than \$3,000 per person in fees per year.	As incurred.	We may from time to time develop additional training programs which you (if an individual) and your Operations Manager must attend and successfully complete, and we may hold an annual conference, convention or a required training session. You and your Operations Manager must attend. You pay us no training charge, but you must pay all living and transportation expenses of your trainees.
Insurance Reimbursement	If we pay for your insurance: Estimated annual premium is \$3,000 - \$7,000. Plus, our out of pocket costs if you fail to maintain the required insurance and we choose to pay for it on your behalf (which we are not required to do).	As insurance carrier requires	Insurance company sets the premiums and you pay the insurance company, except that if you fail to pay premiums for required insurance, we may (but are not required to) pay your premiums and then charge you for them. Premiums may vary depending upon factors such as the insurance company selected and your claims experience.
Relocation	25% of our then-current initial franchise fee	When we request	If you wish to relocate your Outlet, you must reimburse us for any reasonable costs we incur in considering your request. See Item 12.

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
Taxes	As assessed on goods and services we provide to you.	Promptly when due	You must pay us all taxes we pay except for our corporate income taxes due to goods or services we furnish to you, the Initial Franchise Fee or Continuing Royalties.
Advances	Actual amounts we advance to third parties for you (if any)	When we request	You must pay us all amounts we advance to third parties for you.
Late Charge	The lesser of 1.5% per month or the maximum rate permitted by law. In addition, you must reimburse us for any bank charges, returned payment fees, or insufficient funds fees incurred as a result of any returned or rejected payment.	When we request	You must pay late charge on any past due amounts to us. We will not increase charge beyond formula in column 2 during term of Franchise Agreement.
Audit Expenses	The amount of the audit expenses is unknown and may vary depending upon factors such as the auditor selected.	Promptly when due	See Note 3. If you understated Gross Revenues on your monthly statements to us by 2% or higher for any month or the entire period, then you pay the cost of the audit and the additional amounts owing, plus interest at the highest legal rate or, if there is no maximum legal rate, then 4% above prime rate.
Successor Term Fee	50% of our then-current initial franchise fee.	Before we sign successor franchise agreement.	See Item 17.
Transfer Fee (Franchise Agreement)	50% of our then-current initial franchise fee.	Before we approve the transfer.	See Item 17.
Transfer Fee (Area Development Agreement)	\$10,000	Before we approve the transfer.	See Item 17.

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
Transfer related costs	Varies	When incurred	See Section 14.04 of Franchise Agreement. May include reimbursing franchisor's costs of investigation of assignee's suitability to take over the franchised business. May include obtaining consent from landlord or sublessor of your Location, if required.
Securities offering review fee	Our actual costs and expenses in reviewing your proposed securities offering	Pay advance deposit as determined by the Franchisor prior to the start of any review and reimburse the Franchisor for any additional costs incurred	See Section 14.08 of Franchise Agreement. Such review fee shall be paid to us as an advance deposit based on our estimate of review costs. If review costs we actually incur are ultimately more than the advance deposit that you pay us, then upon notice from us you shall pay the different incurred beyond your advance deposit.
Management Expenses on Death or Disability	If we choose to manage a deceased or disabled franchisee's Outlet, we will deduct from the Outlet's Gross Revenues our costs.	See Remarks	From your death or disability or the death or disability of your last surviving owner (if you are a business entity), until a new Operations Manager assumes control, we may operate the Business, but will have no obligation to do so. If we do, then we will deduct our expenses from the Business's Gross Revenues, in addition to Continuing Royalties and any other fees due to us. We will remit any remaining funds to your Estate. Estate must pay us any deficiency in sums due us under Franchise Agreement within 10 days of our notifying Estate of deficiency. See Item 17.
Indemnification of Us	The actual losses and expenses incurred by us.	As incurred.	You indemnify us from certain losses and expenses – see Section 8.10 of the Franchise Agreement.

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
Attorneys' and Experts' Fees, Court Costs	Actual fees, costs and expenses we incur.		See Note 4. If we incur attorneys' fees, costs, and expenses as a result of your failure to perform obligations, you must reimburse us whether or not legal proceedings are initiated. The amount of these fees and costs are unknown and may vary depending upon factors such as the attorneys and experts selected and the court costs.

Notes

Unless otherwise stated, all fees on the table above are nonrefundable and the fee or its formula is uniformly imposed.

[1] You must buy proprietary products from us, our affiliate or designee. Our designees will sell you proprietary products, equipment or services under terms we develop and advise you of periodically. We may earn a profit on the sale of proprietary products to you.

[2] You agree to use proprietary software and software support services that either we develop and provide or which are provided by a third-party supplier we designate, and you will execute any standard form software license agreement reasonably necessary to do so. You pay for any future updates or revisions. You must buy new or upgraded programs and materials from us if we adopt them system-wide, at the prices we set. We do not know the cost of any future updates or revisions at this time, as no such proprietary software exists yet. You will pay for new or updated programs and materials if and when you order them.

[3] If we audit your Business, and you understated the Gross Revenues on the monthly statements you submitted to us, or in the entries in your POS system, by 2% percent or more for any month or for the entire period, when compared with your actual Gross Revenues, then you must immediately pay us the cost of the audit and the additional amounts owing, plus interest at the highest legal rate or, if there is no maximum legal rate, then 4% percent above the prime rate. Otherwise we must pay the cost of the audit.

If you understated your Gross Revenues by 8% or more for any month or for the entire period, we can terminate the Franchise Agreement and you must pay the amount due, plus interest and the cost of the audit. If you understated your Gross Revenues by less than 2% percent for any month or for the entire period, you must immediately pay us the amount due, plus interest, but we will pay the cost of the audit.

The percentages described in this footnote are fixed and will not change during the term of the Franchise Agreement.

[4] You or we can recover from the other party reasonable attorneys' fees, experts' fees, court costs and all other expenses of litigation in any action instituted against the other party to secure or protect your or our rights under the Franchise Agreement, to enforce the terms of the Franchise Agreement, or in any action begun or joined in by the other party against the prevailing party.

If we become a party to any proceeding brought against us by a third party relating to the Franchise Agreement, your franchised Business or your Hey Yogurt Outlet as a result of any act or omission of yours or the franchised Business, or if we become a party to any litigation

or insolvency proceeding involving you under any bankruptcy or insolvency code, then you must pay us our reasonable attorneys' fees, experts' fees, court costs, travel and lodging costs and all other expenses we incur.

If we terminate the Franchise Agreement for your default, or if you terminate the Agreement through non-payment (see Item 17, section d.), you must pay us all our expenses from your default or termination, including reasonable attorneys' and experts' fees.

ITEM 7 ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT*

DEVELOPMENT OF ONE HEY YOGURT OUTLET

(1) Type of expenditure	(2) Amount	(3) Method of payment	(4) When due	(5) To whom payment is to be made
Initial Franchise Fee	\$40,000 - \$50,000 See Item 5 and Note 1	Lump Sum	At signing of Franchise Agreement	Us
Training expenses	\$500 - \$2,000 See Note 2	As airlines, hotels, restaurants, etc. require	As airlines, hotels, restaurants, etc. require	Airlines, hotels, restaurants, etc.
Grand Opening Support Fee	\$2,000 - \$4,500 (Depending on number of days of support)	As we require (typically, electronic wire transfer)	Upon request by us, prior to opening	Us
Real property (if leased)	\$3,000 - \$7,000 See Note 3	As landlord requires	As landlord requires	Landlord
Equipment, fixtures, other fixed assets, construction, remodeling, leasehold improvements and decorating costs	\$100,000 - \$300,000 See Note 4	Lump sum or progress payments during construction. See Note 4	As supplier or landlord requires. Typically prior to opening, during construction phase.	Suppliers (contractors, equipment suppliers, architects, and other vendors) or landlord
Inventory to begin operating	\$10,000 - \$30,000 See Note 5	As suppliers require. Typically lump sum purchase prior to opening.	As suppliers require. Typically prior to opening.	Approved suppliers

* Unless otherwise stated, none of the expenses on this chart is refundable.

(1) Type of expenditure	(2) Amount	(3) Method of payment	(4) When due	(5) To whom payment is to be made
Point of sale ("POS") system	\$2,000 - \$4,500 See Note 6	As supplier requires. Typically lump sum for hardware and monthly subscription for software.	As supplier requires. Typically prior to opening for hardware and monthly for software.	Approved POS vendors
Security deposits, utility deposits, business and other permits and licenses, and other prepaid expenses	\$10,500 - \$36,000 See Note 5	As agency or supplier requires. Typically lump sum.	As agency or supplier requires. Typically prior to opening.	Agency or landlord, utility providers, insurance carriers, governmental authorities
Organizational expenses and professional fees (such as attorney and accountant fees)	\$2,500 - \$20,000 See Note 6	As you agree with accountant / attorney. Typically as incurred.	As you agree with accountant/ attorney. Typically prior to opening.	Accountant, Attorney, and governmental authorities
Uniforms	\$500 - \$800 See Note 7	As supplier requires	As supplier requires	Approved suppliers
Signage	\$3,000 - \$10,000 See Note 8	As supplier requires. Typically lump sum.	As supplier requires. Typically prior to opening.	Supplier (signage contractors and approved vendors)
Insurance – 3 months	\$750 - \$2,500 See Note 9	As agent requires. Typically monthly or annual premium payments.	Before opening upon issuance of policy, and typically monthly thereafter	Insurance agents, carriers or brokers
Grand Opening advertising	\$2,000 - \$5,000 See Note 10	As suppliers require. Typically as incurred.	As suppliers require. Typically prior to and at time of opening.	Suppliers (printers, digital marketing platforms, and/or Franchisor if you choose to pay Initial Marketing Fee).

(1) Type of expenditure	(2) Amount	(3) Method of payment	(4) When due	(5) To whom payment is to be made
Additional funds (initial period – 3 months)	\$30,000 - \$90,000 See Note 11	As expenses occur	Payroll weekly, other purchases according to agreed-on terms	Employees, suppliers of goods and services
TOTAL \$206,750 to \$562,300 (Note 12)				

Notes

- [1] See Item 5 for circumstances when the Initial Franchise Fee is partially refundable. None of the other fees shown on this table are refundable unless a supplier has a refund policy of which we are not aware. We do not finance any fee. Except as otherwise provided in the Franchise Agreement, the Initial Franchise Fee and any other fees paid to the Franchisor are non-refundable. Payments made to third parties, such as landlords, contractors, suppliers, and governmental authorities, are subject to the refund policies of such third parties. Security deposits to your landlord may be refundable in accordance with the applicable lease agreement.
- [2] We include the Initial Training Program for two people in the Initial Franchise Fee. The charge for additional (and subsequent) attendees is \$500 per person. You pay all your trainees' living and transportation expenses. Travel expenses depend on where your home base is located, whether you and your trainees can commute by car to our training base, and the number of people receiving the Initial Training Program. Lodging and food expenses depend on number of people being trained. You pay all these expenses. See Item 11.
- [3] If you do not have acceptable space for your Outlet, you will have to lease approximately 700 to 1,600 square feet of space in a suitable commercial building for an Outlet Location. Hey Yogurt Outlet Locations are typically at strip shopping centers, retail plazas, lifestyle centers, urban commercial streets, or high foot traffic suburban areas. The estimated range of real property are based on the typical cost (in our experience) to lease a 700 - 1000 square foot Outlet Location in Fort Lee, NJ and Duluth, GA. Real estate costs may differ in other parts of the city or country. To estimate the rental expense for your Outlet Location, apply the above square footage requirements to the local real estate rental costs in the area in your Territory where there are suitable buildings.
- [4] You may already have an appropriate space and layout for an Outlet, or your cost of construction or leasehold improvement for your Outlet may be minimal for other reasons. The cost of construction or leasehold improvements will vary depending on your construction and renovation costs and how many of those costs the landlord will pay (if any). We will provide you with a sample layout for the interior of a typical Hey Yogurt Outlet of the type that you will be operating and a set of typical preliminary plans and specifications for furniture, fixtures, equipment and/or décor for your type of Outlet. You must employ architects, designers, engineers or others as necessary to complete, adapt, modify or substitute the layout, plans and specifications for the Outlet, including any changes required by the landlord. Typically, you and the contractor you employ will negotiate a payment schedule. Generally, the landlord provides the space with demolition complete, exterior walls drywalled; an acoustical drop ceiling; working HVAC; and plumbing and electrical service to the space, or an equivalent amount of free rent to offset these costs. The contractor will install the leasehold

- improvements. Except for modifications that we require, you may not modify the design, plans, fixtures, equipment, signage or decor of your Outlet at any time without our advance written permission.
- [5] The initial inventory to open your business includes our proprietary products and other food and beverage ingredients, toppings, and operating supplies. This amount is included in the estimate on the chart above.
 - [6] You must purchase the required computer hardware, software, Internet connections and service, required dedicated telephone and power lines and other computer-related accessories, peripherals and equipment (the “point of sale system” or “POS system”). You must obtain high-speed internet communications access for your point of sale system, such as broadband, DSL or other high-speed capacity. You must also maintain a functioning e-mail address for your Business. You may be required to subscribe to an approved POS system’s service plan and pay applicable monthly software subscription or maintenance fees, which may range from approximately \$100 to \$400 per month per terminal. See Item 11.
 - [7] Your landlord and utilities will set charges for security deposits and utility deposits. States and localities will set costs for permits and licenses.
 - [8] Actual cost depends on the work done by your accountant and attorney and their rates.
 - [9] You must provide uniforms for your employees. You may buy uniforms from any source which meets our specifications. The uniform consists of a branded T-shirt (approximately \$20), apron (approximately \$25), and cap (approximately \$15). Each staff member is expected to have at least two sets of uniforms. Based on an estimated 4 employees at opening, the total estimated uniform cost ranges from approximately \$500 to \$800.
 - [10] Depending on location, type and size of sign. Your signs must conform to specifications.
 - [11] One quarter of the estimated annual premiums for required insurance coverage – see Item 6. For a list of the required coverages types and amounts, see Item 8.
 - [12] Before the scheduled opening of the franchised Business, you agree to spend an appropriate amount as you determine in your business judgment, on grand opening advertising, other local advertising and promotion of your Business. You agree to make these pre-opening and grand opening advertising expenditures using the advertising material, media, special events and other public relations activities that we require or approve, in our Brand Standards or otherwise. In addition, if you choose to pay Franchisor the Initial Marketing Fee of \$1,500, Franchisor will conduct various pre-opening marketing services for you (see Item 5).
 - [13] The estimate of additional funds for the initial phase of your Business is based on the Franchisor’s experience operating similar businesses, general industry standards, and anticipated operating expenses, including payroll, utilities, inventory replenishment, and other ordinary business expenses. These estimates also consider variations in geographic location, market conditions, and operational efficiency. The estimate of additional funds does not include an owner’s salary or draw. You must provide security deposits for utilities and rent (and possibly for other items). In compiling these estimates, we rely on our experience in operating and franchising businesses.
 - [14] We and our affiliates do not finance your initial investment.

YOUR ESTIMATED INITIAL INVESTMENT

(DEVELOPMENT OF TWO TO FIVE HEY YOGURT OUTLETS UNDER AN AREA DEVELOPMENT AGREEMENT)

(1) Type of expenditure	(2) Amount	(3) Method of payment	(4) When due	(5) To whom payment is to be made
Area Development Fee	\$80,000 - \$400,000 See Item 5 and Note 1	Lump Sum	At signing of Area Development Agreement	Us
Additional Professional Fees – Legal and Accounting – for Area Development Business	\$5,000 - \$20,000	As third party specified	As Incurred	Attorney/ Accountant
Additional total investment necessary to begin operation of one Outlet (from the first Item 7 table above)	\$166,750 to \$512,300	As specified by the various payees	As incurred	Various parties as applicable (us, suppliers, your advisors, other third parties, etc.)
TOTAL \$291,750 to \$982,300 (Notes 2 and 3)				

- [1] The low end of the Area Development Fee is for the development of 2 Hey Yogurt Outlet Businesses and the high end is for the development of 5 Hey Yogurt Outlet Businesses (but this is not a maximum). The increase in the Area Development Fee may not be linear by number of Outlets because, in our business judgment in each case, there may be a premium for the increased market penetration, coverage and leadership one may enjoy by having the opportunity to develop a higher number of Outlets in a single area or region.
- [2] If you sign an Area Development Agreement with us, then you will pay an Area Development Fee to us in full when you sign the Area Development Agreement. The Area Development Fee is determined by us on a case-by-case basis depending on the Development Area involved and the number of Hey Yogurt Outlets that you commit to develop in the Area Development Agreement (which may be more than 5; there is no maximum amount that we might agree upon with you). Accordingly, we provide this range as a rough estimate generally, but cannot guarantee that it will be within this range in your specific case. The Area Development Fee is fully earned when paid and it is not refundable under any circumstances.
- [3] For each franchised Hey Yogurt Outlet Business you will operate under the Area Development Agreement, you must also make the initial investment described above at the start of Item 7 (Estimated Initial Development – Development of One Hey Yogurt Outlet Business). The amounts in the charts above in this Item 7 may change, depending upon when you begin operation of each of your Hey Yogurt Outlets, since costs of the items on the charts are likely to rise with the passage of time.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

If we develop proprietary products in the future that we supply, we may require you to purchase proprietary products from us. Currently we only require you to purchase proprietary products from approved suppliers and we are not currently a supplier of any products. Our proprietary products you must purchase from approved suppliers include certain proprietary ingredients (such as yogurt base powder), beverage bases, powders, syrups, jam(s), branded cups, lids, straws, packaging materials, branded merchandise, canned beverage ingredients, uniforms, and other system-approved supplies from suppliers approved or designated by the Franchisor, such as packaging materials and goods with our logo. Franchisees may also be required to purchase or subscribe to approved POS systems and related software from approved vendors. Such items must be purchased from the Franchisor's designated or approved suppliers in accordance with the Franchise Agreement and Brand Standards. See Item 6.

Currently there are no other items for which we or our affiliates are approved suppliers or the only approved suppliers.

No officer of ours owns any interest in an approved supplier.

We and/or our affiliates may derive revenue - - in the form of promotional allowances, volume discounts, commissions, other discounts, performance payments, signing bonuses, rebates, marketing and advertising allowances, free products, and other economic benefits and payments - - from suppliers that we designate, approve, or recommend for some or all Hey Yogurt Outlets on account of those suppliers' prospective or actual dealings with your Outlet and other Hey Yogurt Outlets. That revenue may or may not be related to services we or our affiliates perform. All amounts received from suppliers, whether or not based on your or other franchisees' purchases from those suppliers, will be our and our affiliates' exclusive property, which we and our affiliates may retain and use without restriction for any purposes we and our affiliates deem appropriate. Any products or services that we or our affiliates sell you directly may be sold to you at prices exceeding our and their costs.

We currently receive no revenues from sales of proprietary products to franchisees by us or a designee, but we may receive revenues from this source in the future.

Currently we have no proprietary computer software program. If we develop them in the future, we may require you to use our proprietary computer software programs, at a reasonable cost, and to pay a reasonable cost for any future updates or revisions. See Item 6. Since we have no proprietary software, we have received no revenues from sales of software updates or revisions to franchisees, but we may receive revenues from this source in the future.

Currently there are no items which you must buy from suppliers named or approved by us except the proprietary products, POS hardware/software and POS support services described above.

You must purchase signage from suppliers who meet our specifications in our Brand Standards.

You must purchase the required insurance types and minimum amounts as follows: (1) Broad form comprehensive general liability coverage of at least \$2,000,000 aggregate and at least \$1,000,000 per occurrence, such insurance to embrace (without limitation) claims for personal injury, bodily injury, and property damage; (2) Fire and extended coverage insurance on your Outlet and property in an amount adequate to provide replacement cost of all leasehold improvements, equipment, fixtures, and inventory; (3) Business interruption insurance in sufficient amounts to cover your Outlet projected operating expenses (including but not limited to rental expenses, maintenance of competent personnel and other fixed expenses) for a minimum of 6 months; (4) If any vehicle is operated in connection with the Business, automobile liability insurance (including coverage for all owned, non-owned, leased or hired vehicles) with minimum limits of liability in the greater of (a) the greatest amount required by any applicable federal, state or local law, or (b) \$1,000,000 combined single limit; (5) Workers' compensation, employer's liability and any other employee insurance required by any applicable federal, state or local law, rule or regulation (but in no event less than \$500,000 per occurrence); (6) Employment practices liability insurance coverage in the amount of at

least \$250,000; (7) In connection with the construction, refurbishment, renovation, remodeling or upgrading of your franchised Outlet, builders' and/or contractor's insurance (as applicable) and performance and completion bonds in forms and amounts acceptable to us and to your landlord during buildout; and, (8) Insurance coverage of such types, nature and scope sufficient to satisfy your indemnification obligations under this Agreement (including, without limitation, insurance coverage to indemnify us from any claims alleging your violation of federal, state or local labor and/or wage and hour laws, rules or regulations).

You must participate in, and comply with the requirements of, any gift card, gift certificate, customer loyalty or retention program that we (or our affiliates) implement, at your expense, for all or part of our franchise system and shall sign the forms and take the other action that we require in order for you to participate in such programs. Without limitation, you must honor coupons, gift cards, gift certificates, or vouchers sold or distributed by other Outlets and must utilize a vendor approved by us for gift card processing (if we institute a gift card program). You may not offer any coupon without our prior written approval.

We will provide you with specifications governing the minimum standards of certain products, services or equipment you procure from unrelated third parties in our Brand Standards or in other written notices we transmit to you. We may modify our specifications in writing, and may add new specifications in writing. You may purchase these items from any supplier whose product, service or equipment meets our specifications. We issue and modify specifications in writing, through our Brand Standards or other written notices to franchisees.

We maintain quality, safety, and brand standards as criteria for approving suppliers. Our exact criteria for approving suppliers will not be made available to franchisees or your proposed supplier. If we name a supplier for a product or service, you may contract with an alternative supplier if you meet our criteria. To obtain our written approval for the alternative supplier:

- You must submit a written request to us for approval of the supplier.
- The supplier must meet our specifications to our reasonable satisfaction.
- The supplier must demonstrate to our reasonable satisfaction that it is in good standing in the business community for financial soundness and reliability of its product or service.

We may inspect and test, at your expense, the product or service of any supplier you propose, whether or not the supplier is then approved by us. We will give you notice of our approval or disapproval within approximately 30-60 days after receiving complete documentation from you. If we test the product or service, we estimate the cost to you of testing will range from \$500 to \$2000 , depending on the nature and complexity of the testing necessary for the product or service. If we revoke approval of any supplier, we will give you written notice (in our Brand Standards or otherwise). Approval of a supplier may be revoked if the supplier fails to maintain the Franchisor's quality, safety, consistency, or brand standards, or otherwise fails to comply with the Franchisor's specifications.

We currently negotiate no purchase arrangements with suppliers for the benefit of franchisees. There are no purchasing or distribution cooperatives. We provide you with no material benefits (such as granting additional franchises) based on your use of designated or approved sources. We and our affiliates currently receive no payments or rebates from any supplier, nor do we or our affiliates receive any special discount on purchases from any supplier for ourselves or themselves, in connection with purchases from our franchisees, but we reserve the right to do so in the future.

We estimate that the required purchases described above are 40% to 60% of the cost to establish a franchised Hey Yogurt Outlet and approximately 30% to 40% of operating expenses for a franchised Hey Yogurt Outlet.

ITEM 9 FRANCHISEE'S OBLIGATIONS

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

Franchise Agreement:

	Obligation	Section in Agreement	Disclosure Document Item
a.	Site selection and acquisition/lease	Article 6 of Franchise Agreement, Exhibits A and C	Items 7 and 11
b.	Pre-opening purchases/leases	Sections 5.06, 6.02, 7.02, 7.06, 7.07 and 8.08 of Franchise Agreement	Items 6, 7, 8 and 11
c.	Site development and other pre-opening requirements	Article 6 of Franchise Agreement	Items 7 and 11
d.	Initial and ongoing training	Sections 7.02 - 7.04 of Franchise Agreement	Item 11
e.	Opening	Section 8.01 of Franchise Agreement	Item 11
f.	Fees	Article 5, Sections 13.01 and 14.04 of Franchise Agreement	Items 5, 6 and 7
g.	Compliance with standards and policies/Operating Manual	Articles 8 - 10 of Franchise Agreement	Items 7, 8, 11, 15 and 16
h.	Trademarks and proprietary information	Articles 12, 15 and 18 of Franchise Agreement	Items 13 and 14
i.	Restrictions on products/services offered	Sections 3.03 and 8.08 of Franchise Agreement	Items 8 and 16
j.	Warranty and customer service requirements	Not applicable	Item 16
k.	Territorial development and sales quotas	Not applicable in Franchise Agreement	Item 12
l.	Ongoing product/service purchases	Sections 8.03, 8.08 and 9.01 of Franchise Agreement	Items 6 and 8
m.	Maintenance, appearance and remodeling requirements	Sections 6.05, 6.06, 13.01, 14.04 of Franchise Agreement	Item 11
n.	Insurance	Article 9 of Franchise Agreement	Items 6 and 8
o.	Advertising	Article 10 of Franchise Agreement	Item 11

	Obligation	Section in Agreement	Disclosure Document Item
p.	Indemnification	Section 8.10 of Franchise Agreement	Item 6
q.	Owner's participation/management/staffing	Sections 8.07 and 8.18 of Franchise Agreement	Item 15
r.	Records and reports	Article 11, Sections 5.05 and 7.06 of Franchise Agreement	Item 6
s.	Inspections and audits	Sections 8.11, 11.02 of Franchise Agreement	Item 6
t.	Transfer	Article 14 of Franchise Agreement	Item 17
u.	Renewal	Article 13, Section 4.02 of Franchise Agreement	Item 17
v.	Post-termination obligations	Article 18 of Franchise Agreement	Item 17
w.	Non-competition covenants	Article 12 of Franchise Agreement	Item 17
x.	Dispute resolution	Articles 23-26, 28, 30-35 of Franchise Agreement	Item 17
y.	Personal guarantees	Section 31.02 and Exhibit F of Franchise Agreement	Item 15
z.	Comply with coupons, gift certificates and voucher programs	Section 8.27 of Franchise Agreement	Items 8 and 11

Area Development Agreement:

	Obligation	Section in Area Development Agreement	Item in Disclosure Document
a.	Site selection and acquisition/lease	Article 3 and Exhibits A and B	Items 7 and 12
b.	Pre-opening purchases/leases	Not applicable	Items 6, 7, 8 and 11
c.	Site development and other pre-opening requirements	Articles 6, 8, and 9	Items 7, 12
d.	Initial and ongoing training	Section 8.01	Item 11
e.	Opening	Section 6.01	Item 11
f.	Fees	Articles 5 and 9	Items 5, 6 and 7

Obligation	Section in Area Development Agreement	Item in Disclosure Document
g. Compliance with standards and policies/Operating Manuals	Article 9	Items 7, 8, 11, 15 and 16
h. Trademarks and proprietary information	Articles 10, 11 and 13, Exhibits C and D	Items 13 and 14
i. Restrictions on products/services offered	Article 9	Items 8 and 16
j. Warranty and customer service requirements	Not applicable	Not applicable
k. Territorial development and sales quotas	Article 6	Item 12
l. Ongoing product/service purchases	Not applicable	Not applicable
m. Maintenance, appearance and remodeling requirements	Not applicable	Not applicable
n. Insurance	Not applicable	Not applicable
o. Advertising	Not applicable	Not applicable
p. Indemnification	Section 9.03	Item 6
q. Owner's participation/management/staffing	Section 9.06	Item 15
r. Records and reports	Section 9.04	Not applicable
s. Inspections and audits	Not applicable	Not applicable
t. Transfer	Article 12	Item 17
u. Renewal	Not applicable	Item 17
v. Post-termination obligations	Articles 15, 16	Item 17
w. Non-competition covenants	Article 11	Item 17
x. Dispute resolution	Article 18	Item 17
y. Other: Guarantee	Section 18.15, Exhibit E	Item 15

ITEM 10 FINANCING

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

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

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

Pre-Opening Obligations – Area Development Agreement:

If you sign an Area Development Agreement with us, then, under the Area Development Agreement, we will:

- (1) Designate your Development Territory, the number of Businesses you will open, and the development schedule setting the timetable you will follow for opening the Businesses, based on our mutual agreement. (Area Development Agreement, Sections 3.01 and 6.01) You and we will decide on your Development Territory together, considering factors such as the general locations and neighborhoods and proximity to customers in the Development Territory we are considering; traffic patterns in the Development Territory; co-tenant attractiveness in the sites available in the Development Territory; size of the available spaces in the Development Territory; age and condition of the buildings in which the Outlet Locations might be situated in the Development Territory being considered; the availability of locations and necessary zoning in the Development Territory; and, the location of competitors in the Development Territory. In deciding on the number of Hey Yogurt Outlet Businesses and the development schedule for opening them, you and we will consider factors such as the potential total number of Businesses in the Development Territory; how aggressive the opening schedule should be; your experience, if any, in the industry; your experience in franchising; and, the capital commitment you are able and willing to make. If you and we do not agree on the Development Territory or the number of Outlets to be opened and the development schedule, then you and we will not sign an Area Development Agreement. We do not approve or disapprove of the sites for your Outlet Locations under the Area Development Agreement; we do this under, and pursuant to the terms and conditions set forth in, the unit Franchise Agreement and in accordance with our then-current standards imposed in connection with same.
- (2) Under the Unit Franchise Agreements, approve or disapprove the sites you propose for your Outlet Locations within your Development Territory, perform the training, instruction, assistance and other activities and services for which the Franchise Agreements provide. (Area Development Agreement, Section 8.01).

Pre-Opening Obligations - Franchise Agreement:

Before you open your Outlet, we will:

- (1) Designate your Territory. (Franchise Agreement, Section 3.01, Exhibit A)
- (2) Approve or disapprove a site for your Outlet Location. We do this before we execute your Franchise Agreement. We do not generally own sites for leasing to franchisees. You select the site for your Outlet Location in your Territory. We approve or disapprove your proposed site. (Franchise Agreement, Section 6.01) If you do not secure (by lease or ownership) the agreed Outlet Location within three months following the date we sign the Franchise Agreement, then either you or we can terminate the Franchise Agreement, you must sign a General Release in the form of Exhibit G to the Franchise Agreement.

We may require you to submit maps, completed checklists, photographs, copies of proposed leases, diagrams of the premises with measurements and other information and materials which we may reasonably require to evaluate your proposed Outlet Location. We may visit your proposed Outlet Location but the Franchise Agreement does not require us to do so.

We consider the following factors in approving sites: the size of your Territory; the market potential and estimated volume of your Business; the general location and neighborhood and nearness to customers; store visibility; traffic patterns; co-tenant attractiveness; size of the

- space; age and condition of the shopping center or building; the location and convenience of entrances; the availability of parking; the availability of locations and necessary zoning; the location of competitors; expected overhead; lease terms; and, traffic patterns.
- (3) Approve or disapprove the lease or purchase agreement for the Outlet Location within 20 business days after we receive it. If we do not communicate our approval or disapproval to you in that time, and if the Lease is accompanied by a rider containing the required provisions of Exhibit C to the Franchise Agreement, the agreement is approved. (Franchise Agreement, Section 6.02)
 - (4) Review your final plans and specifications for the Outlet promptly and approve or provide comments on the plans and specifications to you. You may not commence construction of the Outlet until we approve the final plans and specifications in writing. We do not assist in conforming the premises to local ordinances and building codes and obtaining any required permits, or constructing, remodeling, or redecorating the premises.
 - (5) We may provide you with the names of designated or approved suppliers and specifications for some items of the design, construction, furniture, fixtures, equipment and decoration of the Outlet. (Franchise Agreement, Section 6.03 and 6.04) We do not deliver or install the required equipment, signs, fixtures, opening inventory, and supplies.
 - (6) We may, but need not, specify the electronic and/or written accounting, MIS and POS systems, procedures, formats and reporting requirements which you will use to account for your Business; maintain your financial records and merchandising data; and, generate reports for both you and us. (Franchise Agreement, Section 7.06)
 - (7) Lend you a copy of the Confidential Operating Brand Standards (the "Brand Standards"). You must strictly comply with the Brand Standards in operating your Business. We can change the Brand Standards, and you must comply with these changes when you receive them, but they will not materially alter your rights and obligations under the Franchise Agreement. (Franchise Agreement, Section 7.01)

The following is the Table of Contents of our operating manuals (they are not currently compile into a single document) as of the date of this disclosure document:

TOPIC	NUMBER OF PAGES
Cup Bingsu Recipe	6
Hey Yogurt Recipe	18
Employee Training & Daily Operations Manual	4
Equipments, Supplies, Order List	4
Grand Opening Timeline & Event Guide	5
Social Media Guidelines	2
Hey Yogurt Brand Operations Manual	18
Official Product Usage and Ordering Guidelines	3
TOTAL PAGES:	60

- (8) Furnish you with any written specifications for required products and services (Franchise Agreement, Section 8.07)

- (9) Approve or disapprove any advertising, direct mail, identification and promotional materials and programs you propose within 10 business days of receipt. If we do not respond within 10 business days, the material is disapproved. You may use locally developed advertising materials only with our prior written approval and in compliance with the Brand Standards. (Franchise Agreement, Section 10.02)
- (10) Furnish requirements for the selection, training and duties of your personnel and Operations Manager(s). (Franchise Agreement, Sections 8.07, 8.18)
- (11) If we determine to do so, exercise rights concerning franchisee pricing of products and services to the fullest extent permitted by then-applicable law. These rights may include, for example prescribing the maximum and/or minimum retail prices which you may charge customers; recommending the prices you charge customers; advertising specific retail prices for some or all products or services sold by your franchised Outlet, which prices you will be compelled to observe; engaging in marketing, promotional and related campaigns which you must participate in and which may directly or indirectly impact your retail prices; and, otherwise mandating, directly or indirectly, the maximum and/or minimum retail prices which your franchised Outlet may charge the public. We may do so only in certain geographic areas (cities, states, regions) and not others, or with regard to certain groups of franchisees and not others. Any maximum, minimum or other prices we prescribe or suggest may or may not optimize the revenues or profitability of your franchised Outlet. (Franchise Agreement, Section 7.07)
- (12) In consideration of your payment of the Grand Opening Support Fee to us, we will provide such on-site pre-opening and opening assistance as we reasonably deem appropriate, in the range of 2 – 4 days of visits by our operations manager, as well as 2-4 days of opening support and supplemental staff training during that time; provided, that you will reimburse us for any expenses incurred by our representatives, such as costs of travel, lodging, meals and wages. (Franchise Agreement, Section 7.03)
- (13) If you choose to pay us the Initial Marketing Fee described in Section 5.03(b) of the Franchise Agreement at last 4 weeks before opening, then we shall provide you with pre-opening marketing services in connection with the opening of your Outlet. (Franchise Agreement, Sections 5.03(b) and 10.03)
- (15) Once we receive your request to open your Outlet, we will notify you in writing whether or not the Outlet meets our standards and specifications and is approved to open. (Franchise Agreement, Section 8.01)

Obligations After Opening

During the operation of the franchised business, we will:

- (1) Furnish you with the field support services, supervision and/or assistance that we consider advisable through on-site visits, off-site sessions, telephonic, electronic or other communication modes. You may also at any time communicate with our headquarters for consultation and guidance with respect to the operation and management of your Hey Yogurt Outlet. The timing of these services will be subject to the availability of our personnel. (See Franchise Agreement, Section 7.05)
- (2) We may, but need not, provide standard electronic accounting forms, other accounting forms and electronic reports, as part of our Brand Standards or otherwise. (Franchise Agreement, Section 7.06)
- (3) Approve or disapprove any advertising, direct mail, identification and promotional materials and programs you propose within 10 business days of receipt. If we do not respond within 10 business days, the material is disapproved. (Franchise Agreement, Section 10.02)

- (4) Furnish you with any specifications for required products and services. (Franchise Agreement, Section 8.08)
- (5) Continue, if we determine to do so, to engage in the pricing activities described above in this Item 11. (Franchise Agreement, Section 7.07)
- (6) Furnish requirements for the selection, training and duties of your personnel and Operations Manager(s). (Franchise Agreement, Sections 8.07 and 8.18)

Advertising

Advertising Cooperatives

There are no advertising cooperatives. The Franchise Agreement does not give us the power to require advertising cooperatives to be formed, changed, dissolved or merged.

System Brand Fund

You must contribute to our System Brand Fund (see Item 6). (Franchise Agreement, Section 10.01.)

We will direct all advertising programs and control the creative concepts, materials and media used, media placement and allocation. We need not make expenditures for you which are equivalent or proportionate to your contributions. We need not ensure that any particular franchisee benefits directly or proportionately from Fund advertising. The Fund is not a trust and we are not a fiduciary.

The Fund may be used to meet all costs of administering, directing, preparing, placing and paying for national, regional or local advertising. This includes: television, radio, magazine, newspaper and worldwide web/internet advertising campaigns; other advertising, marketing and public relations materials; point-of-purchase materials; consumer research, interviews and related activities; the creation, maintenance and periodic modification of the Hey Yogurt website; reviewing any advertising material you propose to use (as provided below); search engine optimization; establishing a third party facility for customizing local advertising materials; accounting for Hey Yogurt System Brand Fund receipts and expenditures; attendance at industry related conventions, shows or seminars; advertising at sports events; mailers, door hangers, freestanding inserts/coupons, brochures and sponsorships; mystery shoppers (both for the Hey Yogurt System and for competitive networks or units); celebrity endorsements; other activities that we believe are appropriate to enhance, promote and/or protect the Hey Yogurt System; and, engaging advertising agencies to assist in any or all of the above activities, including fees to have print, broadcast and/or internet advertising placed by an agency, and all other public relations and advertising agency fees.

We need not maintain the money paid by franchisees to the Fund and income earned by the Fund in a separate account, but we may not use this money for any purposes other than those provided for in the Franchise Agreement. We can spend money from the Fund for our reasonable administrative costs and overhead for activities reasonably related to the administration of the Fund and advertising programs for franchisees, including, for example, preparing marketing and advertising materials; working with advertising agencies, advertising placement services and creative talent; preparing an accounting of contributions to the Fund and the annual statement of Fund contributions and expenditures described below; and, otherwise devoting our personnel, resources and/or funds for the benefit of the Fund. Our right to expend monies from the Fund to reimburse us for these activities does not include any advertising agency fees which the Fund must pay to secure the services of an advertising agency or to have print, broadcast or internet advertising placed by an agency.

Within 60 days following the close of our fiscal year, we will prepare (but not audit) a statement detailing Fund income and expenses for the fiscal year just ended. We will send you a copy of this statement upon request.

We will spend most contributions to the Fund for advertising purposes during the fiscal year in which the contributions are made. If not all advertising funds are spent in the fiscal year in which they accrue, we will use the remaining amount in the future for the benefit of the franchisees and the

System. If franchisees request, we will provide them with an annual accounting of how advertising funds are spent, as stated in the paragraph immediately above.

We can use whatever media, create whatever programs and allocate advertising funds to whatever regions or localities we consider appropriate. The allocation may include rebates to individual franchisees of some or all of their Fund contributions for local advertising expenditures if, in our judgment, our national or regional advertising program or campaign cannot effectively advertise or promote in certain regions or communities. If we determine that the total Hey Yogurt Fund Contributions collected from all Hey Yogurt franchisees and company-owned units is insufficient to sustain a meaningful regional or national advertising campaign, we may rebate all or a portion of the Fund contributions to franchisees and our (or our affiliates') company-owned units on a proportionate basis. You must spend any rebate on the types of local advertising and media that we determine (or, if we direct, in accordance with the local advertising and promotion requirements of the Franchise Agreement) according to a plan and budget we review and approve in advance. You must document all rebate advertising expenditures to us in a monthly rebate advertising expenditure report form.

The Fund will not be used for any activity whose sole purpose is the sale of franchises. However, the design and maintenance of our Web site (for which Fund monies may be used) may include information and solicitations for prospective franchisees and public relations and community involvement activities which may result in greater awareness of the Hey Yogurt brand and the franchise opportunity.

Although we intend the Fund to be perpetual we can terminate the Fund. We will not terminate the Fund until it has spent all money in the Fund for advertising and promotional purposes.

Each Hey Yogurt Business which we or our affiliates may in the future establish and operate will contribute to the Fund a percentage of its Gross Revenues identical to the percentage which then prevails for Hey Yogurt franchisees.

We were formed just this year and did not have a previous fiscal year. Therefore, we cannot report on Fund expenditures from our most recently concluded fiscal year.

Advertising Council

There is no advertising council composed of franchisees. The Franchise Agreement does not give us the power to form, change, or dissolve a franchisee advertising council.

Other Advertising Information

If you choose to pay us the Initial Marketing Fee (see Item 5) at least 4 weeks before opening, then we or our affiliate(s) will provide you with the following pre-opening marketing services: (i) Grand opening event planning; (ii) Flyer design; (iii) Social media advertising; (iv) Local targeted advertising; (v) Poster design; and, (vi) "Coming soon" / Grand opening banner design files.

Other than the foregoing, there is no obligation for us to maintain any advertising program or to spend any amount on advertising in your area or territory.

We currently advertise using digital platforms, including social media, websites, email marketing, online advertising, and other internet-based media, and may occasionally utilize print, radio and/or television channels as deemed appropriate, with local, regional and national coverage. We currently employ both an in-house advertising department and national or regional advertising agencies.

You may develop advertising materials for your own use, at your own cost. As stated above, we must approve these advertising materials in advance and in writing, but if we do not respond within ten business days after receiving your proposed advertising material, the material is disapproved.

You must promptly discontinue use of any advertising or promotional plans or materials, whether or not previously approved, upon notice from us.

Web Sites

You (or, if you are a business entity, your owners) may establish your own personal social media

accounts for marketing purposes regarding your franchised Business. However, such social media accounts must use location-based names (such as “[name of city]PlaceYogurt”) and may not use the official “Hey Yogurt” name, Proprietary Marks, or branding without our prior written approval in each instance. Our approval is needed for use of our logo(s) as a standalone image (e.g., profile photo or isolated graphic), but you may use content that naturally includes Hey Yogurt branded elements, and you may use “Hey Yogurt [+ location name]” within the content of your personal social media site itself, if done in compliance with our Brand Standards, including our social media policies.

Other than the foregoing, your Business or Outlet may not maintain a World Wide Web site or social media page or otherwise maintain a presence or advertise on the Internet, through social media or in any other mode of electronic commerce (each such site or page (other than the personal social media pages described above), an “Web Site”) in connection with the franchised Business without our advance written approval, which we may withhold for any reason or for no reason. Your Web Site(s) may be accessible only through our Web Site(s). If you develop a Web Site with our approval, you must follow all guidelines and requirements set forth in the Brand Standards and use any templates provided in the Brand Standards (including required hyperlinks), so that your Web Site conforms to our requirements, including, without limitation, those related to format, “look and feel,” substantive content, privacy and technical performance. You may not allow customers to see your Web Site(s) or any modifications unless you have received our advance written approval. We will be and at all times remain the sole owner of the copyrights for all material which appears on your Web Site(s). All content and information which appears on your Web Site(s) or which you gather from visitors to your Web Site(s) will constitute “Confidential Information” as defined in Section 12.01 of the Franchise Agreement. Ownership of the uniform resource locator (“URL”) and other identifiers associated with any such approved Web Site shall vest exclusively in us.

Merchandise Materials

We may, from time to time provide to you (or have our designated 3rd-party vendor provide to you) certain merchandising materials identifying the System and to support national promotions, such as point of purchase advertising materials, System memorabilia and other brand-relevant merchandise. You will be required to pay the cost for these materials, including shipping and insurance.

Computer and Point of Sale Systems

Before the commencement of operation of the franchised Outlet, you must purchase the required computer hardware, software, Internet connections and service, required dedicated telephone and power lines and other computer-related accessories, peripherals and equipment (the “Computer and POS Systems”), the main part of which is the POS system. See Item 7 for the estimated cost of the POS systems. You must obtain high-speed internet communications access for your Computer and POS Systems, such as broadband, DSL or other high-speed capacity. You must also maintain a functioning e-mail address for your Business, and if we determine from time to time, such wi-fi service for your customers as we may designate in the Brand Standards.

We currently do not, but we reserve the right in the future to require you to purchase or lease, install and use certain video hardware and software that we may designate for purposes of quality control and/or security, in your Outlet’s kitchen as well as in the working areas for making and mixing products at your Outlet, as part of the required Computer and POS Systems.

Despite the fact that you agree to buy, use, and maintain the Computer and POS Systems according to our standards and specifications, you will have sole and complete responsibility for: (1) the acquisition, operation, maintenance, and upgrading of the Computer and POS Systems; (2) the manner in which your Computer and POS Systems interfaces with our and any third party’s computer system; and (3) any and all consequences if the Computer and POS Systems is not properly operated, maintained, and upgraded.

You must provide all assistance we require to bring your Computer and POS Systems on-line with our headquarters computers at the earliest possible time and to maintain this connection as we require. You must input and maintain in your Computer and POS Systems all data and information

which we prescribe in our Brand Standards, in our proprietary software and manuals (if any), and otherwise. We may retrieve from your Computer and POS Systems all information that we consider necessary, desirable or appropriate. We will bear the costs (if any) of this information retrieval. You must accurately, consistently and completely record, structure, capture and provide through the Computer and POS Systems all information concerning the operation of the franchised Business that we require, in the form and at the intervals that we require. We may also from time to time adjust requirements pertaining to capturing and relaying to us customer information and data, including giving us independent access to the information generated and stored in the computer and Point of Sale systems (such as customer purchases and all sales and expenditures of the Business).

You agree to use proprietary software and software support services that either we develop and provide or which are provided by a third party supplier we designate, and you will execute any standard form software license agreement reasonably necessary to do so. The current expense required to obtain the required POS and software support services from our designated POS vendor, Chowbus POS (Chowbus, Inc.), is \$2,000 to \$4,500, including monthly software and subscription or maintenance fees which may range from approximately \$100 to \$400 per month per terminal, but is subject to change by the vendor and may vary based on your own credit worthiness. Chowbus, Inc.'s address is 224 South Michigan Avenue, Suite 400, Chicago, IL 60604 and its telephone number is (312) 730-5592. Under the Franchise Agreement, you agree to purchase from us or our designee, as applicable, new, upgraded or substitute proprietary software whenever we determine to adopt them systemwide, at the prices and on the terms that we or such third party vendor establish, and if charged by us we will limit the charge to a reasonable fee. You will pay for new or updated programs and materials when you order them. (Franchise Agreement, Section 8.07)

If we or our affiliates implement any gift card, gift certificate, customer loyalty or retention program, you must purchase any required software, hardware or materials to participate in that program that meets our specifications. (Franchise Agreement, Section 8.27)

You must keep your Computer and POS Systems in good maintenance and repair. If we run tests and determine that the installation will benefit you and us, you must install (at your own expense) whatever additions, changes, substitutions and replacements to your computer hardware, software, telephone and power lines, etc. we direct. You must install these items when we direct. You will pay for these items at the time and upon the terms that the sellers specify. There is no contractual limit on our ability to require you to upgrade the system, add components to the system and replace components of the system. You must incur the costs of obtaining computer hardware and software comprising the Computer and POS Systems or required service or support (which might include fees payable to us and/or our affiliates), even though we cannot estimate these future costs and even though these costs might not be fully amortizable over the Franchise Agreement's remaining term. We have no obligation to reimburse you for any Computer and POS Systems costs.

Training

After you obtain your Outlet Location and at least two weeks before the opening of your Hey Yogurt Business, we will provide our Initial Training Program to you and your Business Manager. The following is description of our Initial Training Program as of the date of issuance of this Disclosure Document:

TRAINING PROGRAM

Subject	Hours Of Classroom Training	Hours Of On-The-Job Training	Location
HOW TO MAKE HEY YOGURT PRODUCTS		3 - 5	Our corporate-owned Outlet in New Jersey

Subject	Hours Of Classroom Training	Hours Of On-The-Job Training	Location
SAFETY / SANITATION		1	Our corporate-owned Outlet in New Jersey
CUSTOMER SERVICE		1	Our corporate-owned Outlet in New Jersey
STORE SECURITY		1	Our corporate-owned Outlet in New Jersey
DEALING WITH VENDORS / ORDERING SUPPLIES		1	Our corporate-owned Outlet in New Jersey

We conduct the Initial Training Program as needed, typically prior to the opening of each new franchised location in our System. The Initial Training Program is at our headquarters offices in New Jersey (although we reserve the right to change the location in our business judgment). The instructional materials consist of our Brand Standards, which may include an operations manual, training guides, recipe manuals, and digital reference materials. The minimum experience of the training instructors in the field relevant to the subjects taught is three years, including experience with food service operations and relevant management experience. The minimum experience of instructors with the Franchisor or its affiliates that operate corporate-owned Outlets is one year.

The Initial Training Program is mandatory for the franchisee (if an individual) and your Business Manager. The Initial Franchise Fee includes the cost of the Initial Training Program for two people, including you (if the franchisee is an individual, or if the franchisee is a business entity, one of your owners) and your Business Manager.

You (if an individual) and your Business Manager must attend and complete the Initial Training Program to our satisfaction. If you or your Business Manager fails to successfully complete the Initial Training Program, then the person who failed can re-enroll in our next scheduled Initial Training Program at no additional charge. We can terminate the Franchise Agreement if the person fails to successfully complete the Initial Training Program again. If we terminate the Franchise Agreement, we will refund 50% of the Initial Franchise Fee, minus our expenses, and you must sign a General Release in the form of Exhibit G to the Franchise Agreement.

Any Business Managers you appoint after the opening of your Hey Yogurt Business must attend and successfully complete our next scheduled Initial Training Program at a charge of \$500 per person. You must pay their transportation costs, meals, lodging and other living expenses.

See Item 6 for information about charges for training additional or subsequent trainees.

We provide 2-4 days of grand opening assistance and on-site training to you and your staff. After that, you can request on-site training and/or assistance at any time. We will provide it at our option, but the franchise agreement does not require us to provide it. The timing of all on-site and off-site advice, consultation and training (after the Initial Training Program) will be subject to the availability of our personnel.

We may from periodically conduct an annual conference, convention or training session. We will determine the duration, curriculum and location of these. You (if an individual) and your Business Manager must attend each annual conference, convention or training session if we require it.

You must pay all the expenses incurred by your trainees or attendees in connection with the Initial Training Program and any other training, conferences, conventions or other meetings your trainees attend, including, for example, their salaries, transportation costs, meals, lodging and other living expenses. (Franchise Agreement, Section 7.04) We can also charge a reasonable fee for required

on-going trainings and conferences, but such fees shall not exceed a total of \$3,000 per person per year in fees payable to us.

Time to Open

You must open your Outlet within twelve months after we sign your Franchise Agreement. We estimate that the typical length of time between the signing of the Franchise Agreement and the opening of your Hey Yogurt business is six to twelve months, based on our experience in developing and opening company-owned locations and being involved in the process for franchised locations. Factors affecting time include attendance at and satisfactory completion of our Initial Training Program, securing (by lease or ownership) the Outlet site, arranging for any financing, complying with local ordinances, completing delivery and installation of equipment and signs, and procuring opening inventory. The time required to open a franchised Business may vary depending on additional factors such as the time it takes to obtain required building permits and governmental approvals, comply with zoning and local ordinances, construction timelines, weather conditions, availability of equipment and materials, and installation of fixtures and signage.

ITEM 12 TERRITORY

Franchise Agreement

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

We will grant you a geographic area (the "Territory") with limited protections. The minimum Territory we grant you will consist of a geographic area determined by us on a case-by-case basis, based on demographic data, population density, traffic patterns, and market conditions at the time of approval. We will describe your Territory in detail in Exhibit A to your Franchise Agreement.

You may operate your franchised Business from only one Outlet Location. "Outlet Location" means a location you select and we approve, within your Territory, from which you conduct the Hey Yogurt Business.

You may not relocate the Outlet without our previous written approval. You must reimburse us for any reasonable costs we incur in considering your request. We will grant approval if you are in compliance with the Franchise Agreement, you have paid all money owed to us and our affiliates, the proposed location meets our site selection criteria, you pay us a relocation fee equal to 25% of our then-current initial franchise fee, and you comply with the lease requirements in the Franchise Agreement. Generally, relocation approvals will be limited to the same city, subject to exceptions in our business judgment. We may, if we wish, inspect your proposed new location.

Neither the Franchise Agreement nor the Area Development Agreement grants you any options, rights of first refusal or similar rights to acquire additional franchises within the Territory or contiguous territories.

Your Hey Yogurt Business may only offer and sell its products and services from your Hey Yogurt Outlet and you may not actively solicit customers or sales unless they are within the Territory. However, you may fulfill orders that originate outside your Territory if such orders are received through approved System-wide platforms or direct customer contact without targeted solicitation. Your Business may not sell any products or services through any alternative channels of distribution, such as the internet/worldwide web and other forms of electronic commerce; "800" or similar toll-free telephone numbers; catalogs; telemarketing or other direct marketing sales; or, any other channel of distribution except for your franchised Hey Yogurt Outlet.

While the Franchise Agreement is in effect, we and our affiliates will not, in your Territory, operate a company-owned Hey Yogurt Business of the type franchised, or grant a franchise for a similar or competitive business, except as described below. Outside the Territory, we and our affiliates can operate any number of Hey Yogurt Outlets, and/or authorize others to operate them, at any location, including locations that may be near, but not within, the Territory.

We and/or our affiliates may engage in any type of business activity in or outside the Territory except as we are restricted as described in the preceding paragraph. The Franchise Agreement does not confer upon you any right to participate in or benefit from any other business activity, whether it is conducted under the Proprietary Marks or not. For example, we and/or our affiliates may own, operate or authorize others to own or operate any type of business at any location, including within your Territory, so long as the other business does not sell under the Proprietary Marks the type of products or services which your Hey Yogurt Business offers and sells, except as permitted below. You will receive no compensation for these businesses' sales.

Only we and/or our affiliates have the right to sell within and outside your Territory, under the Proprietary Marks, all products or services and/or their components or ingredients -- including those used or sold by your Hey Yogurt Outlet -- through any method of distribution other than a Hey Yogurt Outlet situated within your Territory, including the internet/worldwide web; any other form of electronic commerce; "800" or similar toll-free telephone numbers; mail order; catalogs; telemarketing or other direct marketing sales; television sales (including "infomercials"); food trucks; take-away premises; online networks; other permanent, temporary or seasonal food service facilities; or, any other channel of distribution except for a Hey Yogurt Outlet. You will receive no compensation for our or our affiliates' sales through alternative distribution channels.

In addition, we and/or our affiliates have the right to sell (directly, or through other franchisees or licensees) Hey Yogurt System products and services at nontraditional locations, including nontraditional locations situated in your Territory, through the establishment of Hey Yogurt Outlets, kiosks, mobile units, concessions or "shop in shops". "Nontraditional locations" include resorts; food retailers (including supermarkets, grocery stores and convenience stores); schools and universities; hospital and healthcare facilities; guest lodging facilities; day care facilities of any type; government facilities; condominium and cooperative complexes; the premises of any third party retailer which is not a quick-service restaurant or dessert venue (including shops, stores and department stores); military bases and installations; and, any other location or venue to which access to the general public is restricted. You will receive no compensation for our or our affiliates' sales at nontraditional locations.

Both within and outside the Territory, only we and/or our affiliates have the right to sell Hey Yogurt System products and services to national, regional and institutional accounts. "National, Regional and Institutional accounts" are organizational or institutional customers whose presence is not confined to your Territory, including (for example): business entities with offices or branches situated both inside and outside of your Territory; government agencies, branches or facilities; guest lodging networks; healthcare networks; the military; and, any other customer whose presence is not confined to your Territory. Only we will have the right to enter into contracts with national, regional and/or institutional accounts, which may include facilities within your Territory. If we receive orders for any Hey Yogurt products or services calling for delivery or performance in your Territory as a result of our engaging in commerce with National, Regional and Institutional Accounts, then we will have the right, but not the obligation, either to require you to fulfill the orders at the price we agree on with the customer or to give you the opportunity to fulfill the orders at the price we agree on with the customer. If we give you the opportunity to fulfill an order and if, for any reason, you do not desire to or cannot serve the customer, or if the customer desires for any or no reason to deal exclusively with us, our affiliate or another franchisee and not with you, then we, our affiliate or any other Hey Yogurt franchisee may serve the customer within your Territory, and you will not be entitled to any compensation. The procedures governing our National, Regional and Institutional Accounts program are set forth in our Brand Standards.

We may purchase, merge, acquire, be acquired by or affiliate with an existing competitive or non-competitive franchise or non-franchise network, chain or any other business regardless of the location of that other business' facilities, and we may then operate, franchise or license those other businesses and/or facilities under any names or marks other than the Proprietary Marks regardless of the location of these businesses and/or facilities, which may be within the Territory or immediately

near it. You will receive no compensation for these activities.

We and our affiliates have not established and do not currently intend to establish any other franchises, company-owned outlets or other distribution channels offering similar products or services under a different trademark anywhere in the United States, but we may do so in the future.

There is no minimum sales quota. During the term of your Franchise Agreement, there are no circumstances when we can alter your Territory. You have no options, rights of first refusal or similar rights to acquire additional franchises with the territory or contiguous territories.

Area Development Agreement

If you and we sign an Area Development Agreement, we will grant you a "Development Territory" and you will promise to develop, own and operate franchised Hey Yogurt Outlet Businesses within the Development Territory. You will not receive an exclusive Development Territory. You may face competition from outlets that we own at nontraditional locations, from other channels of distribution or competitive brands that we control.

Your Development Territory will be set forth on Exhibit A to your Area Development Agreement. The Development Territory includes the Protected Territories granted under the Franchise Agreement for each Hey Yogurt Outlet Business that you develop. Each "Protected Territory" is restricted to a geographic area within which you agree to establish and operate an Hey Yogurt Outlet under a Franchise Agreement. Each Franchise Territory we grant you will consist of a geographic area around the Hey Yogurt Outlet in a particular city or municipality, which we will determine on case-by-case basis. The franchisor will approve the location of future units and any territories for those units, and its then-current standards for sites and territories will apply.

Your right to operate a franchised Hey Yogurt Outlet Business developed under an Area Development Agreement will be limited to the Outlet Location situated in the respective Protected Territory located in the Development Territory. See the description of the Franchise Agreements above in this Item 12.

For so long as the Area Development Agreement is in effect, neither we nor any of our affiliates (meaning any individual or entity we control, which controls us or which is under common control with us, together our "affiliates") will, within the Development Territory, operate or grant a franchise for a Outlet business operated under the Proprietary Marks of the type franchised to you, or a similar or competitive business, except for the rights we reserve that are described below. These restrictions will terminate immediately upon the expiration or termination of the Area Development Agreement for any reason.

Outside of the Development Territory, we and our affiliates reserve the right to operate any number of Hey Yogurt Outlet Businesses, and to authorize others to operate them, at any location we choose (including one or more locations that may be proximate to, but not within, the Development Territory).

We and/or our affiliates may engage in any business activity we choose in or outside the Development Territory except as we are restricted as described above, and the Area Development Agreement does not confer upon you any right to participate in or benefit from any other business activity (regardless of whether it is conducted under the Proprietary Marks or not). We thus may engage in, or authorize others to engage in, any form of business offering and selling any type of product or service except as restricted as described above. For example, we and/or our affiliates may own, operate or authorize others to own or operate any type of business at any location we choose, including within your Development Territory, so long as the other business does not sell under the Proprietary Marks the type of products or services which your franchised Hey Yogurt Outlet Businesses offer and sell (except as permitted below). Further, we and/or our affiliates may own, operate or authorize others to own or operate Hey Yogurt Outlet Businesses at any location outside of your Development Territory (including immediately proximate to it).

In addition, we and/or our affiliates alone have the right to offer and sell within and outside your Development Territory, and under the Proprietary Marks, any and all products or services and/or

components or ingredients (including those used or sold by your franchised Hey Yogurt Outlet Businesses), and whether or not a part of the Hey Yogurt Outlet System, through any alternate channels of distribution, that is, any method of distribution other than an Hey Yogurt Outlet Business situated within your Development Territory, including, without limitation, the internet/worldwide web; any other form of electronic commerce; "800" or similar toll-free telephone numbers; supermarkets, grocery stores and convenience stores; "ghost kitchens" or similar hubs (offering delivery or takeout only); mail order; catalogs; television sales (including "infomercials"); telemarketing or other direct marketing sales; or, any other channel of distribution except for an Hey Yogurt Outlet Business. You will not be entitled to any compensation in connection with these sales within your Development Territory. You (as area developer) do not have the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing, to make sales outside your Development Territory.

We and/or our affiliates alone have the right to offer and sell Hey Yogurt Outlet System products and services at any and all nontraditional locations, including nontraditional locations situated in your Development Territory, through the establishment of Hey Yogurt Outlet Businesses, kiosks, mobile units, concessions or "shop in shops", and you may not engage in this activity. "Nontraditional Locations" includes sports arenas and venues; theaters; resorts; food retailers (including supermarkets, grocery stores and convenience stores); malls; schools and universities; hospital and healthcare facilities; airports; guest lodging facilities; day care facilities of any type; government facilities; condominium and cooperative complexes; "ghost kitchens" or similar hubs (offering delivery or take-out only); the premises of any third party retailer which is not an Hey Yogurt Outlet Business (including shops, stores and department stores); military bases and installations; airlines, railroads and other modes of mass transportation; and, any other location or venue to which access to the general public is restricted. You will receive no compensation for our or our affiliates' sales at Nontraditional Locations.

Both within and outside the Development Territory, we and/or our affiliates alone have the right to sell Hey Yogurt Outlet System products and services to national, regional and institutional accounts. "National, Regional and Institutional Accounts" are organizational or institutional customers whose presence is not confined to your Development Territory, including (by way of example only): business entities with offices or branches situated both inside and outside of your Development Territory; government agencies, branches or facilities; guest lodging networks; healthcare networks; the military; and, any other customer whose presence is not confined to your Development Territory. Only we will have the right to enter into contracts with National, Regional and/or Institutional Accounts (which may include facilities within your Development Territory). If we receive orders for any Hey Yogurt Outlet products or services calling for delivery or performance in your Development Territory as a result of our engaging in commerce with National, Regional and Institutional Accounts, and you have opened one or more Hey Yogurt Outlet Businesses in the customer's geographic area, then we will have the right, but not the obligation, to give you the opportunity to fulfill one or more orders at the price we agree on with the customer. If you have not opened any Hey Yogurt Outlet Businesses in the customer's geographic area, or if, for any reason, you do not desire to or cannot serve the customer, or if the customer desires for any or no reason to deal exclusively with us, our affiliate or another franchisee and not with you, then we, our affiliate or any other Hey Yogurt Outlet franchisee may serve the customer within your Development Territory, and you will not be entitled to any compensation. The procedures governing our National, Regional and Institutional Accounts program are stated in our Manuals.

We may purchase, merge, acquire, be acquired by or affiliate with an existing competitive or non-competitive franchise or non-franchise network, chain or any other business regardless of the location of that other business' facilities, and following this activity we may operate, franchise or license those other businesses and/or facilities under any names or marks other than the Proprietary Marks (while the Area Development Agreement is in effect) regardless of the location of these

businesses and/or facilities, which may be within the Development Territory or immediately proximate to it.

You will have the right and obligation to open and operate in your Development Territory the number of Hey Yogurt Outlet Businesses on the Development Schedule in Section 6.01 of your Area Development Agreement. You must comply with the timetable on the Development Schedule. Your Development Schedule may give you the right and obligation to open and operate two or more Hey Yogurt Outlet Businesses. The Franchise Agreement for the first such Outlet must be signed when you sign the Area Development Agreement; that Outlet must open within 12 months after that date; the second Outlet's Franchise Agreement must be signed within 6 months after the opening date of the first Outlet and open it within 12 months after signing that second Franchise Agreement, and so forth, unless we otherwise agree in writing.

You may not open or operate more than the number of Outlets set forth on the Development Schedule in Section 6.01 of the Area Development Agreement without first obtaining our written consent. Any additional Outlet you open and operate will be subject to the terms and conditions of the Area Development Agreement.

Except for causes beyond your control as described in Section 17.01 of the Area Development Agreement, if you fail to adhere to the Development Schedule in your Area Development Agreement by either: failing to execute the Franchise Agreement for each franchised Business on or before the date of execution specified on the Development Schedule, or failing to commence operations of each franchised Business on or before the applicable commencement of operations date specified on the Development Schedule, then we can terminate the Area Development Agreement. If we terminate the Area Development Agreement for this reason, this will not be a termination of any Franchise Agreements you and we signed under which you have already begun operating the franchised Hey Yogurt Outlets covered by the Franchise Agreements if you have fully performed and been in compliance with all of your obligations under those Franchise Agreements but you will not be entitled to open any further Hey Yogurt Outlet Businesses in the Development Territory and you will not be entitled to the return of the Area Development Fees you paid for the undeveloped Hey Yogurt Outlet Businesses.

ITEM 13 TRADEMARKS

The principal commercial symbol which we will license to you appears on the cover of this disclosure document. "Proprietary Marks" means our symbols, trademarks, service marks, logotypes and trade names.

The following is a description of the principal Proprietary Marks which we will license to you:

Principal Federal Registrations

Registration Number	Description Of Mark	Principal Or Supplemental Register	Registration Date
7123202	HEY YOGURT	Principal	July 25, 2023
7447028	HEY YOGURT HOME MADE	Principal	July 16, 2024

Registration Number	Description Of Mark	Principal Or Supplemental Register	Registration Date
			

Our predecessor and affiliate, HeyYogurt US LLC, has licensed us to use the Hey Yogurt System, trademarks, service marks and other intellectual property and to sublicense them to our franchisees in an intercompany license agreement dated as of March 17, 2026. The manner and extent of the limitation or grant in such license agreement is the following: the license has an initial duration of 20 years and is automatically renewable for successive 20-year terms thereafter so long as we are not in breach; it covers the territory of the United States of America and its territories and possessions. The license agreement may affect the franchisee in that, if the license agreement is terminated, the franchisor may no longer be able to license the Hey Yogurt System and other intellectual property to the franchisee. The license agreement may be terminated by the licensor due to material breach by us, after delivering notice to us and providing a 30-day cure period to us. Otherwise, the circumstances when the agreement may be canceled or modified are only if the parties mutually agree in writing.

Our predecessor and affiliate, HeyYogurt US LLC, owns the pending applications for registration of the following mark(s) on the Principal Register of the United States Patent and Trademark Office:

Principal Federal Applications

Application Number	Description Of Mark	Application Date
99580544		January 06, 2026
99580560		January 06, 2026

With respect to the two pending federal applications listed above, we do not have a federal registration for our principal trademark, and therefore, those trademarks do not have many legal benefits and rights as a federally registered trademark. If our right to use those trademarks is

challenged, you may have to change to an alternative trademark, which may increase your expenses.

There are presently no effective determinations of the U.S. Patent and Trademark Office, any trademark trial and appeal board, any state trademark administrator or any court, any pending interference, opposition, or cancellation proceeding, or any pending material litigation involving any of the above-referenced Proprietary Marks which is relevant to your use. There are no agreements which significantly limit our rights to use or license the Proprietary Marks. There are no infringing uses or superior previous rights known to us that can materially affect your use of the Proprietary Marks in this state or any other state in which the franchised Business is to be located. There is no pending material federal or state court litigation regarding our use or ownership rights in any Trademark. No required affidavits or renewals have yet become due for filing, but we intend to renew registration and file all appropriate affidavits for the Proprietary Marks at the times required by law in order to maintain their registration status.

We have the right to control any administrative proceedings or litigation involving a trademark licensed by us to you. If you learn of any claim against you for alleged infringement, unfair competition, or similar claims about the Proprietary Marks, you must promptly notify us. We will promptly take the action we consider necessary to defend you. We must indemnify you for any action against you by a third party based solely on alleged infringement, unfair competition, or similar claims about the Proprietary Marks. You may not settle or compromise any of these claims without our previous written consent. We will have the right to defend and settle any claim at our sole expense, using our own counsel. You must cooperate with us in the defense. Under the Franchise Agreement, you irrevocably grant us authority to defend or settle these claims. You may participate at your own expense, but our decisions with regard to the defense or settlement will be final. We will have no obligation to defend or indemnify you if the claim against you relates to your use of the Proprietary Marks in violation of the Franchise Agreement.

If you learn that any third party whom you believe is not authorized to use the Proprietary Marks is using the Marks or any variant of the Marks, you must promptly notify us. We will determine whether or not we wish to take any action against the third party. You will have no right to make any demand or to prosecute any claim against the alleged infringer for the infringement.

You must comply with any instruction by us to modify or discontinue use of any Proprietary Mark or to adopt or use additional or substituted Proprietary Marks. If this happens, we will reimburse you for your documented expenses of complying (such as changing signs, stationery, etc.). Except for reimbursing your documented expenses of complying, we will not be liable to you for any resulting expenses and there are no particular rights that the franchise agreement (or area development agreement, if applicable) grants to you if we require you to modify or discontinue using a trademark.

ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Copyrights

We hold no rights in, or licenses to, patents that are material to the franchise and have no pending patent applications that are material to the franchise.

We have not registered any copyrights with the United States Copyright Office. We claim copyrights on certain software, forms, advertisements, promotional materials and other written materials. We also claim copyrights and other proprietary rights in the Hey Yogurt Confidential Operating Brand Standards.

There are no agreements currently in effect which significantly limit your right to use any of our copyrights. Also, there are no currently effective determinations of the United States Patent and Trademark Office, Copyright Office (Library of Congress) or any court pertaining to or affecting any of our copyrights discussed above. Finally, 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 which could

materially affect your use of them in this state or in the state in which the franchised Hey Yogurt Business will be located.

We have the right to control any administrative proceedings or litigation involving a copyright licensed by us to you. If you learn of any claim against you for alleged infringement, unfair competition, or similar claims about the copyrights we license to you, you must promptly notify us. We will promptly take the action we consider necessary to defend you. We must indemnify you for any action against you by a third party based solely on alleged infringement, unfair competition, or similar claims about the copyrighted items we license to you. You may not settle or compromise any of these claims without our previous written consent. We will have the right to defend and settle any claim at our sole expense, using our own counsel. You must cooperate with us in the defense. Under the Franchise Agreement, you irrevocably grant us authority to defend or settle these claims. You may participate at your own expense, but our decisions with regard to the defense or settlement will be final. We will have no obligation to defend or indemnify you if the claim against you relates to your use of the copyrighted items we license to you, if the manner of your use is in violation of the Franchise Agreement. If you learn that any third party whom you believe is not authorized to use the copyrighted items we license to you is using the copyrighted items, you must promptly notify us. We will determine whether or not we wish to take any action against the third party. You will have no right to make any demand or to prosecute any claim against the alleged infringer for the infringement. You must comply with any instruction by us to modify or discontinue use of any copyrighted items we license to you or to adopt or use additional or substituted items. If this happens, we will reimburse you for your documented expenses of complying (such as changing printed materials you use, etc.). Except for reimbursing your documented expenses of complying, we will not be liable to you for any resulting expenses.

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

You must personally supervise the operation of the franchised Business, unless we permit in writing. You must devote the necessary time and your best efforts for the proper and effective operation of the Business. If we license you the rights to operate more than one Hey Yogurt Business, you must devote the time necessary for the proper and effective operation of all your Businesses.

If you are an individual, you must either serve as or designate a Business Manager. If you are an individual, we neither recommend nor advise against you personally serving as your own Business Manager. An entity franchisee must designate a Business Manager. The Business Manager, who will have day-to-day management responsibility for your Hey Yogurt Business, will exercise on-premises supervision and personally participate in the direct operation of the Business. You must inform us in writing of your Business Managers and any successors in advance. We must approve your Business Managers before you appoint them. Your Business Managers must complete the Initial Training Program to our satisfaction, and sign our form of Confidentiality / Non-Compete Agreement. After a Business Manager's death, disability or termination of employment, you must immediately notify us within 5 days, and you must designate a successor or acting Business Manager within 10 days.

If the franchisee is a business entity, the Business Manager need not have any equity interest in the franchisee entity.

You must have at least one (1) manager on duty at the Outlet during all hours of operation. That person may be your Business Manager or may be someone trained and supervised by your Business Manager.

In addition, if you have an Area Development Agreement with us, you must designate, and must retain at all times during the Term, an individual to serve as your business to oversee the general development and operation of your Outlets (an "Area Manager"). The Area Manager is not required to own any equity in your business entity. You may, at your option and subject to our written consent,

designate one or more district managers to work under the supervision of the Area Manager to supervise the operation of all Outlets developed and operated by you (and, if applicable, your affiliates) within a geographic subset of all Outlets to be developed and operated pursuant to this Agreement (each a “District Manager”); provided however, that you and your Area Manager will remain fully responsible for any District Manager’s performance. The District Manager, if appointed, must also be identified to us and approved by us, and must promptly attend and successfully complete our Initial Training Program (at your expense).

Confidential Information

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. The same restrictions apply with respect to the Area Development Agreement.

Under the Franchise Agreement and Area Development Agreement, the following persons must sign our Confidentiality / Non-Competition Agreement (Exhibit E-1 to the Franchise Agreement and Exhibit D-1 to the Area Development Agreement):

- Before employment or any promotion, your Business Manager and all other managerial personnel; and
- If you are a business entity, and as applicable, all of your owners, equity holders, control persons, shareholders, members, partners and general partner(s); all of your officers, directors and managers; and, all persons possessing equivalent positions in any business entity which directly or indirectly owns and/or controls you.

Under the Franchise Agreement, all of your non-managerial personnel must sign our Confidentiality Agreement (Exhibit D-2 to the Franchise Agreement).

Our confidential information will include information, knowledge, trade secrets or know-how used or embraced by the Hey Yogurt System, the Brand Standards, and many other matters specified in the Franchise Agreement.

If you are a business entity, each ultimate beneficial owner of any ownership interest in you must sign a personal guarantee in the form of Exhibit E to the Franchise Agreement.

If you consist of one or more individuals, there are no restrictions that we require to be placed on your spouse merely by virtue of that person being your spouse, whether in regard to non-compete obligations, personal guarantees, or otherwise.

ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must at all times offer and sell all products, services and programs which we designate part of the Hey Yogurt System unless you are prohibited by local law or regulation from selling a menu item, product, service or program or we have granted you our advance written approval to exclude a menu item, product, service or program.

If you would like to sell any product, service or program which is not a part of the Hey Yogurt System, then you must seek and obtain our advance written permission. If we grant our advance written approval, then the product, service or program in question will become a part of the Hey Yogurt System (though we will not be required to, but may, authorize it for sale at one or more other Hey Yogurt Outlets). We may subsequently revoke our approval. We will own all rights associated with the product, service or program. You will not be entitled to any compensation in connection with it.

We may add to, delete from or modify the services, products and programs which you can and must offer or we may modify the System. You must abide by any additions, deletions and modifications. There are no limits on our rights to make these changes. Such modifications may obligate you to invest additional capital or incur higher operating costs.

In addition to modifications of the Hey Yogurt System, we may at times co-brand one or more yogurt or frozen dessert concepts which we or our affiliates operate with Hey Yogurt System Outlets and/or offer for sale in Hey Yogurt System Outlets products sold in Outlets operated by us and/or our affiliates (collectively, "Co-Branding"). This Co-Branding may involve changes to the Proprietary Marks, and may require you to modify the building and premises of your Hey Yogurt System Outlet and the furnishing, fixtures, equipment, signs and trade dress at your Hey Yogurt System Outlet. If you receive written notice of our institution of Co-Branding, you must implement the Co-Branding at your franchised Business. The Franchise Agreement does not place any limit on our rights to require you to make changes for Co-Branding.

You may only sell Hey Yogurt System products and services at retail from your Hey Yogurt Outlet and you may not engage in the wholesale sale and/or distribution of any Hey Yogurt product, service, equipment or other component, or any related product or service. Under no circumstances may your Business offer delivery of System menu items or products except as we may (but need not) authorize in writing. You may, however, use third-party online ordering and/or delivery aggregators in accordance with our System standards unless and until the Franchisor notifies you otherwise in writing. Franchisor retains the right, in Franchisor's business judgment, to require you and/or other franchisees in the future to use a Franchisor-designated ordering or delivery platform upon written notice to you, including a proprietary system-wide mobile application or online ordering system which may be developed by Franchisor.

You may not actively solicit sales outside of your Territory. However, you may fulfill orders that originate outside your Territory if such orders are received through approved system-wide platforms or direct customer contact without targeted solicitation.

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ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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.

THE FRANCHISE RELATIONSHIP

Franchise Agreement:

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 4.01	Term is 10 years from the date that Franchisor countersigns the Franchise Agreement.
b. Renewal or extension of the term	Sections 4.02, 13.01	You can enter into one Successor Franchise Agreement for a term of 10 years if you (a) notify us no more than nine months and no less than six months before expiration; (b) comply with the Franchise Agreement and Brand Standards and you did so and met your material obligations on time throughout the Initial Term; (c) satisfy all monetary obligations to us, our affiliates, landlord and suppliers; and meet the other conditions summarized below.
c. Requirements for you to renew or extend	Section 13.01	a. You must notify us in writing no more than nine (9) months and no less than six (6) months before the expiration of the Initial Term of the Franchise Agreement of your intent to enter into a Successor Franchise Agreement. b. Evidence that you can renew your lease on terms acceptable to you and us, or lease an acceptable new Hey Yogurt Outlet Location in your Territory without any interruption of business. c. Sign a General Release in the form of Exhibit J (but not releasing us from future claims under the Successor Franchise Agreement). d. You or your Business Manager (as the case may be), and any other management and staff we designate must attend and successfully complete any training that we may reasonably require, at your expense. e. You must pay us a successor franchise fee equal to 50% of our then-current Initial Franchise Fee for similar franchised territories, but the successor franchise fee for the first Successor Term will be no greater than the Initial Franchise Fee which you paid under the Franchise Agreement. You may be asked to sign a contract with materially different terms and conditions than your original contract. f. Before the commencement of the applicable Successor Term, you must, at your cost and expense, refurbish, redesign and/or remodel your franchised Outlet as we reasonably require to meet our then current standards, requirements and specifications (including, without limitation, refurbishing, repairing or replacing all equipment, electronic cash register systems, Computer System, signs, interior and exterior décor items, fixtures, furnishings, supplies and other products and materials required for the operation of the Outlet and otherwise upgrading the Outlet as we reasonably require to reflect our then-current System standards and the image of the System. g. At the time of entering into a Successor Term, you (and your affiliates) must be current on the payment of all monetary obligations to us, our affiliates, the lessor or sublessor of your Outlet and any material third party supplier of yours. These provisions are subject to state law.
d. Termination by you	Section 17.02, 17.05	a. You may terminate the Franchise Agreement if you and we agree in writing. You may also terminate the Franchise Agreement under any grounds permitted by law. b. Your failure to pay any Continuing Royalties, System Brand Fund Contributions or other money after you receive notice of the default granting an opportunity to cure, will mean that you are willfully and wrongful breaching the Franchise Agreement and that you have decided to reject and terminate the Franchise Agreement and all Agreements between you and us (or our affiliates) related to the Franchise Agreement.
e. Termination by us without cause	Not applicable	Not applicable

Provision	Section in Franchise Agreement	Summary
f. Termination by us with cause	Article 18	We may terminate only if you default. The Franchise Agreement describes defaults throughout – please read it carefully. These provisions are subject to state law.
g. "Cause" defined - defaults which can be cured	Section 17.03	You have 15 days to cure the default if you do not comply with any lawful Franchise Agreement or Manual provision or requirement or otherwise fail to fulfill the terms of the Franchise Agreement in good faith, except for defaults described in h. below. Examples of curable defaults include: a. You do not pay promptly when due any money owed to us, our affiliates or any lender which has provided financing to your franchised Business under any arrangement with us. The cure period for this default will be 5 days after written notice of default. If you do not cure within the shortened cure period, the Franchise Agreement will terminate immediately upon expiration of the 5-day cure period, or any longer period required by applicable law. b. You do not submit required reports or make any false statement in connection with any reports or information you submit to us. c. You sell unauthorized services or products. d. You fail to maintain your trade accounts in a current status and/or fail to seek to promptly resolve any disputes with trade suppliers e. You engage in any business, or market any product or service, under a name or mark which, in our opinion, is confusingly similar to the Proprietary Marks. f. You do not pay any taxes on your Business when due. g. You do not use the Proprietary Marks and/or trade dress solely in the manner and for the purposes we direct. h. You violate the restrictions relating to advertising or do not participate in the programs related to advertising and sales promotion. i. You do not indemnify us. j. You permit a continued violation in connection with the operation of the franchised Business of any law, ordinance, rule or regulation, in the absence of a good faith dispute. k. You fail to obtain or maintain a required, permit, certificate or other governmental approval. l. You employ an individual who is not legally eligible for employment in the United States. m. You fail to operate your Hey Yogurt Outlet during the days and hours specified in our Brand Standards without our advance written approval. n. You default under any agreement between you and the landlord of your Outlet Location and do not cure within the time provided in the lease. o. You fail to maintain and operate your Outlet and any delivery vehicles in a good, clean and sound manner, in strict compliance with our standards. p. You do not engage and have us train a successor or replacement Business Manager. q. You fail to implement (and, at your expense, take all steps necessary to implement and thereafter adhere to any new or changed System requirements. r. A final judgment not subject to appeal is entered against you or any Guarantor and remains unsatisfied for more than thirty (30) days or, if any such judgment is subject to appeal. s. You do not comply with any other lawful provision or requirement of the Franchise Agreement or any specification, standard or operating procedure we prescribe. These provisions are subject to state law.
h. "Cause" defined - non-curable defaults	Sections 18.01 and 18.02	Automatic, without notice: bankruptcy, insolvency, receivership, dissolution or levy. On notice to you: a. You fail to open the franchised Outlet within 12 months following our signing of the Franchise Agreement or cease to operate the Outlet, abandon the franchise, or, fail to operate your Outlet for three consecutive days during which you are required to operate, unless due to causes beyond your control. b. You omitted or misrepresented a material fact in information you furnished us in connection with our decision to sign the Franchise Agreement. c. You and we agree in writing to terminate. d. You do not secure a Outlet Location within the required time limits and procedures.

Provision	Section in Franchise Agreement	Summary
		e. You lose the right to possess the Outlet Location, but if the loss is due to no fault of yours, you may apply for approval to relocate and reconstruct. f. You, your your Business Manager and/or if you are a business entity, any owner, member, shareholder, director or manager of yours is convicted of a felony, etc. g. You make an unauthorized transfer. h. You do not comply with the in-term covenant not to compete, or obtain the required additional covenants, or you violate the restrictions pertaining to the use of Confidential Information. i. Before you open, we determine that you or your your Business Manager failed to attend or successfully complete the Initial Training Program (after being afforded the opportunity to obtain remedial training). j. You knowingly conceal revenues, knowingly maintain false books or records, or submit any substantially false report to us. k. You do not maintain the required financial records. l. An audit shows that you understated your Gross Revenues by 8% or more for any month or for the entire period of examination. m. You refuse us permission to inspect or audit. n. You take any funds withheld from your employees' wages which should have been set aside for the franchised Business' employee taxes, FICA, insurance or benefits; wrongfully take our property; systemically fail to deal fairly with your employees, customers or suppliers; or knowingly permit or, having discovered the facts, fail to take any action against or to discharge any agent, servant or employee who has embezzled. o. After curing a default which is subject to cure, you commit the same act of default again within 36 months. p. You make a willful misrepresentation or do not make a material disclosure required by any governmental authority regarding any matter involving your franchised Business and Outlet. q. You interfere or attempt to interfere with our contractual relations with others. r. You do not cure a default which materially impairs the goodwill associated with our Proprietary Marks after at least 72 hours' written notice to cure. s. You fail for 15 days after notice to comply with any law or regulation applicable to the Business. t. You repeatedly fail to comply with one or more requirements of this Franchise Agreement, whether or not corrected after notice. u. You do not devote the amount of your time and attention and/or your best efforts to the performance of your duties necessary for the proper and effective operation of your franchised Business. v. You do not immediately repay us or our affiliates for any amounts we advance on your behalf. w. You do not purchase or maintain required insurance. x. You, your franchised Business and/or your franchised Outlet commit any violation of law, rule or regulation and/or engage in any act or practice which subjects you and/or us to widespread publicity or ridicule. y. You breach advertising standards and fail to cure within 3 days following written notice. z. You purchase any proprietary products or services or purchase any non-proprietary goods or services under a systemwide supply contract we negotiate, and you use, sell or otherwise exploit them for the benefit of any other individual, entity or business. aa. You operate your franchised Business and/or your Hey Yogurt Outlet in a fashion that, in our sole judgment, in any way jeopardizes the life, health or safety of the general public, your customers and/or your employees. If you do so, then not only may we terminate the Franchise Agreement upon notice, but we may direct you to immediately close your Hey Yogurt Outlet (s); you must immediately comply with our direction; and, you must hold us harmless from and against any claims relating to our direction to close your Outlet(s). bb. You fail to immediately endorse and tender to us any payment which is due us or our affiliates but is made to your order.

Provision	Section in Franchise Agreement	Summary
		cc. You use our Confidential Information and/or Proprietary Marks in a way not specifically authorized, or for the benefit of any individual or entity other than your franchised Business. dd. You interfere or attempt to interfere with our ability or right to franchise or license others to use the System and/or Proprietary Marks ee. You interfere or attempt to interfere with our relationships with any other franchisee, supplier, government authority, or other third party. ff. You or any of your owners' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or you or any of your owners otherwise violate any such law, ordinance, or regulation. gg. You (or any of your owners) fail to cure within the applicable time period any breaches under the Franchise Agreement, or any other agreement between you (or any of your affiliates) and us (or any of our affiliates) including, but not limited to, any other franchise agreement, area development agreement, lease or promissory note. hh. You engage in any act or conduct, or fail to engage in any act or conduct, which under the Franchise Agreement specifically authorizes us to terminate the Franchise Agreement immediately upon notice to you. These provisions are subject to state law.
i. Your obligations on termination / nonrenewal	Article 19	a. Pay all money owing to us or our affiliates, and third parties. b. Stop using our Proprietary Marks, Confidential Information, trade secrets and Brand Standards. c. Cancel assumed name or equivalent registration which contains "Hey Yogurt", or any other Proprietary Marks of ours, or any variant, within 15 days. d. If we terminate the Franchise Agreement for your default or you terminate through failure to make payment following notice to cure (see section d. above), pay us all expenses and damages incurred as a result of your default or termination. Damages may include, for example, lost profits, lost opportunities, damage to our Proprietary Marks and reputation, travel and personnel costs and the cost of securing a new Business for the Territory. With regard to "lost profits" and "lost opportunities" if such a termination of this Agreement occurs during the first two years after signing the Franchise Agreement, then you agree that in lieu of "lost profits" or "lost opportunities" you must immediately pay us back, as liquidated damages and not as a penalty, a lump-sum equal to the Initial Franchise Fee you paid, plus any additional amounts to compensate for the other losses and expenses due to the termination. e. If we request, assign us your interest in the Outlet Location lease and vacate promptly. f. Immediately deliver to us all confidential information, Brand Standards, manuals, computer software and database material, customer lists, records and files, forms, advertising and promotional material, signs and related items which bear our Proprietary Marks. g. Immediately sign agreements necessary for termination. h. Stop using the telephone numbers listed in directories under the name "Hey Yogurt" or any confusingly similar name. i. Strictly comply with the post-termination/post-expiration covenants not to compete. j. Continue to abide by restrictions on the use of our Confidential Information, trade secrets and know-how. k. Immediately refrain from engaging in any contacts with customers, suppliers, employees and all vendors of the Hey Yogurt Outlet. l. Immediately surrender to us all computer software, data storage disks or tapes and other electronic media used in the operation of the franchised Business, printouts, and other information pertaining to computer operations, codes, procedures and programming. m. In 15 days, arrange with us for an inventory of personal property, fixtures, equipment, inventory and supplies. We have option for 30 days to buy these at fair market value. n. If we choose not to take over the Outlet, redecorate and remodel it to deidentify it. If we terminate for cause, we can take possession of the Business. If you dispute the termination, then we can operate the Business until the final court determination. If the

Provision	Section in Franchise Agreement	Summary
		court decides the termination was not valid, we must make a complete accounting for the period when we operated the Business. These provisions are subject to state law.
j. Assignment of contract by us	Section 15.01	We will have the right to assign if the assignee is financially responsible and economically capable of performing our obligations under the Franchise Agreement, and agrees to perform these obligations. We may sell our assets, Proprietary Marks, or System; go public, etc. (see Franchise Agreement) We have the right to delegate the performance of any portion or all of our obligations under the Franchise Agreement to third party designees, whether these designees are our agents or independent contractors with whom we have contracted to perform these obligations.
k. "Transfer" by you – definition	Section 15.02	Any assignment, transfer, subfranchising, sublicensing, sale, redemption or division of Agreement, franchised Business, Outlet, any interest in them or a business entity franchisee.
l. Our approval of transfer by you	Section 15.02, 15.03	No transfer without our consent except as provided in Franchise Agreement (for example, transfer to a business entity you form for convenience, if you first obtain our prior written consent, which we will not unreasonably withhold in such an instance if the conditions stated in the Franchise Agreement are met). These provisions are subject to state law.
m. Conditions for our approval of transfer	Section 15.04	a. The person to whom you propose to transfer (the "transferee") must apply to us for acceptance. b. Transferee must come to personal interview, or we may meet with transferee at his, her or its business or residence, and if we do you must reimburse us for our travel, lodging, meal and personal expenses. c. Transferee (or, if a business entity, the principals of the proposed transferee) must demonstrate the skills, qualifications, ethics, moral values and economic resources. necessary, in our reasonable judgment, to conduct the Business and to fulfill obligations to you. d. Transferee and his/her/its proposed Business Manager must attend and successfully complete Initial Training Program before assignment (and other training if we wish), at transferee's expense. e. The landlord of the Outlet Location must consent in writing to the assignment of lease. f. You must have cured any existing defaults, fully comply with all obligations to us and satisfy your outstanding monetary obligations to third parties. g. Transferee must sign new Franchise Agreement (but need not pay another Initial Franchise Fee). The term of the new Franchise Agreement will be the balance of your Franchise Agreement. h. Transferee must have acquired, or will be able to immediately acquire following the signing of the new Franchise Agreement, all permits, licenses and other authorizations legally necessary to operate Business. i. The Total Sales Price may not be so excessive, in our determination, that it jeopardizes the continued economic viability and future operations of the franchised Business and/or the transferee. See Franchise Agreement for definition of "Total Sales Price." j. If transferee is a business entity, owners must sign guarantees and confidentiality/ non-competition agreements. k. You and your owners must sign a general release (subject to state law). l. If the transferee is a business entity, all of the requirements of its new Franchise Agreement concerning business entities must be complied with before we sign the new Franchise Agreement and must continue to be complied with. m. You must give us copies of the proposed assignment contract and signed assignment contract. n. The transferee, at its expense, must upgrade the Outlet to conform with then-current standards and specifications within the time we reasonably specify.

Provision	Section in Franchise Agreement	Summary
		o. You must correct any existing deficiencies of the Outlet of which we have notified you. p. You must pay us a transfer fee of 50% of our then-current initial franchise fee for similarly-situate territories. These provisions are subject to state law.
n. Our right of first refusal to purchase your business	Section 15.06	We can match any offer for your Business. If we exercise our right of first refusal, you and your selling owner(s) agree that, for two (2) years beginning on the closing date, you and they will be bound by the non-competition covenant contained in Section 13.02 of the Franchise Agreement. We have the unrestricted right to assign this right of first refusal to a third party, who then will have the same rights described here. These provisions are subject to state law.
o. Our option to purchase your business	Section 20.01	We have the option to buy your franchised Business's assets upon termination or expiration. These provisions are subject to state law.
p. Your death or disability	Section 15.05	On your death or disability your rights pass to your "Estate". Your Estate may continue operating the Business if it provides an acceptable Operating Principal. The Estate shall have a reasonable period of time (not to exceed six (6) months following the death or disability to sell (as applicable) Franchisee or the franchised Business in accordance with the provisions of Section 15.04 (conditions for our approval of transfer) of the Franchise Agreement, and subject to our right of first refusal to purchase the business under Section 15.06 of the Franchise Agreement. This Operating Principal must successfully complete our next Initial Training Program and assume full-time operation of the franchise within 1 month of your death or disability. The Estate must pay us a \$1,000 administrative fee. From the date of your death or disability until an Operating Principal assumes full time control, we can operate your Business, but need not do so. See Item 6. Or, the Estate may sell the franchise in accordance with the requirements described in m. above. This provision is subject to state law.
q. Non-competition covenants during the term of the franchise	Section 13.02	No involvement in competing business anywhere in U.S. Competing business means any other business or activity (a "Competitive Business") which offers or sells any of the programs, products or services which now or hereafter are authorized for sale under the System (including yogurt drinks and desserts) or component thereof in any manner; which offers or sells similar or related programs, products or services; which engages in any of the activities which the Franchise Agreement contemplates that you will engage in; or, which offers or sells any other program, product, service or component which now or in the future is part of the System, or any confusingly similar program, product or service. These provisions are subject to state law.
r. Non-competition covenants after the franchise is terminated or expires	Section 13.02	No competing business for two (2) years within your Territory, within 3 miles driving distance of the Outlet Location or the perimeter of your Territory, or within 3 miles driving distance of the perimeter of (or within) any Hey Yogurt Business (whether the Outlet is in operation or under construction, and whether franchised or company-owned). These provisions are subject to state law.
s. Modification of the agreement	Sections 8.01, 28.01	No oral modifications, but we may change the Brand Standards. Any Brand Standards change will not conflict with or materially alter your rights and obligations under the Franchise Agreement.
t. Integration/merger clause	Section 27.01	Only the terms of the Franchise Agreement, the Exhibits to the Franchise Agreement and all agreements signed with it are binding (subject to state law). Notwithstanding the foregoing, nothing in this disclosure document or any related agreement is intended to disclaim the representations made in the Franchise Disclosure Document, its exhibits and amendments.

Provision	Section in Franchise Agreement	Summary
u. Dispute resolution by arbitration or mediation	Not applicable	No provision for arbitration or mediation.
v. Choice of forum	Section 31.04	Litigation must be at a state or federal district court of competent jurisdiction in state and county in which our principal place of business is then located (currently, Bergen County, New Jersey), subject to state law.
w. Choice of law	Section 31.03	New York State law applies, subject to state law.

Area Development Agreement:

Provisions	Section in Area Development Agreement	Summary
a. Length of the franchise Term	Section 4.01	Term is from date we sign agreement until the earlier of either the actual or scheduled date of execution of the last Franchise Agreement scheduled to be signed under the Area Development Agreement.
b. Renewal or extension of the term	Section 4.02	The Area Development Agreement is not renewable.
c. Requirements for you to renew or extend	Not applicable	Not Applicable.
d. Termination by you	Section 15.02(2)	a. You may terminate the Area Development Agreement if you and we agree in writing. b. You may terminate the Area Development Agreement on any grounds provided by applicable law.
e. Termination by us without cause	Not applicable	Not applicable.
f. Termination by us with cause	Article 15	The Area Development Agreement describes defaults throughout – please read it carefully. The termination of your Area Development Agreement will give us the right to terminate your Franchise Agreement(s); except that your failure to satisfy the Development Schedule will not terminate any of the Franchise Agreements you already signed with us, so long as you have opened the Businesses covered by the signed Franchise Agreements and you are not in default of the Franchise Agreements. In addition, the termination of your Franchise Agreement(s) will give us the right to terminate your Area Development Agreement.
g. "Cause" defined - defaults which can be cured	Section 15.03	Except for defaults described in h. below, you have 15 days to cure any default under the Area Development Agreement.
h. "Cause" defined - non-curable defaults	Section 15.01 and 15.02	Automatic, without notice: bankruptcy, insolvency, receivership, dissolution or levy. On notice to you: a. You omitted or misrepresented a material fact in information you furnished us in connection with our decision to sign the Area Development Agreement. b. We and you agree in writing to terminate the Area Development Agreement. c. You, any of your Principals, and/or, if you are a business entity, any owner, member, shareholder, director or manager is convicted of a felony, etc. d. You make an unauthorized transfer. e. You do not comply with the covenant not to compete during the term of the Area Development Agreement; violate restrictions pertaining to the use of Confidential Information contained in the Area Development Agreement; or, do not obtain the signing of the additional covenants required by the Area Development Agreement. f. You make a willful misrepresentation or do not make a material disclosure required by any governmental authority. g. You use or duplicate any aspect of our System, services, programs or products in an unauthorized fashion.

Provisions	Section in Area Development Agreement	Summary
		h. You engage in any business or market any service or product under a name or mark which, in our opinion, is confusingly similar to our Proprietary Marks. i. You engage in conduct which reflects materially and unfavorably upon the operation and reputation of the Businesses, us or the Hey Yogurt Outlet System. j. The termination of your Area Development Agreement will give us the right to terminate your Franchise Agreement(s); except that your failure to satisfy the Development Schedule will not terminate any of the Franchise Agreements you already signed with us, so long as you have opened the Businesses covered by the signed Franchise Agreements and you are not in default of the Franchise Agreements. In addition, the termination of your Franchise Agreement(s) will give us the right to terminate your Area Development Agreement.
i. Your obligations on termination / nonrenewal	Section 16.01	a. Pay all money owing to us or our affiliates, and third parties. b. If we terminate the Agreement for your default, pay us all expenses, including attorney's and expert's fees. c. Immediately sign all agreements necessary for termination. d. Strictly comply with the post-termination/post-expiration covenants not to compete e. Continue to abide by restrictions on the use of our Confidential Information. Termination of the Area Development Agreement for your failure to comply with the Development Schedule will not terminate any of the Franchise Agreements you already signed with us, so long as you have opened the Businesses covered by the signed Franchise Agreements and you are not in default of the Franchise Agreements.
j. Assignment of contract by us	Section 12.01	We will have the right to assign the Area Development Agreement if the assignee is financially responsible and economically capable of performing our obligations under the Area Development Agreement, and agrees to perform these obligations. We may sell our assets, Proprietary Marks, or System; go public, etc. (see Area Development Agreement).
k. "Transfer" by you – definition	Section 12.02	Any assignment, sale, transfer, shared, reconsidering, subfranchising or dividing, voluntarily or involuntarily, of the Area Development Agreement, the franchised Business, the Outlet, or any interest in the franchised Business, the Outlet or a Business Entity Franchisee (including any capital stock, membership, partnership or proprietary interest of you or anyone who controls you).
l. Our approval of transfer by you	Section 12.02, 12.03 and 12.04	No transfer without our consent except as provided in Area Development Agreement (for example, transfer to a business entity you form for convenience.).
m. Conditions for our approval of transfer	Sections 12.03 and 12.04	See l., above.
n. Our right of first refusal to purchase your business	Not applicable	Not applicable.
o. Our option to purchase your business	Not applicable	Not applicable
p. Your death or disability	Section 12.04	On your death or disability (if you are an individual), or the death or disability of your last surviving owner (if you are a business entity), that person's rights pass to his or her "Estate". The Estate may continue operating the Business if it provides an acceptable Area Business Manager. This Area Business Manager must assume full time operation of the franchise within 90 days of death or disability.
q. Non-competition covenants during the term of the franchise	Sections 11.01, 11.02, 12.02	No involvement in competing business anywhere. Prohibition on franchisee employing or soliciting for employment any current or former employee of franchisor or its affiliates (also known as a no-poach/non-solicitation provision). Subject to state law.

Provisions	Section in Area Development Agreement	Summary
r. Non-competition covenants after the franchise is terminated or expires	Section 11.01, 12.02	No involvement in competing business for 2 years within your Development Territory, within a 3-mile driving distance of the perimeter of your Development Territory or within a 3-mile driving distance of the perimeter of (or within) any Hey Yogurt Outlet (whether company-owned, franchised or otherwise established and operated). Prohibition for 2 years on franchisee employing or soliciting for employment any current or former employee of franchisor or its affiliates (also known as a no-poach/non-solicitation provision). Subject to state law.
s. Modification of the agreement	Section 18.05	No oral modifications.
t. Integration/merger clause	Section 18.05	Only the terms of the Area Development Agreement, the Exhibits to the Area Development Agreement and all agreements signed with it are enforceable (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable. However, nothing in any agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.
u. Dispute resolution by arbitration or mediation	Not applicable	Not applicable.
v. Choice of forum	Sections 13.03 and 18.13	Litigation must be in a state or federal district court of competent jurisdiction situated in the state and county in which our principal place of business is then located (currently Bergen County, New Jersey), except that we may bring an action for an injunction in any court with jurisdiction (see Area Development Agreement). (Subject to state law.)
w. Choice of law	Section 18.12	New York State law applies. Your state law may supersede this provision and it may not be enforceable in your state. (Subject to state law.)

See the state addenda to the Franchise Agreement, Area Development Agreement, and Franchise Disclosure Document for special state disclosures.

ITEM 18 PUBLIC FIGURES

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

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

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

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, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Hey Yogurt, 10 Malcolm Ave. Teterboro, NJ. 858-877-8888, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For Years 2023 to 2025

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*	2023	0	2	+2
	2024	2	8	+6
	2025	8	12	+4
Company-Owned ^Δ	2023	0	1	+1
	2024	1	2	+1
	2025	2	3	+1
Total Outlets	2023	0	3	+3
	2024	3	10	+7
	2025	10	15	+5

Table No. 2
Transfers of Franchised Outlets from Franchisees
to New Owners (other than the Franchisor)
For Years 2023 to 2025

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Pennsylvania	2023	0
	2024	1
	2025	0
Total	2023	0
	2024	1
	2025	0

* Each franchise sold from 2023 – 2025 was done under the rubric of a Joint Venture Agreement, Trademark License Agreement, and ancillary agreements between our predecessor (and affiliate), HeyYogurt US LLC, and the unaffiliated joint venture partner which took primary responsibility for day-to-day operations of the joint venture entity which owns the Outlet.

^Δ Each company-owned outlet is owned and operated by one of our corporate affiliates.

Table No. 3
Status of Franchised Outlets
For Years 2023 to 2025*

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminatio ns	Column 6 Non- Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Opera- tions - Other Reasons	Column 9 Outlets at End of the Year
Georgia	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	2	0	0	0	0	2
Illinois	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
New Jersey	2023	0	1	0	0	0	0	1
	2024	1	4	0	0	0	0	5
	2025	5	0	0	0	0	0	5
New York	2023	0	0	0	0	0	0	0
	2024	0	4	0	0	0	0	4
	2025	4	1	0	0	0	0	5
Pennsylva nia	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Total	2023	0	2	0	0	0	0	2
	2024	2	6	0	0	0	0	8
	2025	8	4	0	0	0	0	12

* If multiple events occurred affecting an outlet, this table shows the event that occurred last in time.

Table No. 4
Status of Company-Owned Outlets
For Years 2023 to 2025*

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisee	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisee	Column 8 Outlets at End of the Year
New Jersey	2023	0	1	0	0	0	1
	2024	1	1	0	0	0	2
	2025	2	1	0	0	0	3
Total	2023	0	1	0	0	0	1
	2024	1	1	0	0	0	2
	2025	2	1	0	0	0	3

Table No. 5
Projected Openings as of December 31, 2025

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlet in the Next Fiscal Year	Column 4 Projected New Company-Owned Outlet in the Next Fiscal Year
New York	0	1	0
Colorado	0	1	0
Texas	1	0	0
California	1	0	0
Georgia	1	0	0
Total	3	2	0

Please understand that you have the opportunity to contact existing and certain other former franchisees and we urge you to do so.

The following lists the names of all current franchisees and the addresses and telephone numbers of their outlets as of the end of our last fiscal year:

Franchisee Name	Address of Outlet	Telephone Number of Outlet
JNS Group LLC	316 Broad Ave, Palisades Park,	201-482-4212

* If multiple events occurred affecting an outlet, this table shows the event that occurred last in time.

Franchisee Name	Address of Outlet	Telephone Number of Outlet
	NJ 07650	
Agotchu Company LLC	80 E Ridgewood Ave, Ridgewood, NJ 07450	201-248-4136
Yogurt Bar II INC.	288 Main St, Hackensack, NJ 07601	201-979-8575
SHE Inspirations LLC	18 City Place at the Promenade, Edgewater, NJ 07020	551-219-3601
Plateground LLC	6 N Dean St. Englewood, NJ 07631	201- 408-2100
Yogurt Bar I INC.	41-12 162nd St, Flushing, NY 11358	347-732-4160
HEY YOGURT KK 32 LLC	315 5th Ave, New York, NY 10016	347-992-9576
Hey Yogurt Great Neck LLC	3 Great Neck Road, Great Neck Plaza, NY 11021	516-439-4312
HEY YOGURT LI INC	47 Jackson Ave, Syosset, NY 11791	516-913-1827
Sip Haven LLC	115 N 9th St, Philadelphia, PA 19107	201-482-4212
Madison Kari Avenue LLC	3512 Satellite Blvd.#6 Duluth, GA	470-702-6427
SNACKSYHUB LLC	45 Satellite Blvd. #F, Suwanee, GA, 30024	470-266-1138
JYN FRESH LLC	5150 Buford Hwy NE. #C180, Doraville GA 30340	470-418-3188
SIP AND SWEET INC	320 W. Half Day Rd., Buffalo Grove, IL 60089	847-383-6214

We are in first fiscal year and, as of the date of this Franchise Disclosure Document, have not signed any franchise agreements.

Regarding our predecessor (and affiliate), Hey Yogurt US LLC, the following lists the name, outlet address (if available), city, state and telephone number or e-mail address of all franchisees who signed a franchise agreement (in the form of a joint venture agreement) with our predecessor but who had not yet opened their Outlets as of the close of our predecessor's last fiscal year end:

San Mateo, California franchisee (not yet open):

Charlie Kim
telephone: 201-290-3605
email: ckim@lindenhospitality.com

Johns Creek, GA franchisee (not yet open; franchisee is based in Suwanee, Georgia):

Yoochan Lee

917-355-1231

joshua105235@gmail.com

There is no franchisee (including any franchisee / joint venture partner of our predecessor and affiliate, HeyYogurt US LLC) who had an outlet terminated, canceled or not renewed, or otherwise voluntarily or involuntarily ceased to do business under their franchise agreement during our (or our predecessor's / affiliate's) most recently completed fiscal year or has not communicated with us (or our predecessor / affiliate, HeyYogurt US LLC) within 10 weeks of the issuance 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.

During the last three fiscal years, no current or former franchisees of us (or of our predecessor / affiliate, HeyYogurt US LLC) have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system.

There are no trademark-specific franchisee organizations associated with the franchise system.

ITEM 21 FINANCIAL STATEMENTS

Our fiscal year end each year is on December 31. We were formed in March 2026. Our audited balance sheet as of April 8, 2026 is in Exhibit C. We (the franchisor) have not been in business for three years or more and cannot include all the financial statements required by the Federal Trade Commission's Franchise Rule for the franchisor's last three fiscal years.

We make no representation regarding our income, earnings, anticipated growth or that of the System, or the viability of the business opportunity being offered under the Franchise Agreement.

ITEM 22 CONTRACTS

Copies of all proposed agreements regarding the unit franchise offering are included in Exhibits A and B. These include the following:

Exhibit A to this Disclosure Document: Franchise Agreement

State Addenda to Franchise Agreement

Exhibits to Franchise Agreement:

- | | | |
|-------------|---|---|
| Exhibit A | - | Initial Franchise Fee; Site Location; Protected Territory |
| Exhibit B | - | Proprietary Marks |
| Exhibit C | - | Required Provisions for Lease Rider |
| Exhibit D | - | Software License Agreement |
| Exhibit E-1 | - | Confidentiality/Non-Competition Agreement |
| Exhibit E-2 | - | Confidentiality Agreement (Non-Managerial Personnel) |
| Exhibit F | - | Guarantee |
| Exhibit G | - | General Release - Termination |
| Exhibit H | - | General Release – Successor Term |
| Exhibit I | - | General Release – Assignment |
| Exhibit J | - | Information Regarding Franchisee |

Exhibit B to this Disclosure Document: Area Development Agreement

State Addenda to Area Development Agreement

Exhibits to Area Development Agreement:

- | | | |
|-----------|---|---|
| Exhibit A | - | Franchise Territories |
| Exhibit B | - | Development Territory |
| Exhibit C | - | First Unit Franchise Agreement You and We Will Sign |

- Exhibit D-1 - Confidentiality / Non-Compete Agreement
- Exhibit D-2 - Confidentiality Agreement (Non-Managerial Personnel)
- Exhibit E - Guarantee
- Exhibit F - Information Regarding Area Developer

ITEM 23

RECEIPTS

You will find copies of a detachable receipt in Exhibit H at the very end of this disclosure document.

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EXHIBIT A TO DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT

HEY YOGURT FRANCHISING LLC
FRANCHISE AGREEMENT

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Kaufmann Gildin & Robbins LLP
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- I GENERAL RELEASE – ASSIGNMENT
- J INFORMATION REGARDING FRANCHISEE

HEY YOGURT FRANCHISING LLC
FRANCHISE AGREEMENT

This FRANCHISE AGREEMENT (this "Agreement") is entered into between HEY YOGURT FRANCHISING LLC, a New Jersey limited liability company with its principal office at 10 Malcolm Avenue # 4, Teterboro, NJ 07608 ("we," "us," "our" or "Franchisor") and _____ whose principal address is _____ ("you," "your" or "Franchisee"), as of the date signed by us and set forth opposite our signature on this Agreement (the "Effective Date").

1. PURPOSE AND SCOPE OF THIS AGREEMENT

1.01 The Hey Yogurt Businesses, System and Proprietary Marks

We and/or our affiliates have, over a considerable time period and with considerable effort, developed a proprietary system which we may improve, further develop, or otherwise modify from time to time (the "System") for establishing businesses (each a "Business") that open and operate quick-service retail beverage and specialty dessert outlets (each, an "Outlet") specializing in the sale of yogurt-based beverages, smoothies, specialty drinks, and related food and dessert products. The System makes use of the trademark, service mark and fictitious business name "HEY YOGURT" and certain other trademarks, service marks, trade names, related emblems, designs, labels, trade dress, signs and symbols, copyrighted materials and other intellectual property (collectively, the "Proprietary Marks"), which we will designate as licensed to you in this Agreement, Exhibit B hereto, our Brand Standards (as described below) and/or otherwise.

From time to time and in our sole discretion, we may grant to persons who meet our qualifications, and are willing to undertake the investment and effort, a franchise to own and operate an Outlet offering the products, services and programs we authorize and using our System. We may improve, further develop or otherwise modify our System from time to time.

As a franchise owner of an Outlet, you will comply with this Agreement and all of our then-current standards, specifications and requirements in order to maintain the high and consistent quality that is critical to attracting and keeping customers for Outlets.

You have applied for a franchise to own and operate an Outlet.

2. GRANT OF FRANCHISE AND LICENSE

2.01 Grant of Franchise and Licenses

We grant you, and you accept, the right to use the Proprietary Marks and the System, during the Initial Term, in connection with establishing and operating a Business and Outlet at the Location (as defined in Section 7.01) identified on Exhibit A. You agree to use the Proprietary Marks and System as we may change, improve, modify or further develop them from time to time as provided in this Agreement, and to operate your Business and its Outlets only in accordance with the terms and conditions of this Agreement, any related agreements and the Brand Standards. You further agree to honestly and diligently perform your obligations under this Agreement and to use your best efforts to promote the Outlet. You may not sub-franchise or otherwise grant to any other "Person" (meaning both natural persons and legal entities, including corporations, partnerships, limited liability companies and trusts) any interest in this Agreement or the franchise granted hereby, except as otherwise provided in this Agreement.

3. TERRITORY

3.01 Territory

The site for your franchised Outlet that is determined and mutually agreed upon between us is specified on Exhibit A, as well as a protected territory that includes that site. Your right to operate a Business is restricted to the protected geographic area described in Exhibit A (the "Territory"). Your Business may establish only one Outlet within the Territory under this Agreement.

3.02 Our Restrictions

Within the Territory, neither we nor any affiliate (meaning any individual or entity we control, which controls us, or which is under common control with us, together our “affiliates”) will operate or grant a franchise for a quick-service restaurant business operated under the Proprietary Marks of the type franchised to you hereunder, or a similar or competitive business, except as provided in Section 3.04 (“Rights We Reserve”). These restrictions will terminate immediately upon the expiration or termination of this Agreement for any reason.

Outside of the Territory, we and/or our affiliates reserve the right to operate any number of Businesses, and/or authorize others to operate same, at any location whatsoever, including one or more locations that may be proximate to, but not within, the Territory.

3.03 Your Restrictions

Your Business may only offer and sell its programs, products and services in, at and from your Outlet and only to customers situated within the Territory. Under no circumstance may your Business establish any physical presence outside of your Territory at or from which your programs, products or services are sold or furnished. Nor may your business offer or sell its programs, products or services anywhere, through any means or manner other than your Center, including alternative channels of distribution, such as the internet/worldwide web and other forms of electronic commerce; “800” or similar toll-free telephone numbers (other than those we establish and make available to you for your customers to place orders with your franchised Outlet); supermarkets, grocery stores or convenience stores; mail order; catalogs; or, any other distribution channel whatsoever except from your franchised Outlet. Under no circumstances may your Business offer delivery of System menu items or products except as we may (but need not) authorize in writing. You may, however, use third-party online ordering and/or delivery aggregators in accordance with our System standards unless and until the Franchisor notifies you otherwise in writing. Franchisor retains the right, in Franchisor’s business judgment, to require you and/or other franchisees in the future to use a Franchisor-designated ordering or delivery platform upon written notice to you, including a proprietary system-wide mobile application or online ordering system which may be developed by Franchisor.

You may not actively solicit sales outside of your Territory. However, you may fulfill orders that originate outside your Territory if such orders are received through approved system-wide platforms or direct customer contact without targeted solicitation.

You may only engage in the retail sale of System programs, products and services. You are prohibited from engaging in the wholesale sale or distribution of any System programs, products or services, or the programs, products, equipment, and services which your Business is required or permitted to use or sell under this Agreement, or any component or ingredient of any of the foregoing which now or in the future constitutes part of the System. “Retail sale” means any sale by you directly to an ultimate consumer. “Wholesale sale or distribution” means any sale or distribution by you to a third party for resale, retail sale, or further distribution. “Component” means any constituent part, ingredient, element, segment or derivative.

3.04 Rights We Reserve

You understand and agree that we and/or our affiliates may, in or outside the Territory (except as we are restricted by Section 3.02 of this Agreement), engage in any business activity and deploy any business concept whatsoever and use our Proprietary Marks or any other names or marks owned or developed by us or our affiliates in connection with such other concepts and business activities. You further understand and agree that this Agreement does not confer upon you any right to participate in or benefit from such other concepts or business activities, regardless of whether it is conducted under the Proprietary Marks or not. Our and our affiliates’ rights to engage in other business activities are specifically reserved and may not be qualified or diminished in any way by implication. We thus may engage in, or authorize others to engage in, any form of business offering and selling any type of program, product or service except as restricted by Section 3.02 above.

By way of example, we and/or our affiliates may own, operate or authorize others to own or operate any type of business at any location whatsoever, including within your Territory, so long as such other business does not sell under the Proprietary Marks the type of programs, products or services which your Business offers and sells (except as permitted below). Further, we and/or our affiliates may own, operate or authorize others to own or operate Businesses at any location outside of your Territory, including immediately proximate to your Territory.

In addition, you understand and agree that we and/or our affiliates alone have the right to offer and sell within and outside your Territory, and under the Proprietary Marks, any and all programs, products or services and/or their components or ingredients (including those used or sold by your franchised Business), whether or not a part of the System, through any alternative method of distribution including, without limitation, such alternative channels of distribution as the internet/worldwide web; any other form of electronic commerce; "800" or similar toll-free telephone numbers; supermarkets, grocery stores and convenience stores; mail order; catalogs; television sales (including "infomercials"); food trucks; take-away premises; online networks; other permanent, temporary or seasonal food service facilities; or, any other channel of distribution whatsoever except for an Outlet in your Territory.

You also understand and agree that we and/or our affiliates have the right to offer and sell (directly, or through other franchisees or licensees) System programs, products and services at any and all nontraditional locations, including nontraditional locations situated in your Territory, through the establishment of Outlets, kiosks, mobile units, concessions or "shop in shops", and that, by contrast, you are precluded from engaging in such activity. "Nontraditional locations" are locations or venues at which access to the general public is restricted and include sports arenas and venues; theatres; resorts; food retailers (including supermarkets, grocery stores and convenience stores); malls and mall food courts; schools and universities; hospitals and healthcare facilities; airports; guest lodging facilities; day care facilities of any type; government facilities; condominium and cooperative complexes; the premises of any third party retailer which is not a quick-service restaurant or dessert venue (including shops, stores and department stores); military bases and installations; airlines, railroads and other modes of mass transportation.

You further agree that, both within and outside the Territory, we and/or our affiliates alone have the right to sell System programs, products and services to National, Regional and Institutional Accounts. "National, Regional and Institutional Accounts" are organizational or institutional customers whose presence is not confined to your Territory, including (by way of example only): business entities with offices or branches situated both inside and outside of your Territory; government agencies, branches or facilities; guest lodging networks; healthcare networks; the military; and, any other customer whose presence is not confined to your Territory. Only we will have the right to enter into contracts with National, Regional and/or Institutional Accounts (which may include facilities within your Territory). If we receive orders for any Hey Yogurt products or services calling for delivery or performance in your Territory as a result of our engaging in commerce with National, Regional and Institutional Accounts, then we will have the right, but not the obligation, either to require you to fulfill such orders at the price we agree on with the customer or to give you the opportunity to fulfill such orders at the price we agree on with the customer. If we give you the opportunity to fulfill such orders and if, for any reason, you do not desire to or cannot serve the customer, or if the customer desires for any or no reason to deal exclusively with us, our affiliate or another franchisee and not with you, then we, our affiliate or any other Hey Yogurt franchisee may serve the customer within your Territory, and you will not be entitled to any compensation. The procedures governing our National, Regional and Institutional Accounts program are set forth in our Brand Standards. For the purposes of this Agreement, an "affiliate" of an individual or entity (such as you or us) is defined to mean any individual or business entity which directly or indirectly is controlled by, controls or is under common control with that person or entity.

4. INITIAL TERM AND SUCCESSOR TERM

4.01 Initial Term

The initial term ("Initial Term") of this Agreement will be ten (10) years, beginning on the Effective Date, unless this Agreement is sooner terminated in accordance with its provisions.

4.02 Successor Term and Successor Agreement

You will have the right to enter into one (1) Successor Franchise Agreement, featuring a term of ten (10) years (a "Successor Term") if you have complied with the conditions and procedures for a Successor Term specified in Article 14 below. The first Successor Term will begin on the date that the Initial Term expires and each succeeding Successor Term will begin on the date that the previous Successor Term expires. The franchise agreement you execute covering the Successor Term (the "Successor Franchise Agreement") will supersede this Agreement. The Successor Franchise Agreement may not take the form of this Agreement; but, instead, may take the form of our then-current franchise agreement and may materially vary from this Agreement in all respects, except that no "initial franchise fee" will apply to you; the boundaries of your Territory will remain the same; and, the Continuing Royalty on entering into a Successor Franchise Agreement will not be greater than the Continuing Royalty that we then impose on similarly situated franchisees entering into successor franchise agreements. The conditions to and procedures governing your right to a Successor Term are set forth below in Article 14.

5. YOUR PAYMENTS TO US

5.01 Initial Franchise Fee

You agree to pay us an Initial Franchise Fee in the amount set forth on Exhibit A. The Initial Franchise Fee is payable in full on the Effective Date of this Agreement; is not refundable except as specifically provided in this Agreement; and, will be deemed fully earned when paid solely in consideration of our execution of this Agreement and not in exchange for any particular programs, products, services or assistance.

5.02 Continuing Royalty

Each month during the Initial Term, you agree to pay us a Continuing Royalty equal to five percent (5%) of your previous month's Gross Revenues, as defined in Section 5.04. The Continuing Royalty is solely in consideration of our granting you the franchise conferred by this Agreement and is not in exchange for any particular goods, services or assistance we may furnish you. The Continuing Royalty is payable on the third day of each month for the previous monthly period, and unless we indicate otherwise in writing to you, will be automatically withdrawn by us from your bank account via ACH (automated clearing house) electronic wire transfer based on the information we have access to about your monthly sales from your POS system or otherwise.

5.03 System Brand Fund Contribution; Initial Marketing Fee

- (a) You agree to pay us a monthly System Brand Fund Contribution equal to a percentage of your prior week's Gross Revenues (as defined in Section 5.04), which percentage we may set and change from time to time upon written notice to you; provided, however, that such percentage shall at no time during the Initial Term be more than two percent (2%) of your prior week's Gross Revenues (as defined in Section 5.04). Currently, such percentage is one percent (1%). We will collect the System Brand Contribution in the same time frame and by the same method as the Continuing Royalty. These System Brand Fund Contributions will be expended as provided for in Section 11.01 below.
- (b) You may, if you choose, pay us an initial marketing fee (the "Initial Marketing Fee"), in the amount of \$1,500, at least four (4) weeks prior to the opening of your Outlet, in exchange for which we or our affiliate(s) will provide the following services to you: (i) Grand opening event planning; (ii) Flyer design; (iii) Social media advertising; (iv) Local

targeted advertising; (v) Poster design; and, (vi) "Coming soon" / Grand opening banner design files.

5.04 Definition of Gross Revenues

"Gross Revenues" means all revenues and income from any source that you directly or indirectly derive or receive from, through, by or on account of the operation of your franchised Business and/or Outlet (including, without limitation, income related to take-outs, catering operations, digital and online sales including through third-party online ordering and/or delivery aggregators, special events and revenues and income from permitted non-restaurant operations conducted under or using the Marks), whether received in cash, in services, in kind, from barter and/or exchange (valued at the full retail value of the goods or services received), on credit (whether or not you ultimately receive payment on credit transactions), or otherwise. Gross Revenues specifically includes revenues and income you receive from the proceeds of any business interruption insurance policies and/or the sale of any promotional or premium items. You may deduct from Gross Revenues, to the extent they had been included in your calculation of Gross Revenues, documented refunds, charge backs, credits and allowances that you give in good faith to customers; proceeds from property damage or liability insurance; and proceeds from any civil forfeiture, condemnation, or seizure by government entities. You may also deduct from Gross Revenues all sales taxes or similar taxes which you legally charge to customers if you add the taxes when you charge the customer; send the tax payments to the appropriate tax authorities when due; furnish us within 30 days of payment an official receipt for the payment of the taxes or any other evidence that we reasonably consider acceptable; and, state in the monthly report we may require pursuant to Section 5.05 of this Agreement the amount of all these taxes and the payments to which they relate.

We may, from time to time, authorize certain other items to be excluded from Gross Revenues. Any such permission may be revoked or withdrawn at any time in writing by us in our sole discretion. The following are included within the definition of Gross Revenues except as noted below:

(a) The full value of meals or other food furnished to your employees as an incident to their employment, except that the value of any discounts extended to such employees may be credited against Gross Revenues during the month in which the meals or other food were furnished for the purpose of determining the amount of Gross Revenues upon which the Continuing Royalty is due; and

(b) All proceeds from the sale of coupons, gift cards or vouchers; provided, that at the time such coupons, gift cards or vouchers are redeemed the retail price thereof may be credited against Gross Revenues during the month in which such coupon, gift card or voucher is redeemed for the purpose of determining the amount of Gross Revenues upon which the Continuing Royalty is due. If sales proceeds are not recorded and reported for purposes of the Continuing Royalty at the time the coupon, gift card or voucher is sold, or if such coupons, gift card or vouchers are distributed free of charge, no credit against Gross Revenues is permitted upon redemption of such coupon, gift card or voucher.

5.05 Reporting and Payment

A. You agree that we may, at any time upon written notice to you, require you to submit a monthly report to us for our receipt on or before the third day of each month (regarding the immediately prior monthly period). The monthly report we may require will consist of a statement reporting all Gross Revenues for the preceding month and your calculation of the Continuing Royalty, System Brand Fund Contribution and any other fees due thereon, all in the manner and form we prescribe. You must manually or electronically sign the monthly report as we direct. We reserve the right to require you to file your monthly reports electronically or through any now or hereafter developed mode of communication and/or data transmission. You also agree to furnish to us any other financial or non-financial data that we request concerning the activity of your Business in the form, manner and frequency that we request it.

B. On or before the third day of each month (with regard to the immediately preceding monthly period), you agree to pay us the Continuing Royalty and System Brand Fund Contribution due for the preceding month, as specified in your monthly report which we may require you to provide.

C. We reserve the right to require the transmission of these and any other payments required under this Agreement by direct account debit, electronic funds transfer or other similar technology now or hereafter developed to accomplish the same purpose. If we require you to make payments by direct account debit, electronic funds transfer or other similar technology we designate, you agree to deposit and maintain at all times sufficient funds to cover all fees and payments you owe to us and our affiliates in a segregated bank account (the "Bank Account") that you form and maintain for the franchised Business and Outlet. If you fail to properly report the Outlet's Gross Revenues and any other sales data and/or information we request through this alternative method based on the deadlines described above, we may debit your Bank Account for one hundred twenty percent (120%) of the last Continuing Royalty and System Brand Fund Contribution that we debited (together with the interest noted in Section 5.05(D) below). If the amounts that we debit from your Bank Account are less than the amounts you actually owe us (once we have determined the Outlet's true and correct Gross Revenues), we will debit your Bank Account for the balance. If the amounts that we debit from your Bank Account are greater than the amounts you actually owe us, we will credit the excess against the amounts we otherwise would debit from your Bank Account during the following period. The Bank Account must have the capacity to make payments through the means we designate, and you must sign all documents required by your bank, our bank and us or for approval and implementation of the debit or transfer process. If and when we have implemented this requirement, you may not change the Bank Account without our advance written approval. You agree to pay all costs of direct account debit, electronic funds transfer or other similar technology we designate.

D. You agree to pay us or our affiliates interest on any overdue amounts owed to us or our affiliates (under this or any other agreement) at the lesser of 1.5% per month or the maximum rate permitted by applicable law. In addition, you must reimburse us for any bank charges, returned payment fees, or insufficient funds fees incurred as a result of any returned or rejected payment. This provision does not constitute consent to late payments or an agreement to extend credit. If you are delinquent in any required payment, we or our affiliate may apply any payment from you to any obligation due in whatever order and for whatever purposes as we determine, whether or not there is any contrary designation by you. In the event that you are eligible to receive any payments from us pursuant to an incentive program, we may apply such incentive payments to offset any of your past due indebtedness to us. We may also set-off any amounts you or your owners owe us or our affiliates against any amounts we or our affiliates owe you or your owners. You may not withhold, set-off or recoup payment of any amount due on the grounds of the alleged non-performance or breach of any of our or our affiliates' obligations under this or any other agreement.

E. In addition to all other payments under this Agreement, you agree to pay us or our affiliates immediately upon demand: (a) all sales taxes, trademark license taxes, gross receipts taxes and any other taxes imposed on or required to be collected or paid by us, our affiliates and/or our third party designees (as applicable) (excluding any corporate income taxes imposed on us, our affiliates and/or our third party designees) because we, our affiliates and/or our third party designees (as applicable) have furnished programs or services to you, collected any fee from you, licensed our Proprietary Marks to you and/or entered into this Agreement with you; (b) all amounts we advance, pay or become obligated to pay on your behalf for any reason; and, (c) any amount to reimburse us for costs and commissions paid or due to a collection agency or in connection with our collection efforts; and (d) all amounts you owe us or our affiliates for programs, products or services that you purchase from us or our affiliates.

5.06 Grand Opening Support Fee

You will pay us a Grand Opening Support Fee, payable upon request by us, in exchange for the on-site assistance and training we provide in connection with the opening of your Outlet, as described in Section 7.03. The Grand Opening Support Fee will be between \$2,000 and \$4,500,

depending on the number of days of on-site training and/or assistance we provide (typically between 2 and 4 days) in connection with the opening of your Outlet, as we determine in our business judgment.

6. SITE SELECTION, CONSTRUCTION, TRADE DRESS AND LEASE REQUIREMENTS

6.01 Outlet Location

A. You may operate your franchised Business only from your Outlet premises location (the "Location"). You may use the Location for no other purpose than the operation of the franchised Business.

We require that you have suggested a Location which we have approved before the execution of this Agreement. The address of that Location is set forth on Exhibit A to this Agreement. It is of the essence of this Agreement that you sign a lease approved by us (or provide proof of ownership) for your Location within three (3) months following the date of our execution of this Agreement. If you intend to own the Location, then you agree to furnish to us with an executed contract of sale within 30 days following our execution of this Agreement. If you do not secure a Location within the time limits and following the procedures specified in this Section 6.01, then this failure will be a material and incurable breach of this Agreement which, unless we waive the breach, will entitle us to terminate this Agreement immediately upon notice to you, with no opportunity to cure. If we terminate the Agreement for this reason, then all funds you paid us will be considered earned by us, you will not be entitled to any refund, and you agree to execute a General Release in the form of Exhibit G running in favor of us and our affiliates.

You understand that any advice we furnish or have furnished regarding our proposal, inspection and/or approval of any proposed site for your Location will not constitute, and will not be deemed to constitute, our express or implied representation, warranty, guarantee or any other indication of the prospective profitability, viability or merit of the Location.

6.02 Location Lease

If you will be leasing the Location, then promptly following our execution of this Agreement, you agree to obtain a lease or sublease for the Location which, unless we otherwise approve the lease in advance, must be accompanied by a rider incorporating the requirements specified in Exhibit C to this Agreement. You agree to deliver to us a copy of any proposed lease or sublease and any related documents (collectively, the "Lease") before you execute the Lease. Any Lease will be subject to our advance written approval, which we will not unreasonably withhold or delay, provided, however, that we expressly reserve the right to disapprove any Lease not accompanied by a rider embracing all of the provisions of Exhibit C and whose term is not at least as long as the Initial Term of this Agreement. If we do not communicate our approval or disapproval of a proposed Lease to you within twenty business days following our receipt of the proposed Lease, and if the Lease is accompanied by a rider containing the required provisions of Exhibit C, then the Lease will be considered approved.

You may not, in any Lease, create any obligations or grant any rights against us or our affiliates or agree to any term, condition or covenant which is inconsistent with this Agreement or any related agreement. You also acknowledge and agree that you are bound by the terms, conditions, covenants and obligations of the Lease and that your failure to comply with the Lease will constitute a material breach of this Agreement. You may not assign, transfer or encumber your Lease or sublet all or any part of the Location without our advance written approval.

6.03 Construction of Your Outlet

After acquiring the Location by lease or purchase, you shall at your expense construct your Outlet or, if applicable, convert the existing premises at the Location to become your Outlet, in conformity with the final plans and specifications which we have approved. At your expense and prior to commencing construction of your Outlet, you must obtain all necessary permits, licenses, variances and approvals pertaining to the building, occupancy, signs, utilities, zoning, use, and any other permits, approvals or variances which are necessary to permit the construction and use of an

Outlet as may be required by federal, state and local laws, rules, regulations or ordinances. You shall certify to us in writing that all such permits, licenses, variances and approvals have been obtained.

You must engage a qualified, licensed and bonded general contractor to construct your Outlet and to complete all improvements. You must obtain and maintain in force during the entire period of construction the insurance required under Section 9.01 of this Agreement. Your indemnification of us, our affiliates and all others specified in Section 8.10 below applies to each and every activity arising from or related to the construction of your Outlet. You understand that our approval of your final plans for your Outlet does not render us liable for any defects, neglects, omissions, errors or negligence associated with such plans and shall not in any fashion be construed to diminish or negate your indemnification of us, our affiliates and the others referenced in Section 9.10 below nor render us liable in any fashion or to any extent for any liabilities engendered thereby.

You must use your best efforts to complete the construction or conversion of your Outlet promptly. You must provide us with comprehensive information regarding all phases of the development process of the Location as we may require, such as weekly progress reports during conversion, in the format we designate. This information will include (without limitation and as applicable) the names, addresses and telephone numbers of your architect, civil engineer, surveyor, general contractor, subcontractors, principal vendors and environmental consultant, and the primary contact for each; copies of all permits, licenses, contractor's liability insurance certificates and other similar items required for the conversion of your Outlet; and, copies of all construction or remodeling contracts and documents, along with originals of all lien waivers and copies of all invoices. These requirements will also apply to any construction, remodeling, renovation or refurbishing of your Outlet at any time after it opens.

We will not be responsible for delays in construction, conversion, remodeling, equipping or decoration or for any loss resulting from your Outlet's plans that you furnished to us pursuant to Section 6.03 before implementing the changes. You hereby grant us access to your Location while work is in progress. We may require any reasonable modifications of the construction of your Outlet that we consider necessary or desirable in our reasonable business judgment. If you fail to promptly begin the design, construction, equipping and opening of your Outlet with due diligence, we may elect to terminate this Agreement immediately upon notice to you. All signs at your Outlet must conform to our sign criteria, unless you demonstrate good cause and we consent in writing to such non-conformance.

You will notify us of the scheduled date for completion of construction no later than fourteen (14) days prior to such date. When construction is complete and before you open your Outlet, your architect and general contractor must provide us with a certificate stating that the as-built plans for the Outlet fully comply with the Americans with Disabilities Act (the "ADA"); the architectural guidelines under the ADA; and, all other laws, rules, regulations, codes and ordinances applicable to the Outlet and the Location, including any requirements set forth in the Lease for the Location.

We will have the right, but not the obligation, to conduct a final inspection of the completed Outlet before it opens. We may require any corrections and modifications we consider reasonable and necessary to bring the Outlet into compliance with the plans and specifications we approved. The Outlet will not be allowed to open if the Outlet does not conform to the approved plans and specifications, including changes thereto that we may approve.

6.04 Specifications and Sources of Supply

We will provide you with design guidelines, layout standards, and brand specifications for construction and buildout of the interior of an Outlet and a set of typical preliminary plans and specifications for, , your Outlet's furniture, fixtures, equipment, signs and/or other trade dress elements. We do not currently provide a list of approved sources of supply of furniture, fixtures, equipment, or signs, but we reserve the right to do so in the future. We reserve the right to be (and earn a profit as) an approved source or the only approved source of certain of your Outlet's furniture, fixtures, equipment and/or other trade dress elements and to earn a profit from such

activity. If we have not specified a source of supply for any such item, then you may purchase that item from any source, so long as the items purchased are in strict accordance with any specifications concerning the item which we have issued in the Brand Standards or otherwise. You must obtain our advance written consent before deviating in any fashion from our specifications.

All signs at your Outlet must conform to our sign criteria, unless we otherwise consent in writing, for good cause you demonstrate.

The sample layout and preliminary plans we furnish you will not address the requirements of any federal, state or local law, code or regulation, including those of the ADA or similar laws or rules. You alone, working with your architect or engineer (if applicable), are responsible for ensuring that your Outlet, as constructed, complies with all applicable laws, rules, regulations, ordinances, building codes, fire codes, permit requirements and the ADA. Further, the sample layout and preliminary plans we furnish you will not contain the requirements of, and may not be used for, construction drawings or other documentation necessary to obtain permits or authorizations to build and/or operate a specific Outlet. You agree, at your expense, to employ architects, designers, engineers or others, all as we may specify, necessary to complete, adapt, modify or substitute the layout, plans and specifications for your Outlet.

You must employ a qualified, licensed architect and/or engineer that we specify or, if we do not specify, who is reasonably acceptable to us to prepare preliminary plans and specifications for the site improvement and construction of your Outlet (which must be based on the sample layout and preliminary plans we furnish to you). You must submit a complete set of your proposed final plans and specifications to us and obtain our written approval of them before you seek to register them with any governmental or quasi-governmental agency or begin construction of your franchised Outlet. Our approval will be based on our assessment of compliance with our standards for new Outlets. We will not assess compliance with federal, state or local laws, rules or regulations, including the ADA. Your architect must certify to you in writing that the plans and specifications for your Outlet comply with the ADA; the architectural guidelines under the ADA; all applicable federal, state and/or local laws, rules and regulations for accessible facilities; and, all other applicable federal, state or local laws, rules and regulations (including building codes, fire codes and permit requirements). You must furnish us with a copy of this certification prior to opening for business.

You agree that any plans and specifications you prepare and submit to us will be irrevocably licensed to us in perpetuity. We, our affiliates and any other franchisees to whom we give these plans and specifications may use them without owing you any compensation or being liable to you in any way.

6.05 Maintaining Your Outlet

You shall at all times maintain at your sole expense the interior and exterior of your franchised Outlet and the entire franchised Location and any other facilities used by the franchised Business in first class condition and repair, and in compliance with all applicable laws, rules, regulations and our Brand Standards, except to the extent that we may otherwise expressly agree in writing.

6.06 Refurbishing Your Outlet

We have the right to require you, once every five (5) years during the Initial Term of this Agreement, at your sole expense, to update, remodel, refurbish, renovate, modify or redesign the Outlet so that it reflects our then-current standards. If any such direction of ours requires you to expend more than \$50,000 to effect the directed activity, then you will have six months following your receipt of our notice to comply with our direction. In addition, we will relieve you from our direction if in our sole opinion you will be unable to amortize the additional investment required during the balance of the Initial Term of this Agreement; however, under these circumstances, we may extend the term of this Agreement to allow for a new schedule of amortization, and if we do so you will be required to comply with our direction.

6.07 Relocation of Your Outlet

You may not relocate your Outlet to another location without first obtaining our written approval for the new location and paying us a relocation fee equal to 25% of our then-current initial franchise fee for substantially similar new Outlets. You understand that relocation approvals will generally be limited to the same city, subject to exceptions in the Franchisor's business judgment. If you relocate the Outlet with our approval subject to the terms of this Section 6.07, the new location will be the "Location" of the franchised Business. Any relocation will be at your expense. All leases or subleases that you enter into, all plans and specifications for your relocated Outlet that you adduce and all construction, remodeling, renovation or other such activity that you perform at and for the relocated Outlet must be in accordance with all of the provisions of this Article 6 and our then-current standards, specifications and requirements.

6.08 Time Is Of the Essence

Subject to the provisions of Article 21 of this Agreement ("Unavoidable Delay or Failure to Perform [Force Majeure]"), time is of the essence with regard to each and every requirement of this Article 7.

7. OUR DUTIES

7.01 Confidential Operating Brand Standards; Policy Statements

We will lend you one copy of our confidential operating manuals (the "Brand Standards"). The Brand Standards may take the form of one or more of the following: one or more loose leaf or bound volumes; bulletins; notices; videos; CD-ROMS; computer software; other electronic media; online postings; e-mail and/or electronic communications; facsimiles; or, any other now or hereafter developed medium capable of conveying the Brand Standards' contents.

The Brand Standards will, among other things, set forth our operating systems, procedures, policies, methods, standards, specifications and requirements for operating your franchised Business. You agree to operate your Business in strict compliance with the Brand Standards.

We have the right to prescribe additions to, deletions from or revisions of the Brand Standards (the "Supplements to the Brand Standards"), all of which will be considered a part of the Brand Standards. All references to the Brand Standards in this Agreement will include the Supplements to the Brand Standards. Supplements to the Brand Standards will become binding on you as if originally set forth in the Brand Standards, upon being delivered to you.

You acknowledge that we are the owner of all proprietary rights in the Brand Standards and all intellectual property rights connected therewith (including common law copyright) and that you are acquiring no property or other right to the Brand Standards other than a license to use it and comply with it during the term of this Agreement. You agree to ensure at all times that your copy of the Brand Standards is current and up-to-date. If there is any dispute as to your compliance with the provisions of the Brand Standards and any Supplements to the Brand Standards, the master copy of the Brand Standards and any Supplements to the Brand Standards maintained at our principal office will control.

In addition to the Brand Standards, we may issue policy statements designed to provide you with information and/or insight as to our current thinking about various business issues or strategies. Policy statements are not part of the Brand Standards, are not contracts and do not create any contractual or other binding obligation on either you or us.

7.02 Initial Training Program

After you secure an Outlet and at least two (2) weeks before the opening of the franchised Outlet, you (if the franchisee is an individual; otherwise, at least one of your business entity's ultimate beneficial owners) and your Business Manager (as defined in Section 9.07) must attend and successfully complete an initial training program (the "Initial Training Program"), which we will provide at no additional expense to you for up to two people (except, as provided below, in instances where you ask us to provide our initial training program for additional or replacement

personnel); additional trainees you choose to send to the Initial Training Program will incur a charge of \$500 per person, payable before the training. We will determine the date of commencement, location and duration of the Initial Training Program and notify you of them.

If we reasonably conclude in our business judgment that either you (if an individual; otherwise, at least one of your business entity's ultimate beneficial owners) or your Business Managers has failed to attend or successfully complete our Initial Training Program to our satisfaction in our business judgment, then that person may re-enroll in our next scheduled Initial Training Program at no additional charge. We will have the right to terminate this Agreement if, following your Initial Training Program (including re-enrollment training), we determine that you and/or your Business Manager has failed to attend or successfully complete our Initial Training Program to our satisfaction, in our business judgment. This failure will be a material and incurable breach of this Agreement which, unless we waive the breach, will entitle us to terminate this Agreement immediately upon notice to you, with no opportunity to cure. If we terminate the Agreement for this reason, then all funds you paid us will be considered earned by us, except that we will return to you 50% of the Initial Fee which you paid to acquire the franchise, minus our expenses, and subject to the condition that you must execute a General Release in the form of Exhibit G running in favor of us and our affiliates. You will not be entitled to multiple refunds if there is more than one reason for termination (see Section 6.01), so the maximum refund you may receive is 50% of the Initial Franchise Fee.

You must pay an additional charge to us for providing the Initial Training Program to additional or replacement personnel. This charge will be no greater than \$500 per person, payable before the training. This training is required of replacement Business Managers.

We reserve the right at all of our training programs to determine the duration of such programs, what subjects are included in the curriculum of our training programs and to train any number of individuals from any number of Businesses, whether franchised or otherwise affiliated with us, at the same time. Under no circumstance will you be compensated for any work your trainees may perform or services your trainees may render in the course of participating in any of our training programs. We reserve the right to furnish our training programs by means of a company intranet or other electronic means of communication (such as web-based tutorials, video streaming, or through other now or hereafter developed media).

At all times during the term of this Agreement, you agree to pay all the expenses incurred by your trainees or attendees in connection with any training, conferences, conventions or other meetings they attend, including, but not limited to, their salaries, transportation costs, meals, lodging and other living expenses.

7.03 On-Site Training or Assistance

In consideration of the Grand Opening Support Fee we collect from you, we will provide an on-site visit by our operations manager before you open your Outlet, as well as two to four days of opening support and supplemental staff training during that time. The amount of days of such support shall be determined by us in our discretion. We will provide such on-site pre-opening and opening assistance as we reasonably deem appropriate; provided, that you will reimburse us for any expenses incurred by our representatives, such as costs of travel, lodging, meals and wages.

After any opening assistance we provide, you may request on-site training or assistance at any time in accordance with guidelines we may specify in the Brand Standards or otherwise. We will not be obligated to provide on-site training or assistance, but if we elect to do so, we may impose a fee for each day of on-site training or assistance we agree to provide. The timing of all advice, consultation and training provided for in this Agreement will be subject to the availability of our personnel.

7.04 On-Going Training or Conferences

We may from time to time develop additional training programs or conferences which you (if an individual; otherwise, at least one of your business entity's ultimate beneficial owners) and your

Business Manager must attend and successfully complete. We will determine the duration, curriculum and location of these future additional training programs. We reserve the right to furnish such programs by means of a company intranet or other electronic means of communication (such as web-based tutorials, video streaming, or through other now or hereafter developed media). We reserve the right to charge our then-current training fees for such programs; provided, that you will not be required to spend more than \$3,000 per person per year in fees paid to us for such programs. You also agree to pay all of the expenses incurred by your trainees or attendees in connection with attending any additional training programs or conferences we develop, including their salaries, travel costs, meals, lodging and other living expenses.

We may from time to time conduct an annual conference, convention or training session. We will determine the duration, curriculum and location of these. You (if an individual) and your Business Manager must attend each annual conference, convention or training session at your sole expense (including travel, lodging, food and other living expenses).

7.05 Field Support Services

After you have opened your Outlet, we may from time to time offer you field support services, supervision and/or assistance that we consider advisable through on-site visits, off-site sessions, telephonic, electronic or other communication modes. You may also at any time communicate with our headquarters for consultation and guidance with respect to the operation and management of your Business. The timing of our field support and headquarter consultation services will be subject to the availability of our personnel.

7.06 Accounting, MIS and POS Systems

We may, but need not, specify the electronic and/or written accounting and management information system ("MIS"), procedures, formats and reporting requirements which you will utilize to account for your franchised Business; maintain your financial records and Outlet data; and, generate reports for both you and us. In addition to operating reports, payroll, cash management and general ledger accounts, these systems may be tailored to provide computerized point-of-sale ("POS") scanning and invoice entry and/or automated "smart phone" (or other) customer purchase tracking/payment transactions. You will be solely responsible for performing all bookkeeping, recordkeeping and accounting duties prescribed under this Agreement or in the Brand Standards and for bearing the costs of these activities.

7.07 Pricing

Because enhancing Hey Yogurt's interbrand competitive position and consumer acceptance for Hey Yogurt's programs, products and services is a paramount goal of us and our franchisees, and because this objective is consistent with the long-term interest of the System overall, we may exercise rights with respect to the pricing of Outlet programs, products and services to the fullest extent permitted by then-applicable law. These rights may include (without limitation) prescribing the maximum and/or minimum retail prices which you may charge for the foregoing; recommending retail prices; advertising specific retail prices for some or all of the foregoing, which prices you will be compelled to observe (colloquially referred to as "price point advertising campaigns"); engaging in marketing, promotional and related campaigns which you must participate in and which may directly or indirectly impact your retail prices (such as "buy one, get one free"); and, otherwise mandating, directly or indirectly, the maximum and/or minimum retail prices which you may charge. We may engage in any such activity either periodically or throughout the Term of this Agreement. Further, we may, in our discretion, engage in such activity only in certain geographic areas (cities, states, regions) and not others; with respect to certain types of Outlets but not others; or, with regard to certain subsets of franchisees and not others. You understand that any maximum, minimum or other prices we prescribe or suggest may or may not optimize the revenues or profitability of your franchised Business. However, subject to the terms and conditions of this Section 7.07, nothing in this Agreement may be construed to prevent you from otherwise freely establishing your own prices.

7.08 Off-Season Products

The parties hereto mutually recognize that the consumer market for yogurt drinks and desserts can be very seasonal in nature. In an effort to assist you with revenue stream during off-season periods of consumer demand for such drinks and desserts, the Franchisor may, from time to time, consider permitting you and other franchisees to offer seasonally in-demand, complementary food and drink items in addition to the regular menu, if approved in writing in advance by the Franchisor and done consistently with the Brand Standards.

7.09 Nature of Obligations

All our obligations under this Agreement are to you alone. No other party is entitled to rely on, enforce or obtain relief for breach of any of our obligations hereunder, either directly or by subrogation.

8. YOUR DUTIES

8.01 Opening Date

You must fulfill all of your pre-opening obligations set forth in this Agreement, the Brand Standards and in other written notices from us, and open your franchised Business to the general public no later than twelve (12) months following the Effective Date. Time is of the essence. If you fail to comply with any of such obligations, we will have the right to prohibit the Outlet from opening.

You will not be allowed to open your Outlet without our written approval, which we will not unreasonably withhold. In order to obtain our approval to open, you must: obtain all required state, local and other required government certifications, permits and licenses, furnish to us copies of all such required permits and licenses; furnish to us copies of all insurance policies required under this Agreement; attend and successfully complete our Initial Training Program to our satisfaction (as provided in this Agreement); pay us or our affiliates any amounts due through the date that you request our approval to open; not be in default under any agreement with us or any affiliate of ours; not be in default under, but instead be current with, all contracts or agreements with your principal vendors, suppliers and other business creditors (including the lessor or sublessor of your Location, us and our affiliates); and, otherwise comply in all respects with the pre-opening obligations set forth in this Agreement, the Brand Standards or other written notices we may furnish to you. In addition to the foregoing, you must submit to us a request to open your Outlet. Once we receive your request, we will notify you in writing whether or not the Outlet meets our standards and specifications. If we approve your request to open your Outlet, our acceptance is not a representation or warranty, express or implied, that the Outlet complies with any engineering, licensing, environmental, labor, health, building, fire, sanitation, occupational, landlord's, insurance, safety, tax, governmental, or other statutes, rules, regulations, requirements, or recommendations nor a waiver of our right to require continuing compliance with our requirements, standards, or policies.

You must send us a written notice of the actual opening date (the "Opening Date") of the Outlet franchised hereunder concurrent with such opening.

8.02 Manner of Operation

Your franchised Business and the Outlet it operates must comply at all times with every provision of this Agreement, the System and the Brand Standards. You may not use the System or the Proprietary Marks for the benefit of any business other than the franchised Business. You may not conduct (or permit anyone else to conduct) any business at your Outlet other than the franchised Business embraced by this Agreement without first obtaining our written consent, which we may withhold for any reason or no reason. You acknowledge, understand and agree that your strict compliance with the System, this Agreement and the Brand Standards are of the essence to this Agreement and are critically important to you, us and all other franchisees, since your failure to adhere to the System, this Agreement and/or the Brand Standards may damage the reputation and goodwill enjoyed by the Hey Yogurt network and the Proprietary Marks.

To the extent that we have furnished to you, or otherwise permitted you to inspect, the Brand Standards prior to your execution of this Agreement, you hereby irrevocably affirm and attest that you have reviewed our Brand Standards in detail and in its entirety; that the Brand Standards are commercially reasonable in all respects; and, that the Brand Standards do not in any fashion exceed our ability to promulgate requirements in same under this Agreement.

8.03 Modifications to the System

In the exercise of our sole business judgment, we may from time to time modify any components of the System and requirements applicable to you by means of Supplements to the Brand Standards or otherwise, including, but not limited to, altering the programs, products, services, methods, standards, accounting and computer systems, forms, policies and procedures of the System; adding to, deleting from or modifying the programs, products and services which your franchised Business is authorized and required to offer; altering System policies, procedures, methods and requirements; modifying or substituting required equipment, technology, signs, trade dress and other Business characteristics that you will be required to adhere to (subject to the limitations set forth in this Agreement); requirements pertaining to capturing and relaying to us customer information and data; and, changing, improving, modifying or substituting one or more of the Proprietary Marks. You agree to implement any such System modifications as if they were part of the System at the time you signed this Agreement. You also understand and agree that such modifications may obligate you to invest additional capital or incur higher operating costs.

You acknowledge that because uniformity under many varying conditions may not be possible or practical, we reserve the right to materially vary our standards or franchise agreement terms for any particular franchised Business, based on the timing of the grant of the franchise, the peculiarities of the particular market area or circumstances, business potential, population, existing business practices, other non-arbitrary distinctions or any other condition which we consider important to the successful operation of the franchised Business. You will have no right to require us to disclose any variation or to grant the same or a similar variation to you.

8.04 Cobranding

We may determine from time to time to incorporate in the System programs, products or services which we either develop or otherwise obtain rights to, which are offered and sold under names, trademarks and/or service marks other than the Proprietary Marks and which your Business, along with some or all other Businesses, will be required to offer and sell. This activity, referred to as "cobranding", may involve changes or additions to the Proprietary Marks and may require you to make modifications to your Outlet's premises and the furniture, fixtures, equipment, signs and trade dress of your Outlet. If we give written notice to you that we are instituting a cobranding program, you agree promptly to implement that program at your Outlet at the earliest commercially reasonable time and to execute any and all instruments required to do so.

8.05 Compliance with Laws, Rules and Regulations

You agree to adhere to the highest standards of honesty, integrity and fair dealing in all dealings with the public and to operate your Business in strict compliance with all laws, rules, regulations, ordinances, policies and procedures of any federal, state, county, municipal or local governmental or quasi-governmental agency, commission and/or authority which govern the construction or any element of the operation of your franchised Outlet and Business. You also agree to obtain and keep in good standing all licenses, permits and other governmental consents and approvals which are now or hereafter required to operate your Outlet and Business now or in the future.

You represent and warrant to us that, as of the date of this Agreement and at all times during the term hereof, and to your actual or constructive knowledge, neither you, any affiliate of yours, any individual or entity having a direct or indirect ownership interest in you or any such affiliate (including any shareholder, general partner, limited partner, member or any type of owner), any officer, director, manager, or management employee of any of the foregoing, nor any funding source you utilize is or will be identified on the list of the U.S. Treasury's Office of Foreign Assets Control (OFAC); is directly or indirectly owned or controlled by the government of any country that is subject to an embargo imposed by the United States government or by any individual that is

subject to an embargo imposed by the United States government; is acting on behalf of any country or individual that is subject to such an embargo; or, is involved in business arrangements or other transactions with any country or individual that is subject to an embargo. You agree that you will immediately notify us in writing immediately upon the occurrence of any event which would render the foregoing representations and warranties incorrect. Notwithstanding anything to the contrary in this Agreement, you may not allow, effect or sustain any transfer, assignment or other disposition of this Agreement to a "Specially Designated National or Blocked Person" (as defined below) or to an entity in which a "Specially Designated National or Blocked Person" has an interest. For the purposes of this Agreement, "Specially Designated National or Blocked Person" means: (i) a person or entity designated by OFAC (or any successor officer agency of the U.S. government) from time to time as a "specially designated national or blocked person" or similar status; (ii) a person or entity described in Section 1 of U.S. Executive Order 13224, issued on September 23, 2001; or, (iii) a person or entity otherwise identified by any government or legal authority as a person with whom you (or any of your owners or affiliates) or we (or any of our owners or affiliates) are prohibited from transacting business.

You further agree that you will not hire, retain, employ or otherwise engage the services of any individual or entity in contravention of the Patriot Act; any law, rule or regulation pertaining to immigration or terrorism; or, any other legally prohibited individual or entity.

You represent and warrant that neither you, nor any entity or individual having an ownership interest in you; nor any affiliate of either yours; nor any officer, director, employee, contractor or servant of any of the foregoing, has in the past, currently does or will in the future support terrorism; provide money or financial services to terrorists; is engaged in terrorism; is on the current United States government list of organizations that support terrorism; has been engaged in or been convicted of fraud, corruption, bribery, money laundering, narcotics trafficking or other crimes; and, that all of the foregoing individuals are eligible under applicable United States Immigration laws to travel to the United States for training or any other purpose.

You are solely responsible for ascertaining what actions you must take to comply with all anti-terrorism and anti-corruption laws, and you specifically acknowledge and agree your indemnification responsibilities as provided in this Agreement pertain to your obligations under this Section 9.05. Any misrepresentation by you under this Section 9.05. or any violation of any anti-terrorism or anti-corruption laws by you, your owners, or employees will constitute grounds for immediate termination of this Agreement and any other agreement you have entered into with us or any of our affiliates.

8.06 Health, Safety and Cleanliness

You shall meet (or exceed) and maintain the highest health standards and ratings applicable to the operation of your franchised Outlet. You shall furnish to us, within five (5) days following your receipt thereof, a copy of all inspection reports, warnings, citations, certificates, or ratings resulting from inspections of your Outlet conducted by any federal, state, county, local or other governmental agency, commission and/or authority.

You shall comply with our requirements and specifications concerning the quality, service and cleanliness of your Outlet; the programs, products and services sold, offered for sale and/or provided at the Outlet; and, the operation of the Outlet under the System, as those requirements may be specified by us in this Agreement, in the Brand Standards or otherwise in writing.

You shall permit us or our agents, at any reasonable time and with or without notice, to remove samples of items from your franchised Business' inventory, or from your franchised Outlet, without payment therefor, in amounts reasonably necessary for testing either by us or an independent laboratory to determine whether said samples meet our then-current standards and specifications. We may require you to bear the costs of such testing if the supplier of the item has not previously been approved by us or if the sample fails to conform with our specifications.

You shall at all times maintain your franchised Outlet in the highest degree of sanitation, repair and condition.

8.07 Your Participation in the Operation of the Business; Business Manager

Unless we otherwise permit in writing, you agree to personally supervise and participate in the day-to-day operation of the franchised Business and to devote your time, attention and best efforts to honestly and diligently perform your obligations under this Agreement, all ancillary documents relating to this Agreement and all other agreements which may now or hereafter be in effect between us (or any affiliate) and you (or any affiliate) and to promote the Outlet. If you are licensed to operate more than one Business, then you agree to devote such amount of your time and attention to the performance of your duties as is necessary for the proper and effective operation of each such Business.

You must designate a "Business Manager" for the effective operation of your franchised Business. If your entity's principal owner is an individual, then such individual may serve as the Business Manager. If your Business Manager is not your principal owner, then before designating and engaging the services of the Business Manager, you must identify such individual to us; furnish information to us regarding the candidate's background, experience and credentials; and, secure our prior written approval of the candidate, which we will not unreasonably withhold or deny. The Business Manager must attend and successfully complete our Initial Training Program. If you are an individual, then you may serve as the Business Manager, or designate a Business Manager who is satisfactory to us. In addition, the proposed Business Manager must demonstrate to our satisfaction (both at the time of approval and on a continuing basis thereafter) that he/she satisfies our educational, managerial and business standards, and has the aptitude and ability to conduct, operate and supervise your franchised Business.

You must have at least one (1) Outlet Manager on duty at the Outlet during all hours of operation. That person may be your Business Manager or may be someone trained and supervised by your Business Manager.

You must immediately notify us within five (5) days upon the death, disability or termination of employment of your Business Manager, for any cause or reason, or if your Business Manager no longer qualifies as such. You must designate a successor or acting Business Manager promptly and, in any event, no later than ten days following the death, disability or termination of the predecessor Business Manager. The above protocols and procedures governing your proposal and our approval of your initial Business Manager shall apply to any successor Business Manager you may propose. Any successor Business Manager must possess those credentials set forth in our Brand Standards, must attend and successfully complete our next scheduled Initial Training Program and must attend and successfully complete such other reasonable training at such times as we may specify, all at your expense. The failure to employ and train a successor Business Manager will constitute a material breach of this Agreement.

8.08 Requirements Concerning Programs, Products and Services

A. Programs, Products and Services You Sell

You agree to sell all programs, products and services which are part of the System and all other programs, products and services which we in the future incorporate into the System unless, as to any one or more items, sale is prohibited by local law or regulation or we have granted you our advance written approval to exclude certain programs, products, or services. You may not sell any program, product or service which is not a part of the System or which we delete from the System.

You must maintain in sufficient supply products, materials, supplies and paper goods as conform to our then-current written standards and specifications (as set forth in the Brand Standards or otherwise) and must refrain from deviating therefrom by the use of any non-conforming items without our prior written consent. Your Outlet must prepare all products utilizing such preparation standards, procedures and techniques as we specify and must refrain from any deviation from our standards and specifications without our prior written consent.

If you desire to sell any program, product, or service which is not a part of the System, then you must obtain our advance written permission, which we may deny for any or no reason. If we grant such advance written approval, then the program, product or service in question will become a part of the System; we may, but will not be required to, authorize the program, product or service for sale at one or more other Outlets; we may subsequently revoke our approval for any or no reason; we will own all rights associated with the program, product, or service; and, you will not be entitled to any compensation therefor.

B. Proprietary Programs, Products and Services

You must purchase or lease any proprietary programs, products, systems, methods, platforms, supplies, equipment, materials or services used in conjunction with, offered or sold at the Outlet which now comprise, or in the future may comprise, a part of the System and which were developed by, are proprietary to or kept secret by us or our affiliates, only from us, an affiliate of ours that we designate or an independent distributor whom we authorize. We impose this requirement to advance uniformity of the Hey Yogurt concept and quality and to protect our trade secrets, which are of the essence to the System and this Agreement. Proprietary products may include proprietary ingredients, beverage bases, powders, syrups, cups, packaging materials, branded merchandise, canned beverage ingredients, uniforms, and other System-approved supplies purchased from suppliers approved or designated by us and any other category of programs, products, services or equipment. We (or our affiliates or designees) will sell to you all proprietary products under terms we develop and advise you of from time to time. We reserve the right to earn a profit on the sale of proprietary products to you.

C. Sources of Supply and Specifications

You must purchase certain required non-proprietary programs, products, systems, methods, platforms, supplies, equipment, materials or services, and comply with all specifications for same, from suppliers we designate in writing; from suppliers you propose and we approve; and/or, in accordance with our written specifications. Such standards and specifications may be specific as to brand name, item/model/catalog number, preparation or manufacturing facility, or other factors we consider relevant. All such designated sources must demonstrate, to our continuing reasonable satisfaction, the ability to meet our then-current standards and specifications for such items; that they possess adequate quality controls and capacities to supply your (and other Outlets') needs promptly and reliably; and, must be approved in writing by us (and have not thereafter been disapproved) prior to any purchases by you from any such supplier. All such designated sources and specifications are subject to addition, modification, revocation and/or deletion by us from time to time upon notice given to you. If we revoke or delete any product, supply, equipment, component or approved supplier, then you must cease using any such disapproved item or supplier (or any items purchased from a revoked source of supply) which are inventoried by your Outlet within ten days following your receipt of written or electronic notice from us, unless the item or source of supply poses a threat to the health or safety of the public, in which case you must cease using such item or source of supply immediately upon notice from us orally, electronically, or in writing.

We may from time to time provide you with specifications governing the minimum standards of programs, products, services and/or equipment required to be used in or sold by your Outlet, for which we do not designate a required source of supply. We will set forth such specifications in our Brand Standards or in other written or electronic notices we transmit to you. We may add to, modify or revoke our specifications in writing from time to time.

You may propose a new or substitute supplier in accordance with the following procedure:

1. You must submit a written request to us for approval of the supplier and then furnish us with the information, data and product samples that we reasonably request;
2. The supplier must demonstrate to our reasonable satisfaction that it is able to supply the program, product, service or equipment to you meeting our specifications;

3. We or our agents must have the right, and must be permitted, to inspect the proposed supplier's facilities and to have samples from the supplier delivered either to us, an independent laboratory or another designee for testing, all at your and/or the proposed supplier's expense;
4. The proposed supplier must demonstrate to our reasonable satisfaction, following our inspection or other review, that it is in good standing in the business community in all respects; that the program, product, supply, equipment, material or service meets or exceeds our specifications and standards for same in all respects; and, that the proposed supplier's manufacturing and distribution capabilities are sufficient to furnish you (and other Outlets) with the subject program, product, supply, equipment, material or service in a consistently timely, sanitary, hygienic and cost-efficient fashion;
5. We may require that the proposed supplier also agree to comply with such other requirements we may deem appropriate, including our ability to conduct continuing inspections and, in connection therewith, charge reasonable continuing inspection fees and administrative costs.

Nothing in the foregoing shall be deemed to require us to approve any particular supplier or to require us to make available to prospective suppliers any standards, specifications, procedures or protocols that we, in our business judgment, deem confidential. Our approval of any supplier may be revoked if the supplier fails to maintain our quality, safety, consistency, or Brand Standards, or otherwise fails to comply with our specifications. We will provide written notice of approval or disapproval within approximately 30 to 60 days after receiving complete documentation from the you as described above.

We, our affiliate or our designee may be an approved source of supply for any such non-proprietary program, product, supply, equipment, material or service that you are required to purchase. However, you will not be obligated to purchase any such non-proprietary items solely from us or our affiliate. We will determine the prices we charge for any such item and will notify you of such prices at the time of sale, in our Brand Standards or otherwise. We reserve the right to earn a profit from selling any and all such non-proprietary items to you and other Hey Yogurt franchisees.

We and/or our affiliates may derive revenue - - in the form of promotional allowances, volume discounts, commissions, other discounts, performance payments, signing bonuses, rebates, marketing and advertising allowances, free products, and other economic benefits and payments - - from suppliers that we designate, approve, or recommend for some or all Hey Yogurt Outlets on account of those suppliers' prospective or actual dealings with your Outlet and other Hey Yogurt Outlets. That revenue may or may not be related to services we or our affiliates perform. All amounts received from suppliers, whether or not based on your or other franchisees' purchases from those suppliers, will be our and our affiliates' exclusive property, which we and our affiliates may retain and use without restriction for any purposes we and our affiliates deem appropriate. Any products or services that we or our affiliates sell you directly may be sold to you at prices exceeding our and their costs.

We also reserve the right to direct that any supplier rebates, refunds, advertising allowances or other consideration payable or paid as a result of your purchases of non-proprietary goods, services or equipment be paid until further notice to the System Brand Fund (to be expended as provided in this Agreement). If we do so, then you hereby acknowledge that you will not assert any interest in such monies.

D. Systemwide Supply Contracts

We may, in the exercise of our business judgment, enter into supply contracts either for all Outlets or a subset of Outlets situated within one or more geographic regions (each, a "systemwide supply contract"). We may enter in such systemwide supply contracts with one or more vendors for

programs, products, supplies, equipment, materials and services that all company-owned and franchised Outlets in the United States, or company-owned and franchised Outlets in a designated geographic area, will be required to purchase, use and/or sell. If we do so, then immediately upon notification, you, we and all other Outlets (or, as applicable, those in the designated geographic area) must purchase the specified program, product, supply, equipment, material or service only from the designated supplier. However, if at the time of our notification you are already a party to a non-terminable supply contract with another vendor or supplier for the item in question, then your obligation to purchase from our designated supplier under the systemwide supply contract will not begin until the scheduled expiration (or earlier termination) of your pre-existing supply contract.

We make no representation that we will enter into any systemwide supply contracts or other exclusive supply arrangements or, if we do so, that you would not otherwise be able to purchase the same programs, products and/or services at a lower price from another supplier. We may add to, modify, substitute or discontinue systemwide supply contracts or exclusive supply arrangements in the exercise of our business judgment.

E. Technology Requirements

You understand and agree that it is vital for the System to feature state-of-the-art digital, e-commerce and other modern capabilities, platforms, “apps” and other now or hereafter developed infrastructure, tools, systems and analytics, and that these capabilities are constantly evolving and require continued focus, investment and innovation, all of which may trigger your need to comply with all current and any hereafter developed hardware and software purchase and utilization requirements we impose, as provided hereafter.

You must purchase, utilize, maintain, retire and replace the technology serving your franchised Business and as and when we require in the Brand Standards or otherwise in writing. Before the opening of the franchised Business, you agree to procure and install, at your expense, the computer hardware, software, wired and/or wireless internet connections and service, required dedicated telephone and power lines, “smart phone” automated customer purchase tracking facilities, point of sale (POS) system, and other computer-related accessories, peripherals and equipment that we specify in our Brand Standards or otherwise (the “Computer and POS Systems”). You agree to obtain and maintain high-speed broadband communications access or other high-speed capacity that we require for your Computer and POS Systems. You also agree to maintain at all times a functioning e-mail address for your Business and, if the Franchisor requires it, such wi-fi service for your customers as we may designate in the Brand Standards. Despite the fact that you agree to buy, use, and maintain the Computer and POS Systems according to our standards and specifications, you will have sole and complete responsibility for: (1) the acquisition, operation, maintenance, and upgrading of the Computer and POS Systems; (2) the manner in which your Computer and POS Systems interfaces with our and any third party’s computer system; and (3) any and all consequences if the Computer and POS Systems is not properly operated, maintained, and upgraded.

We reserve the right in the future to require you to purchase or lease, install and use certain video hardware and software that we may designate for purposes of quality control and/or security, in your Outlet’s kitchen as well as in the working areas for making and mixing products at your Outlet, as part of the required Computer and POS Systems.

You agree to provide all assistance we require to bring your Computer and POS Systems online with our computers at the earliest possible time and to maintain these connections as we require. You agree to input and maintain in your Computer and POS Systems all data and information which we prescribe in our Brand Standards, in our proprietary software (if any) and its manuals, and otherwise. We will have independent access to your Computer and POS Systems and we may retrieve from your Computer and POS Systems all information that we consider necessary, desirable or appropriate. You must accurately, consistently and completely record and provide through the Computer and POS Systems all information concerning the operation of the franchised Business that we require, in the form and at the intervals that we require. We may also from time to

time adjust requirements pertaining to capturing and relaying to us customer information and data. You acknowledge and agree that all customer information and data arising out of or collected in connection with the operation of the Outlet is Confidential Information and we are the sole owner of all right, title, and interest in and to such customer information and data in accordance with Section 12.01 of this Agreement.

If we develop or have proprietary software developed for us in the future, you agree to use the proprietary software developed by us or on our behalf. You must sign, when we request, our standard form Software License Agreement the current form of which is (Exhibit D). We will initially furnish our proprietary software and associated manuals and materials to you at our expense. You agree to purchase from us new, upgraded or substitute proprietary software whenever we determine to adopt them system-wide, at the prices and on the terms that we establish, which we will limit to a reasonable fee. You agree to use any proprietary software and software support services that, in the future, either we develop and provide or which are provided on our behalf by a third party supplier we designate, and you will execute any standard form software license agreement that a third-party supplier requires that is reasonably necessary to do so.

You agree, at your expense, to keep your Computer and POS Systems in good maintenance and repair. We may mandate that you add memory, ports, accessories, peripheral equipment and additional, new or substitute software. Following our testing and determination that it will prove economically or systemically beneficial to you and to us, you agree to install at your own expense the additions, modifications, substitutions and/or replacements to your Computer and POS Systems hardware, software, telephone and power lines and other Computer and POS Systems facilities as we direct, on the dates and within the times we specify in our Brand Standards or otherwise. Although we cannot estimate the future costs of your Computer and POS Systems or required service or support, and although these costs might not be fully amortizable over this Agreement's remaining term, you agree to incur the costs of obtaining the computer hardware and software comprising the Computer and POS Systems (or additions and modifications) and required service or support, which might include fees payable to us and/or our affiliates. We have no obligation to reimburse you for any Computer and POS Systems costs.

You understand and agree that modes of computerization and communication are rapidly evolving and that, accordingly, we may require you at your expense to purchase, install and utilize at your franchised Business and Outlet such hereafter developed or modified modes of computerization, hardware, software, equipment, accessories, facilities, capabilities, communication, media and/or interfaces as we, in our sole business judgment, determine to incorporate into the System. You shall do so at such time and in such manner as we designate, in our Brand Standards or other written notices. You may be required to purchase such newly developed modes of computerization, as well as improvements to or modifications of your computer and point-of-sale systems, from us or our affiliates and, in connection therewith, enter into related license and support agreements requiring you to pay us and/or our affiliates standard support and maintenance fees. We reserve the right to charge license, support, maintenance and other technology fees separately or in the aggregate and to change the basis of the allocation of any fees from time to time to reflect: (i) any increase or decrease in the costs and expenses of providing the applicable services, or (ii) any change in the competitive needs of the System, including the right to change the basis for charging such fees, so long as the charges are computed on a fair and consistent basis among similarly situated System Outlets receiving the services for utilizing the applicable systems.

You agree, at your expense, to keep your franchised Business' computer systems and any other technology systems current, supported, and in good maintenance and repair.

Upon termination or expiration of this Agreement, you must return or transfer all software, disks, tapes and other magnetic storage media, as well as all data, software licenses, software or hardware access passwords and codes used in conjunction with your operation of your franchised Outlets to us in good condition, allowing for normal wear and tear.

You will provide to us all user ID's and passwords required to access files and other information stored on your franchised Business's Computer and POS Systems. You will at all times ensure that the only personnel conducting transactions on your Computer and POS Systems will be those who have been trained and qualified in accordance with the requirements of our Brand Standards.

8.09 Web Sites/Social Media

You (or, if you are a business entity, your owners) may establish your own personal social media accounts for marketing purposes regarding your franchised Business. However, such social media accounts must use location-based names (such as "[name of city]PlaceYogurt") and may not use the official "Hey Yogurt" name, Proprietary Marks, or branding without our prior written approval in each instance. Our approval is needed for use of our logo(s) as a standalone image (e.g., profile photo or isolated graphic), but you may use content that naturally includes Hey Yogurt branded elements, and you may use "Hey Yogurt [+ location name]" within the content of your personal social media site itself, if done in compliance with our Brand Standards, including our social media policies.

Other than the foregoing, your Business or Outlet may not maintain a World Wide Web site or social media page or otherwise maintain a presence or advertise on the Internet, through social media or in any other mode of electronic commerce (each such site or page (other than the personal social media pages described above), an "Web Site") in connection with the franchised Business without our advance written approval, which we may withhold for any reason or for no reason. Your Web Site(s) may be accessible only through our Web Site(s). If you develop a Web Site with our approval, you must follow all guidelines and requirements set forth in the Brand Standards and use any templates provided in the Brand Standards (including required hyperlinks), so that your Web Site conforms to our requirements, including, without limitation, those related to format, "look and feel," substantive content, privacy and technical performance. You may not allow customers to see your Web Site(s) or any modifications unless you have received our advance written approval. We will be and at all times remain the sole owner of the copyrights for all material which appears on your Web Site(s). All content and information which appears on your Web Site(s) or which you gather from visitors to your Web Site(s) will constitute "Confidential Information" as defined in Section 13.01. Ownership of the uniform resource locator ("URL") and other identifiers associated with any such approved Web Site shall vest exclusively in us.

8.10 Indemnification

You agree that you will, at your sole cost, at all times defend and hold harmless us, any affiliate of ours, the affiliates, subsidiaries, successors, assigns and designees of each; and, the officers, directors, managers, employees, agents, attorneys, shareholders, owners, members, designees and representatives of all of the foregoing (we and all others referenced above being the "Franchisor Parties"), and indemnify, reimburse and hold harmless us and the Franchisor Parties to the fullest extent permitted by law, against all claims, losses, liabilities and costs (as denominated in the following paragraph) incurred in connection with any judicial, administrative or arbitration action or proceeding (including bankruptcy, insolvency, debtor/creditor or similar proceedings), suit, claim, demand, investigation, or formal or informal inquiry (regardless of whether any of the foregoing is reduced to judgment) or any settlement of the foregoing, which actually or allegedly, directly or indirectly, arises out of, is based upon, is a result of or is related in any way to any element of your entry into this Agreement; your establishment, construction, ownership, opening and operation of your Outlet and franchised Business, including any other business operating within or in relation to the Outlet (which other business, if any, shall be subsumed within this paragraph's references to the Outlet) and further including (without limitation) any personal, bodily or mental injury, death, property damage or loss, suffered by any customer, visitor, manager, operator, supplier, employee or guest of the franchised Outlet or Business; crimes committed on or near any of the premises or facilities of your franchised Business or vehicles used by your franchised Business; all acts, errors, neglects or omissions engaged in by you, your contractors or subcontractors, as well as any third party, arising out of or related to the design, construction, conversion, build-out, outfitting, remodeling, renovation or upgrading of your Outlet, whether or not any of the foregoing was approved by us; defects in any Outlet you construct and/or operate,

whether or not discoverable by you or by us; product recalls resulting from or related to your acts, errors or omissions; all acts, errors, neglects or omissions of you or the franchised Business and/or the owners, officers, directors, management, employees, agents, servants, contractors, partners, proprietors, affiliates or representatives of you and/or the franchised Business and/or the Location (or any third party acting on your behalf or at your direction), whether in connection with the franchised Business, the Location or otherwise, including (without limitation) any property damage, injury or death suffered or caused by any delivery person or vehicle serving your franchised Business; any claim, however and wherever asserted, that we or our affiliates are the employer, joint employer or co-employer of you and/or your employees (including, without limitation, any claims against us for your violation of any federal, local or state labor and/or wage and hour laws, rules or regulations); third party claims against us arising from or related to your breach of the terms, restrictions and requirements of this Agreement (including, without limitation, your unauthorized use of the Proprietary Marks, violation of any applicable laws, codes, rules or regulations or failure to comply with Privacy Laws); your violation of Privacy Laws; all liabilities arising from your offer, sale and/or delivery of programs, products and/or services as contemplated by this Agreement; your offer, sale and/or delivery of securities, equity interests or other ownership interests in you or the franchised Outlet or Business; all activities, conduct and representations which you may engage in connected to any actual or attempted assignment (as defined in Section 14.02) of any interest whatsoever in you or the franchised Outlet or Business (or any entity which controls (as defined in Section 14.02) you or the franchised Outlet or Business); and, any action by any customer of yours or visitor to your Outlet or any other facility operated in conjunction with your franchised Business (collectively, an "Indemnification Claim").

As used herein, the phrase "claims, losses, liabilities and costs" includes all claims; causes of action; fines; penalties; liabilities; losses; employment liabilities; compensatory, exemplary, statutory or punitive damages or liabilities; costs of investigation; lost profits; court costs and expenses; reasonable attorneys' and experts' fees and disbursements; settlement amounts; judgments; compensation for damage to our reputation and goodwill; costs of or resulting from delays; travel, food, lodging and other living expenses necessitated by the need or desire to appear before (or witness the proceedings of) courts or tribunals (including arbitration tribunals), or government or quasi-governmental entities (including those incurred by Franchisor Parties' attorneys and/or experts); all expenses of recall, refunds, compensation and public notices; and, other such amounts incurred in connection with the matters described. All such losses and expenses incurred under this indemnification provision will be chargeable to and paid by you pursuant hereto, regardless of any actions, activity or defense undertaken by us or the subsequent success or failure of the actions, activity or defense.

Specifically excluded from the indemnity you give hereby is any liability associated with our or the other Franchisor Parties' gross negligence, willful misconduct or criminal acts (except to the extent that joint liability is involved, in which event the indemnification provided herein shall extend to any finding of comparative or contributory negligence attributable to you).

You agree to give us written notice of any suit, judicial or administrative investigation, proceeding, claim, demand, inquiry or any other event that could be the basis for an Indemnification Claim within three days of your actual or constructive knowledge of it. At our election, you will also defend us and the other Franchisor Parties (including us) against the Indemnification Claim. If you or any of your affiliates and the Franchisor Parties (or any one of them) are named as co-defendants, and there is a conflict of interest between them such that they cannot be represented by common counsel, then the Franchisor Parties may retain separate counsel at your expense and you will promptly reimburse the Franchisor Parties for all costs and attorneys' fees incurred upon request and as they are incurred. We will have the right, at your cost, to control the defense of any Indemnification Claim (including the right to select its counsel or defend or settle any Indemnification Claim at your sole expense) if we determine that such Indemnification Claim may directly or indirectly affect the interests of any of the Franchisor Parties (including us). Our undertaking of defense and/or settlement will in no way diminish your obligation to indemnify the Franchisor Parties and hold them harmless.

We will have the right, at any time we consider appropriate, to offer, order, consent or agree to settlements or take any other remedial or corrective actions we consider expedient with respect to any Indemnification Claim if, in our sole judgment, there are reasonable grounds to do so. You will not settle or compromise any legal action in which any Indemnitee is a defendant without our prior written consent, which we may grant or withhold in our sole discretion and business judgment. None of the Franchisor Parties (including us) shall be required to seek recovery from third parties or otherwise mitigate their losses to claim indemnification from you. You agree that any failure to pursue recovery from third parties or mitigate loss will in no way reduce the amounts recoverable from you by any of the Franchisor Parties (including us). The indemnification obligations of this Section 8.10 will survive the expiration or sooner termination of this Agreement.

8.11 Inspection

We (and any of our authorized agents or representatives, including outside accountants, auditors and/or inspectors) may enter your Outlet and any premises of your franchised Business, examine any motor vehicle used in connection with Outlet operations, photograph the Outlet and observe and videotape the Restaurant's operation for consecutive or intermittent periods we deem necessary, and/or visit any locations at which you have provided or are providing products, programs, or services to customers or at which you maintain business records, and inspect and audit the products, programs and services provided from or at such locations; the products and supplies contained at such locations and their condition; confer with your employees and customers; and, assess your operating systems and compliance with this Agreement and the System standards. We may conduct such inspections with or without prior notice to you. You shall cooperate with our representatives conducting such inspections by rendering any assistance they may reasonably request. Following any such inspection, you shall take such steps as are necessary to incorporate into your Outlet and your franchised Business operations any reasonable corrections and modifications we require to maintain the standards of quality and uniformity we prescribe, as quickly as is reasonably possible and using all resources at your disposal.

8.12 Intellectual Property You Develop

You hereby permanently and irrevocably assign to us, in perpetuity throughout the world, any and all rights and interests (including intellectual property rights and interests) to any and all of the following which is developed by you, or on your behalf, if developed in whole or in part in connection with your franchised Business or Outlet: all programs, products or services; all variations, modifications and/or improvements on programs, products or services; your means, manner and style of offering and selling programs, products and services; management techniques or protocols you may develop (or have developed on your behalf); all layout schematics and design elements; all sales, marketing, advertising and promotional programs, campaigns or materials developed by you or on your behalf; and, all other intellectual property developed by you or on behalf of your franchised Business. Except to the extent prohibited by applicable law, codes, rules or regulations, you waive, and will cause each of your employees or independent contractors who contributed to System modifications and/or improvements to waive, all "moral rights of authors" or any similar rights in such modifications and/or improvements. We may authorize ourselves, our affiliates and/or other franchised Businesses to use and exploit any such rights which are assigned to us hereunder. The sole consideration for your assignment to us of all of the foregoing rights shall be our grant of the franchise conferred upon you by this Agreement.

8.13 Adequate Reserves and Working Capital

We reserve the right to require, at our sole discretion, that you meet certain financial requirements, which may include the requirement to maintain (i) a minimum working capital reserve, (ii) a minimum debt service coverage ratio, (iii) a maximum amount of incurred debt, (iv) a minimum balance in the bank account utilized to make payments to us; and (v) any other reasonable financial health metrics required by us. We will provide such requirements to you in writing and they will become effective thirty (30) days after we provide written notice of such requirement(s) to you. Without limiting the foregoing, you must at all times maintain adequate reserves and working capital sufficient for you to fulfill all your obligations under this Agreement and to cover the risks

and contingencies of the franchised Business for at least three months. These reserves may be in the form of cash deposits or lines of credit.

8.14 Credit Cards and Other Modes of Payment

You agree to become and remain a merchant for any credit cards and/or debit cards, and any credit and/or debit card processor(s), which we may specify in our Brand Standards or otherwise. You also agree to use and accept mobile payments from any mobile payment service (including, without limitation, Apple Pay, Google Pay, PayPal, WeChat Pay, Alipay, Venmo and Zelle) that we may specify in our Brand Standards or otherwise. Further, you agree to maintain the creditworthiness required of each of these credit card or debit card (or other mode of payment) issuers; to honor these cards and payment methods for credit purposes; and, to abide by all related regulations and procedures that we and/or the credit card and/or debit card issuer prescribes.

In addition, you agree that, at your sole expense, you shall at our direction and by the time we specify purchase, install and utilize such equipment, facilities and personnel necessary to enable now or hereafter developed alternative modes of customer payments (beyond cash, credit cards and debit cards). Such alternative modes of payment may include, by way of examples only, "smart phone" payment transactions and automated "smart phone" (or other) customer purchase tracking / payment transactions.

You must at all times undertake all reasonable measures to anticipate, detect and prevent fraudulent credit or debit transactions.

8.15 Compliance with Security Protocols

You agree to assure all communication connections (of whatever form, wireless, cable, internet, broadband or other) and access to financial information, especially credit card information, is at all times kept secure in a manner which is in compliance with all legal requirements and, particularly, with all security requirements of the issuing credit card companies. You further agree to hold us and the other Franchisor Parties (as defined in Section 8.10) harmless from any and all claims and liabilities related to your failure to do so. In addition, at your cost, you agree to provide us with a written report of verification from a specialist approved by us confirming compliance with the obligations imposed by this Section 8.15 and any other proof of such compliance that we may reasonably require.

8.16 Hours of Operation

You agree to continuously operate your franchised Outlet on the days and during the minimum hours that we from time to time may specify in our Brand Standards or otherwise. You may establish hours of operation in addition to the required minimum hours, subject to applicable laws, rules or regulations.

8.17 Business Entity Requirements and Records

If you are a corporation, limited liability company, limited partnership or any other type of business entity, you must comply with the following requirements (which will also apply to any assignee of this Agreement which is a business entity):

- A. Furnish us with all of your formation, organizational and governing documents; a schedule of all current owners (indicating as to each its percentage ownership interest) in the form annexed hereto as Exhibit J; any shareholder, partnership, membership, buy/sell or equivalent agreements and documents; and, a list of all of your officers, directors and managers (as applicable).
- B. Unless we otherwise consent in writing, your business entity's formation and governing documents must provide that its activities will be confined exclusively to the operation of the franchised Business.
- C. You must promptly notify us in writing of any change in any of the information specified, or in any document referred to, herein.

- D. All of your business entity's organizational documents (including any partnership, partnership agreements, incorporation documents, organization/formation documents, bylaws, operating agreements, shareholders agreements, buy/sell or equivalent agreements, and trust instruments) will recite that the issuance or transfer of any Interest in you is restricted by the terms of this Agreement, and that the sole purpose for which you are formed (and the sole activity in which you are or will be engaged) is the conduct of a franchised Business pursuant to one or more franchise agreements from us and that your activities will be exclusively confined to such purpose. Your organizational documents will also include a "Supremacy of Franchise Agreement" clause reciting the following: "To the extent any provision of this Agreement conflicts, violates or is inconsistent with any provision of the Hey Yogurt Franchise Agreement, the parties hereto agree that the provisions of such Franchise Agreement shall supersede the same and that the parties hereto shall enter into such amendments to this agreement as are necessary in order to make the relevant provisions consistent with or non-violative of the provisions of the Hey Yogurt Franchise Agreement."
- E. You will maintain stop instructions against the transfer on your business entity's corporate records of any securities or other ownership interests, and will not issue securities or other evidences of ownership without the following legend printed legibly and conspicuously on the face of the security or other evidence of ownership:
- "The transfer of this certificate and the interests it represents are subject to the terms and conditions of one or more Franchise Agreements with HEY YOGURT FRANCHISING LLC, and to the restrictive provisions of the organizational documents of the issuer. Please refer to those documents for the terms of the restrictions."
- F. Without our prior written consent (which shall not be unreasonably withheld, delayed or conditioned), you may not permit any mortgage, lien, pledge or other security interest in respect of any of your business entity's shares, equity interests or other ownership interests. Any violation of this restriction will give us the right to terminate this Agreement immediately upon notice to you.

8.18 Staffing Requirements, Qualifications and Training

You agree to staff your franchised Business in accordance with the specifications and criteria we set forth in our Brand Standards concerning the selection, qualifications, hiring, training, pre-training and post-training of your personnel. You agree to maintain a competent, conscientious, trained staff in sufficient numbers as we require so that you may promptly, efficiently and effectively service customers. You understand, agree, and will never contend otherwise, that the minimum staffing levels we prescribe in our Brand Standards do not reflect our ability to in any fashion control the day-to-day operation of your franchised Business and its Outlet but, to the contrary, merely reflect those staffing levels necessary to achieve and maintain those standards of quality, uniformity and service which the consuming public has come to associate with the Proprietary Marks and Hey Yogurt Outlets.

You shall take such steps as are necessary to ensure that your employees preserve good customer relations and comply with the standards of appearance, dress code, manner and demeanor we establish in our Brand Standards or otherwise.

To impart to your management and employees the latest procedures, techniques, policies and standards of the System, you agree to conduct the in-house meetings, training sessions, electronic training programs or other programs that we specify in our Brand Standards or otherwise or as you – using your reasonable business judgment – determine are necessary, appropriate or desirable, using any material and programs we may provide for this purpose.

8.19 Testimonials and Endorsements

You agree to permit us (or any of our authorized agents or representatives) to communicate in any manner with your customers to procure customer testimonials and endorsements of the programs, products or services furnished by your franchised Business and any related programs, products or services. You agree to cooperate with us in procuring testimonials and endorsements. You agree that we will be free to make whatever use of testimonials and endorsements that we determine, and that we will owe you absolutely no direct or indirect compensation or other duty as a consequence of our use.

8.20 Trade Accounts

You agree to maintain your trade accounts in a current status and to seek to promptly resolve any disputes with trade suppliers. If you do not maintain your trade accounts in a current fashion, we may pay any or all of the accounts on your behalf, but we will have no obligation to do so. If we pay any accounts on your behalf, then you agree to immediately repay us as provided by Section 5.06. If you do not keep your trade accounts current or make immediate repayment to us, this will be a material breach of this Agreement entitling us to terminate this Agreement following our giving you notice and an opportunity to cure your breach.

8.21 No Conflicting Agreements

During the term of this Agreement, you may not be party to any contract, agreement, business entity formation or governance document, mortgage, lease or restriction of any type which may conflict with, or be breached by, the execution, delivery, consummation and/or performance of this Agreement.

8.22 Taxes

You shall promptly pay when due all taxes levied or assessed upon your franchised Business including, without limitation, all employment, workers' compensation and sales taxes. In the event you have any *bona fide* dispute as to your liability for taxes assessed, you may contest the validity of the amount of the tax in accordance with the procedures of the taxing authority or applicable law. However, in no event shall you permit a tax sale or seizure by levy of execution or similar writ or warrant, to occur against the premises of your franchised Business, your Outlet or any improvements thereon.

8.23 Government Actions

You shall notify us in writing within five (5) days of the commencement of any action, suit or proceeding and/or the issuance of any citation, order, writ, injunction, award or decree of any court, agency or other governmental or quasi-governmental instrumentality, which may adversely affect the operation or financial condition of your franchised Business.

8.24 Privacy and Data Protection

You will: (i) comply with all applicable international, national, federal, provincial, state, or local laws, codes or regulations that regulate the processing of information that can be used (alone or when used in combination with other information within your control) to identify, locate or contact an individual or pertains in any way to an identified or identifiable individual ("Personal Information") in any way, including, but not limited to, national and state data protection laws, laws regulating marketing communications and/or electronic communications, information security regulations and security breach notification rules ("Privacy Laws"); (ii) employ administrative, physical, technical and organizational safeguards that: (a) are designed to prevent the unauthorized collection, access, use and disclosure of Personal Information ("Safeguards"); and (b) meet or exceed industry standards regarding Safeguards, including payment card industry ("PCI") standards, norms, requirements and protocols to the extent applicable; (iv) comply with all Safeguards that have been and are in the future developed and compiled by us that relate to Privacy Laws and the privacy and security of Personal Information; (iii) refrain from any action or inaction that could cause us to breach any Privacy Laws; and (iv) do and execute, or arrange to be done and executed, each act, document and thing we deem necessary in our business judgment to keep us in compliance with the Privacy Laws. You are solely responsible for educating yourself as to these regulations and standards and for achieving and maintaining applicable compliance certifications.

You will be fully responsible for any unauthorized collection, access, use and/or disclosure of Personal Information arising from your action or inaction. You further agree that the indemnification of us and the other Franchisor Parties specifically embraces all claims and liabilities sought to be imposed against us arising from or related to (directly or indirectly) your failure to comply with the provisions of this Section 8.24.

You will immediately notify us in writing of any breaches or suspected breaches of security (either electronic or physical) that may result in the unauthorized collection, access, use or disclosure of Personal Information or (ii) if you receive any oral or written notice of inquiry, investigation or review from any individual or administrative agency (such as the Federal Trade Commission or State Attorney Generals' offices or other similar agency in countries outside of the U.S.) that arises out of, relates to or affects Personal Information within your control. You will comply with our requests and make all reasonable efforts to assist us in relation to the investigation and remedy of any such breach of security and any claim, allegation, action, suit, proceeding or litigation with respect to the unauthorized access, use or disclosure of the Personal Information.

8.25 Complaints; Claims; Safety; Health and Other Violations

You must process and handle all consumer complaints connected with or relating to the Outlet, and shall, within twenty-four (24) hours, notify us by telephone and in writing of all of the following complaints: (i) food related illnesses, (ii) safety or health violations, (iii) claims exceeding One Thousand Dollars (\$1,000.00), and (iv) any other material claims against or losses suffered by you.

8.26 Crisis Management

Upon the occurrence of a Crisis Management Event (as defined below):

- a. "Crisis Management Event" means any event or incident that:
 1. occurs at or about, or impacts (or has the ability to impact, regardless of whether such impact has occurred or will definitely occur), your Hey Yogurt Outlet that has or may cause real or perceived harm or injury to members of the public or employees/personnel, such as equipment malfunction, food contamination or other food safety issue, matters affecting the health, safety or well-being of any member of the public or employee/personnel at the Outlet, epidemics, pandemics or other contagious diseases, natural disasters, criminal or terrorist acts, shootings, or any other circumstances which may have the actual or potential ability to damage the System, the Proprietary Marks, or the image or reputation of us or our affiliates; and/or
 2. results in any governmental action, mandate, advisory opinion, declaration of emergency or otherwise that may impact, or may require the suspension, termination, or modification of operations of, your Hey Yogurt Outlet.
- b. We may, in our sole and absolute discretion, elect to control the manner in which the Crisis Management Event is handled by the parties, including, without limitation, managing and conducting, ourself or via our designee, all communication with third parties including the news media, temporarily suspending or closing one or more Hey Yogurt Outlets, suspending or discontinuing certain service offerings at some or all Hey Yogurt Outlets and/or taking any remedial measures or making any such other modifications to the Hey Yogurt System's policies, procedures, processes and operations as we may deem, in our sole discretion, necessary or prudent in response to the Crisis Management Event. Your and our employees shall cooperate fully with us or our designee in our or our designee's efforts and activities in this regard and shall be bound by all further Crisis Management Event procedures developed by us. You shall not reopen your Hey Yogurt Outlet or resume suspended or discontinued services until we provide our express written consent to do so.

- c. Upon learning that a non-System-wide Crisis Management Event has occurred in or about your Hey Yogurt Outlet, you shall immediately inform us by telephone or email (or as otherwise instructed in the Manual). You acknowledge that, if we elect to direct the management of any Crisis Management Event, we or our designee may engage the services of attorneys, experts, doctors, testing laboratories, public relations firms and those other professionals as we deem appropriate, and we may require you to reimburse us for all such costs provided, however, that you shall only be required to reimburse us for such costs to the extent the Crisis Management Event (i) arises, directly or indirectly, from the actions or inactions of you or (ii) relates solely to, or solely occurs in or about, your Hey Yogurt Outlet. Your indemnification obligations as provided in Section 9.10 shall apply to all losses and expenses that may result from our or our designee's exercise of the management rights granted in this Section.
- d. Our rights under this Section 8.26 shall be exercised in our sole business judgment and nothing in this Section 8.26 shall be deemed to require us to act, manage or remediate any Crisis Management Event. Our rights under this Section 8.26 shall continue until we determine that the Crisis Management Event is resolved. We shall have no liability to you for any losses arising from our actions or inactions under this Section 8.26.

8.27 Gift Cards, Coupons, Certificates and Vouchers

You must participate in, and comply with the requirements of, any gift card, gift certificate, customer loyalty or retention program that we (or our affiliates) implement, at your expense, for all or part of our franchise system and shall sign the forms and take the other action that we require in order for you to participate in such programs. Without limitation, you shall honor coupons, gift cards, gift certificates, coupons or vouchers sold or distributed by other Outlets and will utilize a vendor approved by us for gift card processing. You may not offer any coupon, gift card, or gift certificate without our prior written approval.

9. INSURANCE

9.01 Your Required Insurance Coverage

- A. Within ten days following our execution of this Agreement, and thereafter at all times throughout the Term of this Agreement, you agree to purchase at your own expense, and maintain in effect at all times, the following categories of insurance coverage in forms and through insurance companies satisfactory to us. You understand and agree that your Lease may require other or greater insurance coverages than those stated in this Section. Such insurance coverage must extend to and embrace your franchised Business; your franchised Outlet; all activities conducted in, at or from your Business and Outlet; all facilities which may be situated upon your Business's and Outlet's premises; and, all activities arising from or related to the construction, operation or occupancy of your Outlet and any other facilities situated on your Outlet's premises. Your required coverages, policy limits, limitations on deductibles and limitations on self-insured retentions are prescribed by us in our Brand Standards or otherwise in writing and, as noted below, are subject to change:
 - 1. Broad form comprehensive general liability coverage of at least \$2,000,000 aggregate and at least \$1,000,000 per occurrence, such insurance to embrace (without limitation) claims for personal injury, bodily injury, and property damage.
 - 2. Fire and extended coverage insurance on your Outlet and property in an amount adequate to provide replacement cost of all leasehold improvements, equipment, fixtures, and inventory..

3. Business interruption insurance in sufficient amounts to cover your Outlet projected operating expenses (including but not limited to rental expenses, maintenance of competent personnel and other fixed expenses) for a minimum of 6 months.
 4. If any vehicle is operated in connection with the Business, automobile liability insurance (including coverage for all owned, non-owned, leased or hired vehicles) with minimum limits of liability in the greater of (a) the greatest amount required by any applicable federal, state or local law, or (b) \$1,000,000 combined single limit.
 5. Workers' compensation, employer's liability and any other employee insurance required by any applicable federal, state or local law, rule or regulation (but in no event less than \$500,000 per occurrence).
 6. Employment practices liability insurance coverage in the amount of at least \$250,000.
 7. In connection with the construction, refurbishment, renovation, remodeling or upgrading of your franchised Outlet, builders' and/or contractor's insurance (as applicable) and performance and completion bonds in forms and amounts acceptable to us and to your landlord during buildout.
 8. Insurance coverage of such types, nature and scope sufficient to satisfy your indemnification obligations under this Agreement (including, without limitation, insurance coverage to indemnify us from any claims alleging your violation of federal, state or local labor and/or wage and hour laws, rules or regulations).
- B. The insurance coverage that you acquire and maintain under this Article 9 must:
1. Name us and the other Franchisor Parties identified in Section 8.10 as additional insureds and provide that the coverage afforded applies separately to each insured against whom a claim is brought as though a separate policy had been issued to each insured (except for workers' compensation, employer's liability and any other employee-related insurance mandated by any federal, state or local law, rule or regulation).
 2. Contain no provision which in any way limits or reduces coverage for you if there is a claim by one or more of the Franchisor Parties.
 3. Extend to and provide indemnity for all obligations assumed by you under this Agreement and all other items for which you are required to indemnify us under this Agreement.
 4. Contains such endorsements as we may specify from time to time in the Brand Standards.
 5. Be primary to and without right of contribution from any other insurance purchased by the Franchisor Parties.
 6. Provide, by endorsement, that we are entitled to receive at least 30 days prior written notice of any intent to reduce policy limits, restrict coverage, modify, cancel, not renew or otherwise alter or amend the policy.
 7. Contain a waiver of subrogation rights against us, the other Franchisor Parties identified in Section 8.10 and any of our successors and/or assigns.
 8. Be obtained from responsible insurance carriers acceptable to us which possess a Best's Insurance Guide rating of no less than "A+".

9. All public liability policies may be required by us to contain a provision that although we are named as an additional insured, we are nevertheless entitled to recover under said policies on any loss occasioned to us or the other Franchisor Parties by reason of your negligence or that of your servants, agents or employees.

C. All liability insurance you are required to maintain will insure against our vicarious or imputed liability for actual and (unless prohibited by applicable law) punitive damages assessed against you, us and/or the other Franchisor Parties.

D. You agree not to reduce the policy limits, restrict coverage, cancel or otherwise alter or amend any required insurance policy without our specific advance written consent, which may be denied for any or no reason.

E. If there is a claim by any one or more of the Franchisor Parties against you, you must, upon our request, assign to us all rights which you then have or thereafter may have with respect to the claim against the insurer(s) providing the coverages described in this Section 9.01.

F. You agree that we may periodically add to, modify, substitute or delete the types and amounts of insurance coverage which you are required to maintain under this Agreement, and all features and elements thereof, by written notice to you (through a Supplement to our Brand Standards, or otherwise). Upon delivery or attempted delivery of this written notice, you agree to immediately purchase insurance conforming to any such newly established standards and limits.

9.02 Certificates of Insurance

You agree to promptly provide us with certificates of insurance evidencing the coverages required by this Agreement at least ten (10) days prior to your commencing any of the activities or operations contemplated by this Agreement and, thereafter, at least thirty (30) days prior to the expiration of any such policy. All certificates must evidence proper coverage as required by this Agreement and the Brand Standards. Attached to each certificate shall be a copy of the endorsement amending any clause in the subject policy which relates to other insurance and confirming that all coverage is primary insurance and that our insurance (and the insurance of the other Franchisor Parties identified in Section 8.10 above) is applicable only after all limits of your policy(ies) are exhausted.

You agree to renew all insurance policies and documents and to furnish renewal certificates of insurance to us before the expiration date of the expiring policy in question. We may at any time require you to forward to us full copies of all insurance policies.

9.03 Purchase of Insurance on Your Behalf

If you fail to purchase insurance conforming to the standards and limits we prescribe, we may (but we are not required to) obtain on your behalf the insurance necessary to meet these standards, through agents and insurance companies that we choose. If we do this, then you must immediately pay the required premiums or reimburse us for the premiums we advanced and must also pay us a reasonable fee for the efforts we undertake to obtain such insurance for you. Nothing contained in this Agreement will impose any duty or obligation on us to obtain or maintain any specific forms, kinds or amounts of insurance on your behalf.

9.04 No Undertaking or Representation

Nothing in this Agreement may be considered our undertaking or representation that the insurance that you are required to obtain or that we may obtain for you will insure you against any or all insurable risks of loss which may arise out of or in connection with the operation of the franchised Business. We advise you to consult with your insurance agent and other risk advisors regarding any types, amounts or elements of insurance coverage beyond those specified herein which may be prudent to obtain.

9.05 Failure To Purchase Insurance or To Reimburse

If you fail to purchase or maintain any insurance required by this Agreement or you fail to reimburse us for our purchase of any required insurance on your behalf, your failure will be a material and incurable breach of this Agreement which, unless we waive the breach, will entitle us to terminate this Agreement immediately upon notice to you, with no opportunity to cure.

10. ADVERTISING

10.01 Administration of the System Brand Fund

We or our designee will administer the System Brand Fund as follows:

A. As provided in Section 5.03, you agree to pay us a System Brand Fund Contribution which, combined with the contributions made by all other Hey Yogurt franchisees, and by us or our affiliates who own Outlets, will constitute the System Brand Fund (or the "Fund").

B. We will direct all advertising programs, with sole control over the creative concepts, materials and media used in such programs, and the placement and allocation of Fund advertising. You acknowledge that the Fund is intended to further general public recognition and acceptance of the Proprietary Marks for the benefit of the System. You further acknowledge that we and our designees undertake no obligation in administering the Fund to make expenditures for you which are equivalent or proportionate to your contributions, to ensure that any particular franchisee benefits directly or pro rata from the placement of advertising or to ensure that any advertising impacts or penetrates your Territory. The Fund is not a trust and we are not a fiduciary with respect to the Fund.

C. The Fund may be used to meet any and all costs of administering, directing, preparing, placing and paying for national, regional or local advertising, including (without limitation): television, radio, magazine, newspaper and worldwide web/internet advertising campaigns; other advertising, marketing and public relations materials; point-of-purchase materials; consumer research, interviews and related activities; the creation, maintenance and periodic modification of the Hey Yogurt website; advertising at sports events; mailers, door hangers, freestanding inserts/coupons, brochures and sponsorships; mystery shoppers (both for the System and for competitive networks or units); celebrity endorsements; reviewing any advertising material you propose to use (as provided below); search engine optimization; establishing a third party facility for customizing local advertising materials; accounting for System Brand Fund receipts and expenditures; attendance at industry related conventions, shows or seminars; other activities that we in our business judgment believe are appropriate to enhance, promote and/or protect the System or any component thereof; and, engaging advertising agencies to assist in any or all of the foregoing activities, including fees to have print, broadcast and/or internet advertising placed by an agency, and all other advertising agency fees.

D. We need not maintain the sums paid by franchisees to the System Brand Fund, or income earned from the Fund, in a separate account from our other funds, but we may not use these amounts under any circumstance for any purposes other than those provided for in this Agreement. We may, however, expend monies from the System Brand Fund for any reasonable administrative costs and overhead that we may incur in activities reasonably related to the administration or direction of the Fund and advertising programs for franchisees including, without limitation, preparing marketing and advertising materials; working with advertising agencies, advertising placement services and creative talent; preparing an accounting of contributions to the System Brand Fund and the annual statement of Fund contributions and expenditures provided for below; and, otherwise devoting our personnel, resources and/or funds for the benefit of the System Brand Fund. Our right to expend monies from the System Brand Fund to reimburse us for such activities is exclusive of any advertising agency fees which the Fund must expend to secure the services of an advertising agency or to have print, broadcast or internet advertising placed by an agency.

E. Within 60 days following the close of our fiscal year, we will prepare (but not audit) a statement detailing System Brand Fund income and expenses for the fiscal year just ended, a copy of which statement will be sent to you upon request.

F. We expect to expend most contributions to the Fund for advertising during the fiscal year when the contributions are made. If not all advertising funds are spent in the fiscal year in which they accrue, we will use the remaining amount in the future for the benefit of the franchisees and the System. If franchisees request, we will provide them with an annual accounting of how advertising funds are spent, as stated in paragraph "E" immediately above.

G. We reserve the right to use any media, create any programs and allocate advertising funds to any regions or localities in any manner we consider appropriate in our business judgment. The allocation may include rebates to individual franchisees of some or all of their System Brand Fund contributions for local advertising expenditures if, in our judgment, our national or regional advertising program or campaign cannot effectively advertise or promote in certain regions or communities. If we determine that the total System Brand Fund Contributions collected from all Hey Yogurt franchisees and company-owned Businesses is insufficient to sustain a meaningful regional or national advertising campaign, we may rebate all or a portion of the Fund contributions to franchisees and our (or our affiliates') company-owned Businesses on a pro rata basis. Franchisees must expend any rebate on the types of local advertising and media that we determine. All rebate advertising expenditures must be documented to us in a monthly rebate advertising expenditure report form which we will furnish in our Brand Standards or otherwise.

H. Up to 10% of the Fund may be used for any activity whose sole purpose is the sale of franchises. In addition, the design and maintenance of our Web site (for which Fund monies may also be used) may include information and solicitations for prospective franchisees and public relations and community involvement activities which may result in greater awareness of the Hey Yogurt brand and the franchise opportunity.

I. Although the System Brand Fund is intended to have a perpetual duration, we maintain the right to terminate the Fund, but will not do so until all of the monies in the Fund have been expended for advertising and promotional purposes.

10.02 Advertising Standards You Must Comply With

You may only use advertising which we have either furnished or approved in writing in advance. You agree to conduct all advertising which uses the Proprietary Marks or refers in any way to your franchised Business in a dignified manner and in a fashion calculated to avoid fraud, illegality, deception, misrepresentation, embarrassment, shame, ridicule, disparagement or liability of any type or nature accruing to you, us, your franchised Business, the System, your Outlet or other Hey Yogurt franchisees or Businesses. You agree to conform all of your advertising to the standards, specifications and requirements specified in writing by us, in our Brand Standards or otherwise. You may use locally developed advertising materials only with our prior written approval and in compliance with the Brand Standards.

If we learn that you have breached these requirements, we will notify you in writing and if you do not cure the breach within three days following delivery of our notice, then we may terminate or remove any unauthorized advertising at your expense, and will also be entitled to terminate this Agreement unilaterally and immediately upon notice to you (which we may also do if your breach, by its nature, is incurable).

Under this Agreement, the term "advertising" is defined to mean any and all advertising, identification and promotional materials and programs of any type or nature whatsoever including print and broadcast advertisements; direct mail materials; brochures; advertising specialties; electronic commerce communications and "bulletin boards"; any advertising on the internet/worldwide web; any advertising or promotion on social media; public relations and brand awareness programs; direct mail; door hangers; freestanding inserts and coupons; sponsorships; point of sale materials; press releases; business cards; displays; leaflets; telephone and computer

greetings; messages and voice-mail/e-mail sent to or accessible by customers or other third parties; promotional material captured in any electronic medium; any advertising through any hereafter developed media, platforms, devices or modes of communication; and, any other material or communication which we denominate as "advertising" in our Brand Standards or otherwise.

You agree to submit to us for approval, before use or dissemination, copies of all proposed advertising you intend to use (except for advertising which we furnish to you under this Agreement or advertising you have previously submitted and we have approved), as well as copies of any advertising previously approved by us during the twelve (12) month period immediately preceding their proposed use. Our approval of any of your proposed advertising may be withheld for any or no reason. If we do not respond within ten business days following our documented receipt of your proposed advertising material, then our approval will be deemed withheld and the proposed advertising material not approved. Our grant or denial of our approval of your proposed advertising will not give rise to any liability on our part and you will not assert claims against us to the contrary.

You must promptly discontinue use of any advertising or promotional plans or materials, whether or not previously approved, upon notice from us.

10.03 Grand Opening Advertising; Local Advertising and Promotion

Before the scheduled opening of the franchised Business under Section 8.01, you agree to spend an appropriate amount as you determine in your business judgment, on grand opening advertising, other local advertising and promotion of your Business. You agree to make these pre-opening and grand opening advertising expenditures using the advertising material, media, special events and other public relations activities that we require or approve, in our Brand Standards or otherwise. In addition, if you choose to pay us the Initial Marketing Fee described in Section 5.03(b) then we shall provide you with the marketing services in connection with the opening of your Outlet, as described in Section 5.03(b).

After that, you agree to expend an appropriate amount on an ongoing basis, as you determine in your business judgment, on local advertising and promotion. "Local Advertising and promotion" means the local or regional advertising and promotional activities that we specify in our Brand Standards or otherwise, or approve in advance as provided in Section 10.02.

10.04 Listings and Directory Advertising

You agree to list your Business in all print and/or electronic alphabetic directories ("White Pages") we specify that are serving your Territory. You are not required now, but we may hereafter require you, to advertise your Business continually in all print and/or electronic classified directories ("Yellow Pages") serving your Territory under headings designated by us in our Brand Standards or otherwise. We may annually furnish you with demographic information and recommendations regarding which Yellow Pages directory(ies) in your Territory you should advertise in for the coming year. You agree to procure, place and pay for all of your White Pages advertising and any Yellow Pages advertising we may hereafter require. We may specify the size, style and content of your Yellow Pages advertising and may require you to utilize the services of a classified telephone directory advertising or placement agency we designate. In lieu of individualized Yellow Pages advertising for your franchised Business, we may instead require you and all other Businesses situated within a geographic area served by one or more Yellow Pages print or electronic directories (including Businesses owned or franchised by us or our affiliates) collectively to prepare, place and equally share in the cost of combined Yellow Pages advertisements featuring, and treating identically, all such Businesses.

10.05 Merchandise Materials

We may, from time to time and in our sole business judgment, produce and provide to you (or have our third-party designated vendor produce and/or provide to you) certain merchandising materials identifying the System and to support national promotions, such as menu panels, point of purchase advertising materials, System memorabilia and other brand-relevant merchandise (collectively, "System Merchandise"). We or our third-party vendor will invoice you for these materials and you

agree to pay for the materials (including but not limited to the cost of shipping and insurance). Upon reasonable request, we will provide you with documentation of the costs of these materials.

11. RECORDS, AUDITS, REPORTING REQUIREMENTS AND PRIVACY

11.01 Financial Statements

A. No later than 30 days following the end of each calendar quarter during the term of this Agreement, you agree to furnish to us, in a form we approve, a statement of the franchised Business's profit and loss for the quarter and a balance sheet as of the end of the quarter. You must certify these statements to be true and correct.

B. No later than 90 days following the end of each of your fiscal years during the term of this Agreement, you agree to furnish to us, in a form we approve, a statement of the franchised Business's profit and loss for the fiscal year and a balance sheet as of the end of the fiscal year, prepared on a compilation basis and certified to be true and correct by you. We reserve the right to require these annual financial statements to be audited by an independent certified public accountant.

C. The financial statements required above must be prepared in accordance with United States generally accepted accounting principles, including all disclosures required under those principles.

D. No later than 30 days following your filing of the annual tax returns of the franchised Business, you agree to furnish to us exact copies of the tax returns, including federal, state and any local income tax returns, together with a certificate from an independent certified public accountant that all Social Security payments, taxes and fees required to be paid by you to any governmental agency or entity have been paid, and that if you are a business entity, there is no reason to believe that your entity's status has been impaired.

E. You must also provide any other information that we reasonably request from time to time.

F. If you do not timely furnish to us any of the financial statements or tax returns required above in this Article 12 then you agree to pay us a late charge of \$50 per month that each financial statement or tax return is overdue. We may also in such circumstance elect to terminate this Agreement upon giving you notice and an opportunity to cure your default.

G. You authorize us to incorporate in our franchise disclosure document and/or promotional literature information derived from the above financial statements, so long as you or your Business are not individually identified.

11.02 Financial Records and Audit

A. You agree to record all Gross Revenues received by and all expenditures made by you or your franchised Business. You further agree to keep and maintain adequate records of all such Gross Revenues and expenditures and to maintain accurate books, records and tax returns, including related supporting material (such as cash receipts, and credit and charge records) for your franchised Business. We may specify, in our Brand Standards or otherwise, the forms and media that you will be required to use in recording your franchised Business' Gross Revenues and expenditures. You agree to keep and preserve for seven years (or such longer period as may be required by any law, rule or regulation) the types and classes of electronic and/or other books, records and tax returns that we specify in our Brand Standards or otherwise, along with all business, personnel, financial and operating records, in any media, relating to your franchised Business. If you do not maintain the required records, this will be a material and incurable breach of this Agreement which, unless we waive the breach, will entitle us to terminate this Agreement immediately upon notice to you, with no opportunity to cure.

B. We and/or our agents (who may be outside accountants and auditors), designees and/or employees will have the right, at any time, with or without written notice, during normal business hours, to enter your Outlet and any other offices at which the Business is administered, in

a fashion calculated not to disrupt your Outlet's and Business's operations, to inspect, audit and make copies of all records including, but not limited to, the following: books of accounts; bank statements; cash or other receipts; checkbooks; documents; records; sales and income tax returns (federal, state, foreign and, if applicable, city); and, your files relating to programs, services and products sold, business transacted and expenditures relating to the Business. These files must include (without limitation) your operating records; bookkeeping and accounting records; customer lists; customer job orders; operating records; operating reports; correspondence; general business records; your copy of the Brand Standards (as amended); invoices; payroll records; journals; ledgers; files; memoranda and other correspondence; contracts; and, all sources and supporting records used to prepare the reports and forms which you are required to submit to us under this Agreement, including the books or records of any business entity which owns the franchised Business. You agree to make any of these materials available for examination at your offices. Alternatively, we may determine to conduct any such audit either at our offices or at the office of a designee of ours and, if we do, you will be required to transmit some or all of the foregoing books and records to us or our designee. In addition to the foregoing, we may require you to scan and electronically transmit to us such volume of the above-referenced records, files and documents as will not unreasonably burden the franchised Business.

C. If an audit reveals that you understated the Gross Revenues on your monthly reports to us (which we may require as provided above), or in your entries into your POS system, by any amount for any month within the period of examination, or for the entire period of examination, when compared to your actual Gross Revenues, then you agree to immediately pay us the additional amount payable as shown by the audit, plus interest calculated as provided in subsection 5.05 (D). If an audit reveals that you understated the Gross Revenues on your monthly reports to us (which we may require as provided above), or in your entries into your POS system, by 2% or more for any month within the period of examination, or for the entire period of examination, then in addition to paying the additional amounts due and interest calculated as provided in subsection 5.05 (D), you agree to immediately pay us the full cost of the audit for the entire period of examination. If an audit reveals an understatement by you of 8% or more for any month within the period of examination, or for the entire period of examination, then in addition to paying the additional amounts due, interest calculated as provided in subsection 5.05 (D) and the full cost of the audit for the entire period of examination, your understatement will be a material and incurable breach of this Agreement which, unless we waive the breach, will entitle us to terminate this Agreement immediately upon notice to you, with no opportunity to cure. If our examination or an audit establishes a pattern of underreporting, we may require that the subsequent annual financial statements due under Section 11.01(B) be audited by an independent accounting firm consented to by us.

12. CONFIDENTIAL INFORMATION AND COVENANTS NOT TO COMPETE

12.01 Restriction on Use of Confidential Information

You agree to use and permit the use of our Confidential Information (as defined below) solely in connection with the operation of your franchised Outlet. You further agree that you will never – during the Initial Term or any Successor Term of this Agreement, or any time after this or any Successor Agreement expires or terminates, or your rights under this Agreement or any Successor Agreement are assigned or terminated – divulge or use any of our Confidential Information for the benefit of yourself, your owners (if you are a business entity) any third party (including any person, business entity or enterprise of any type or nature), nor will you directly or indirectly aid any such third party to imitate, duplicate or “reverse engineer” any of our Confidential Information.

“Confidential Information” includes (without limitation) all information, knowledge, trade secrets or know-how utilized or embraced by the System and/or imparted to you by us or any of our affiliates which concerns your or our systems of operation, programs, services, products, customers, practices, materials, books, records, manuals, computer files, databases or software; all elements of the System; all programs, products, services, equipment, technologies, recipes, food and beverage preparation techniques, policies, standards, requirements, criteria and procedures that

now or in the future are a part of the System; our Brand Standards (including Supplements to the Brand Standards); all specifications, procedures, systems, techniques and activities employed by us or by you in the offer and sale of programs, products and/or services at or from your franchised Business; all pricing paradigms established by us or you; all of our and/or your sources (or prospective sources) of supply and all information pertaining to same (including wholesale pricing structures, the contents of sourcing agreements and the identity of suppliers); our specifications, and your final plans, for the construction, build out, design, renovation, décor, equipment, signage, furniture, fixtures and trade dress elements of your Outlet; the identify of, and all information relating to, the Computer and POS Systems utilized by us and you; all information pertaining to our and/or your advertising, marketing, promotion and merchandising campaigns, activities, materials, specifications and procedures; all customer lists, data and records generated and/or otherwise maintained by your franchised Business; our internet/web protocols, procedures and content (including electronic data, data files, user names and passwords); our training and other instructional programs and materials; all elements of our recommended staffing, staff training and staff certification policies and procedures; all communications between us; additions or improvements to, deletions from and modifications and variations of the components of the System and the other systems and methods of operations which we employ now or in the future; research, development and test programs for products, services and operations; and, all other information, knowledge and know-how which either we or our affiliates, now or in the future, designate as confidential.

Confidential Information will not, however, include information which you can demonstrate came to your attention before we or our affiliates disclosed it to you (unless illegally or improperly procured by you before such disclosure) or which, at or after the time of disclosure, has become a part of the public domain through publication or communication by others, but not through any act of yours.

Except as authorized in this Agreement, you agree never to copy, duplicate, record or otherwise reproduce any of the Confidential Information, in whole or in part; otherwise share it with any other third-party individual or entity; store it in a computer or other electronic format; or, otherwise make it available to any third party by any other means whatsoever. Upon the expiration or termination of this Agreement, you agree to return to us such Confidential Information as we request (including customer lists and records; all training materials and other instructional content; financial and non-financial books and records; the Brand Standards; and, computer databases, software and manuals) which is then in your possession or, upon our request, destroy all or certain such Confidential Information and certify such destruction to us. It is specifically understood that all customer lists or information adduced by your franchised Business is our property, not yours, and you shall never contend otherwise.

You must only divulge such Confidential Information to your operational personnel as is necessary for each to perform his/her functions and then only on a "need to know" basis. You agree to adopt, implement and take all necessary precautions to that we prescribe from time to time to ensure that these individuals maintain the Confidential Information in confidence and comply with the confidentiality provisions of this Agreement. Your agreement to procure execution of our Confidentiality Agreement (or, where applicable, our Confidentiality/Non-Competition Agreement) from certain of your owners, management and staff is set forth below in Section 12.05.

12.02 Covenant Not to Compete

You agree that (i) at any geographic location whatsoever during the Initial Term and any Successor Term of this Agreement, and (ii) at the Outlet Location, within your Territory, within three (3) miles driving distance of the Outlet Location or within three (3) miles driving distance of the perimeter, or within, the Territory or market area (as applicable) of any other franchised or company-owned Business in operation or under construction (regardless of how established or operated), for a period of two (2) years immediately following the later of (a) the termination, expiration or assignment (as defined in Section 14.02 below) of this Agreement or any Successor Agreement for any reason or (b) the date on which all persons restricted by this Section 12.02 begin to comply with this Section 12.02, you will not directly or indirectly engage in, aid, assist, serve or participate

in any other business or activity (a "Competitive Business") which offers or sells any of the programs, products or services which now or hereafter are authorized for sale under the System (including yogurt drinks and desserts) or component thereof in any manner (whether a wholesale supplier or otherwise); which offers or sells similar or related programs, products or services; which engages in any of the activities which this Agreement contemplates that you will engage in; or, which offers or sells any other program, product, service or component which now or in the future is part of the System, or any confusingly similar program, product or service.

You are prohibited from directly or indirectly engaging in any Competitive Business as a proprietor, partner, investor, shareholder, member, director, manager, officer, employee, principal, agent, advisor, consultant, lessor, sublessor or any similar capacity. In addition, you agree not to divert any business that should be handled by the franchised Business to any other person or entity. It is the intention of these provisions to preclude not only direct competition but also all forms of indirect competition, such as consultation for Competitive Businesses, service as an independent contractor for Competitive Businesses, or any assistance or transmission of information of any kind which would be of any assistance to a Competitive Business. Nothing in this Agreement will prevent you from owning for investment purposes only up to an aggregate of 5% of the capital stock of any Competitive Business you do not control, so long as the Competitive Business is a publicly held corporation whose stock is listed and traded on a national or regional stock exchange.

Further, during the Initial or any Successor Term of this Agreement, and for two (2) years following the termination or expiration of same for any reason, you agree not to: (i) solicit for employment or hire our management personnel, the management personnel of any of our affiliates or the management personnel of any other franchised Business without first obtaining any written permission from us and the employer(s) of the personnel in question, or (ii) sell, assign, lease, sublease or otherwise grant possession of your Outlet and/or Location to any individual or entity which intends to utilize same to conduct a Competitive Business thereat (and it shall be your affirmative duty in connection with any such sale, assignment or other disposition of your Outlet and/or Location to secure a written memorialization from the purchaser, assignee, lessee, sublessee or permittee that it has no intent to conduct a Competitive Business, as herein defined, following the subject transaction).

It is the intention of these provisions that any person or entity within a legal or beneficial interest in or traceable to, down or through you be bound by the provisions of this covenant, including (without limitation) your spouse, brother, brother-in-law, sister, sister-in-law, parents, parents-in-law, child, son-in-law or daughter-in-law; any direct or indirect beneficiary of yours; and, any other related person or entity, regardless of how many levels or tiers there may be between you and the person or entity.

If you are a business entity, you agree to cause your (as applicable) owners, members, shareholders, directors, officers, partners, general partner, proprietor and or any other beneficial owner to refrain from any of the competitive activities described above in any manner which we reasonably request. In all instances, unless specifically prohibited by applicable law, you shall also cause your Business Manager and all other key management employees of your Business to refrain from any of the competitive activities described above in any manner which we reasonably request. Your agreement to procure the execution of our Confidentiality/Non-Competition Agreement from certain such individuals is set forth below.

12.03 Lesser Included Covenants Enforceable At Law

If all or any portion of the covenants not to compete set forth in this Article 12 are held unreasonable, void, vague or illegal by any court or agency with competent jurisdiction over the parties and subject matter, the court or agency is hereby empowered to revise and/or construe the covenants to fall within permissible legal limits, and should not by necessity invalidate the entire covenants. You expressly agree to be bound by any lesser covenants subsumed within the terms of this Article 12 as if the resulting covenants were separately stated in and made a part of this Agreement.

12.04 Enforcement of Covenants Not To Compete

The covenants not to compete set forth in this Agreement are fair and reasonable, and will not impose any undue hardship on you, since you have other considerable skills, experience and education which afford you the opportunity to derive income from other endeavors. You agree that such covenants not to compete: (a) are reasonable, including, but not limited to, their term, geographical area, and scope of activity to be restrained; (b) are designed to preclude competition which would be unfair to us; and (c) do not impose a greater restraint than is necessary to protect our goodwill and other legitimate business interests. You acknowledge that any violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to us for which no adequate remedy at law will be available. Accordingly, you consent to the entry of an injunction prohibiting any conduct by you in violation of the terms of the covenants not to compete set forth in this Agreement. You expressly agree that any violation of the covenants not to compete will conclusively be deemed to have been accomplished by and through your unlawful use of our Confidential Information, know-how, methods and procedures. Further, you expressly agree that any claims you may have against us, whether or not arising from this Agreement, will not constitute a defense to our enforcement of the covenants not to compete in this Agreement. You agree to pay all costs and expenses, including reasonable attorneys' and experts' fees that we incur in connection with the enforcement of the covenants not to compete set forth in this Agreement.

12.05 Procurement of Additional Covenants

You agree to require and obtain the execution of our Confidentiality/Non-Competition Agreement substantially in the form of Exhibit E-1 from all of the following persons:

1. Before employment or any promotion, your Business Manager and all other managerial personnel; and,
2. If you are a business entity, and as applicable, all of your owners, equity holders, control persons, shareholders, members, partners and general partner(s); all of your officers, directors and managers; and, all persons possessing equivalent positions in any business entity which directly or indirectly owns and/or controls you. You shall procure all such Confidentiality/Non-Competition Agreements no later than ten days following the Effective Date (or, if any individual or entity attains any status identified above after the Effective Date, within ten days following such individual or entity's attaining such status) and shall furnish to us copies of all executed Confidentiality/Non-Competition Agreements within ten days following their execution.

You agree to require and obtain the execution of our Confidentiality Agreement substantially in the form of Exhibit E-2 from all of your non-managerial personnel before employment (or, in the case of any independent contractors, before engagement) or any promotion.

12.06 Your and Our Enforcement of Confidentiality/Non-Competition Agreements

You agree to vigorously and vigilantly prosecute to the fullest extent permitted by law breaches of any Confidentiality/Non-Competition Agreement executed by any of the individuals referenced in Section 12.05, and you acknowledge our right, to be exercised as we alone determine, to ourselves and enforce the terms of any such executed Confidentiality/Non-Competition Agreement. If the substantive provisions of our Confidentiality/Non-Competition Agreement have been breached by an individual employed, engaged or otherwise serving your franchised Business who has not executed a Confidentiality/Non-Competition Agreement, you must nevertheless vigorously and vigilantly prosecute such conduct to the fullest extent permitted by law.

13. CONDITIONS TO AND PROCEDURES GOVERNING SUCCESSOR TERM

13.01 Conditions to Successor Franchise Agreement

Your right to enter into a Successor Franchise Agreement will be conditioned on the following:

- A. You must notify us in writing no more than nine (9) months and no less than six (6) months before the expiration of the Initial Term of this Agreement of your intent to enter into a Successor Franchise Agreement;
- B. Throughout the Initial Term and at the time of entering into a Successor Term you (and your affiliates) must have performed all of your obligations and been, according to our business judgment, in compliance with the terms of this Agreement, the Brand Standards and other agreements between you (or your affiliates) and us or our affiliates;
- C. At the time of entering into a Successor Term you (and your affiliates) must be current on the payment of all monetary obligations to us, our affiliates, the lessor or sublessor of your Outlet and any material third party supplier of yours;
- D. Before the commencement of the applicable Successor Term, you must, at your cost and expense, refurbish, redesign and/or remodel your franchised Outlet as we reasonably require to meet our then current standards, requirements and specifications (including, without limitation, refurbishing, repairing or replacing all equipment, electronic cash register systems, Computer and POS Systems, signs, interior and exterior decor items, fixtures, furnishings, supplies and other products and materials required for the operation of the Outlet and otherwise upgrading the Outlet as we reasonably require to reflect our then-current Brand Standards and the image of the System);
- E. You or your Business Manager (as applicable) and any other management and staff we designate must attend and successfully complete any training that we may reasonably require, at your expense;
- F. You must pay us a Successor Franchise Fee 50% of our then-current Initial Franchise Fee for similar franchised territories, but the Successor Franchise Fee for the first Successor Term will be no greater than the Initial Franchise Fee which you paid under this Agreement;
- G. You must present evidence satisfactory to us that you will be able to renew the lease for your Outlet on terms acceptable both to you and us, or lease a substitute Location acceptable to and approved by us, without any interruption of business in compliance with the terms of Section 6.02; and,
- H. You (and if you are a business entity, your owners) must have signed a General Release in the form of Exhibit H. This General Release will not release us from any future claims related to any Successor Franchise Agreement but will release us, our affiliates, and our respective officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees, past and present, in their corporate and individual capacities from any and all claims you may have related to this Agreement or under federal, state or local laws, rules, regulations or orders.

If you have satisfied these conditions, then we will provide you with a Successor Franchise Agreement in the manner specified in the following section.

13.02 Successor Franchise Procedures

You must exercise your conditional right to a Successor Franchise Agreement as stated in this Agreement in the following manner:

- A. You must notify us in writing no more than nine (9) months and no less than six (6) months before the expiration of the Initial Term of this Agreement of your desire to enter into a Successor Franchise Agreement.

- B. Within thirty days after our receipt of your notice, we will deliver to you a copy of our then-current franchise disclosure document (if we are then legally required to do so) and a copy of our then-current franchise agreement (the "Successor Franchise Agreement") in a form ready to be executed by you (together, the "Successor Franchise Package"). You must acknowledge receipt of the Successor Franchise Package in any fashion that we reasonably specify.
- C. No sooner than fifteen days, but no later than twenty-five days, after you receive our Successor Franchise Package, you must execute the Successor Franchise Agreement and return it to us.
- D. If you have exercised your conditional right to a Successor Franchise Agreement as described above and have complied with all of the procedures set forth herein, and on the date of expiration of the Initial Term you satisfy all of the conditions to qualify for a Successor Term identified in Section 13.01 of this Agreement, then we will execute the Successor Franchise Agreement previously executed by you and will, deliver one fully executed copy of your Successor Franchise Agreement to you.
- E. If you do not perform any of the acts or deliver any of the writing required herein in a timely fashion, this will be considered your conclusive election not to exercise your right to enter into a Successor Franchise Agreement and such right will then automatically lapse and expire without further notice or action by us. If this occurs, this Agreement will terminate at the end of the Initial Term, except for the post-termination and post-expiration provisions of this Agreement which by their nature are intended to survive.
- F. **Time is of the essence with regard to this Section 13.02.**

13.03 Notice of Expiration

If applicable law requires us to give you notice of expiration of this Agreement at a specified time prior to such expiration, and we have not done so, then the term of this Agreement will be extended to the date following which our notice has been given and the legally required notice period has expired.

14. ASSIGNMENT

14.01 Assignment By Us

We have the right to assign all of our rights and privileges under this Agreement to any person or business entity. If we assign this Agreement, you expressly agree that immediately upon and following such assignment, we will no longer have any obligation - - directly, indirectly or contingently - - to perform or fulfill the duties or obligations imposed upon "Franchisor" hereunder. Moreover, to the extent that we have arranged for one or more of our affiliates to perform certain activities on our behalf and at our direction, as contemplated by this Agreement, our affiliates will similarly have no obligation, contingent or otherwise, to continue to perform such activities following any such assignment of this Agreement by us. Instead, all such duties and obligations will be performed solely by our assignee.

You agree and affirm that we may undertake a refinancing, recapitalization, securitization, leveraged buyout or other economic or financial restructuring.

You also agree that we may purchase, merge, acquire, be acquired by or affiliate with an existing competitive or non-competitive franchise or non-franchise network, chain or any other business regardless of the location of that other business' facilities, and that following such activity we may operate, franchise or license those other businesses and/or facilities under any names or marks, including the Proprietary Marks, regardless of the location of these businesses and/or facilities, which may be within the Territory or immediately proximate to the Territory.

We have the right to delegate the performance of any portion or all of our obligations under this Agreement to third party designees, whether these designees are our agents or independent contractors with whom we have contracted to perform these obligations. If we do so, such third-party designees will be obligated to perform the delegated functions for you in compliance with this Section 14.01.

14.02 Assignment By You – General

You understand and acknowledge that we have entered into this Agreement in reliance on and in consideration of your singular personal skills and qualifications (or, if you are a business entity, the personal skill and qualifications of your owners and managers), and the trust and confidence that we repose in you (or your owners and managers, if you are a business entity), and that this Agreement and the franchise conveyed hereunder is therefore personal to you and is your personal obligation. Accordingly, except as provided below, neither all nor any part of your interest in this Agreement; the franchise conveyed hereby; your rights, privileges or obligations under this Agreement; the franchised Business; your Outlet; the ownership of your franchised Business; your Lease or Sublease (as applicable); or, your rights to use the System, Proprietary Marks, Confidential Information and/or Brand Standards may in whole or in part be assigned, sold, transferred, pledged, encumbered, shared, sublicensed or divided, voluntarily or involuntarily, directly or indirectly, by operation of law or otherwise, in any fashion without first obtaining our written consent in accordance with this Article 14 (which consent shall not be unreasonably withheld) and without first complying with our right of first refusal pursuant to Section 14.06 below.

Any actual or attempted assignment, transfer or sale of this Agreement, the franchise conveyed hereunder, the franchised Business, your franchised Outlet, any ownership interest in you (if you are a business entity), any of the other interests, rights or privileges identified in the preceding paragraph, or any interest in any of these, in violation of the terms of this Article 14, will be null, void and of no effect, and will be a material and incurable breach of this Agreement which, unless we waive to the breach, will entitle us to terminate this Agreement immediately..

If you are a business entity, then for the purposes of this Agreement, “assignment” includes (without limitation) the transfer, issuance or redemption in the aggregate of more than 25% of the voting power or (as applicable) the capital stock, partnership interest, membership interest or any other species of ownership interest in you (or any lesser percentage sufficient to control your business entity or the franchised Business, as the term “control” is most broadly defined by any United States or state securities and/or corporate and/or partnership law) to any person or entity who is not (i) already a (as applicable) shareholder, member, partner or other category of owner of your franchised Business; (ii) the spouse of such individual; (iii) a trust controlled by such individual; or, (iv) a business entity owned, controlled and composed solely of such individuals in the same proportionate ownership interest as each such individual had in you before the assignment, as provided below. You agree to immediately report to us all such transfers or assignments of ownership in your business entity, even if less than 25%, in accordance with the procedure set forth in our Brand Standards or otherwise.

14.03 Assignment By You – To A Business Entity You Form

If you are an individual and would like to transfer your interest in this Agreement to a business entity you form solely for the convenience of business entity ownership, you must obtain our prior written consent. We will not unreasonably withhold consent if all of the following conditions are met:

- A. The business entity must be newly organized and duly formed, and its activities must be confined exclusively to serving as “Franchisee” under this Agreement (unless we otherwise consent in writing).
- B. You must be the sole owner of all ownership interests in the business entity and its principal officer or manager (as applicable) (or the sole owner of 75% or more of all ownership interests in the business entity, with the remaining owners being your spouse and/or adult children).

- C. If more than two individuals serve as "Franchisee" hereunder, each individual must have the same proportionate ownership interest in the business entity as he or she had in the franchised Business before the transfer.
- D. You and the business entity must execute an agreement with us under which you and the business entity agree to be jointly and severally liable for all duties, responsibilities and obligations to us under this Agreement and expressly agree to be bound by all of the terms, conditions and covenants of this Agreement. Each then-current and future ultimate beneficial owner of any interest in the business entity must agree in writing to personally guarantee the performance by the business entity of your obligations under this Agreement, and to be individually bound by all of the terms and conditions of this Agreement and any other agreements between you and us, substantially in the form of Exhibit I to this Agreement.
- E. Each present and future owner of any interest in the business entity must execute our Confidentiality/Non-Competition Agreement substantially in the form of Exhibit E-2 to this Agreement.
- F. The name of the business entity formed by you may not include the Proprietary Mark "HEY YOGURT", any variant thereof or any word confusingly similar thereto.
- G. Your business entity must comply in all respects with the requirements and prohibitions set forth in Section 8.17 of this Agreement ("Business Entity Requirements and Records").

Any transfer pursuant to this Section 14.03 will not be subject to our right of first refusal below and will not require you to pay to us any transfer fee.

14.04 Assignment By You – Sale To Third Party

If we do not elect to exercise our right of first refusal (as provided in Section 14.06 below), then we will not unreasonably withhold consent to your sale, transfer or assignment of any interest in you (if you are a business entity), the franchise conveyed by this Agreement, your Business, your Outlet, your Lease or Sublease (as applicable) and your right to use the System, or any interest in any of these, to a third party. You agree that it will not be unreasonable for us to impose, among other requirements, the following conditions to granting consent to your proposed sale, assignment or transfer of any of the foregoing:

- A. That the proposed assignee (meaning all individuals and entities which, after the proposed sale, transfer or assignment, will be franchisees under this Agreement or under any successor agreement) applies to us for acceptance as a franchisee and demonstrates to our satisfaction that the proposed assignee (and, if it is a business entity, each and every owner and guarantor of the proposed assignee) possesses the skills, qualifications, financial condition, background and history, reputation, economic resources, education, managerial and business experience, moral character, credit rating and ability to assume your duties and obligations under this Agreement and any successor and related agreement. You must pay the costs of any such investigation conducted by us.
- B. That, upon our request, the proposed assignee (or, if the proposed assignee is a business entity, each and every owner or guarantor of the proposed assignee) presents itself for a personal interview at our corporate office, or any other location we designate, at the date and time we reasonably request, without expense to us. We may determine to meet with the proposed assignee at his, her or its principal place of business or residence and, if we do so, you will reimburse us for all travel, lodging, meals and personal expenses related to such meeting.

- C. That the proposed assignee has the organizational, managerial and financial structure, financial resources and capital required to conduct the franchised Business in accordance with such standards and the satisfaction of such conditions as we indicate from time to time, taking into account such factors (among others) as the number of Outlets and market areas involved and their geographic proximity.
- D. That the proposed assignee comply with our ownership requirements relative to the control of the proposed assignee and the franchised Business.
- E. That the proposed assignee (and, if the proposed assignee is a business entity, each and every owner or guarantor of the proposed assignee) comply with our restrictions relative to involvement in any business which competes with the franchised Business.
- F. That the proposed assignee; his, her or its proposed Business Managers; and, such other post-transaction employees of the franchised Business attend and successfully complete our Initial Training Program (at a cost of \$500 per person) before the assignment, and any other training that we reasonably require, at the assignee's expense (which will include our training fee and the cost of the trainees' transportation, lodging, food and other living expenses). Each individual undergoing such training must first execute the Confidentiality/Non-Competition Agreement substantially in the form of Exhibit E-2. We may waive these requirements if the proposed assignee is one of our existing franchisees in good standing.
- G. That, if required, the lessor or sublessor of your Location consents in writing to the assignment to the proposed assignee.
- H. That, as of the date of the assignment, you have cured any existing defaults under any provisions of this Agreement or any other agreement or arrangement with us or our affiliates, and have fully satisfied in all respects all of your accrued and/or then-current monetary and other obligations to us and our affiliates (under this Agreement or otherwise), all sources of financing of your franchised Business and all material sources of supply of your franchised Business.
- I. That the assignee execute a new Franchise Agreement with us, and all other agreements required of new franchisees, in the form and on the terms and conditions we then offer to new franchisees, which terms and conditions may vary significantly from this Agreement. The assignee will not be obligated to pay another Initial Franchise Fee under the new Agreement but will be required to pay our then-current fees for furnishing our Initial Training Program and any other services we are required to furnish under the new Agreement. The term of the new Franchise Agreement will be the balance of the Term of this Agreement. The execution of the new Franchise Agreement will terminate this Agreement, except for your guarantees; any of your obligations to us or our affiliates which remain outstanding and/or unsatisfied; and, the post-termination and post-expiration provisions of this Agreement which, by their nature, are intended to survive.
- J. That the assignee has acquired, or will be able to immediately acquire following the execution of the new Franchise Agreement, all permits, licenses and other authorizations required by any federal, state or local, rule or regulation to operate the franchised Business. If applicable law enables you to transfer or assign any of the aforementioned permits, licenses and/or authorizations which you possess to the assignee, then you agree to do so immediately following our execution of the assignee's new Franchise Agreement.
- K. Notwithstanding the foregoing, you understand and agree that you will remain fully liable and responsible for all of your obligations to us and our affiliates under this Agreement which arose in connection with the operation of your franchised Business prior to the effective date of the assignee's new Franchise Agreement (specifically

including your obligation to indemnify us and the other Franchisor Parties identified in Section 8.10) and you agree to execute any and all documents we reasonably request to further evidence such liability.

- L. That if the proposed assignee is a business entity, we have the absolute right to require any owners or other parties having an interest in the proposed assignee or the Location to execute the Guarantee substantially in the form of Exhibit F.
- M. That the Total Sales Price of your sale, assignment or transfer is not so excessive, in our business judgment, that it jeopardizes the continued economic viability and future operations of the franchised Business and/or the assignee. "Total Sales Price" means all consideration of every kind paid or payable to you or any other person or entity in connection with, arising out of or relating to the assignment or transfer of the franchise, the Franchise Agreement or the franchised Business, whether money, property or other thing or service of value including consideration received for all or a part of your Business; your rights under this Agreement; contracts; goodwill; restrictive covenants; consulting arrangements; your furniture, fixtures, equipment and trade dress elements; accounts receivable; or, any other fees or arrangements or other form of consideration, whether the consideration is received in the present or promised to be given to you or any other person in the future (including the highest possible value of any contingent future consideration).
- N. That if you or your owners finance any part of the purchase price, you and/or your owners agree in writing that all of the transferee's obligations under promissory notes, loan agreements, or security interests reserved in the Outlet are subordinate to the assignee's obligation to pay Continuing Royalties, System Brand Fund Contributions, and all other amounts due to us, our affiliates, and third party vendors and otherwise to comply with this Agreement.
- O. That you and, if you are a business entity, each of your owners and guarantors, and the assignee (and if the assignee is a business entity, each of each owners and guarantors) execute a general release substantially in the form of Exhibit I of any and all claims, demands and causes of action which you, such owners or the assignee and its owners may or might have against us and/or any of the Franchisor Parties through the date of execution of the assignee's new Franchise Agreement.
- P. That if the assignee is a business entity, all of the requirements of its new Franchise Agreement concerning business entities must be complied with before we will execute the new Franchise Agreement and, as applicable, will continue to be complied with thereafter.
- Q. That you furnish us with a copy of any proposed contract of assignment (and any related agreements) and, promptly following execution, furnish to us a copy of the executed contract of assignment (and any related agreements).
- R. That you have corrected any existing deficiencies of the Outlet of which we have notified you.
- S. That upon our request, either you and/or the proposed assignee, at your/its own expense, renovate, remodel and upgrade your Outlet to conform to our then-current standards and specifications for System Outlets in the United States and complete such modifications, at our election, either prior to the contemplated assignment or such later time reasonably specified by us.
- T. That you pay us a transfer fee equal to fifty percent (50%) of our then-current Initial Franchise Fee for similarly-situated territories, or such greater amount as may be necessary to reimburse us for our legal, accounting and other expenses incurred in connection with your assignment. The transfer fee shall be payable upon your receipt

of our approval of the transfer that you propose, and prior to the execution of the transfer agreement.

- U. That neither the proposed assignee nor any of its owners or affiliates directly or indirectly owns, operates or has any interest in, or has a material business relationship with, a Competitive Business (as denominated in Section 12.02 above) of us or any of our affiliates.

You expressly agree that your obligations to indemnify and hold harmless us and the other Franchisor Parties under Section 8.10 of this Agreement extends to and embraces liabilities arising from or relating to, directly or indirectly, any statements, representations or warranties that you may give to or receive from any proposed assignee and/or any claim that you (and, if you are a business entity, your owners, Business Manager, management or employees) or your assignee engaged in fraud, deceit, violation of franchise laws or other illegality in connection with the negotiation or consummation of the assignment. As with all other indemnification obligations set forth in this Agreement, this specific indemnification obligation will survive the termination or expiration of this Agreement.

You further understand and agree that our approval of any assignment transaction will not constitute our waiver of any claims against you by us or our affiliates, under this Agreement or otherwise.

You further understand and agree that our consent to an assignment of this Agreement and the Outlet, or any interest in you or your owners, is not a representation of the fairness of the terms of any contract between you and the assignee, a guarantee of the Outlet's or assignee's prospects of success, or a waiver of any claims we have against you (or your owners) or of our right to demand the assignee's full compliance with this Agreement.

The provisions of Section 14.02 through Section 14.04 inclusive pertain to any lease, management agreement or other agreement which would have the effect of transferring any material asset or control of all or any part of the operations of your franchised Business to any third party. Any such agreement must first be approved by us in writing. We will not unreasonably withhold our approval, but our approval may be denied if such agreement is on terms materially different from those which would result from arms-length negotiations or if we determine that the fees payable under such agreement are excessive. Any such agreement and any party thereto who, as a result of the agreement, may directly or indirectly be involved in the ownership of the assets or operations of the franchised Business must meet such standards and conditions as we have put in place at the time you request our consent.

14.05 Assignment By You – Transfer Upon Death or Disability

If you are a business entity, then upon the death or disability of one or more of your owners (but not the last surviving owner of your business entity, which is addressed in the following paragraph), then the estate, heirs, legatees, guardians or representatives of such owner may freely sell, assign or transfer the deceased's or disabled's interest in this Agreement and/or its interest in the franchised Business to any of the following: (i) the spouse of such individual; (ii) any individual or entity which, at the time of the subject death or disability, is already a (as applicable) shareholder, member, partner or other category of owner of your franchised Business; or, (iii) the franchised Business itself. Any other sale, transfer or assignment of the deceased's or disabled's interest in you or your franchised Business shall be subject to all of the provisions of Section 14.04 of this Agreement ("Assignment By You - - Sale To A Third Party"). You agree to immediately report to us all such transfers or assignments of ownership in your business entity in accordance with the procedure set forth in our Brand Standards or otherwise.

Upon your death or disability (if you are an individual), or the death or disability of your last surviving owner (if you are a business entity), that person's rights will pass to his or her estate, heirs, legatees, guardians or representatives, as appropriate (collectively, the "Estate").

The Estate shall have a reasonable period of time (not to exceed six months) following the death or disability to sell (as applicable) Franchisee or the franchised Business in accordance with the provisions of Section 14.04 and subject to our right of first refusal under Section 14.06. Until such sale, transfer or assignment is consummated, the Estate may continue the operation of your franchised Business but only if, at all times, one or more approved Business Manager, as necessary, of your franchised Business is at all times supervising the operation of your Business and, further, only if all other terms and provisions of this Agreement are complied with. Failure to comply with one of the above alternatives will be a material breach of this Agreement which, unless cured by the Estate, will result in this Agreement being terminated immediately upon notice.

If at any time following your death or disability (if you are an individual), or the death or disability of your last surviving owner (if you are a business entity), the Estate fails to have one or more approved Business Managers, as necessary, supervising the operation of your franchised Business on a full-time basis, then until the Estate retains one or more approved Business Manager, as necessary, we may assume (or appoint a third party to assume) full control of and operate your franchised Business, but will have no obligation to do so. If we do so, then during this period, we will deduct our (or the third party's) expenses for travel, lodging, meals and all other expenses and fees from your franchised Business's Gross Revenues in addition to the Continuing Royalties due us under this Agreement. We will then remit any remaining funds to the Estate. The Estate and any Guarantor of this Agreement must pay us any deficiency in sums due to us under this Agreement within ten (10) days of our notifying the Estate and such Guarantor of the deficiency. We will not be obligated to operate your Business. If we do so (or appoint a third party to do so), neither we nor the third party will be responsible for any operational losses of the Business, nor will we or the third party be obligated to continue operating the Business. We (or such third party) shall have a duty to utilize only reasonable efforts and will not be liable to you or your owners for any debts, losses, or obligations the Outlet incurs, or to any of your creditors for any products, other assets, or services the Outlet purchases, while we (or a third party) manage it.

"Disability" means any physical, emotional or mental injury, illness or incapacity which prevents or will prevent a person from performing the obligations set forth in this Agreement for at least ninety consecutive days. Disability will be determined either after this ninety-day period or, if we elect, at an earlier time following an examination of the person by a licensed practicing physician selected and paid for by us. If the person refuses to submit to an examination, then the person will automatically be considered permanently disabled as of the date of the refusal.

14.06 Right of First Refusal

Your rights to assign, transfer, redeem or sell any interest in this Agreement or the franchised Business, voluntarily or by operation of law (as provided above), will be subject to our right of first refusal (except in those instances specified above where no such right will pertain), which right of first refusal we may freely assign to any individual or entity. We will exercise our right of first refusal in the following manner.

- A. You must deliver to us a true and complete copy of the proposed assignee's offer (the "notice") including all its terms and furnish to us any additional information concerning the proposed transaction and the proposed assignee that we reasonably request. Your submission of such information must be accompanied by the seller's representation and warranty that all of the information submitted to us is true, accurate, complete and correct in all respects and, if the seller is a business entity, you must also furnish us with an appropriate resolution of the business entity's governing body authorizing the proposed sale.
- B. We shall have 60 days following our receipt of the notice (or, if we request additional information, 60 days following our receipt of the additional information) to conduct due diligence into the transaction. Our due diligence will be of the type, nature and scope customary for transactions similar to the proposed transaction at issue and, in connection with our due diligence, you agree to make available to us immediately upon demand all information, data, books, or written or electronic records which we may

reasonably request and, as well, shall make available to us for inquiry each owner and Guarantor of your franchised Business, the Business Manager of your Business and any other personnel we specify. As well, all of the requirements of your proposed assignee specified above in Section 14.04 of this Agreement must be complied with.

- C. Within 60 days after our receipt of your notice (or, if we request additional information, within 60 days after receipt of the additional information), we may either consent or withhold our consent to the assignment or redemption, in accordance with this Article, or at our option accept the assignment to ourselves or to our designee, on the terms and conditions specified in your notice. If we or our designee accept the assignment, we will be entitled to all of the customary representations and warranties given by the seller of assets of a business, including (without limitation) representations and warranties as to ownership, condition of and title to assets, liens and encumbrances on the assets, validity of contracts and agreements, and your contingent and other liabilities affecting the assets. Any dispute regarding the value of all or any part of the assets or rights proposed to be assigned and/or the consideration proposed to be paid or payable to you or any third party in connection with the proposed assignment shall be determined by a reputable independent appraiser we select, and you and we equally share the expense of, whose determination will be final and binding on us. You expressly understand and agree that nothing in the offer which is the subject of your notice to us may contain any provision or condition the effect of which would be to increase the cost to us, or otherwise change the economic or other terms imposed on us, as a result of our substitution for the offeror, or as a consequence of compliance with the procedures set forth herein regarding our right of first refusal.
- D. If you are a business entity and a partial transfer is proposed through the assignment or redemption of more than 25% of your entity's ownership interests other than to any of your entity's co-owners, then we or our designee will have the option to purchase not only the interests being transferred but also all remaining interests, so that our resulting ownership will be 100% of your business entity. The price of these remaining interests will be proportionate to the price of the interests initially being offered.
- E. Our credit will be considered at least equal to the credit of any proposed purchaser. We may substitute cash for the fair market value of any other form of payment proposed in the offer.
- F. If we give notice of our exercise of our right of first refusal, closing on our purchase must occur within the later of: (i) sixty days following your receipt of our notice to you; (ii) the closing period (if any) specified in the subject offer; or, (iii) such longer period as may be necessary to conduct the due diligence provided for above.
- G. If we give notice of our exercise of our right of first refusal, you agree to take all action necessary to assign your Lease with the lessor of your Location to us.
- H. If we elect not to exercise our right of first refusal and we consent to the proposed assignment or redemption, then you will, subject to the provisions of this Article, be free to assign this Agreement or the franchised Business to your proposed assignee on the terms and conditions specified in the notice if you satisfy the conditions of Section 15.04 for our approval of an assignment and if you close the transaction within sixty days (or such further time as may be stipulated by law, rule or regulation). If, however, the terms specified in your notice are changed, the changed terms will be considered a new offer, and we will have an identical right of first refusal with respect to this new offer. Further, if you fail to close the assignment transaction within sixty days (or such further period of time as may be stipulated by applicable law, rule or regulation), then our right of first refusal hereunder shall be restored and we may elect to exercise same within thirty days thereafter.

- I. Our election not to exercise our right of first refusal with respect to any offer will not affect our right of first refusal with respect to any later or modified offer. If we do not exercise our right of first refusal, this will not constitute approval of the proposed transferee, assignee, redemption or the transaction itself. You and any proposed assignee must comply with all the criteria and procedures for assignment of the franchise, the Franchise Agreement and/or the franchised Business specified in this Article 14.

If we exercise our right of first refusal, you and your selling owner(s) agree that, for two (2) years beginning on the closing date, you and they will be bound by the non-competition covenant contained in Section 12.02 above. We have the unrestricted right to assign this right of first refusal to a third party, who then will have the rights described in this Section.

14.07 Security Interest

Without our prior written consent (which will not be unreasonably withheld, delayed or denied), you may not pledge, encumber, mortgage, hypothecate or otherwise grant any third party a security interest in this Agreement, the franchised Business, your Outlet, any ownership interests in you (if you are a business entity), any ownership interests in any business entity which directly or indirectly controls you, your Lease or Sublease (as applicable) or any of the tangible assets material to the operation of your franchised Business (including, without limitation, the premises of your franchised Business and your Location). We may require your compliance with any policy statement which we adopt and announce regarding such security interests. We reserve the right to review and approve the terms of any security agreement or other document granting a security interest in any of the assets or interests described in this Section 14.07, which approval shall be in writing.

14.08 Your Offer and Sale of Securities

If you are a business entity and intend to offer and sell securities of any type or nature or other ownership interests in you, the franchised Business, any owner and/or any Guarantor, then you must give us written notice at least sixty days prior to the date of commencement of any such offering. Any such offering shall be subject to our right of first refusal, as set forth above in Section 14.06, and shall comply with any written policies adopted and announced by us from time to time.

You must submit to us for our review and consent, at least thirty days prior to your filing them with any government agency, any and all materials required by federal and/or state law for any direct or indirect offer or sale of securities or other ownership interests. If your offering of securities or other ownership interests will be exempt from federal and/or state filing requirements, then any materials you will use in any such exempt offering shall be submitted to us for our review and consent at least thirty days prior to their use. Our review of your offering materials and information included therein will be conducted solely for our benefit and not for the benefit or protection of any other person. All of your offering materials and documents must include legends and statements as we may specify, including legends and statements which disclaim our liability for, or involvement in, your offer and sale of securities or other ownership interests, and must advise all offerees that our review of your offering materials must not be deemed in any fashion our approval, endorsement, acceptance or adoption of any representation, warranty, covenant or projection contained in those materials.

Your offer and sale of securities and other ownership interests is specifically embraced by your indemnification of us and the other Franchisor Parties identified in Section 9.10 of this Agreement. Any other participant in your offer of securities or other ownership interests must agree to fully indemnify us in a parallel fashion in that form which we prescribe.

You must pay us a non-refundable fee to reimburse us for our reasonable costs and expenses in reviewing your proposed offering, including, without limitation, legal and accounting fees. Such review fee shall be paid to us as an advance deposit based on our estimate of review costs. If review costs we actually incur are ultimately more than the advance deposit that you pay us, then upon notice from us you shall pay the different incurred beyond your advance deposit.

14.09 Bankruptcy

If you, your franchised Business or any owner of you and/or your franchised Business is the subject of any voluntary or involuntary proceeding under the U.S. Bankruptcy Code, as amended, and if this Agreement does not terminate as provided in Section 17.01 below, but, instead, is to be assumed by, or assigned to, a third party individual or entity which has made a *bona fide* offer to accept an assignment of this Agreement as contemplated by the U.S. Bankruptcy Code, then you must notify us of any such proposed assignment or assumption within five days after your receipt of such proposed assignee's offer to accept assignment or to assume your rights and obligations under this Agreement. Such notice must be given to us, in any event, no later than ten days prior to the date application is made to a court of competent jurisdiction for authority and approval to enter into such assignment and assumption.

The notice required above must contain the following: (i) the name and address of the proposed assignee; (ii) all of the terms and conditions of the proposed assignment and assumption; and, (iii) adequate assurance to be provided to us to assure the proposed assignee's future performance (as defined below) under this Agreement, including (without limitation) the assurance referred to in Section 365 of the U.S. Bankruptcy Code and the satisfaction of the preconditions to assignment set forth in Section 14.04 of this Agreement.

We will then have the prior right and option, to be exercised by notice given at any time prior to the effective date of the proposed assignment and assumption, to accept an assignment of this Agreement to ourselves, our affiliate or another franchisee, upon the same terms and conditions, and for the same consideration (if any), as in the *bona fide* offer made by the proposed assignee, less any brokerage commissions or other expenses which may be saved by you as a result of our exercise of the rights and options granted to us herein. Under no circumstance shall we be liable for the payment of any brokerage commissions or other expenses as a result of our exercise of our rights and options hereunder unless we otherwise agree in writing.

"Adequate assurance of future performance", as used above, shall mean that we shall have been furnished with specific evidence that any proposed assignee of this Agreement can and will comply with all operational and other performance requirements, and with all conditions, obligations, duties, covenants and requirements of a franchisee under: (i) this Agreement; (ii) the standard form Franchise Agreement then being offered to our franchisees; (iii) such other ancillary agreements as we may require; and (iv) any of our policies describing our franchisees' duties, obligations, conditions, covenants or performance requirements. You understand and agree that adequate assurance of future performance shall mean that any proposed assignee must satisfy the conditions set forth in Section 14.04 above.

14.10 No Waiver of our Rights

Our consent to any sale, transfer or assignment under this Article 15 shall not constitute a waiver of any claims we may have against you, your franchised Business, any of your owners and/or any Guarantor, nor shall our consent be deemed a waiver of our right to require exact compliance with any of the terms of this Agreement by any assignee.

15. PROPRIETARY MARKS

15.01 Our Ownership of Proprietary Marks

You agree that the Proprietary Marks are our (or our affiliates') exclusive property. You do not assert and will not in the future assert any claim to any goodwill, reputation or ownership of the Proprietary Marks by virtue of your licensed use of the Proprietary Marks, or for any other reason. You agree that you will not do or permit any act or thing to be done in derogation of any of our rights or the rights of our affiliates in connection with the Proprietary Marks, either during or after the term of this Agreement. You agree not to apply for or obtain any trademark or service mark registration of any of the Proprietary Marks or any confusingly similar marks in your own name. You agree to use the Proprietary Marks only for the uses and in the manner licensed under this Agreement and as provided in this Agreement. If you are a business entity, then you agree that under no circumstance will you incorporate any of the Proprietary Marks, any portion thereof or any

name or mark derivative of or similar to the Proprietary Marks, in your business entity's name. You may never use the Proprietary Marks in connection with any other business except for the franchised Business. You agree that you will not, during or after the Term of this Agreement, impair the goodwill associated with the Proprietary Marks or in any way dispute or impugn the validity of the Proprietary Marks, our rights (or those of our affiliates) to the Proprietary Marks, or the rights of us, our affiliates, other franchisees of ours or other third parties to whom we may have licensed the Proprietary Marks.

You acknowledge that our rights in the Proprietary Marks are not limited to the specific presentation or configuration of any of them, but rather extend to all combinations and displays of the words and/or design elements thereof and extend to all translations of them in any language. Further, you acknowledge and agree that our and our affiliates' rights in and to the Proprietary Marks are not limited to such rights as may be conferred by registrations thereof or by applications for registrations but, instead, include extensive common law and other rights in the Proprietary Marks vested in us as a result of their use by us, our affiliates and other authorized parties.

15.02 Limitations on Your License to Use the Proprietary Marks

Nothing in this Agreement will give you any right, title or interest in or to any of our (or our affiliates') Proprietary Marks except as a mere privilege and license, during the term of this Agreement, to display and use the Proprietary Marks according to the limitations set forth in this Agreement, in our Brand Standards or in other written notices to you. You understand and agree that your limited license to use the Proprietary Marks granted by this Agreement applies only to the Proprietary Marks shown on Exhibit B (if we do not subsequently designate them as being withdrawn from use), together with those which we may later designate in the Brand Standards or otherwise in writing. In all instances your use of the Proprietary Marks must comply with our directions, limitations, specifications and authorized prescribed uses. You expressly understand and agree that you are bound not to represent in any manner that you have acquired, and you will not assert any claim to, any ownership, goodwill, reputation or equitable rights in any of our Proprietary Marks by virtue of the limited license granted under this Agreement, by virtue of your use of any of the Proprietary Marks or otherwise. All of your uses of the Proprietary Marks, whether as a trademark, service mark, trade name or trade style, will inure to our benefit. Following the expiration or termination of this Agreement, no monetary amount will be attributable to any goodwill associated with your use of the Proprietary Marks or operation of the franchised Business or your Outlet, including any "local goodwill", which, you expressly agree, exclusively vests in us.

15.03 Use and Display of Proprietary Marks

A. You must not use, and must not permit or cause another to use, the Proprietary Marks except in the manner and to the extent specifically licensed to you under this Agreement. You agree that each use you make of any Proprietary Mark will accurately portray the Mark and that the Mark will not be used or portrayed in a manner which jeopardizes the goodwill associated with the Mark or the System. You agree to use the Proprietary Marks in full compliance with rules we prescribe from time to time in our Brand Standards or otherwise. You are prohibited (except as expressly provided in this Agreement) from using any Proprietary Mark with any prefix, suffix, or other modifying words, terms, designs or symbols (other than logos licensed by us to you). You may not use any Proprietary Mark in connection with the sale of any unauthorized service, product or program or in any other manner not explicitly authorized in writing by us. You may use the Proprietary Marks only for the operation of the franchised Business or in permitted advertising for the franchised Business. Your right to use the Proprietary Marks is limited to the uses authorized under this Agreement. Any unauthorized use of the Proprietary Marks by you will constitute an infringement of our rights and a material and incurable breach of this Agreement which, unless we waive the breach, will entitle us to terminate this Agreement immediately upon notice to you, with no opportunity to cure.

B. You may not use the Proprietary Marks in any way which will incur any obligation or indebtedness on our behalf. You agree to comply with this Agreement's and our Brand Standards' instructions in filing and maintaining all requisite trade name or fictitious name registrations, and in

executing any documents considered necessary by us or our counsel to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability.

C. You agree to affix our Proprietary Marks on the facilities of your franchised Business, including your Outlet, your franchised Business's point-of-sale materials, signs, stationery, advertising, sales, marketing and promotional materials and other objects in the size, color, lettering style and fashion and at the places which we designate in our Brand Standards or otherwise. You also agree to display the Proprietary Marks and relevant trademark and copyright notices pursuant to the requirements set forth in the Brand Standards. No trademarks, logotypes, names, symbols or service marks other than the Proprietary Marks may be used by or in connection with your franchised Business in any fashion whatsoever except as we may expressly provide in our Brand Standards or as we may approve in writing.

15.04 Required Means of Identification; Non-Use of Trade Name

You must operate and advertise your franchised business under the assumed business name "HEY YOGURT," without prefix or suffix. You agree, at your expense, to perform all filings and procure all required or necessary government approvals or registrations required to do business under that assumed business name; to comply with any instructions we give you regarding the filing or maintenance of any trade name or fictitious business name registrations; to execute any documents we or our counsel deem necessary to protect the Proprietary Marks to maintain their continued validity and enforceability; and, upon request, to furnish to us copies of all such filings, approvals and registrations. You must never identify yourself as an agent of ours. You must conspicuously identify yourself, your franchised Business and your Outlet as an independently owned and operated franchised business in all dealings with your customers, contractors, suppliers, public officials and members of the public, and in all advertising, promotion and marketing related to your Business. You agree to place this notice of independent ownership in your Outlet and any other facilities of your franchised Business, readily visible to employees and members of the public who enter, and on printed materials, business cards, stationery, marketing and advertising materials, signs and other written or electronic modes in the form, size and manner we specify in our Brand Standards or otherwise and in such fashion as we require from time to time.

If you are a business entity, you may not use our Proprietary Marks, any portion or segment of our Proprietary Marks or any confusingly similar words or symbols in your business entity's name. In particular, you may not use the words "HEY YOGURT" or any segment or variant thereof as part of your business entity's name.

You shall require all of your advertising, promotional materials, signs, decorations, paper goods (including disposable food containers, cups, napkins, menus, and all forms and stationery used in or by your franchised Business), and all other items we may designate, to feature and bear the Proprietary Marks in the form, color, location and manner we prescribe.

15.05 Our Defense of Proprietary Marks and Copyrights

If you receive notice, are informed of or learn of any claim, suit or demand against you on account of any alleged infringement, unfair competition, or similar matter relating to your use of the Proprietary Marks or any of our copyrights (each, a "claim"), you agree to promptly notify us. We will then promptly take any action we may consider necessary to protect and defend you against the claim, so long as the claim is based solely on any alleged infringement, unfair competition, or similar matter relating to your use of the Proprietary Marks or copyrights. You may not settle or compromise any claim of a third party without our prior written consent. We will have the right to defend, compromise and settle the claim at our sole cost and expense, using our own counsel. You agree to cooperate fully with us in connection with the defense of the claim and to execute any and all documents, and do any and all things, as our counsel deems necessary, including (but not limited to) becoming a nominal party to any legal action. If you do so, then we shall reimburse you for your out-of-pocket costs in doing such acts and things, but you will bear the salary costs of your employees and we will bear the costs of any judgment or settlement. You grant irrevocable authority to us, and appoint us as your attorney in fact, to defend and/or settle all claims of this

type. You may participate at your own expense in the defense or settlement, but our decisions with regard to the defense or settlement will be final.

We will have no obligation to you under this Section 15.05 if the claim arises out of or relates to your use of any of the Proprietary Marks and/or our copyrights in violation of the terms of this Agreement and/or the Brand Standards.

15.06 Prosecution of Infringers

If you receive notice or are informed or learn that any third party which you believe is not authorized to use the Proprietary Marks is using the Proprietary Marks or any variant of the Proprietary Marks, you agree to promptly notify us. We will then determine whether or not we wish to take any action against the third party on account of the alleged infringement of our Proprietary Marks. You will have no right to make any demand or to prosecute any infringement claim. If we undertake an action against an infringing party, you must execute any and all documents and do such acts and things as, in our counsel's opinion, are necessary including (but not limited to) becoming a nominal party to any legal action. Unless the litigation is the result of your improper use of the Proprietary Marks, we shall reimburse you for your out-of-pocket costs in doing such acts and things, but you will bear the salary costs of your employees.

15.07 Discontinuance or Substitution of Proprietary Marks

If now or hereafter one or more of the Proprietary Marks can no longer be used, or if we in our sole business judgment determine to adopt and use one or more additional or substitute Proprietary Marks, then you agree to promptly comply with any of our directions or instructions to modify or discontinue use of any Proprietary Mark and/or adopt and use one or more additional substitute Proprietary Marks. We shall have no obligation to reimburse you for any expenditures you make to comply with such instructions or directions. Nor will we be liable to you for any other expenses, losses or damages sustained by you or your franchised Business as a result of any Proprietary Mark addition, modification, substitution or discontinuation.

16. RELATIONSHIP OF THE PARTIES

16.01 Relationship of the Parties

You understand and agree that you are and will be our independent contractor under this Agreement. Nothing in this Agreement may be construed to create a partnership, joint venture, agency, employment or fiduciary relationship of any kind. None of your employees will be considered to be our employees. Neither you nor any of your employees whose compensation you pay may in any way, directly or indirectly, expressly or by implication, be construed to be our employee for any purpose, most particularly with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state or federal governmental agency. We will not have the power to hire or fire your employees. You must communicate to all employees that you, not us, are their employer; and you must ensure that no payroll checks or other employment-related documents (such as job applications and W-2s) contain or reference the Marks or our name. Each of the parties will file its own tax, regulatory, and payroll reports with respect to its respective employees and operations, saving and indemnifying the other party hereto of and from any liability of any nature whatsoever by virtue thereof. You expressly agree, and will never contend otherwise, that our authority under this Agreement to certify certain of your employees for qualification to perform certain functions for your franchised Business does not directly or indirectly vest in us the power to hire, fire or control any such employee.

You acknowledge and agree, and will never contend otherwise, that you alone will exercise day-to-day control over all operations, activities and elements of your franchised Business and that under no circumstance shall we do so or be deemed to do so. You further acknowledge and agree, and will never contend otherwise, that the various requirements, restrictions, prohibitions, specifications and procedures of the System which you are required to comply with under this Agreement, whether set forth in our Brand Standards or otherwise, do not directly or indirectly constitute, suggest, infer or imply that we control any aspect or element of the day-to-day operations of your

franchised Business, which you alone control, but only constitute standards you must adhere to when exercising your control of the day-to-day operations of your franchised Business.

You may not, without our prior written approval, have any power to obligate us for any expenses, liabilities or other obligations, other than as specifically provided in this Agreement. Except as expressly provided in this Agreement, we may not control or have access to your funds or the expenditure of your funds or in any other way exercise dominion or control over your Business. Except as otherwise expressly authorized by this agreement, neither party will make any express or implied agreements, warranties, guarantees or representations or incur any debt in the name of or on behalf of the other party, or represent that the relationship between us and you is other than that of franchisor and franchisee. We do not assume any liability, and will not be considered liable, for any agreements, representations, or warranties made by you which are not expressly authorized under this Agreement.

You promise that you will not avail yourself of any rights or remedies at law or in equity that may arise from an assertion that: (i) you are our agent, legal representative, subsidiary, joint venturer, partner, employee, or servant; or (ii) we are a joint employer for your employees. If such a claim is brought against us, we may use your covenant in this Section 16.01 as an absolute defense against such claim. Further, if any such claim is brought against us or our affiliates and subsidiaries, and their respective current and former officers, directors, shareholders, partners, employees, predecessors, successors, attorneys, agents, representatives, and assigns, you will indemnify, defend, and hold harmless any such party from and against any such claim.

16.02 Franchisee is the Sole and Exclusive Employer of its Employees

Franchisee hereby irrevocably affirms, attests and covenants its understanding that in no fashion is Franchisee, or may Franchisee be deemed to be, Franchisor's employee (under any theory or definition of "employee" or "employment") and that Franchisee's employees are employed exclusively by Franchisee and in no fashion is Franchisee or any such employee either employed, jointly employed or co-employed by Franchisor. Franchisee further affirms and attests that each of its employees is under the exclusive dominion and control of Franchisee and never under the direct or indirect control of Franchisor in any fashion whatsoever. Franchisee alone hires each of its employees; sets their schedules; establishes their compensation rates; and, pays all salaries, benefits and employment-related liabilities (workers' compensation insurance premiums/payroll taxes/Social Security contributions/Affordable Care Act contributions/unemployment insurance premiums). Franchisee alone has the ability to discipline or terminate its employees to the exclusion of Franchisor, which has no such authority or ability. Franchisee further attests and affirms that any minimum staffing requirements established by Franchisor are solely for the purpose of ensuring that Franchisee's Outlet is at all times staffed at those levels necessary to operate Franchisee's Outlet in conformity with the System and the products, services, standards of quality and efficiency, and other Hey Yogurt brand attributes known to and desired by the consuming public and associated with the Proprietary Marks. Franchisee affirms, warrants and understands that it may staff its Outlet with as many employees as it desires at any time so long as Franchisor's minimal staffing levels are achieved. Franchisee also affirms and attests that any recommendations it may receive from Franchisor regarding salaries, hourly wages or other compensation for employees are recommendations only, designed to assist it to efficiently operate its Outlet, and that Franchisee is entirely free to disregard Franchisor's recommendations regarding such employee compensation. Moreover, Franchisee affirms and attests that any training provided by Franchisor for Franchisee's employees is geared to impart to those employees, with ultimate authority, the various procedures, protocols, systems and operations of a franchised Outlet and in no fashion reflects any employment relationship between Franchisor and such employees. Finally, should it ever be asserted that Franchisor is the employer, joint employer or co-employer of Franchisee or 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, including (if necessary) appearing at any venue requested by Franchisor to testify on Franchisor's behalf (and, as may be necessary, submitting itself to depositions, other appearances and/or preparing affidavits dismissive of any allegation that Franchisor is the

employer, joint employer or co-employer of Franchisee or any of Franchisee's employees). To the extent Franchisor is the only named party in any such investigation, action, proceeding, arbitration or other setting to the exclusion of Franchisee, then should any such appearance by Franchisee be required or requested by Franchisor, Franchisor will recompense Franchisee the reasonable costs associated with Franchisee appearing at any such venue (including travel, lodging, meals and *per diem* salary). Pursuant to Section 8.10 above, Franchisee will indemnify and hold harmless us and the other Franchisor Parties to the fullest extent permitted by law against all claims, losses, liabilities and costs (as defined in Section 8.10) from any claim, however and wherever asserted, that we or our affiliates are the employer, joint employer or co-employer of you and/or your employees (including, without limitation, any claims against us for your violation of federal, state or local labor and/or wage and hour laws, rules and regulations). Accordingly, in accordance with Section 9.01A.8) Franchisee shall obtain and maintain insurance coverage of such type, nature and scope sufficient to satisfy this indemnification obligation.

17. DEFAULT AND TERMINATION

17.01 Termination By Us – Automatic Termination Without Notice

You will be in default of this Agreement, and all rights granted in this Agreement will immediately and automatically terminate and revert to us without notice to you, if: you become insolvent; you, the franchised Business, or any Guarantor thereof is adjudicated as bankrupt or insolvent; all or a substantial portion of the assets of your franchised Business are assigned to or for the benefit of any creditor or creditors; a petition in bankruptcy is filed by or against you, the franchised Business or any Guarantor thereof and is not immediately contested and thereafter dismissed or vacated within sixty (60) days from filing; you admit in writing your inability to pay your debts when due; you, the franchised Business and any Guarantor thereof cause, permit or acquiesce in an order for relief under the U.S. Bankruptcy Code or any other applicable federal or state bankruptcy, insolvency, reorganization, receivership or other similar law now or hereafter in effect, or consent to the entry for an order for relief in an involuntary proceeding or to the conversion of an involuntary proceeding to a voluntary proceeding, under any such law; a bill in equity or other proceeding for the appointment of a receiver or other custodian of you, the franchised Business, or any Guarantor of the franchised Business, or the assets of any of them, is filed and consented to by you; a receiver or other custodian (permanent or temporary) of all or part of the assets or property of you, the franchised Business and any Guarantor of the franchised Business is appointed by any court of competent jurisdiction; proceedings for a composition with creditors under any federal or state law are instituted by or against you, the franchised Business or any Guarantor thereof; you, or any Guarantor are dissolved or liquidated; execution is levied against you, the franchised Business, any Guarantor thereof and/or the property of any of the foregoing; the property of the franchised Business or your Outlet is sold after levy thereon by any governmental body or agency, sheriff, marshal, constable or other person authorized under federal, state and/or local law; a final court judgment against you remains unsatisfied or of record for thirty (30) days or longer (unless supersede as bond is filed); a judicial or non-judicial action to foreclose any lien or mortgage against any of your System Outlet premises or equipment is instituted against you and is not dismissed or settled by the earlier of (i) thirty (30) days from commencement or (ii) consummation of such sale; or, if you are a business entity, your governing body adopts any resolution or otherwise authorizes action to approve any of the foregoing activities.

17.02 Termination By Us Upon Notice – No Opportunity To Cure

You will have materially breached this Agreement and, in addition to all other remedies we have at law or in equity, we may, at our option, terminate this Agreement and all rights granted under this Agreement, without giving you any opportunity to cure the breach, effective immediately upon your receipt of notice (which, whether sent by overnight courier, personal physical delivery or any other manner authorized by Section 26.01 below, will be deemed to have been received by you upon delivery or first attempted delivery of the notice to you) upon the occurrence of any of the following events:

1. You do not open your Outlet for business to the general public by the date specified in Section 8.01 of this Agreement; cease operating the franchised Business; abandon the franchise relationship established under this Agreement; or, fail to operate your Outlet for three consecutive days during which you are required to operate it under this Agreement, unless your failure to operate is due to force majeure (as defined in Section 20.01 of this Agreement).
2. You omitted or misrepresented any material fact in the information that you furnished to us in connection with our decision to enter into this Agreement.
3. We and you agree in writing to terminate this Agreement.
4. You lose the right to possession of the Location.
5. You, your Business Manager and/or, if you are a business entity, any owner, member, shareholder, director or manager (as applicable) of such entity is convicted of a felony, fraud, crime involving moral turpitude, or any other crime or offense which we reasonably believe is related to your operation of the franchised Business, or is likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated with the Proprietary Marks or our interest in the System or Proprietary Marks.
6. You purport or, if you are a business entity, any owner or principal of you purports to transfer any rights or obligations under this Agreement, any interest in you, the franchised Business or your Outlet to any third party in violation of the terms of this Agreement.
7. You do not comply with the covenant not to compete set forth in this Agreement during the term of this Agreement; violate the restrictions pertaining to the use of Confidential Information contained in this Agreement; or, do not obtain the execution of the additional covenants required by this Agreement.
8. You, your Business Manager and all others required to do so fail to attend or successfully complete our Initial Training Program (after being afforded the opportunity to repeat the training pursuant to Section 7.02 of this Agreement).
9. You knowingly or through gross negligence: conceal revenues; maintain false books or records; falsify information or otherwise defraud or make false representations to us; or, submit any false report to us.
10. You do not maintain the financial records required by Section 11.02 of this Agreement.
11. We or our designee conducts an audit of your franchised Business which discloses that any monthly report or statement which you submitted to us, or your entries into your POS system, understated your Gross Revenues by eight percent (8%) or more for any month within the period of examination, or for the entire period of examination.
12. You refuse us permission to inspect, or to conduct an operational and/or financial audit of, your Business.
13. You take, withhold, misdirect or appropriate for your own use any funds withheld from your employees' wages which should have been set aside for the franchised Business' employee taxes, FICA, insurance or benefits; wrongfully take or appropriate for your own use our property or funds; systemically fail to deal fairly and honestly with your employees, customers or suppliers; or knowingly permit or, having discovered the facts, fail to take any action against, or to discharge, any agent, servant or employee who has embezzled our funds or property or that of any customers or others.

14. After curing a default which is subject to cure under Section 17.03 below, you commit the same act of default again within six months.
15. You make a willful misrepresentation or do not make a material disclosure required by any governmental or quasi-governmental authority regarding any matter involving or affecting the operations of your franchised Business and your Outlet.
16. You interfere or attempt to interfere in any manner with our or our affiliates' contractual relations and/or our relationships with other franchisees; any supplier of you, us or other franchisees; any governmental or quasi-governmental authority; our employees or advertising agencies; or, any third parties.
17. You commit any act or default which materially impairs the goodwill associated with our Proprietary Marks and which, by its nature, is incurable; or, if the default is curable, you fail to cure the default following delivery of written notice to cure at least seventy-two hours in advance.
18. You do not comply, for a period of fifteen (15) days after notification of non-compliance by us or any governmental or quasi-governmental authority, with any federal, state or local law or regulation applicable to the operation of the franchised Business.
19. You repeatedly fail to comply with one or more requirements of this Agreement, whether or not corrected after notice.
20. You do not purchase or maintain any category of insurance required by this Agreement.
21. You, your franchised Business, your Business Manager and/or your Outlet violate any law, rule or regulation, and/or engages in any act or practice, which subjects you and/or us to widespread publicity, ridicule or derision.
22. You breach the provisions of this Agreement relating to advertising standards and do not cure this breach within three days following written notice from us.
23. You purchase any proprietary programs, products or services from us or our affiliates, or purchase from us, our affiliates or any third party non-proprietary goods, programs, products or services pursuant to a systemwide supply contract we negotiate, and you use, divert, sell or otherwise exploit such programs, products or services for the benefit of any other individual, entity or business.
24. You operate your franchised Business and/or your Outlet in a fashion that, in our business judgment, in any way jeopardizes the life, health or safety of the general public, your customers and/or your employees. If you do so, then not only may we terminate this Agreement upon notice, but you agree that we may either beforehand or concurrently direct you to immediately close your Outlet; you shall immediately comply with such direction (which may be given orally or in writing); and, you shall hold us harmless from and against any claims whatsoever relating to our direction to close your Outlet.
25. You make any use of our Confidential Information and/or Proprietary Marks not specifically authorized by this Agreement or our Brand Standards, or you directly or indirectly utilize or devote same for the benefit of any individual or entity other than your franchised Business.
26. You engage in any act or conduct, or fail to engage in any act or conduct, which under this Agreement specifically authorizes us to terminate this Agreement immediately upon notice to you.

27. You default under any agreement between you and any lessor or sublessor of your Location and you do not cure the default within the period specified in the Location's Lease or Sublease (as applicable).
28. You or any of your owners' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or you or any of your owners otherwise violate any such law, ordinance, or regulation.
29. Per Section 17.06 ("Cross-Default"), you (or any of your owners) fail to cure within the applicable time period any breaches under this Agreement, or any other agreement between you (or any of your affiliates) and us (or any of our affiliates) including, but not limited to, any other franchise agreement, area development agreement, lease or promissory note.

17.03 Termination by Us – Thirty Days to Cure

Except as provided in Section 17.01, 17.02 or in this Section 17.03, you will have thirty calendar days after we furnish you with a written notice of default, transmitted in accordance with the terms of Section 26.01 of this Agreement, to cure any default under this Agreement (or, if the default cannot reasonably be cured within this time, to initiate action to cure the default within such time and complete cure within the shortest reasonable time thereafter) and to provide us with evidence that you have done so. If you have not cured any default within the applicable cure period specified in this Section 17.03 (or, if the default cannot reasonably be cured within such time, you have not initiated action to cure the default within the applicable cure period and thereafter cure the default within the shortest reasonable time thereafter), or any longer period that applicable law may require, then, in addition to all other remedies we have at law or in equity, this Agreement will terminate immediately upon expiration of the applicable cure period, or any longer period required by applicable law, without further notice to you.

You will be in default of this Agreement for any failure to comply with any of the requirements imposed upon you and, if you are a business entity, your owners and Guarantors by this Agreement, our Brand Standards and/or all Supplements to the Brand Standards or if you and/or your owners or Guarantors otherwise fail to fulfill the terms of this Agreement in good faith. These defaults include the following events, which are set forth as examples only and are not meant to, nor shall they be deemed to, delineate all of the possible defaults which you may commit under this Agreement:

1. You or any of your affiliates fail, refuse or neglect to pay promptly when due any money owed to us, our affiliates or any lender which has provided financing to your franchised Business. The cure period for this default shall not be the above-referenced thirty (30) calendar days but, instead, will be five (5) calendar days after we transmit to you a written notice of default. If you fail to cure any such default within such shortened cure period, then this Agreement will terminate immediately upon expiration of the applicable cure period.
2. You fail, refuse or neglect to submit the financial and non-financial reports and other information required to be submitted to us under this Agreement, our Brand Standards or other written notices we transmit to you, or you make any false statements in connection with any reports or other information required to be submitted to us.
3. Your franchised Business and/or Outlet offers and sells any programs, products or services that we do not authorize under this Agreement or our Brand Standards.
4. You fail to maintain your trade accounts in a current status and/or fail to seek to promptly resolve any disputes with trade suppliers.
5. You engage in any business, or market any program, product or service, under a name or mark which, in our opinion, is confusingly similar to the Proprietary Marks.

6. You fail to pay any taxes due and owing by your franchised Business (including employee taxes) when due.
7. You do not use our Proprietary Marks and/or trade dress solely in the manner and for the purposes directed by us in this Agreement, our Brand Standards or otherwise.
8. You violate the restrictions pertaining to advertising set forth in Article 10 of this Agreement.
9. You do not indemnify us and/or one of the Franchisor Parties as required by this Agreement.
10. By act or omission, you permit a continued violation in connection with the operation of the franchised Business of any law, ordinance, rule or regulation of a governmental agency, in the absence of a good faith dispute over its application or legality and without promptly resorting to an appropriate administrative or judicial forum for relief.
11. You fail to obtain or maintain any required permit, certificate or other governmental approval required either by this Agreement or applicable law, rule or regulation.
12. You employ any individual who is not eligible for employment in the United States under any federal, state, local or other law, rule or regulation.
13. You fail to operate your Outlet during the days and hours specified in our Brand Standards without our prior written approval.
14. You fail to maintain and operate your Outlet in a good, clean and sound manner and in strict compliance with our standards for speed, service, quality, cleanliness and maintenance as set forth in our Brand Standards or otherwise.
15. Any Guarantor fails to comply with any of the requirements imposed by or pursuant to the Guarantee addressed in Section 31.02 of this Agreement.
16. You do not devote the amount of your time and attention and/or your best efforts to the performance of your duties of this Agreement necessary for the proper and effective operation of your franchised Business and/or Outlet.
17. You fail to implement (and, at your expense, take all steps necessary to implement) and thereafter adhere to any new or changed System requirements.
18. A final judgment not subject to appeal is entered against you or any Guarantor and remains unsatisfied for more than thirty days or, if any such judgment is subject to appeal, you do not prosecute such appeal within thirty days (or such shorter period as any law, rule or regulation requires).
19. You fail to comply with any other requirement imposed by this Agreement or our Brand Standards, or otherwise fail to carry out the terms of this Agreement in good faith.

17.04 Description of Default

The description of any default in any notice that we transmit to you will in no way preclude us from specifying additional or supplemental defaults under this Agreement or any related agreements in any action, proceeding, hearing or lawsuit relating to this Agreement or the termination of this Agreement.

17.05 Your Failure to Pay Constitutes Your Termination of This Agreement

Your failure to timely cure any breach of your obligation to make payments of Continuing Royalties, System Brand Fund Contributions, or any other monies due and owing to us or our affiliates under this Agreement, or to timely cure any other breach of this Agreement committed by

you, in either instance following our notice to you that you have committed a breach of this Agreement and granting you an opportunity to cure said breach (if such activities are required of us prior to our terminating this Agreement), will be irrevocably deemed to constitute your unilateral rejection and termination of this Agreement and all related agreements between you and us or our affiliates, notwithstanding that a formal notice of such termination(s) ultimately issues from us, and you shall never contend or complain otherwise.

17.06 Cross Default

Any default or breach by you (or any of your affiliates) of any other agreement between us or our Affiliates and you (or any of your affiliates) will be considered a default under this Agreement, and any default or breach of this Agreement by you will be considered a default or breach under any and all other agreements between us (or any of our Affiliates) and you (or any of your affiliates). If the nature of the default under any other such agreement would have permitted us to terminate this Agreement if the default had occurred under this Agreement, or if the nature of the default under this Agreement permits us to terminate this Agreement, then we (or our Affiliate) will have the right to terminate any or all of the agreements between us (or any of our Affiliates) and you (or any of your affiliates) in the same manner provided for in this Agreement for termination of this Agreement. Your "affiliates" include any persons or entities controlling, controlled by, or under common control with you.

17.07 Continuance of Business Relations

Any continuance of business relations between you and us after the termination or expiration of this Agreement will not constitute, and may not be construed as, a reinstatement, renewal, extension or continuation of this Agreement unless you and we agree in writing to any such renewal, extension or continuation.

17.08 Notice Required By Law

If any valid, applicable law or regulation of a competent governmental authority with jurisdiction over this Agreement or the parties to this Agreement limits our rights to terminate this Agreement or requires longer notice or cure periods than those set forth above, then this Agreement will be considered modified to conform to the minimum notice, cure periods or restrictions upon termination required by such laws and regulations. We will not, however, be precluded from contesting the validity, enforceability or application of the laws or regulations in any action, proceeding, hearing or dispute relating to this Agreement or the termination of this Agreement.

17.09 Franchisor's Right to Send Notifications of Termination

Before or on the expiration or termination of this Agreement, we may give notice that the Outlet is leaving the System and take any other action related to customers, suppliers and all other individuals or entities affected by such expiration or termination or which require or desire an identification of our System Outlets.

18. FURTHER OBLIGATIONS AND RIGHTS FOLLOWING THE TERMINATION OR EXPIRATION OF THIS AGREEMENT

18.01 Further Obligations and Rights Following the Termination or Expiration of this Agreement

If this Agreement expires or terminates for any reason or is assigned by you, you will cease to be one of our authorized franchisees and you will lose all rights to the use of our Proprietary Marks, the System, all Confidential Information and know-how owned by us and any goodwill (including "local" goodwill) engendered by the use of our Proprietary Marks and/or attributed to your conduct of the franchised Business.

Upon expiration or earlier termination of this Agreement for whatever reason, you agree to:

1. Immediately pay all royalties, fees, Sublease payments and other sums due and owing to us or our affiliates, plus interest, and all sums due and owing to any

landlord, suppliers, employees, taxing authorities, advertising agencies, lenders and all other third parties.

2. Discontinue the use of the Proprietary Marks, and not operate or do business under any name or in any manner which might tend to give the general public the impression that you are operating a Business, an Outlet or any similar business. You may not use, in any manner or for any purpose, directly or indirectly, any of our Confidential Information, trade secrets, procedures, forms, techniques, know-how or materials acquired by you by virtue of the relationship established by this Agreement. You may never identify yourself to the public in any fashion whatsoever as a current or former Hey Yogurt franchisee.
3. Take all necessary action to cancel any assumed name or equivalent registration which contains the Proprietary Mark "Hey Yogurt", or any other Proprietary Mark of ours, or any variant, and furnish us with satisfactory evidence of compliance, within fifteen days following termination or expiration of this Agreement. If you fail or refuse to do so, we may, in your name, on your behalf and at your expense, execute all documents necessary to cause discontinuance of your use of the name "Hey Yogurt", or any related name used under this Agreement. You irrevocably appoint us as your attorney-in-fact to do so.
4. Upon any termination of this Agreement by us for cause, we will have the right immediately to enter and take possession of your Outlet to maintain continuous operation of the previously franchised business, provide for orderly change of management and disposition of personal property, and otherwise protect our interests. If you dispute the validity of our termination of the franchise, we will nevertheless have the option (which you irrevocably grant) to operate the business pending the final, unappealed determination of the dispute by a court of competent jurisdiction. If a court of competent jurisdiction makes a final, unappealed determination that the termination was not valid, we agree to make a full and complete accounting for the period during which we operated the previously franchised business.
5. If we terminate this Agreement because of your default or you terminate same through failure to make payment following notice and opportunity to cure (pursuant to Section 17.03), you must pay us all losses and expenses we incur as a result of the default or termination, including all damages, costs, expenses, and reasonable attorneys' and experts' fees directly or indirectly related thereto, such as (without limitation) lost profits, lost opportunities, damage inuring to our Proprietary Marks and reputation, travel and personnel costs and the cost of securing a successor franchised business at the Location. This obligation will give rise to and remain, until paid in full, a lien in our favor against any and all of the assets, property, furnishings, equipment, signs, fixtures and inventory owned by you or the franchised Business at the time of termination and against any of your money which we are holding or which is otherwise in our possession. With regard to "lost profits" and "lost opportunities" referred to in the first sentence of this paragraph, if such a termination of this Agreement occurs during the first two years after the Effective Date, then you agree that in lieu of "lost profits" or "lost opportunities" you must immediately pay us back, as liquidated damages and not as a penalty, a lump-sum equal to the Initial Franchise Fee you paid hereunder, plus any additional amounts to compensate for the other losses and expenses embraced by the immediately preceding sentence. You agree that such lump-sum payment is (i) true liquidated damages; (ii) intended to compensate us for the harm we will suffer; (iii) is not a penalty; (iv) is a reasonable estimate of our probable loss resulting from your default, viewed as of the termination date; and (v) will be only regarding lost profits and opportunities, and will be in addition to all other rights we have to obtain legal or equitable relief.

6. Immediately deliver to us all training or other materials furnished to you (including the Brand Standards and Supplements to the Brand Standards), all Confidential Information, computer software and database material, customer lists, records and files, documents, instructions, display items, advertising and promotional material, any and all materials, signs and related items which bear our Proprietary Marks or slogans or insignias or designs, advertising contracts, forms and other materials or property of ours, and any copies of them in your possession which relate to the operation of the franchised Business. You may retain no copy or record of any of these items, except for your copy of this Agreement, any correspondence between the parties and any other documents which you reasonably need for compliance with any provision of law. You agree that the foregoing items, materials, lists, files, software and other similar items will be considered to be our property for all purposes.
7. Immediately execute all agreements necessary to effectuate the termination in a prompt and timely manner.
8. At our option, either change the telephone numbers utilized by your franchised Business or, upon our written demand, direct the telephone company to transfer the telephone numbers (and associated listings) listed for the franchised Business to us or to any other person or location that we direct. If you do not promptly direct the telephone company to do so, you irrevocably appoint us as your attorney-in-fact to direct the telephone company to do so.
9. Strictly comply with the post-termination/post-expiration covenants not to compete set forth in Article 12 of this Agreement (including those restricting your ability to sell, assign, lease or otherwise grant possessory rights to your Outlet and/or Location to a party intending to conduct a Competitive Business thereat).
10. Continue to abide by those restrictions pertaining to the use of our Confidential Information, trade secrets and know-how set forth in Article 12 of this Agreement.
11. Immediately surrender to us all computer software, data storage disks or tapes and other electronic media used in the operation of the franchised Business, printouts, and other information pertaining to computer operations, codes, procedures and programming. You agree not to destroy, damage, hide or take any steps to prevent us from obtaining any information which you had stored in the computer systems of the franchised Business. You agree not to retain any printouts, disks, tapes or other electronic media containing any of the programs or data stored in the computer systems.
12. If you lease your Location from a third party and we elect not to assume possession of the Location and/or elect not to exercise our option under Article 19 below, then promptly upon termination or expiration of this Agreement, you agree to "de-identify" the Center Location in all respects by performing all redecoration and remodeling, and effecting physical changes to the Location and the franchised Business' décor, trade dress, color combination, signs and other physical characteristics, as we consider necessary in our reasonable business judgment to distinguish the Location from a duly authorized Location. Without limiting the foregoing, upon our request, you will immediately discontinue use of our color scheme (by repainting if necessary) and will immediately remove all identifying architectural superstructure (as set forth in the plans and specifications for your Outlet) and other distinguishing structures, décor items, furniture, and equipment from your Outlet hereunder as we may direct, in order to effectively distinguish your former System Outlet and other facilities from our proprietary design(s) and trade dress. If you refuse, neglect or fail to do so, we, in addition to any other remedy we have, have the right to enter upon the Location and effect such required changes at your sole risk and expense, and

you hereby appoint us or our agents as your attorney(s)-in-fact with full authority to do so with no liability for trespass or any other illegality.

19. OUR OPTION UPON TERMINATION OR EXPIRATION

19.01 Option to Purchase Your Franchised Business's Assets, Computers and Computer and Point of Sale Systems

A. Upon the termination or expiration of this Agreement for any reason, we, any of our affiliates, and/or any nominee or designee we name are hereby granted an option, exercisable within 30 days after the termination or expiration becomes effective, to purchase as soon as practicable thereafter (including any period necessary for the obtaining of governmental approvals and consents of the concerned lessor) all of your operating assets relating to the franchised Business. We may exclude from the assets we elect to purchase, cash or its equivalent and any leasehold improvements, equipment, fixtures, furnishings, signs, materials and supplies that are not necessary or appropriate (in function or quality) to the Outlet's operation or that we have not approved as meeting the System standards, and the purchase price will reflect such exclusions. The date on which such purchase is closed will be referred to as the "Closing Date". The following terms and conditions will apply to the option granted by this Article 19:

1. All leasehold improvements, furniture, fixtures, supplies, equipment, trade dress elements and inventory will be purchased at your original cost or for an amount equal to their fair market value, whichever is less. If you and we cannot agree on "fair market value", then an appraiser shall determine same in accordance with the procedures set forth in Section 19.02 below.
2. All transferrable permits, licenses and other governmental authorizations will be transferred or assigned to us, our affiliate, nominee or designee (as applicable) at the soonest possible time, specifically including any alcoholic beverage licensing, permits or authorizations.
3. All printed material, forms and other materials purchased from us under this Agreement will be purchased for an amount equal to their cost (if any).
4. All property, real or personal, sold to us or our affiliate, nominee or designee (as applicable) under this Article 19 must be free and clear of all liens, debts, claims, liabilities, leases, encroachments, covenants, conditions, restrictions, rights, rights of way and/or other encumbrances (except for tax liens and special and/or other assessments not delinquent) unless we, in our reasonable opinion (or that of our affiliate, nominee or designee, as applicable), determine that the existence of same either will not interfere with the proposed use of the property or that the existence of same are merely due to easements of record, zoning ordinances or statutes, use and occupancy restrictions of public record or other limitations which are generally applicable to similar properties in the vicinity.

B. You will convey to us (or our affiliate, nominee or designee, as applicable) good and merchantable, full, legal, equitable and beneficial title to all of the foregoing assets by means of appropriate deeds, bills of sale and assignments containing warranties of title. You hereby irrevocably designate us as your attorney-in-fact and proxy to execute any and all instruments necessary and appropriate to effect such conveyance and will sign any other documents or agreements necessary for our appointment as such. We (or our affiliate, nominee or designee, as applicable) will have the right at our option to assume any liabilities encumbering the assets sold under the provisions of this Article or any of the liabilities for which we would otherwise be indemnified by you pursuant to Section 8.10 of this Agreement, and reduce the consideration payable to you accordingly. You will pay all transfer taxes and recording fees, if any.

C. All rents, interest, assessments, taxes and other charges or royalties related to the assets to be conveyed, the payment period of which began before the Closing Date, will be prorated to the Closing Date on the basis of the most recent rates available, and the prorated amount will be added to or subtracted from, as the case may be, the consideration payable to you.

D. You agree to use your best efforts to assist us (or our affiliate, nominee or designee, as applicable) in obtaining any government or other approvals or consents necessary to carry out the terms and intent of this Article 19.

19.02 Appraisals

If you and we cannot agree within a reasonable time on the fair market value of any assets we, our affiliate, nominee or designee acquire from you pursuant to this Article 19, or the commercially reasonable terms of any lease we require you to enter into for land and facilities owned by you (or any affiliate) and utilized by the franchised Business, then such dispute will be resolved by means of an appraisal conducted in the following fashion. If, within 60 days following your receipt of our notice that we intend to exercise one or more of the options set forth above, you and we cannot agree on the fair market value of the item in question, then you and we within the next seven days shall each select one appraiser and notify the other party of its designee. The two appraisers you and we select will be instructed to meet within thirty days following their selection for the purpose of selecting a third appraiser to serve with them. If the two appraisers you and we select cannot agree on the selection on the third appraiser within 15 days after the selection of the last of them, then you shall select the third appraiser from a list of three appraisers we propose in writing. In the event our disagreement pertains to the commercially reasonable terms of any lease you are required to enter into with us for the Location (if you own it), then each appraiser selected must have received the MAI designation and must be actively engaged in appraisal work in the county in which the Location is located. The appraisers' determination of the fair market value of any item(s) we intend to purchase from you, or the commercially reasonable terms of the Lease for your owned Location, will be binding on both of us. The parties hereby agree that they will instruct the appraisers to complete their appraisal within thirty (30) days after the third appraiser's appointment. If following the appraisal we exercise any of the options set forth above, then you and we will each pay one half (1/2) of the cost of any and all such appraisals. If we do not elect to exercise any option provided herein following the appraisals then we alone shall bear the cost of all of the appraisal. If we exercise any of the options granted to us above, we will have the right to set off from all amounts due to you any and all amounts which are due and owing by you to us and our affiliates.

19.03 Timing

If we exercise our option to purchase (or, with respect to your Location, lease) any of the assets of your franchised Business as provided in this Article 19, then the Closing Date shall be no later than sixty days after either you and we agree on the fair market value of the assets in question (or, with respect to the Location, the commercially reasonable terms for our lease for such Location) or, if you and we cannot agree on same, no later than sixty days after the determination of such fair market value/commercially reasonable terms furnished by the appraisers provided for in Section 19.02 of this Agreement.

20. UNAVOIDABLE DELAY OR FAILURE TO PERFORM (FORCE MAJEURE)

20.01 Unavoidable Delay or Failure to Perform (Force Majeure)

Except for any obligations to make payments to the other party hereunder), any delay in our or your performance of any duties under this Agreement, or any non-performance of such duties, that (i) is not your or our fault (as applicable) and (ii) is not within your or our (as applicable) reasonable control – including, but not limited to, fire; floods, natural disasters; Acts of God; war; civil commotion; terrorist acts; any governmental act or regulation; any delays or defaults in deliveries by common carriers and/or postal services and/or overnight couriers; computer network outages; strikes; lockouts; and any other similar event if it is not such party's fault and is beyond such party's control) will not constitute a breach or cause a default under this Agreement, provided, however,

that we or you (as applicable) take all steps reasonably possible to mitigate damages caused by such failure or delay, use diligent efforts to end the failure or delay, and resume the performance of such party's obligations as soon as reasonably practicable after the removal of the cause.

Notwithstanding the foregoing, if any such failure or delay continues for more than 90 days, we will have the right at any time thereafter during the continuance of such failure or delay to terminate this Agreement upon 30 days advance written notice to you.

21. APPROVALS AND WAIVER

21.01 Approvals

Whenever this Agreement requires you to secure our prior approval or consent, such approval or consent must be obtained in writing and must be timely sought.

21.02 Waiver and Delay

No waiver or delay in either party's enforcement of any breach of any term, covenant or condition of this Agreement will be construed as a waiver by that party of such breach or any preceding or succeeding breach, or any other term, covenant or condition of this Agreement. Without limiting the foregoing, our acceptance of any payment specified to be paid by you under this Agreement will not be, nor constitute, our waiver of any breach of any term, covenant or condition of this Agreement.

We shall not be required to waive or impair any right, power, or option this Agreement reserves (including, without limitation, our right to demand exact compliance with every term, condition, and covenant or to terminate this Agreement before its term expires due to a breach) because of any custom or practice at variance with this Agreement's terms; our or your failure, refusal, or neglect to exercise any right under this Agreement or to insist upon the other's compliance with this Agreement, including, without limitation, any System standard; our waiver of or failure to exercise any right, power, or option, whether of the same, similar, or different nature, with other Hey Yogurt Outlets; the existence of franchise agreements for other Outlets which contain provisions different from those contained in this Agreement; or, our acceptance of any payments due from you after any breach of this Agreement.

21.03 Our Withholding of Consent – Your Exclusive Remedy

In no event may you make any claim for money damages based on any claim or assertion that we have unreasonably withheld, conditioned or delayed any consent or approval under this Agreement or any other agreement. You waive any such claim for damages. You may not claim any such damages by way of setoff, counterclaim or defense. Your sole remedy for the claim will be an action or proceeding to enforce this Agreement's provisions, for specific performance or for declaratory judgment.

21.04 No Warranty or Guarantee

If we afford you a waiver, approval, consent or suggestion in connection with this Agreement, we do not thereby make any warranty or guarantee upon which you may rely and by doing so we assume no liability or obligation to you.

22. OUR RIGHT TO CURE DEFAULTS

22.01 Our Right to Cure Defaults

In addition to all other remedies granted pursuant to this Agreement, if you default in the performance of any of your obligations, or breach any term or condition of this Agreement or any related agreement, then we may, at our election, immediately or at any time thereafter, without waiving any claim for breach under this Agreement and without notice to you, cure the default on your behalf. Our cost of curing the default and all related expenses will be due and payable by you immediately upon demand.

23. INJUNCTION

23.01 Injunction

You explicitly affirm and recognize the unique value and secondary meaning associated with the System and the Proprietary Marks. Accordingly, you agree that any noncompliance by you with the terms of this Agreement, or any unauthorized or improper use of the System or the Proprietary Marks by you, will cause irreparable damage to us and other System franchisees. You therefore agree that if you engage in such noncompliance, or unauthorized and/or improper use of the System or Proprietary Marks, during or after the term of this Agreement, we and our affiliates will be entitled to both temporary and permanent injunctive relief against you from any court of competent jurisdiction, in addition to all other remedies which we may have at law. You consent to the entry of these temporary and permanent injunctions without the requirement that we post a bond of any type or nature, or any other form of security, and without the requirement to prove the adequacy of money damages as a remedy, and without waiving any other rights or remedies at law or in equity. You will be responsible for payment of all costs and expenses, including reasonable attorneys' and expert fees, which we and/or our affiliates may incur in connection with our efforts to secure such injunctive relief.

24. INTEGRATION OF AGREEMENT

24.01 Integration of Agreement

This Agreement, all exhibits to this Agreement, and all ancillary agreements executed contemporaneously with this Agreement constitute the entire agreement between the parties with reference to the subject matter of this Agreement and supersede any and all prior negotiations, understandings, representations and agreements; provided, however, nothing in this or any related agreement is intended to disclaim the express representations made in the franchise disclosure document, its exhibits and amendments that we provided to you. You specifically acknowledge that no officer, director, employee, agent, representative or independent contractor of ours is authorized to furnish you with any financial performance information. For the purpose of this Agreement, "financial performance information" means information given, whether orally, in writing or visually which states, suggests or infers a specific level or range of historic or projected sales, expenses and/or profits of franchised or non-franchised Businesses and Outlets.

25. NO ORAL MODIFICATION

25.01 No Oral Modification

This Agreement may not be amended orally, but may be amended only by a written instrument signed by the parties.

26. NOTICES

26.01 Notices, Requests and Protests

Any notice, request or protest required or permitted to be given under this Agreement must be in writing; must be delivered to the other party either personally or by a recognized, documented overnight delivery service capable, through "signature capture" or otherwise, of documenting delivery or attempted delivery of the notice, or by electronic mail with third party proof of delivery (including date and time); and, will be effective on the date that delivery either is effected or is documented to have been first attempted. We reserve the right to designate in our Brand Standards a now or hereafter developed mode of electronic communication to facilitate our giving notices to each other, but only if the mode of communication we specify is capable of affording evidence of delivery or attempted delivery.

Notices to us:

HEY YOGURT FRANCHISING LLC
10 Malcolm Avenue # 4

Teterboro, New Jersey 07608
Attention: Manager

With a contemporaneous copy (which shall not constitute notice) to:

Kaufmann Gildin & Robbins LLP
675 Third Avenue, Suite 2200
New York, New York 10017
Attention: David J. Kaufmann, Esq.

Notices to You:

Attention: _____

Either party to this Agreement may, in writing, on ten (10) days' notice, inform the other of a new or changed address or addressee(s) to which notices under this Agreement should be sent. We may provide any notice under this Agreement (including, without limitation, any notice of termination) sufficiently in advance of any event to permit compliance with any notice requirements under state or other laws.

27. SEVERABILITY

27.01 Severability

Nothing contained in this Agreement may be construed as requiring the commission of any act contrary to law. Whenever there is any conflict between any provision of this Agreement and any present or future law, rule or regulation which by its terms is applicable to this Agreement, the latter will prevail, but the affected provision of this Agreement will be curtailed and limited only to the extent necessary to bring it within the requirement of the law. In the event that any part, article, paragraph, sentence or clause of this Agreement shall be held to be indefinite, invalid or otherwise unenforceable, that provision shall be deemed deleted, and the remaining part of this Agreement shall continue in full force and effect, unless said provision pertains to the payment of monies due to us or our affiliates under this Agreement of any type or nature whatsoever, in which case we may at our option terminate this Agreement. If any court of competent jurisdiction deems any provision of this Agreement (other than for the payment of money) so unreasonable as to be unenforceable as a matter of law, the court may declare a reasonable modification of this Agreement (but not any of its payment provisions) and the parties agree to be bound by and perform this Agreement as so modified.

28. NO THIRD PARTY BENEFICIARIES

28.01 No Third Party Beneficiaries

This Agreement is entered into solely between you and us. Other than our affiliates or as expressly set forth in this Agreement, there is no intended third-party beneficiary of this Agreement and you agree that none is to be presumed or deemed to exist.

29. EXECUTION, CONSTRUCTION AND INTERPRETATION; FURTHER ACTS

29.01 Execution, Construction and Interpretation; Further Acts

A. This Agreement may be executed in multiple counterparts, each of which will be considered an original and all of which together will constitute one and the same instrument. Electronic and facsimile signatures will be considered as binding and conclusive as if original.

B. The titles and subtitles of the various Articles and Sections of this Agreement are inserted for convenience and will not affect the meaning or construction of any of the terms, provisions, covenants and conditions of this Agreement. The language of this Agreement will in all cases be construed simply according to its fair and plain meaning and not strictly for or against us or you.

C. It is agreed that if any provision of this Agreement is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision will have the meaning which renders it valid.

D. The parties agree to execute all other documents and perform all further acts necessary or desirable to carry out the purposes of this Agreement.

E. If Franchisee consists of more than one person or entity, or a combination thereof, the obligations and liabilities of each such person or entity to us under this Agreement are joint and several.

F. As used in this Agreement, the words "include", "includes", or "including" are used in a non-exclusive sense and shall be construed to mean "including without limitation".

30. LEGAL ACTIONS, GOVERNING LAW AND VENUE

30.01 Attorneys' Fees

Except as otherwise provided by this Agreement, each party to any legal action or proceeding brought against the other party shall be responsible for his/her/its own attorneys' fees, experts' fees, court costs and all other expenses sustained in the course of such litigation (including any appeals). You acknowledge, however, that certain provisions of this Agreement provide that should we prevail in certain legal actions or proceedings against you, you must reimburse us for all costs and expenses incurred in connection with such legal actions or proceedings (including any appeal thereof), including reasonable attorneys' fees, experts' fees, court costs and all other expenses we incur. You further acknowledge that if we incur costs and expenses due to your failure to pay when due amounts owed to us, to submit when due any reports, information, or supporting records, or otherwise to comply with this Agreement, you agree, whether or not we initiate a formal legal proceeding, to reimburse us for all of the costs and expenses that we incur, including, without limitation, reasonable accounting, attorneys' and related fees, and any fees and costs incurred in connection with collection of any amounts due and obtaining injunctive or other relief for the enforcement of any provisions of this Agreement.

30.02 Attorneys' Fees – Third Party Actions

If we become a party to any action or proceeding commenced or instituted against us by a third party arising out of or relating to any claimed or actual act, error or omission of yours and/or any of your officers, directors, shareholders, management, employees, contractors and/or representatives (the "Franchisee Party(ies)") your Outlet and/or your franchised Business by virtue of statutory, "vicarious", "principal/agent" or other liabilities asserted against or imposed on us as a result of our status as Franchisor; or if we become a party to any litigation or any insolvency proceeding involving you pursuant to any bankruptcy or insolvency code (including any adversary proceedings in conjunction with bankruptcy or insolvency proceedings), then you will be liable to, and must promptly reimburse us for, the reasonable attorneys' fees, experts' fees, court costs, travel and lodging costs and all other expenses we incur in such action or proceeding regardless of whether such action or proceeding proceeds to judgment. In addition, we will be entitled to add all costs of collection, interest, attorneys' fees and experts' fees to our proof of claim in any insolvency or bankruptcy proceeding you file.

30.03 Governing Law

This Agreement; all relations between us; and, any and all disputes between you and/or any other Franchisee Party, on the one hand, and us and/or any other Franchisor Parties, on the other hand, whether such dispute sounds in law, equity or otherwise, is to be exclusively construed in

accordance with and/or governed by (as applicable) the law of the state of New York without recourse to New York (or any other) choice of law or conflicts of law principles. If we move our principal headquarters to another state, we reserve the right to designate that state's law as governing, again without recourse to that successor state's (or any other) choice of law or conflicts of law principles, upon written notice to you. If, however, any provision of this Agreement is not enforceable under the laws of New York (or a successor state we designate as provided above), and if your franchised Business is located outside of New York (or such hereafter designated state) and the provision would be enforceable under the laws of the state in which the franchised Business is located, then that provision (and only that provision) will be interpreted and construed under the laws of that state. This Section 31.03 is not intended to invoke, and shall not be deemed to invoke, the application of any franchise, business opportunity, antitrust, unfair competition, fiduciary or any other doctrine of law of the State of New York, or any successor state we designate (as provided above), which would not otherwise apply by its terms jurisdictionally or otherwise but for the within designation of governing law or which, by virtue of its denominated geographic or subject matter scope, would not by its terms otherwise apply.

30.04 Venue

Any action or proceeding brought by us or you (and/or any of our or your respective affiliates, and their respective owners, members, officers, directors or managers) against any such other party, whether sounding in law or equity, will be instituted, litigated through conclusion and, if necessary, appealed through final, irrevocable judgment exclusively in a state or federal district court of competent jurisdiction situated in the state, county and judicial district in which our principal place of business is then located (currently, Bergen County, New Jersey). Any such action or proceeding shall be brought in federal court if federal court jurisdiction exists and, if it does not exist, then in state court. You (and your affiliates, and the owners, members, officers, directors or managers of each of the foregoing) hereby irrevocably submit themselves to the jurisdiction of any such court and waive all questions of personal jurisdiction for the purpose of carrying out this provision. You (and each of your affiliates, and the owners, members, officers, directors or managers of each of the foregoing) agree that any dispute as to the venue for litigation will be submitted to and resolved exclusively by such aforementioned court. Notwithstanding the foregoing, however, with respect to any action for monies owed, injunctive or other extraordinary or equitable relief, or involving possession or disposition of, or other relief relating to, your Outlet or Location, we may bring such an action in any state or federal district court which has jurisdiction. You, on behalf of yourself and your affiliates, and the owners, members, officers, directors or managers of each of the foregoing, hereby waive and covenant never to assert or claim that the venue designated for litigation by this Agreement is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including any claim under the judicial doctrine of "forum non conveniens"). The parties agree that this Section 30.04 shall not be construed as preventing either party from removing an action or proceeding from state to federal court.

30.05 Waiver of Jury Trial and Punitive Damages

- A. The parties to this Agreement (as denominated in Section 30.04) explicitly waive their respective rights to a jury trial in any litigation between them and hereby stipulate that any such trial shall occur without a jury.
- B. You, your Guarantors and the other Franchisee Parties hereby irrevocably waive, to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special, consequential or other similar damages in any action or proceeding whatsoever between such parties and/or any of their affiliates and us and/or any of our affiliates, and you and such others covenant never to advance or pursue any such claim for punitive damages. You and such others agree that in the event of a dispute, you and such others shall be limited to the recovery from the Franchisor Parties of any actual damages sustained by you or them. You covenant to secure from any Franchisee Party which does not execute this Agreement his/her/its execution of a writing specified by us, in the Brand

Standards or otherwise, irrevocably confirming the applicability to them of the provisions of this Section 30.05, in such manner and by such time we reasonably specify.

30.06 No Consolidated or Class Actions

You and the other Franchisee Parties may only pursue any claim you have against us or the other Franchisor Parties in an individual legal action or proceeding. Neither you nor any other Franchisee Party shall join or combine its/their legal action or proceeding in any manner with any action or claim of any other Hey Yogurt franchisee, franchise owner, franchisee guarantor, or other claimant, nor will you or any other Franchisee Party maintain any action or proceeding against us and the other Franchisor Parties in a class action, whether as a representative or as a member of a class or purported class, nor will you or any other Franchisee Party seek to consolidate, or consent to the consolidation of, all or part of any action or proceeding by any of them against us or the other Franchisor Parties with any other litigation against us or such other Franchisor Parties.

30.07 Limitation on Actions

Any and all legal actions or proceedings brought by you against us or the other Franchisor Parties arising out of or related to this Agreement or any related agreement; any breach of this Agreement or any related agreement; the relations between such parties; and, any and all disputes between such parties, whether sounding in law or equity, must be commenced within two years from the occurrence of the acts, errors and/or omissions giving rise to such legal action or proceeding or within two years from the date on which you knew or should have known, in the exercise of reasonable diligence, of the facts giving rise to such action or proceeding, whichever occurs first. If not, then you irrevocably covenant and agree that such action or proceeding shall be barred.

31. LIABILITY OF "FRANCHISEE"; GUARANTEE

31.01 Liability of "Franchisee"

The terms "Franchisee" and "you" as used in this Agreement will refer to each person executing this Agreement as Franchisee, whether that person is one of the spouses, partners, proprietors, shareholders, trustees, trustors or beneficiaries or persons named as included in you, and will apply to each of these persons as if he/she were the only named Franchisee in this Agreement. If you are a married couple, both husband and wife executing this Agreement will be liable for all your obligations and duties as Franchisee under this Agreement as if the spouse were the sole Franchisee under this Agreement. If you are a partnership or proprietorship, or if more than one person executes this Agreement as Franchisee, each partner, proprietor or person executing this Agreement will be liable for all obligations and duties of Franchisee under this Agreement. If you are a trust, each trustee, grantor and beneficiary signing this Agreement will be liable for all the obligations and duties of Franchisee under this Agreement. If you are a business entity, all owners of such entity executing this Agreement will be liable for all obligations and duties of Franchisee under this Agreement as if each such owner were the sole franchisee under this Agreement.

31.02 Guarantee

If you are a business entity, then we may require certain individuals or other entities (the "Guarantors") to guarantee all of your duties, requirements and obligations under this Agreement, both financial and non-financial, by executing a guarantee substantially in the form of Exhibit H (the "Guarantee"). In the event of the death of any Guarantor, we may require replacement guarantees sufficient in our sole business judgment to provide us with the same protection as we had originally bargained for.

If you are in breach or default under this Agreement, we may proceed directly against each such individual and/or entity Guarantor without first proceeding against you and without proceeding against or naming in the action or proceeding any other such Guarantor. Your obligations and those of each such Guarantor will be joint and several. Notice to or demand upon one such Guarantor will be considered notice to or demand upon you and all such Guarantors. No notice or demand need be made to or upon all such Guarantors. The cessation of or release from liability of you or any such Guarantor will not relieve you or any other Guarantor, as applicable, from liability

under this Agreement, except to the extent that the breach or default has been remedied or money owed has been paid.

32. SURVIVAL

32.01 Survival

Any provision of this Agreement which imposes in any fashion, directly or indirectly, an obligation following the termination or expiration of this Agreement will survive the termination or expiration and will continue to be binding upon the parties to this Agreement. This Agreement will be binding upon and inure to the benefit of the parties, their heirs, successors and assigns.

33. OUR BUSINESS JUDGMENT

33.01 Our Business Judgment

Whenever this Agreement or any related agreement grants, confers or reserves to us the right to take action, refrain from taking action, grant or withhold our consent or grant or withhold our approval, unless the provision specifically states otherwise, we will have the right to engage in such activity at our option using our business judgment, taking into consideration our assessment of the long term interests of the System overall. You and we recognize, and any court or judge is affirmatively advised, that if those activities and/or decisions are supported by our business judgment, neither said court, said judge nor any other person reviewing those activities or decisions will substitute his, her or its judgment for our judgment. When the terms of this Agreement specifically require that we not unreasonably withhold our approval or consent, if you are in default or breach under this Agreement, any withholding of our approval or consent will be considered reasonable.

34. YOUR REPRESENTATIONS AND ACKNOWLEDGMENTS

34.01 Your Representations

You represent and warrant to us, with the intention that we are relying on your representations and warranties in entering into this Agreement, that:

1. If you are a business entity (including a corporation, limited liability company, general partnership or limited partnership), you are organized under the laws of the state of your principal place of business (or another state which you have identified to us) and your business entity is in good standing with and qualified to do business in each state and political/governmental subdivision having jurisdiction over your franchised Business.
2. If you are business entity, you have all requisite power and authority to execute, deliver, consummate and perform all of your obligations under this Agreement, and all necessary business entity proceedings have been duly taken to authorize the execution, delivery and performance of this Agreement.
3. This Agreement has been duly authorized, executed and delivered by you, includes your legal, valid and binding obligations, and will be binding and enforceable upon you and your successors and assigns in accordance with its terms when executed by both parties.
4. You do not have any liabilities, adverse claims, commitments or obligations of any nature as of the date of execution of this Agreement, whether accrued, unliquidated, absolute, contingent or otherwise which are not reflected as liabilities on the balance sheets of your current financial statements which you furnished to us before the execution of this Agreement.
5. As of the date of execution of this Agreement, there are no actions, suits, proceedings or investigations pending or, to your knowledge or the knowledge any of your officers, directors, shareholders, partners, members, managers, Guarantors,

or any other owner of a direct or indirect, partial or whole interest in you (as applicable), after due inquiry, threatened, in any court or arbitral forum, or before any governmental agency or instrumentality, nor to the best of your knowledge or the knowledge of any such persons or entities (after due inquiry) is there any basis for any claim, action, suit, proceeding or investigation which affects or could affect, directly or indirectly, any of your assets, properties, rights or business; your right to operate and use your assets, properties or rights to carry on your business; and/or, which affects or could affect your right or ability to assume and carry out in all respects the duties, obligations and responsibilities specified in this Agreement.

6. All of your representations and warranties contained in this Agreement are complete, correct and accurate as of the date of execution of this Agreement and will survive any termination or expiration of this Agreement.

34.02 Your Acknowledgments

You represent, warrant and acknowledge to us that:

1. You understand that we do not represent that you will have the ability to procure any required license, permit, certificate or other governmental authorization that may be necessary or required for you to carry out the activities contemplated by this Agreement.
2. You acknowledge that you have received a complete copy of this Agreement and all related attachments and agreements at least seven (7) calendar days prior to the date on which this Agreement was executed. You further acknowledge that you have received the disclosure document required by the Trade Regulation Rule of the Federal Trade Commission entitled "Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures" at least fourteen (14) calendar days prior to the date on which this Agreement was executed and at least fourteen (14) calendar days before the payment by you to us of any consideration in connection with the sale or proposed sale of the franchise granted by this Agreement.

35. SUBMISSION OF AGREEMENT

35.01 Submission of Agreement

Our tendering this Agreement to you does not constitute an offer. This Agreement will become effective only upon the execution of this Agreement by both us and you. The date that we execute this Agreement, referred to in this Agreement as the "Effective Date", will be considered the date of execution of this Agreement.

THIS AGREEMENT WILL NOT BE BINDING ON US UNLESS AND UNTIL IT HAS BEEN ACCEPTED AND SIGNED BY AN AUTHORIZED OFFICER OF OURS.

YOU ACCEPT AND AGREE TO EACH AND ALL OF THE PROVISIONS, COVENANTS AND CONDITIONS OF THE FOREGOING AGREEMENT.

[Signature page follows.]

Dated: _____

Attest:

Witness/Date

FRANCHISEE:

If a corporation or other entity:

(Name of Corporation or Other Entity)

By: _____

Name: _____

Title: _____

If one or more individuals:

By: _____

Name: _____

By: _____

Name: _____

Dated: _____

Attest:

Witness/Date

HEY YOGURT FRANCHISING LLC

By: _____

Name: _____

Title: _____

STATE ADDENDA TO FRANCHISE AGREEMENT

CALIFORNIA ADDENDUM TO FRANCHISE AGREEMENT

1. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
2. California Business and Professions Code 20000 through 20043 provide rights to the franchisee concerning transfer, termination, or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.
3. With respect to franchises sold in California, a franchisor is prohibited from modifying a franchise agreement, or requiring a general release, in exchange for any assistance related to a declared state or federal emergency.
4. This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals.
5. 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 TO PROSPECTIVE FRANCHISEES AT LEAST 14 DAYS PRIOR TO EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 14 DAYS PRIOR TO RECEIPT OF ANY CONSIDERATION, WHICHEVER OCCURS FIRST.
6. California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.
7. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq).
8. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
9. The franchise agreement requires litigation for certain types of disputes. The litigation will occur in the state and county where we have our principal place of business at the time the litigation proceeding is commenced, with the costs being borne by the parties equally, except as provided in Section 30.01 and 30.02 of the Franchise Agreement and any fees awarded us by a court; and provided, however, that each party will pay its own travel and lodging costs, attorneys' fees, accountants' fees and experts' fees. 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.
10. The Franchise Agreement contains a provision requiring application of the laws of New Jersey. This provision may not be enforceable under California law.

[signature page follows]

Dated: _____

FRANCHISEE:

If an entity:

(Name of Entity)

By: _____

Its _____
(Title)

(Print Name)

If an individual:

(Signature)

(Print Name)

(Signature)

(Print Name)

Dated: _____

HEY YOGURT FRANCHISING LLC

By: _____

[signature page to California Addendum to Franchise Agreement]

HAWAII ADDENDUM TO FRANCHISE AGREEMENT

1. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
2. This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals.

Dated: _____

FRANCHISEE:

If an entity:

(Name of Entity)

By: _____

Its _____
(Title)

(Print Name)

If an individual:

(Signature)

(Print Name)

(Signature)

(Print Name)

Dated: _____

HEY YOGURT FRANCHISING LLC

By: _____

ILLINOIS ADDENDUM TO FRANCHISE AGREEMENT

1. The provisions of the Franchise Agreement concerning arbitration, governing law, jurisdiction, venue and choice of law will not constitute a waiver of any right conferred upon Franchisee by the Illinois Franchise Disclosure Act. Illinois law governs the Franchise Agreement with respect to Illinois franchisees.
2. Section 41 of the Illinois Franchise Disclosure Act states that "any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Act, or any other Illinois law, is void".
3. Section 34.02 ("Your Acknowledgments") is deleted from all Illinois Franchise Agreements.
4. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
5. This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals.

Dated: _____

FRANCHISEE:

If an entity:

(Name of Entity)

By: _____

Its _____
(Title)

(Print Name)

If an individual:

(Signature)

(Print Name)

(Signature)

(Print Name)

Dated: _____

HEY YOGURT FRANCHISING LLC

By: _____

INDIANA ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions will supersede and apply:

1. The laws of the State of Indiana supersede any provisions of the Franchise Agreement or New York law if such provisions are in conflict with Indiana law. The Franchise Agreement will be governed by Indiana law, rather than New York law, as stated in Section 30.03 of the Franchise Agreement.
2. Venue for litigation will not be limited to New Jersey, as specified in Section 30.04 of the Franchise Agreement.
3. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as a material breach of the franchise agreement, will supersede the provisions of Article 17 of the Franchise Agreement in the State of Indiana to the extent they may be inconsistent with such prohibition.
4. No release language set forth in the Franchise Agreement will relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana.
5. Section 12.04 of the Franchise Agreement ("Enforcement of Covenants Not to Compete") will not apply to franchises offered and sold in the State of Indiana.
6. Article 21.03 of the Franchise Agreement ("Our Withholding of Consent – Your Exclusive Remedy") will not apply to franchises offered and sold in the State of Indiana.
7. Section 23.01 of the Franchise Agreement ("Injunction") will not apply to franchises offered and sold in the State of Indiana.
8. Section 30.05 (B) (regarding "punitive damages") is deleted from the Franchise Agreement.
9. Notwithstanding anything to the contrary in the terms of the Franchise Agreement, Franchisee will not be required to indemnify Franchisor and the other Indemnitees for any liability caused by Franchisee's proper reliance on or use of procedures or materials provided by Franchisor or caused by Franchisor's negligence.
10. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
11. This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals.

[SIGNATURE PAGE TO FOLLOW]

Dated: _____

FRANCHISEE:
If an entity:

(Name of Entity)

By: _____

Its _____
(Title)

(Print Name)

If an individual:

(Signature)

(Print Name)

(Signature)

(Print Name)

Dated: _____

HEY YOGURT FRANCHISING LLC

By: _____

MARYLAND ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document or Franchise Agreement, the following provisions shall supersede and apply to all franchises offered and sold under the laws of the State of Maryland.

1. No release language set forth in Sections 6.01(A) or 7.02 of the Franchise Agreement (concerning requirements for early termination), Section 13.01(H) of the Franchise Agreement (concerning requirements for renewal) or Section 14.04(O) of the Franchise Agreement (concerning requirements for transfer) shall relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Maryland.

Sections 6.01(A), 7.02, 13.01(H) and 14.04(O) of the Franchise Agreement are each hereby amended to add the following language:

"The release requirement of this Section is not intended to nor shall it act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law. The release required under this Section will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law."

2. Any claims arising under the Maryland Franchise Registration and Disclosure Laws must be brought within three years after the grant of the Franchise.
3. Section 30.04 of the Franchise Agreement requires venue to be limited to the county and state where the Franchisor's principal place of business is located (currently, Bergen County, New Jersey). This provision is hereby deleted from all Franchise Agreements for residents of the State of Maryland and/or franchises to be operated in the State of Maryland.
4. Section 34.02 ("Your Acknowledgments") is hereby deleted from all Franchise Agreements for residents of the State of Maryland and/or franchises to be operated in the State of Maryland.
5. The following sentence is added at the end of the last paragraph of Section 3.04 of the Franchise Agreement ("Rights We Reserve"): "The waiver, release and other provisions of this paragraph are not intended to act, nor will they act, as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."
6. The following sentence is added at the end of Section 21.03 ("Our Withholding of Consent – Your Exclusive Remedy") of the Franchise Agreement: "This Section is not intended to, nor will it, act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."
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 in connection with the franchise.
8. If the franchise agreement or any agreement executed by the franchisee in connection therewith (including but not limited to, if applicable, an area development agreement), includes any questionnaire to be completed by or acknowledgments to be made by the franchisee that are contrary to the Statement of Policy Regarding the Use of Franchise Questionnaires and Acknowledgments, adopted on September 18, 2022 by the North American Securities Administrators Association, Inc. (with an effective date of January 1, 2023), then any such questionnaire and/or acknowledgments shall not apply to prospective franchisees who are Maryland residents or who seek to purchase a franchise located in Maryland.
9. This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals.

[SIGNATURE PAGE TO FOLLOW]

Dated: _____

FRANCHISEE:

If an entity:

(Name of Entity)

By: _____

Its _____
(Title)

(Print Name)

If an individual:

(Signature)

(Print Name)

(Signature)

(Print Name)

Dated: _____

HEY YOGURT FRANCHISING LLC

By: _____

[signature page to Maryland Addendum to Franchise Agreement]

MINNESOTA ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions will supersede and apply:

1. The following language will appear at the end of Section 30.04 of the Franchise Agreement ("Venue"):

"Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in the franchise disclosure document or agreement can abrogate or reduce any of 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."

2. No release language set forth in the Franchise Agreement will relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Minnesota.
3. Minnesota law provides franchisees with certain termination and non-renewal rights. Minnesota Statutes, Section 80C.14, subdivisions 3, 4, and 5 require, except in certain specified cases, that franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement.
4. Franchisor will protect Franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or indemnify Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.
5. The fourth sentence of Section 12.04 of the Franchise Agreement ("Enforcement of Covenants Not To Compete") is amended to read as follows:

"Accordingly, you consent to the seeking of an injunction prohibiting any conduct by you in violation of the terms of the covenants not to compete set forth in this Agreement."

6. The third and fourth sentences of Section 23.01 of the Franchise Agreement ("Injunction") are amended to read as follows:

"You therefore agree that if you engage in this non-compliance, or unauthorized and/or improper use of the System or Proprietary Marks, during or after the period of this Agreement, we will be entitled to seek both temporary and permanent injunctive relief against you from any court of competent jurisdiction, in addition to all other remedies which we may have at law. You consent to the seeking of these temporary and permanent injunctions."

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 in connection with the franchise.
8. This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals.

[SIGNATURE PAGE TO FOLLOW]

Dated: _____

FRANCHISEE:

If an entity:

(Name of Entity)

By: _____

Its _____
(Title)

(Print Name)

If an individual:

(Signature)

(Print Name)

(Signature)

(Print Name)

Dated: _____

HEY YOGURT FRANCHISING LLC

By: _____

[signature page to Minnesota Addendum to Franchise Agreement]

NEW YORK ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document or Franchise Agreement, the following provisions shall supersede and apply to all franchises offered and sold under the laws of the State of New York:

1. The last sentence of the third paragraph of Section 7.01 of the Franchise Agreement is hereby amended to read as follows:

"The Brand Standards and any additions, deletions, revisions or Supplements to the Brand Standards are material in that they will affect the operation of the franchised Business, but they will not conflict with or materially alter your rights and obligations under this Agreement or place an excessive economic burden on your operations. "

2. Sections 6.01(A), 7.02, 13.01(H) and 14.04(O) of the Franchise Agreement are each hereby amended to include the following language immediately following the requirement that the Franchisee execute a General Release:

"Provided, however, that all rights enjoyed by Franchisee and any causes of action arising in its favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of GBL, Section 687.4 and 687.5 be satisfied."

3. The second sentence of Section 12.04 of the Franchise Agreement is hereby amended to read as follows:

"Accordingly, you consent to the seeking of an injunction prohibiting any conduct by you in violation of the terms of the covenants not to compete set forth in this Agreement."

4. The third and fourth sentences of Section 23.01 of the Franchise Agreement are amended to read as follows:

"You therefore agree that if you engage in this non-compliance, or unauthorized and/or improper use of the System or Proprietary Marks, during or after the period of this Agreement, we will be entitled to seek both temporary and permanent injunctive relief against you from any court of competent jurisdiction, in addition to all other remedies which we may have at law. You consent to the seeking of these temporary and permanent injunctions."

5. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
6. This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals.

[SIGNATURE PAGE TO FOLLOW]

Dated: _____

FRANCHISEE:

If an entity:

(Name of Entity)

By: _____

Its _____
(Title)

(Print Name)

If an individual:

(Signature)

(Print Name)

(Signature)

(Print Name)

Dated: _____

HEY YOGURT FRANCHISING LLC

By: _____

[signature page to New York Addendum to Franchise Agreement]

NORTH DAKOTA ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions will supersede and apply:

1. The laws of the State of North Dakota supersede any provisions of the Franchise Agreement or New Jersey law if such provisions are in conflict with North Dakota law. The Franchise Agreement will be governed by North Dakota law, rather than New York law, as stated in Section 30.03 of the Franchise Agreement.
2. Any provision in the Franchise Agreement which designates jurisdiction or venue or requires the Franchisee to agree to jurisdiction or venue, in a forum outside of North Dakota, is deleted from Franchise Agreements issued in the State of North Dakota.
3. No release language set forth in the Franchise Agreement will relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of North Dakota.
4. Covenants restricting competition in the State of North Dakota may be subject to Section 9-08-06 of the North Dakota Century Code.
5. Section 30.03 of the Franchise Agreement ("Venue") is deleted from all Franchise Agreements used in the State of North Dakota.
6. Section 30.01 is deleted from all Franchise Agreements used in the State of North Dakota and the following language is substituted therefor:

"The prevailing party will be entitled to recover from the losing party reasonable attorneys' fees, experts' fees, court costs and all other expenses of litigation, if the prevailing party prevails in any action instituted against the losing party to secure or protect its rights under this Agreement, or to enforce the terms of this Agreement, or in any action commenced or joined in by the losing party against the prevailing party."
9. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
10. This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals.

[SIGNATURE PAGE TO FOLLOW]

Dated: _____

FRANCHISEE:

If an entity:

(Name of Entity)

By: _____

Its _____
(Title)

(Print Name)

If an individual:

(Signature)

(Print Name)

(Signature)

(Print Name)

Dated: _____

HEY YOGURT FRANCHISING LLC

By: _____

RHODE ISLAND ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions shall supersede and apply:

1. Any provision in the Franchise Agreement which designates the governing law as that of any state other than the State of Rhode Island is deleted from Franchise Agreements issued in the State of Rhode Island.
2. §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. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
4. This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals.

Dated: _____

FRANCHISEE:

If an entity:

(Name of Entity)

By: _____

Its _____
(Title)

(Print Name)

If an individual:

(Signature)

(Print Name)

(Signature)

(Print Name)

Dated: _____

HEY YOGURT FRANCHISING LLC

By: _____

VIRGINIA ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions will supersede and apply:

1. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
2. This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals.

Dated: _____

FRANCHISEE:

If an entity:

(Name of Entity)

By: _____

Its _____
(Title)

(Print Name)

If an individual:

(Signature)

(Print Name)

(Signature)

(Print Name)

Dated: _____

HEY YOGURT FRANCHISING LLC

By: _____

Name: _____

Title: _____

WASHINGTON ADDENDUM TO FRANCHISE AGREEMENT AND ALL RELATED AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.
3. **Site of Arbitration, Mediation, and/or Litigation.** 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.
4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.
8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.
9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).
10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages permitted under the Franchise Investment Protection Act are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.
12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.
13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, in any judicial or arbitration proceeding between the franchisor and franchisee, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding. The prohibition in the preceding sentence does not apply in circumstances when franchisors incur expenses for collection efforts outside of a judicial or arbitration proceeding or when the franchisee agrees to pay expenses as part of a settlement of a dispute.
14. **Noncompetition Covenants.** 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 provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.
15. **Nonsolicitation Agreements.** 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.
16. **Questionnaires and Acknowledgments.** 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.
17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).
18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises and does not include a franchisor, subfranchisor, or their officers, directors, or employees. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

[signature page follows]

This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals.

Each of the undersigned does hereby acknowledge receipt of this addendum.

Dated: _____

FRANCHISEE:

If an entity:

(Name of Entity)

By: _____

Its _____
(Title)

(Print Name)

If an individual:

(Signature)

(Print Name)

(Signature)

(Print Name)

Dated: _____

HEY YOGURT FRANCHISING LLC

By: _____

[Washington Addendum to Franchise Agreement]

WISCONSIN ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions will supersede and apply:

1. The Wisconsin Fair Dealership Act, Wisconsin Statutes, Chapter 135 will apply to and govern the provisions of the Franchise Agreement.
2. That Act's requirement, including the requirements that, in certain circumstances, a franchisee receives 90 days' notice of termination, cancellation, non-renewal or substantial change in competitive circumstances, and 60 days to remedy claimed deficiencies, will supersede the requirements of Article 17 of the Franchise Agreement to the extent they may be inconsistent with the Act's requirements.
3. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
4. This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals.

Dated: _____

FRANCHISEE:

If an entity:

(Name of Entity)

By: _____

Its _____
(Title)

(Print Name)

If an individual:

(Signature)

(Print Name)

(Signature)

(Print Name)

Dated: _____

HEY YOGURT FRANCHISING LLC

By: _____

EXHIBIT A

INITIAL FRANCHISE FEE; SITE LOCATION; PROTECTED TERRITORY

EXHIBIT A

INITIAL FRANCHISE FEE; SITE LOCATION; PROTECTED TERRITORY

1. Initial Franchise Fee: \$_____.

Initials: *Franchisor* _____ *Date:* _____
 Franchisee _____ *Date:* _____

2. Location for the franchised Outlet:

_____.

If a map of the Outlet site location is attached, check here: _____.

Initials: *Franchisor* _____ *Date:* _____
 Franchisee _____ *Date:* _____

3. The Territory as defined in Section 3.01 of the Franchise Agreement will consist of:

_____.

If a map of the Territory is attached, check here: _____.

Initials: *Franchisor* _____ *Date:* _____
 Franchisee _____ *Date:* _____

EXHIBIT B
PROPRIETARY MARKS

The Proprietary Marks as defined in Section 1.01 of the Franchise Agreement will consist of:

1. HEY YOGURT

2.



3.



and such other and further Proprietary Marks (as defined in Section 1.01 of the Franchise Agreement) that we may from time to time license to you in conjunction with and addition to the Proprietary Marks listed above. Any such other and further Proprietary Marks will be deemed a part of this Exhibit B.

EXHIBIT C

REQUIRED PROVISIONS FOR LEASE RIDER

RIDER

Franchisor means HEY YOGURT FRANCHISING LLC and its successors and assigns with respect to the Franchise Agreement (the "Franchise Agreement"), dated _____, between Franchisor and _____ ("Franchisee/Tenant"). Franchisee/Tenant is the tenant under that certain lease agreement (the "Lease") pertaining to the space for a franchised Hey Yogurt location with the lessor or sublessor of such space ("Landlord"), to which a rider containing these provisions is to be attached. All leases Franchisee enters into for the Hey Yogurt location must contain a Rider with provisions acceptable to Franchisor providing the following, and the undersigned agree to the following:

1. After (a) the expiration of the Franchise Agreement (so long as Franchisor provides the Landlord with no less than 60 days advance written notice thereof), or (b) the sooner termination of the Franchise Agreement for any reason (so long as Franchisor either provides the Landlord with (x) a copy of Franchisor's notice of termination to Franchisee/Tenant or (y) an agreement regarding the date of termination), Franchisor will have the right (but not the obligation) to cure any defaults within a reasonable period of time and at Franchisor's election, either to assume the obligations of and replace Franchisee/Tenant as the lessee under the Lease, or to have another franchisee, licensee, joint venture partner or other designee of Franchisor assume the obligations of and replace Franchisee/Tenant as the lessee under the Lease, in each case together with any applicable renewal options. If Franchisor assumes the obligations of and replaces Franchisee/Tenant as the lessee under the Lease and then subsequently reassigns the Lease to another franchisee, licensee, joint venture partner or other designee of Franchisor, upon any such reassignment, Franchisor shall be released from all prospective obligations of the lessee.
2. Simultaneous with giving notice to Franchisee/Tenant of any default, the Landlord will furnish to Franchisor written notice specifying such default and the method of curing the default; allow Franchisor 30 days after receipt of the notice to cure the defaults (except that (i) if the default is the non-payment of rent, Franchisor will have only fifteen days from receipt of notice to cure the default, and (ii) if the default is of such a nature that it cannot, with the exercise of reasonable diligence, be cured within 30 days, the time for cure shall be extended to be the same as that set forth in the Lease); and, allow Franchisor to exercise Franchisor's option for Franchisor or another franchisee, licensee, joint venture partner or other designee of Franchisor to succeed to Franchisee/Tenant's interest in the Lease under the same conditions as set forth in par. '1', above.
3. The Landlord will accept Franchisor or another party designated by Franchisor as a substitute tenant under the Lease upon notice from Franchisor that Franchisor is exercising Franchisor's option for Franchisor or another franchisee, licensee, joint venture partner or other designee of Franchisor to succeed to Franchisee/Tenant's interest in the Lease (together with any applicable renewal options) and/or to reassign the Lease to another franchisee following Franchisor's assumption of obligations under the Lease, under the same conditions as set forth in par. '1', above.
4. The required provisions in '1', '2', and '3', above, are rights but not obligations for Franchisor to assume Franchisee/Tenant's rights and responsibilities under the Lease (together with any applicable renewal options). In the event that Franchisor does so, then Landlord and Franchisor shall enter into an agreement to document such assumption in a form reasonably acceptable to Landlord and Franchisor. If Franchisor does exercise the above-described option to assume the Lease, then upon Franchisor's request and at

Franchisor's expense, Landlord will exercise its rights under the Lease to remove and evict Tenant from the subject premises. The parties agree to execute any commercially reasonable documents in furtherance of this section.

5. The Landlord acknowledges that Franchisee/Tenant alone is responsible for all debts, payments and performances under the Lease before Franchisor or another franchisee, licensee, joint venture partner or other designee of Franchisor takes actual possession of the premises.

6. The Lease may not be modified or amended without Franchisor's advance written consent, which Franchisor may not unreasonably withhold. If Landlord unreasonably withholds such consent, the sole remedy shall be a court order for specific performance. The Landlord will provide Franchisor with copies of all proposed modifications or amendments of the Lease at least 30 days prior to their execution and true and correct copies of the executed modifications and amendments.

7. The Landlord agrees to furnish Franchisor with copies of all letters and notices sent to Franchisee/Tenant pertaining to the Lease and the premises, at the same time and in the same manner that these letters and notices are sent to Franchisee/Tenant.

8. During the term of the Lease and for a reasonable period after the termination, expiration or transfer of either the Lease or the Franchise Agreement, Franchisor (or its authorized representative) shall have the right to enter the subject premises to make any modification or alteration necessary (with prior consent to Landlord for any structural work or work affecting building systems) to protect the Hey Yogurt System and brand or to cure any default under the Franchise Agreement or under the Lease, without being guilty of trespass or any other crime or tort (and neither Franchisee/Tenant nor Landlord shall ever allege otherwise). Landlord shall not be responsible for any expenses or damages arising from any such action by Franchisor. Franchisee/Tenant, on behalf of itself, its owners and affiliates, hereby irrevocably waives its rights to any claim against Franchisor and Landlord, their respective subsidiaries, affiliates, owners, employees, agents and representatives of each of them, with respect to any and all demands, accounts, actions and causes of action, known or unknown, vested or contingent, which Tenant or its owners or affiliates may have, ever had, now has, or may hereafter have by reason of any event, transaction or circumstance arising out of or relating to the exercise of Franchisor's rights pursuant to this Rider. Landlord acknowledges that Franchisor has a prior right, title and interest in and to any such trademarked property, proprietary software, equipment, furniture and fixtures, notwithstanding any agreement between the Landlord and any lender of the Landlord with respect thereto. Landlord shall also provide Franchisor full access to all sales and other information to which Landlord has access and which is requested by Franchisor relating to the Hey Yogurt unit at the subject premises.

SIGNED:

LANDLORD:

FRANCHISEE/TENANT:

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

EXHIBIT D TO THE FRANCHISE AGREEMENT
SOFTWARE LICENSE AGREEMENT

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SOFTWARE LICENSE AGREEMENT

THIS SOFTWARE LICENSE AGREEMENT (this "Agreement") is made and entered into as of _____, between HEY YOGURT FRANCHISING LLC, a New Jersey limited liability company with its principal office at 10 Malcolm Avenue # 4, Teterboro, NJ 07608 ("Licensor") and _____, whose principal address is _____ ("Licensee").

1. GRANT OF LICENSE

1.01 Grant of License

Licensor grants to Licensee a nontransferable, nonexclusive license for the use of those computer programs, system documentation manuals and other materials, including without limitation, Licensor's [_____] software (pursuant to the terms of that certain Franchise Agreement (the "Franchise Agreement") between Licensor and Licensee dated _____ regarding a franchised outlet at _____) (hereinafter collectively referred to as "Hey Yogurt Software" or the "Software") supplied by Licensor to Licensee during the term of this Agreement, for use only for purposes of the single Hey Yogurt "Franchised Business" defined in and the subject of the Franchise Agreement.

1.02 Revisions, Additions and Deletions

Licensor may, from time to time, revise the Hey Yogurt Software or any part of the Software. In doing so, Licensor incurs no obligation to furnish said revisions to Licensee or other licensees in the Hey Yogurt franchise network. Licensor reserves the right to add and/or delete, at its sole option, computer programs and/or features to the Hey Yogurt Software. If Licensor furnishes Licensee with revisions or additions to the Hey Yogurt Software, Licensor specifically reserves the right to charge Licensee for them at the prices and on the terms that Licensor determines at its sole option, including, without limitation, any costs associated with installation of computer hardware, equipment, connections, data systems, software, etc. Any updates, replacements, revisions, enhancements, additions or conversions to the Hey Yogurt Software furnished by Licensor to Licensee will become part of the "Software" under this Agreement and subject to this Agreement.

1.03 Rights of Licensor

Licensee recognizes that Licensor is supplying the Hey Yogurt Software and all additional materials and information, including but not limited to all processes, ideas, data and printed material, to Licensee subject to Licensor's proprietary rights. Licensee agrees with Licensor that the Hey Yogurt Software and all information and/or data supplied by Licensor in any form, including but not limited to machine-readable and/or printed form, are trade secrets of Licensor embodying substantial creative efforts and confidential information, ideas, and expressions, are protected by civil and criminal law, and by the law of copyright, are very valuable to Licensor, and that their use and disclosure must be carefully and continuously controlled. Accordingly, Licensee agrees to treat (and take precautions to ensure that its employees treat) the Software as confidential in accordance with the confidentiality requirements and conditions set forth in this Agreement. Licensor is not obligated to provide and Licensee acquires no right of any kind under this Agreement with respect to any source code for the Software.

1.04 Title

Licensor retains title to the Hey Yogurt Software, the system documentation manuals, any additional materials and information furnished by Licensor in any form (including but not limited to object, machine-readable and/or printed form). Licensee agrees to keep every item to which Licensor retains title free and clear of all claims, liens and encumbrances except those of Licensor. Any act of

Licensee, voluntary or involuntary, purporting to create a claim, lien or encumbrance on such an item will be void.

1.05 No Other Rights Granted

Apart from the license rights specifically enumerated in this Agreement, this Agreement does not include a grant to Licensee of any ownership right, title or interest, nor any security interest or other interest, in any Intellectual Property Rights (as defined in the following sentence) relating to the Software or any part of the Software. "Intellectual Property Rights" means any and all rights to exclude under patent law, copyright law, moral rights law, trade-secret law, semiconductor chip protection law, trademark law, unfair competition law or other similar rights.

2. TERM

2.01 Term

This License Agreement is effective from the date of execution by Licensor and will remain in full force so long as Licensee remains a Franchisee in good standing under the Franchise Agreement. The Franchise Agreement is incorporated in this Agreement as though set forth in full.

3. RESTRICTIONS ON LICENSEE

3.01 Single Franchised Business Use

The Hey Yogurt Software and other materials provided under this Agreement may be used only on computerized devices with (where required for certain functions) a connection to the internet (each such device, referred to as the "Accessing Device") and their associated networked peripheral units (such as printers, scanners, and the like) used by the same Franchised Business outlet and its staff, and (if the Software is designed to be used by other parties as well) owners of the Franchised Business, customers of the Franchised Business, and/or vendors of the Franchised Business, as applicable. "Use" of a program will consist either of copying, streaming or downloading any portion of the data made available through the program into the Accessing Device(s), or the processing, streaming or uploading of data from or through the Accessing Device(s) with the program, or both. Licensee agrees to keep its granting of access to individuals to use all programs, documentation and materials in any form (including but not limited to object, machine-readable and/or printed form) supplied under this license in compliance with access and use restrictions satisfactory to Licensor, and not less strict than those applied to Licensee's most valuable and sensitive programs.

As between the parties hereto, Licensee shall be exclusively responsible for the supervision, management and control of the use of the Software by Licensee (including its employees, agents and other personnel), including, but not limited to: (i) assuring proper audit controls and operating methods (such as choosing account passwords that are not easy to guess, and only allowing access to those employees of Licensee whom Licensee has authorized to access the Software for proper purposes in connection with the Franchised Business); (ii) implementing sufficient procedures and checkpoints to satisfy its requirements for security (such as limiting communication of personally sensitive information by means of the Software unless required) and accuracy of information that is input into the Software by Licensee; and (iii) maintaining the proper operating environment for the Software (for example (and without limitation), an environment where private or proprietary information displayed through the Software is not put on public view).

3.02 Copies and Use of Output from Software

Licensee agrees that while this license is in effect, or while Licensee has custody or possession of any property of Licensor, Licensee will not, except in the ordinary course of Licensee's Hey Yogurt Franchised Business, copy or duplicate, or permit its employees to copy or duplicate, any version of the Hey Yogurt Software or other information furnished by Licensor through the Software (such as information about customers) in any form (including but not limited to digital and/or printed form).

Licensee agrees to respect and not to remove, obliterate, or cancel from view any copyright, trademark, confidentiality or other proprietary notice, mark, or legend appearing on any of the Software or output generated by the Software (such as information on customers or suppliers and, to the extent that Licensee can do so, to reproduce and include same on each copy of output generated by the Software that is intended to show to any third party).

3.03 No Reverse Engineering or Modification

Licensee agrees that while this license is in effect, or while Licensor has custody or possession of any property of Licensor, Licensee will not modify, translate, enhance, merge, reverse engineer, reverse assemble, disassemble, or decompile the Software or any portion of the Software, derive the source code or the underlying ideas, algorithms, structure or organization form of the Software or any portion thereof or otherwise reduce the Software or any portion of the Software to human-readable form. Licensee may not, and may not attempt to, defeat, avoid, by-pass, remove, deactivate or otherwise circumvent any software protection mechanisms in the Software including, without limitation, any such mechanism used to restrict or control the functionality of the Software.

3.04 Transfer of Software

If Licensee transfers possession of any copy, modification, translation or merged portion of the Hey Yogurt Software to another party, the attempt at transfer is void and this license is automatically terminated.

4. PROTECTION AND SECURITY

4.01 Non-Disclosure

Licensee agrees not to disclose, publish, display, translate, release, transfer or otherwise make available the Hey Yogurt Software, any part of the Software or any other materials furnished by Licensor in any form (or any copy of any of the foregoing) to any person, without the written consent of Licensor, which may be withheld with or without cause. Licensee agrees that it will take all necessary action including, but not necessarily limited to, instructing and entering into agreements with all of Licensee's employees, agents, representatives, affiliates, subsidiaries, and/or other third persons/entities associated with Licensee to protect the copyright and trade secrets of Licensor in and to those materials licensed under this Agreement and to assure Licensee's compliance with its obligations under this Agreement. Licensee shall use its best efforts to assist Licensor in identifying and preventing any unauthorized use, copying or disclosure of the Software or any portions thereof. Without limitation of the foregoing, Licensee shall advise Licensor immediately in the event Licensee learns or has reason to believe that any person who Licensee has given access to the Software, or any portion thereof, has violated or intends to violate the terms of this Agreement. The provisions of this Section 4.01 will survive the termination of this Agreement. Licensee shall not rent, lease, loan, distribute, sell, sublicense or encumber the Software.

Licensee shall not create any derivative works from the Software. Licensee agrees that any derivative works created by Licensee from the Software, including, but not limited to, software or other electronic works, are considered derivative works under U.S. law and that use of the derivative work is subject to the terms and conditions of this License Agreement. Derivative works may not be sublicensed, sold, leased, rented, lent, or given away without written permission from Licensor. Licensor will not be responsible for unauthorized, modified and/or regenerated software or derivative works.

Licensee understands and agrees that Licensor may from time to time adopt whatever mechanical or other electronic methods that Licensor deems necessary (in its sole and exclusive judgment) to prevent the unauthorized use and/or distribution of the Hey Yogurt Software.

5. UNAUTHORIZED ACTS

5.01 Unauthorized Acts

Licensee agrees to notify Licensor immediately of the unauthorized possession, use or knowledge of any item supplied through this license and of other information made available, to Licensee under this Agreement, by any person or organization not authorized by this Agreement to have such possession, use or knowledge. Licensee agrees to promptly furnish full details of the possession, use or knowledge to Licensor, to assist in preventing the recurrence of the possession, use or knowledge, and to cooperate with Licensor in any litigation against third parties deemed necessary by Licensor to protect its proprietary rights. Licensee's compliance with this paragraph will not be construed in any way as a waiver of Licensor's rights to recover damages or obtain other relief against Licensee for its negligent or intentional harm to Licensor's proprietary rights, or for breach of Licensor's contractual rights.

5.02 Export Law Assurances.

Licensee may not use or otherwise export or reexport the Software except as authorized by United States law and the laws of the jurisdiction in which the Software was obtained. Licensee represents and warrants that Licensee is not located or domiciled in, under control of, or a national or resident of any countries that are U.S. embargoed countries, or on the list of the U.S. Treasury Department's Specially Designated Nationals, or the U.S. Department of Commerce's Table of Denial Orders, or to whom export or re-export is prohibited by the U.S. Department of Treasury Office of Foreign Assets Control, or similar lists maintained by any other United States agency or authority.

6. INSPECTION

6.01 Inspection of Use

To assist Licensor in the protection of its proprietary rights and compliance with this Agreement, Licensee agrees to permit representatives of Licensor to inspect, at all reasonable times, how the Software supplied under this Agreement is being used by Licensee and its personnel, and what types of data and information the Software is being used to transmit or process.

7. ASSIGNMENT OF LICENSE RIGHTS

7.01 Assignment by Licensor

Licensor will have the right to assign this Agreement, and all of its rights and privileges under this Agreement, to any person, firm, corporation or other entity provided that, with respect to any assignment resulting in the subsequent performance by the assignee of the functions of Licensor under this Agreement: (i) the assignee must, at the time of the assignment, be financially responsible and economically capable of performing the obligations of Licensor under this Agreement, and (ii) the assignee must expressly assume and agree to perform these obligations.

7.02 Assignment by Licensee

With respect to Licensee's obligations under this Agreement, this License Agreement is personal, being entered into in reliance upon and in consideration of the singular personal skill and qualifications of Licensee, and the trust and confidentiality reposed in Licensee by Licensor. Therefore, neither Licensee's interest in this Agreement nor any of Licensee's rights or privileges under this Agreement, may be assigned, sold, transferred, shared, redeemed, sublicensed or divided, voluntarily or involuntarily, directly or indirectly, by operation of law or otherwise, in any manner, without the prior written consent of Licensor. Any actual or attempted assignment, transfer or sale of this Agreement, or any interest in this Agreement, or of the franchised business, made or accomplished in violation of the terms of this Article will be null and void and will constitute an incurable breach of this Agreement by Licensee, and, if this occurs, this Agreement will automatically terminate without further notice.

8. INJUNCTION

8.01 Injunction

Licensee acknowledges that the unauthorized use, modification, transfer or disclosure of the Software or copies thereof will (i) substantially diminish the value to Licensor of the trade secrets and other proprietary interests that are the subject of this Agreement; (ii) render Licensor's remedy at law for such unauthorized use, disclosure or transfer inadequate; and (iii) cause irreparable injury in a short period of time. If Licensee breaches any of its obligations with respect to the use or confidentiality of the Software or if Licensee attempts to use, copy, modify, license, or convey the items supplied by Licensor under this Agreement, in a manner contrary to the terms of this Agreement, in competition with Licensor or in derogation of Licensor's proprietary rights (whether these rights are explicitly stated in this Agreement, determined by law or otherwise), then Licensor shall be entitled to equitable relief to protect its interests therein, including, but not limited to, preliminary and permanent injunctive relief, without having to post bond or other security.

9. DEFAULT AND TERMINATION

9.01 Termination

If the Franchise Agreement is terminated by either party for any reason or expires, then upon the effective date of the termination or expiration of the Franchise Agreement, this Agreement will automatically terminate without notice to Licensee.

Licensor reserves the right to immediately terminate this License Agreement, at Licensor's sole and exclusive option, if Licensee breached any term of this Agreement or of the Franchise Agreement. This termination will be without prejudice to any right or claims Licensor may have and all rights granted under this Agreement will immediately revert to Licensor. If Licensor terminates this Agreement, Licensee agrees to return to Licensor all property of and/or materials supplied by Licensor immediately after the termination, and if applicable, delete the Software from Licensee's own Accessing Devices and require its staff to do the same.

The termination or expiration of this Agreement or of the Franchise Agreement for any reason whatsoever will not relieve Licensee of its obligations of confidentiality, protection and security under this Agreement, or of the restriction on copying and use as provided in this Agreement, with respect to the Hey Yogurt Software.

Upon termination or expiration of this Agreement or of the Franchise Agreement for any reason, Licensee agrees to immediately return to Licensor the Hey Yogurt Software, including, without limitation, all computer software and return or delete any off-line copies the Licensee has of data that is proprietary to the Licensor, whether saved on memory drives, online or via other storage media (and any future technological substitutions for any of them).

9.02 Cross-Default

Any default or breach by Licensee (or any of its affiliates) of any other agreement between Licensor, or its parent or the subsidiary, affiliate or designee of either entity (collectively, Licensor's "Affiliates") and Licensee (or any of its affiliates) will be deemed a default under this Agreement, and any default or breach of this Agreement by Licensee (or any of its affiliates) will be deemed a default or breach under any and all other agreements between Licensor (or any of its Affiliates) and Licensee (or any of its affiliates). If the nature of such default under any other agreement would have permitted Licensor to terminate this Agreement if default had occurred under this Agreement, then Licensor (or its Affiliates) will have the right to terminate all the other agreements between Licensor (or its Affiliates) and Licensee (or any of its affiliates) in the same manner provided for in this Agreement for termination of this Agreement.

10. BINDING EFFECT

10.01 Binding Effect

Licensee agrees that this Agreement binds the named Licensee and each of its employees, agents, representatives and persons associated with it. This Agreement further binds each affiliated and subsidiary firm, corporation, or other organization and any person, firm, corporation or other organization with which the Licensee may enter a joint venture or other cooperative enterprise.

11. SECURITY INTEREST

11.01 Security Interest

Licensee hereby gives to Licensor a security interest in and to any proprietary data of Licensor that is generated by or obtained via the Software, and other materials furnished under this Agreement as security for Licensee's performance of all its obligations under this Agreement, together with the right, without liability, to cease permitting access to the Hey Yogurt Software and other materials licensed under this Agreement, with or without notice, in the event of default in any of Licensee's obligations under this Agreement.

12. WAIVER OR DELAY; INTEGRATION; AMENDMENT

12.01 Waiver or Delay

No waiver or delay in either party's enforcement of any breach of any term, covenant or condition of this Agreement shall be construed as a waiver by such party of any preceding or succeeding breach, or any other term, covenant or condition of this Agreement; and, without limitation upon any of the foregoing, the acceptance of any payment specified to be paid by Licensee under this Agreement shall not be, nor be construed to be, a waiver of any breach of any term, covenant or condition of this Agreement.

12.02 Integration

This Agreement and all ancillary agreements executed contemporaneously with this Agreement constitute the entire agreement between the parties with reference to the subject matter of this Agreement and supersede any and all prior negotiations, understandings, representations and agreements; provided, however, that, and that this Agreement is not to limit any rights that Licensor may have under trade secret, copyright, patent, or other laws that may be available to it. Notwithstanding the foregoing however, nothing in this Section is intended to disclaim the representations Licensor made in the Franchise Disclosure Document that it provided to Licensee.

12.03 Amendment

This Agreement may not be amended orally, but may be amended only by a written instrument signed by the parties hereto.

13. DISCLAIMER

13.01 DISCLAIMER

LICENSOR WARRANTS AND REPRESENTS THAT IT HAS THE AUTHORITY TO EXTEND THE RIGHTS GRANTED TO LICENSEE IN THIS AGREEMENT. THIS EXPRESS WARRANTY IS EXCLUSIVE AND IN LIEU OF, AND LICENSOR HEREBY DISCLAIMS, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, OF FITNESS OR ADEQUACY FOR ANY PARTICULAR PURPOSE OR USE (WHETHER OR NOT LICENSOR KNOWS, HAS REASON TO KNOW, HAS BEEN ADVISED OR IS OTHERWISE IN FACT AWARE OF ANY SUCH PURPOSE); WARRANTIES OF QUALITY OR PRODUCTIVENESS, CAPACITY, ACCURACY OR SYSTEM INTEGRATION; IMPLIED WARRANTIES AGAINST INFRINGEMENT OF ANY INTELLECTUAL PROPERTY RIGHTS OF A THIRD PARTY; AND, WARRANTIES AGAINST INTERFERENCE WITH LICENSEE'S ENJOYMENT

OF THE LICENSED INFORMATION OR LICENSED INFORMATIONAL RIGHTS. IT IS SPECIFICALLY UNDERSTOOD AND AGREED THAT THE LICENSED SOFTWARE AND OTHER INFORMATION MADE AVAILABLE HEREUNDER BY LICENSOR ARE MADE AVAILABLE ON AN "AS-IS" BASIS AND THAT THE ENTIRE RISK AS TO SATISFACTORY QUALITY, PERFORMANCE, ACCURACY AND EFFORT IS WITH LICENSEE. LICENSOR WILL NOT BE LIABLE (WHETHER IN CONTRACT, WARRANTY, TORT, OR OTHERWISE) TO LICENSEE, THIRD PARTIES, OR ANY OTHER PERSON CLAIMING THROUGH OR UNDER LICENSEE, FOR ANY DAMAGES OR EXPENSES, INCLUDING BUT NOT LIMITED TO, ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, SPECIAL, EXEMPLARY OR PUNITIVE DAMAGES, LOST DATA, DOWNTIME COSTS, LOST PROFITS AND/OR LOST BUSINESS, ARISING OUT OF OR IN CONNECTION WITH ANY USE, OR INABILITY TO USE, ANY OF THE LICENSED SOFTWARE, MATERIALS OR INFORMATION FURNISHED, INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF GOODWILL, WORK STOPPAGE, COMPUTER FAILURE OR MALFUNCTION, BUSINESS INTERRUPTION OR ANY AND ALL OTHER COMMERCIAL DAMAGES OR LOSSES, WHETHER CAUSED BY DEFECT, NEGLIGENCE, BREACH OF WARRANTY, DELAY IN DELIVERY OR OTHERWISE, REGARDLESS OF THE THEORY OF LIABILITY (WHETHER TORT, CONTRACT, STRICT LIABILITY, OR OTHERWISE), EVEN IF LICENSOR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR EXPENSES. FURTHER, NO OBLIGATION OR LIABILITY WILL ARISE OR FLOW OUT OF LICENSOR'S RENDERING OF TECHNICAL OR OTHER ADVICE IN CONNECTION WITH THE SOFTWARE OR ANY EQUIPMENT USED WITH THE SOFTWARE. LICENSOR DOES NOT REPRESENT OR WARRANT THAT THE OPERATION OF THE SOFTWARE WILL BE UNINTERRUPTED OR ERROR-FREE OR MEET ANY SPECIFIC REQUIREMENTS, THAT THE SOFTWARE WILL BE FREE OF VIRUSES, WORMS, OTHER HARMFUL COMPONENTS OR OTHER PROGRAM LIMITATIONS OR THAT ANY DEFECTS OR ERRORS IN THE SOFTWARE WILL BE CORRECTED. THIS DISCLAIMER OF WARRANTY CONSTITUTES AN ESSENTIAL PART OF THIS AGREEMENT. NO AGENT OF LICENSOR IS AUTHORIZED TO ALTER OR EXCEED THE WARRANTY OBLIGATIONS OF LICENSOR AS SET FORTH HEREIN. NO USE OF THE PRODUCT IS AUTHORIZED HEREUNDER EXCEPT UNDER THIS DISCLAIMER; PROVIDED, HOWEVER, THAT SOME STATES OR JURISDICTIONS DO NOT ALLOW EXCLUSIONS OF AN IMPLIED WARRANTY AND SOME STATES OR JURISDICTIONS DO NOT ALLOW THE LIMITATION OR EXCLUSION OF LIABILITY FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES, SO THAT THIS DISCLAIMER MAY NOT APPLY TO LICENSEE. TO THE EXTENT THAT LICENSOR MAY NOT, AS A MATTER OF APPLICABLE LAW, DISCLAIM ANY WARRANTY, THE SCOPE AND DURATION OF SUCH WARRANTY SHALL BE THE MINIMUM PERMITTED UNDER APPLICABLE LAW.

14. LIMITATION OF LIABILITY

14.01 LIMITATION OF LIABILITY

LICENSOR'S LIABILITY FOR DAMAGES UNDER THIS AGREEMENT, REGARDLESS OF THE FORM OF ACTION AND REGARDLESS OF THE LEGAL THEORY, WILL NOT EXCEED THE COST OF REPLACEMENT OF THE SOFTWARE LICENSED UNDER THIS AGREEMENT. THIS WILL BE LICENSEE'S SOLE AND EXCLUSIVE REMEDY. NO ACTION, REGARDLESS OF FORM, ARISING OUT OF ANY PARTY'S OBLIGATIONS UNDER THIS AGREEMENT MAY BE BROUGHT BY EITHER PARTY MORE THAN ONE YEAR AFTER THE CAUSE OF ACTION HAS ACCRUED, EXCEPT THAT AN ACTION FOR NONPAYMENT MAY BE BROUGHT WITHIN ONE YEAR OF THE DATE OF LAST PAYMENT.

15. SEVERABILITY

15.01 Severability

Nothing contained in this Agreement may be construed as requiring the commission of any act contrary to law. Whenever there is any conflict between any provision of this Agreement and any present or future statute, law, ordinance or regulation required to be made applicable to this Agreement, the latter will prevail, but the affected provision of this Agreement will be curtailed and

limited only to the extent necessary to bring it within the requirement of the law. If any article, section, sentence or clause of this Agreement is held to be indefinite, invalid or otherwise unenforceable, the entire Agreement will not fail for this reason, and the balance of the Agreement will continue in full force and effect. If any court of competent jurisdiction deems any provision of this Agreement (other than for the payment of money) so unreasonable as to be unenforceable as a matter of law, the court may declare a reasonable modification of this Agreement and this Agreement will be valid and enforceable, and the parties agree to be bound by and perform this Agreement as so modified.

16. GOVERNING LAW; VENUE

16.01 Governing Law

This Agreement; all relations between the parties; and, any and all disputes between the parties, whether sounding in contract, tort, or otherwise, is to be exclusively construed in accordance with and/or governed by (as applicable) the law of the State of New York without recourse to New York (or any other) choice of law or conflicts of law principles. If, however, any provision of this Agreement would not be enforceable under the laws of New York, and if the franchised business is located outside of New York and the provision would be enforceable under the laws of the state in which the franchised business is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Section intended to invoke the application of any franchise, business opportunity, antitrust, "implied covenant", unfair competition, unfair or deceptive trade practice, fiduciary or any other doctrine of law of the State of New York or any successor state Licensor designates (as provided above), which would not otherwise apply by its terms jurisdictionally or otherwise but for the within designation of governing law or which, by virtue of its denominated geographic or subject matter scope, would not by its terms otherwise apply.

16.02 Venue

Any litigation arising out of or related to this Agreement; any breach of this Agreement; the relations between the parties; and, any and all disputes between the parties, whether sounding in contract, tort, or otherwise, will be instituted exclusively in a court of competent jurisdiction in in the county and state where the Licensor's principal place of business is then located (currently Bergen County, New Jersey). Licensee agrees that any dispute as to the venue for this litigation will be submitted to and resolved exclusively by a court of competent jurisdiction situated in the county and state where the Licensor's principal place of business is then located (currently Bergen County, New Jersey). Notwithstanding the foregoing, however, with respect to any action for monies owed, injunctive or other extraordinary or equitable relief, or involving possession or disposition of, or other relief relating to, the Software or any part of the Software, Licensor may bring such an action in any state or federal district court which has jurisdiction. Licensee, on behalf of Licensee and Licensee's affiliates, and the owners, members, officers, directors or managers of each of the foregoing, hereby waive and covenant never to assert or claim that the venue designated for litigation by this Agreement is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including any claim under the judicial doctrine of "*forum non conveniens*"). The parties agree that this Section 16.02 shall not be construed as preventing either party from removing an action or proceeding from state to federal court.

17. COSTS OF ENFORCEMENT; ATTORNEYS' FEES

17.01 Costs of Enforcement

Licensor will be entitled to recover from Licensee reasonable attorneys' fees, experts' fees, court costs and all other expenses of litigation, if Licensor prevails in any action instituted against Licensee in order to secure or protect those rights inuring to Licensor under this Agreement, or to enforce the terms of this Agreement.

17.02 Attorneys' Fees

If Licensor becomes a party to any litigation or other proceeding concerning this Agreement by reason of any act or omission of Licensee or Licensee's authorized representatives and not by any act or omission of Licensor or any act or omission of Licensor's authorized representatives, or if Licensor becomes a party to any litigation or any insolvency proceedings pursuant to the bankruptcy code or any adversary proceeding in conjunction with an insolvency proceeding, Licensee will be liable to Licensor for reasonable attorneys' fees, experts' fees and court costs incurred by Licensor in the litigation or other proceeding regardless of whether the litigation or other proceeding or action proceeds to judgment. In addition, Licensor will be entitled to add all costs of collection, interest, attorneys' fees and experts' fees to its proof of claim in any insolvency proceedings filed by Licensee.

18. SUBMISSION OF AGREEMENT

18.01 Submission of Agreement

The submission of this Agreement does not constitute an offer and this Agreement will become effective only upon execution of this Agreement by both Licensor and Licensee. Licensor's date of execution will be considered the date of execution of this Agreement.

[Signature page follows.]

THIS AGREEMENT WILL NOT BE BINDING ON LICENSOR UNLESS AND UNTIL IT HAS BEEN ACCEPTED AND SIGNED BY AN AUTHORIZED OFFICER OF LICENSOR. LICENSEE HEREBY ACCEPTS AND AGREES TO EACH AND ALL OF THE PROVISIONS, COVENANTS AND CONDITIONS THEREOF.

Dated: _____

LICENSEE:

If a corporation or other business entity:

(Name of Corporation or Other Entity)

By: _____

Name: _____

Title: _____

If one or more individuals:

By: _____

Name: _____

By: _____

Name: _____

By: _____

Name: _____

By: _____

Name: _____

Dated: _____

LICENSOR:

HEY YOGURT FRANCHISING LLC

By: _____

EXHIBIT E-1

CONFIDENTIALITY / NON-COMPETITION AGREEMENT

CONFIDENTIALITY/NON-COMPETITION AGREEMENT

NAME: _____

FRANCHISEE: _____

HOME ADDRESS: _____

HOME TELEPHONE: _____

RELATION TO FRANCHISEE: _____

**(Owner, Shareholder, Officer, Director,
Employee, Etc.)**

_____ ("Franchisee") is a franchisee of HEY YOGURT FRANCHISING LLC ("Franchisor") pursuant to a Franchise Agreement entered into by Franchisee and Franchisor dated _____ (the "Franchise Agreement") regarding the establishment of a franchised _____ business. I agree that, unless otherwise specified, all terms in this Agreement have those meanings ascribed to them in the Franchise Agreement.

I agree that during the term of my employment by, ownership participation in, association with or service to Franchisee, or at any time thereafter, I will not communicate, divulge or use for the benefit of any other person, persons, partnership, proprietorship, association, corporation or entity any confidential information, knowledge or know-how concerning the systems of operation, services, products, clients or practices of Franchisee and/or Franchisor which may be communicated to me ("Confidential Information"), and I will not divert any business to competitors of Franchisee and/or Franchisor.

Any and all information, knowledge, know-how, techniques and information which the entities mentioned above or their officers designate as confidential will be Confidential Information for the purposes of this Agreement, except information which I can demonstrate came to my attention before disclosure or which had become or becomes a part of the public domain through publication or communication by others (unless the publication or communication is in violation of a similar confidentiality agreement), but in no event through any act of mine.

I specifically understand that, without limitation, the following constitute Confidential Information of Franchisor: all information, knowledge, trade secrets or know-how utilized or embraced by the System and/or imparted to you by Franchisor and/or Franchisee (or any of their respective affiliates) which concerns Franchisee's or Franchisor's systems of operation, programs, services, products, customers, practices, materials, books, records, manuals, computer files, databases or software; all elements of the System; all programs, products, services, equipment, technologies, recipes, food and beverage preparation techniques, policies, standards, requirements, criteria and procedures that now or in the future are a part of the System; Franchisor's Manual (including Supplements to the Manual); all specifications, procedures, systems, techniques and activities employed by Franchisor or by Franchisee in the offer and sale of programs, products and/or services at or from the franchised Business; all pricing paradigms established by Franchisor or Franchisee; all of Franchisor's and/or Franchisee's sources (or prospective sources) of supply and all information pertaining to same (including wholesale pricing structures, the contents of sourcing agreements and the identity of suppliers); Franchisor's specifications, and Franchisee's final plans, for the construction, build out, design, renovation, décor, equipment, signage, furniture, fixtures and trade dress elements of Franchisee's Outlet; the identify of, and all information relating to, the Computer and POS Systems hardware and software utilized by Franchisor and Franchisee; all information pertaining to Franchisor's and Franchisee's advertising, marketing, promotion and merchandising campaigns, activities,

materials, specifications and procedures; all customer lists, data and records generated and/or otherwise maintained by the franchised Business; Franchisor's internet/web protocols, procedures and content (including electronic data, data files, users names and passwords); Franchisor's training and other instructional programs and materials; all elements of Franchisor's recommended staffing, staff training and staff certification policies and procedures; all communications between Franchisor and Franchisee; additions or improvements to, deletions from and modifications and variations of the components of the System and the other systems and methods of operations which Franchisor employs now or in the future; research, development and test programs for products, services and operations; and, all other information, knowledge and know-how which either Franchisor or its affiliates, now or in the future, designate as confidential.

I will at no time copy, duplicate, record or otherwise reproduce any of the Confidential Information or material containing it, in whole or in part, store them in a computer retrieval or data base, nor otherwise make them available to any unauthorized person. Upon the expiration or other termination for any reason of my employment, association, service or ownership participation, I agree to return to Franchisor or Franchisee, as the case may be, all Confidential Information or material containing it (in whole or in part) in my possession utilized during my employment, association, service or ownership participation.

I further agree that during the term of my employment/service/association/ownership participation, I will not, directly or indirectly, engage or participate in any other business which engages in any of the activities which the Franchise Agreement contemplates will be engaged in by Franchisee; or, which offers or sells any other service, product or component which now or in the future is part of the System, or any confusingly similar product or service. I agree that I am prohibited from engaging in any competitive business as a proprietor, partner, investor, shareholder, director, officer, employee, principal, agent, advisor, or consultant.

Unless specifically prohibited by applicable law, for a period of two years immediately following the later of (a) the expiration or termination of my employment/service/association/ownership participation or (b) the date on which I begin to comply with the terms and conditions of this Agreement, I am prohibited from engaging in any competitive business, if the other business is located at the Outlet Location, within Franchisee's Territory, within three (3) miles driving distance of the boundaries of Franchisee's Territory and Outlet, or within three (3) miles driving distance of (or within) the Territory or market area (as applicable) of any other franchised or company-owned Business in operation or under construction (regardless of how established and operated).

It is the intention of these provisions to preclude not only direct competition but also all forms of indirect competition, such as consultation for competitive businesses, service as an independent contractor for competitive businesses, or any assistance or transmission of information of any kind which would be of any assistance to a competitor. Nothing herein will prevent me from owning for investment purposes up to an aggregate of 5% of the capital stock of any competitive business, so long as the competitive business is a publicly held corporation whose stock is listed and traded on a national or regional stock exchange, or through the National Association of Securities Dealers Automated Quotation System (NASDAQ), and so long as I or Franchisee do not control the company in question.

It is the intention of these provisions that any person or entity having any legal or beneficial interest in or traceable to, down or through me to be bound by the provisions of this covenant, including (without limitation) my spouse, brother, brother-in-law, sister, sister-in-law, parent, parent-in-law, child, son-in-law or daughter-in-law; any direct or indirect beneficiary; any partner (general or limited) or proprietor of mine; and, any other such related person or entity, regardless of how many levels or tiers there may be between any such described person or entity and me. Unless specifically prohibited by applicable law, I further agree that upon the expiration or

termination of my term of employment/service/association, I will immediately refrain from any and all contacts with customers, for any purpose whatsoever.

I acknowledge that violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to Franchisor and Franchisee for which no adequate remedy at law will be available. Accordingly, I hereby consent to the entry of an injunction procured by Franchisor or Franchisee (or both) prohibiting any conduct by me in violation of the terms of those covenants not to compete and/or restrictions on the use of confidential information set forth in this agreement. I expressly agree that it may conclusively be presumed in any legal action that any violation of the terms of these covenants not to compete was accomplished by and through my unlawful utilization of Franchisor's Confidential Information. Further, I expressly agree that any claims I may have against Franchisor will not constitute a defense to Franchisor's enforcement of the covenants not to compete set forth in this Agreement. I further agree to pay all costs and expenses (including reasonable attorneys' and experts' fees) incurred by Franchisor in connection with the enforcement of those covenants not to compete set forth in this Agreement.

If all or any portion of this covenant not to use confidential information and not to compete is held unreasonable, void, vague or illegal by any court or agency having valid jurisdiction in an unappealed final decision to which Franchisee and/or Franchisor is a party, the court or agency will be empowered to revise and/or construe the covenant to fall within permissible legal limits, and should not invalidate the entire covenant. I expressly agree to be bound by any lesser covenant subsumed within the terms of this Agreement as if the resulting covenant were separately stated in and made a part of this Agreement.

I agree that this Agreement and all relations and disputes between myself on the one hand, and Franchisee or Franchisor on the other hand, whether sounding in contract, tort, or otherwise, are to be exclusively construed in accordance with and/or governed by (as applicable) the law of the State of New York without recourse to New York (or any other) choice of law or conflicts of law principles. If, however, any provision of this Agreement would not be enforceable under the laws of New York, and if the franchised Business is located outside of New York and the provision would be enforceable under the laws of the state in which the franchised Business is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Agreement is intended to invoke the application of any franchise, business opportunity, antitrust, "implied covenant", unfair competition, fiduciary or any other doctrine of law of the State of New York or any other state, which would not otherwise apply.

I further agree that any litigation arising out of or related to this Agreement; any breach of this Agreement; and, all relations and any and all disputes between myself on the one hand, and Franchisee or Franchisor on the other hand, whether sounding in contract, tort, or otherwise, will be instituted exclusively in a court of competent jurisdiction in the state and county in which Franchisor's principal place of business is then located (currently Bergen County, New Jersey). I agree that any dispute as to the venue for this litigation will be submitted to and resolved exclusively by a court of competent jurisdiction situated in the state and county in which Franchisor's principal place of business is then located (currently Bergen County, New Jersey).

I hereby waive and covenant never to assert or claim that said venue is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any claim under the judicial doctrine of forum non conveniens).

I understand that the rights and remedies of Franchisor under this Agreement are fully assignable and transferable and will inure to the benefit of its respective affiliates, successors and assigns. I further understand and agree that my and Franchisee's respective obligations tor hereunder may not be assigned by me or Franchisee, without the prior written consent of Franchisor.

Witnessed By:

(Print Name)

Witness/Date

(Signature)

(Date)

EXHIBIT E-2

CONFIDENTIALITY AGREEMENT (NON-MANAGERIAL PERSONNEL)

CONFIDENTIALITY AGREEMENT

NAME:

FRANCHISEE:

HOME ADDRESS:

HOME TELEPHONE:

CLASSIFICATION:

(Employee, Independent Contractor, Etc.)

_____ ("Franchisee") is a franchisee of HEY YOGURT FRANCHISING LLC ("Franchisor") pursuant to a Franchise Agreement entered into by Franchisee and Franchisor dated _____ (the "Franchise Agreement"). I agree that, unless otherwise specified, all terms in this Agreement have those meanings ascribed to them in the Franchise Agreement.

I agree that during the term of my employment by, engagement by, association with or service to Franchisee, or at any time thereafter, I will not communicate, divulge or use for the benefit of any other person, persons, partnership, proprietorship, association, corporation or entity any confidential information, knowledge or know-how concerning the systems of operation, services, products, clients or practices of Franchisee and/or Franchisor which may be communicated to me ("Confidential Information"), and I will not divert any business to competitors of Franchisee and/or Franchisor.

Any and all information, knowledge, know-how, techniques and information which the entities mentioned above or their officers designate as confidential will be Confidential Information for the purposes of this Agreement, except information which I can demonstrate came to my attention before disclosure or which had become or becomes a part of the public domain through publication or communication by others (unless the publication or communication is in violation of a similar confidentiality agreement), but in no event through any act of mine.

I specifically understand that, without limitation, the following constitute Confidential Information of Franchisor: all products, services, equipment, technologies, recipes, food and beverage preparation techniques and procedures relating to the System; all systems of operation, services, programs, products, procedures, policies, standards, techniques, specifications and criteria which now comprise or in the future may comprise a part of the System; Franchisor's Confidential Operating Manual (as same may be amended from time to time); Supplements and/or amendments to the Manual; records pertaining to customers or billings; methods of advertising and promotion; customers; instructional materials; staff composition and organization systems; quality assurance programs; supervision systems; recommended services; recordkeeping systems and materials; bookkeeping systems and materials; business forms; product and service order forms; general operations materials; revenue reports; standards of interior and exterior design and decor; activity schedules; job descriptions; advertising, promotional and public relations materials/campaigns/guidelines/philosophy; specifications, systems, standards, techniques, philosophies and materials, guidelines, policies and procedures concerning the System; additions to, deletions from, and modifications and variations of the components constituting the System or the systems and methods of operations which are now, or may in the future, be employed by Franchisor, including all standards and specifications relating thereto and the means and manner of offering and selling same; and, all other components, specifications, standards, requirements and duties imposed by Franchisor or its Affiliates.

I will at no time copy, duplicate, record or otherwise reproduce any of the Confidential Information or material containing it, in whole or in part, store them in a computer retrieval or database, nor otherwise

make them available to any unauthorized person. Upon the expiration or other termination for any reason of my employment, association, service or ownership participation, I agree to return to Franchisor or Franchisee, as the case may be, all Confidential Information or material containing it (in whole or in part) in my possession utilized during my employment, association, service or ownership participation.

I acknowledge that violation of the restrictions on the use of Confidential Information contained in this Agreement would result in immediate and irreparable injury to Franchisor and Franchisee for which no adequate remedy at law will be available. Accordingly, I hereby consent to the entry of an injunction procured by Franchisor or Franchisee (or both) prohibiting any conduct by me in violation of the terms of the restrictions on the use of Confidential Information set forth in this Agreement. Further, I expressly agree that any claims I may have against Franchisor will not constitute a defense to Franchisor's enforcement of the restrictions on the use of Confidential Information set forth in this Agreement. I further agree to pay all costs and expenses (including reasonable attorneys' and experts' fees) incurred by Franchisor in connection with the enforcement of those restrictions on the use of Confidential Information set forth in this Agreement.

If all or any portion of this covenant not to use confidential information is held unreasonable, void, vague or illegal by any court or agency having valid jurisdiction in an unappealed final decision to which Franchisee and/or Franchisor is a party, the court or agency will be empowered to revise and/or construe the covenant to fall within permissible legal limits, and should not invalidate the entire covenant. I expressly agree to be bound by any lesser covenant subsumed within the terms of this Agreement as if the resulting covenant were separately stated in and made a part of this Agreement.

I agree that this Agreement and all relations and disputes between myself on the one hand, and Franchisee or Franchisor on the other hand, whether sounding in contract, tort, or otherwise, are to be exclusively construed in accordance with and/or governed by (as applicable) the law of the State of New York without recourse to New York (or any other) choice of law or conflicts of law principles. If, however, any provision of this Agreement would not be enforceable under the laws of New York, and if the franchised Business is located outside of New York and the provision would be enforceable under the laws of the state in which the franchised Business is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Agreement is intended to invoke the application of any franchise, business opportunity, antitrust, "implied covenant", unfair competition, fiduciary or any other doctrine of law of the State of New York or any other state, which would not otherwise apply.

I further agree that any litigation arising out of or related to this Agreement; any breach of this Agreement; and, all relations and any and all disputes between myself on the one hand, and Franchisee or Franchisor on the other hand, whether sounding in contract, tort, or otherwise, will be instituted exclusively in a court of competent jurisdiction in the state and county in which Franchisor's principal place of business is then-located (currently, Bergen County, New Jersey). I agree that any dispute as to the venue for this litigation will be submitted to and resolved exclusively by a court of competent jurisdiction situated in the state and county in which Franchisor's principal place of business is then-located (currently, Bergen County, New Jersey). I hereby waive and covenant never to assert or claim that said venue is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any claim under the judicial doctrine of forum non conveniens).

(Print Name)

(Signature)

Date: _____

EXHIBIT F
GUARANTEE OF HEY YOGURT FRANCHISE AGREEMENT

GUARANTEE OF HEY YOGURT FRANCHISE AGREEMENT

In consideration of the execution by Franchisor of the Franchise Agreement (the "Franchise Agreement") dated _____, between Hey Yogurt Franchising LLC ("Franchisor") and _____ ("Franchisee") and for other good and valuable consideration, each of the undersigned, for themselves, their heirs, successors, and assigns, do jointly, individually and severally hereby absolutely and unconditionally guarantee the punctual payment of all amounts and the performance of all of the covenants, terms, conditions, agreements and undertakings contained and set forth in said Franchise Agreement and in any other agreement(s) by and between Franchisee and Franchisor.

If more than one person has executed this Guarantee, the term "the undersigned", as used herein, shall refer to each such person, and the liability of each of the undersigned hereunder shall be joint and several and primary as sureties.

The undersigned, individually and jointly, hereby agree to be personally bound by each and every covenant, term, condition, agreement and undertaking (including the noncompetition, confidentiality and transfer requirements) contained and set forth in said Franchise Agreement and any other agreement(s) by and between Franchisee and Franchisor, and agree that this Guarantee shall be construed as though the undersigned and each of them executed agreement(s) containing the identical terms and conditions of the Franchise Agreement and any other agreement(s) by and between Franchisee and Franchisor.

The undersigned hereby agree, furthermore, that without the consent of or notice to any of the undersigned and without affecting any of the obligations of the undersigned hereunder: (a) any term, covenant or condition of the Franchise Agreement may be amended, compromised, released or otherwise altered by Franchisor and Franchisee, and the undersigned do guarantee and promise to perform all the obligations of Franchisee under the Agreement as so amended, compromised, released or altered; (b) any guarantor of or party to the Franchise Agreement may be released, substituted or added; (c) any right or remedy under the Agreement, this Guarantee or any other instrument or agreement between Franchisor and Franchisee may be exercised, not exercised, impaired, modified, limited, destroyed or suspended; and, (d) Franchisor or any other person may deal in any manner with Franchisee, any of the undersigned, any party to the Franchise Agreement or any other person.

Should Franchisee be in breach or default under the Franchise Agreement or any other agreement(s) by and between Franchisee and Franchisor, Franchisor may proceed directly against any or each of the undersigned without first proceeding against Franchisee and without proceeding against or naming in such suit any other Franchisee, signatory to the Franchise Agreement or any others of the undersigned. The undersigned agree to bear any and all Franchisor's costs of collection hereunder, including all court costs and expenses, attorneys' fees, costs of or resulting from delays; travel, food, lodging and other living expenses necessitated by the need or desire to appear before courts or tribunals (including arbitration tribunals), and all other costs of collection.

Notice to or demand upon Franchisee or any of the undersigned shall be deemed notice to or demand upon Franchisee and all of the undersigned, and no notice or demand need be made to or upon any or all of the undersigned. The cessation of or release from liability of Franchisee or any of the undersigned shall not relieve any other Guarantors from liability hereunder, under the Franchise Agreement, or under any other agreement(s) between Franchisor and Franchisee, except to the extent that the breach or default has been remedied or moneys owed have been paid.

Any waiver, extension of time or other indulgence granted by Franchisor or its agents, successors or assigns, with respect to the Franchise Agreement or any other agreement(s) by and between Franchisee and Franchisor, shall in no way modify or amend this Guarantee, which shall be continuing, absolute, unconditional and irrevocable.

It is understood and agreed by the undersigned that the provisions, covenants and conditions of this Guarantee shall inure to the benefit of the Franchisor, its successors and assigns. This

Guarantee may be assigned by Franchisor voluntarily or by operation of law without reducing or modifying the liability of the undersigned hereunder.

This Guarantee is to be exclusively construed in accordance with and/or governed by the law of the State of New York without recourse to New York (or any other) choice of law or conflicts of law principles. If, however, any provision of this Guarantee would not be enforceable under the laws of New York, and if the business franchised under the Franchise Agreement is located outside of New York and the provision would be enforceable under the laws of the state in which the franchised business is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Guarantee is intended to invoke the application of any franchise, business opportunity, antitrust, "implied covenant", unfair competition, fiduciary or any other doctrine of law of the State of New York or any other state, which would not otherwise apply by its terms jurisdictionally or otherwise but for the within designation of governing law or which, by virtue of its denominated geographic or subject matter scope, would not by its terms otherwise apply.

Any litigation arising out of or related to this Guarantee will be instituted exclusively in a court of competent jurisdiction in the State and County in which Franchisor's principal place of business is then-located (currently, Bergen County, New Jersey). The undersigned agree that any dispute as to the venue for this litigation will be submitted to and resolved exclusively by a court of competent jurisdiction situated in the State and County in which Franchisor's principal place of business is then-located (currently, Bergen County, New Jersey). The undersigned hereby waive and covenant never to assert or claim that said venue is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any claim under the judicial doctrine of forum non conveniens).

Should any one or more provisions of this Guarantee be determined to be illegal or unenforceable, all other provisions shall nevertheless be effective.

IN WITNESS WHEREOF, each of the undersigned has executed this Guarantee effective as of the date of the Franchise Agreement.

Attest:

By: _____

Signature

Printed Name

Address

Attest:

By: _____

Signature

Printed Name

Address

Attest:

By: _____

Signature

Printed Name

Address

EXHIBIT G

GENERAL RELEASE – UPON TERMINATION

GENERAL RELEASE

To all to whom these Presents shall come or may Concern, Know That _____ [a corporation / limited liability company organized under the laws of the State of _____][an individual domiciled in the State of _____] as RELEASOR, in consideration of [the partial refund to RELEASOR by HEY YOGURT FRANCHISING LLC of the Initial Franchise Fee previously paid by RELEASOR in connection with] the agreed contractual obligations in connection with the termination of the franchise agreement, dated _____, between RELEASOR and HEY YOGURT FRANCHISING LLC (the "Franchise Agreement"), and other good and valuable consideration, hereby releases and discharges HEY YOGURT FRANCHISING LLC as RELEASEE; RELEASEE'S corporate parents, subsidiaries or affiliates; and, the respective officers, directors, shareholders, agents, attorneys, contractors and employees of each of the foregoing (in their corporate and individual capacities), along with RELEASEE'S heirs, executors, administrators, successors and assigns, from all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims and demands whatsoever, in law, admiralty or equity, which against the RELEASEE, the RELEASOR, RELEASOR'S heirs, executors, administrators, successors and assigns ever had, now have or hereafter can, shall or may have, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the day of the date of this RELEASE arising out of or related to the Franchise Agreement, including, without limitation, claims arising under federal, state and local laws, rules and ordinances; provided, however, that nothing contained in this release is intended to disclaim or require RELEASOR to waive reliance on any representation that RELEASEE made in the Franchise Disclosure Document that RELEASEE provided to RELEASOR; and provided further that all liabilities arising under Indiana Code Sec. 23-2-2.7 and/or the Maryland Franchise Registration and Disclosure Law and/or the Washington Franchise Investment Protection Act (RCW 19.100), and the rules adopted thereunder are excluded from this release, and that all rights enjoyed by RELEASOR under said Franchise Agreement and any causes of action arising in his, her or its 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, Section 687.4 and 687.5 be satisfied. If RELEASOR is domiciled or has his or her principal place of business in the State of California, then RELEASOR hereby expressly waives and relinquishes all rights and benefits under Section 1542 of the California Civil Code, which provides: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

Whenever the text hereof requires, the use of singular number shall include the appropriate plural number as the text of the within instrument may require.

This RELEASE may not be changed orally.

IN WITNESS WHEREOF, the RELEASOR (if an individual) has executed this RELEASE, and (if a business entity) has caused this RELEASE to be executed by a duly authorized officer and its corporate seal to be hereunto affixed on _____, _____.

RELEASOR

[SEAL]

By _____

ACKNOWLEDGMENT FOR BUSINESS ENTITY RELEASOR

STATE OF _____

ss.:

COUNTY OF _____

On _____, _____ before me _____,
personally came _____, to me known, who, by me duly sworn, did depose and say that
deponent resides at _____, that deponent is
the _____ of _____, the company described in the foregoing RELEASE, and which
executed said RELEASE, that deponent knows the seal of the company, that the seal affixed to the
RELEASE is the corporate seal, that it was affixed by order of the board of directors or managers of the
company; and that deponent signed deponent's name by like order.

IN WITNESS WHEREOF I have hereunto set my hand and official seal.

Notary Public

My Commission expires: _____

(NOTARIAL SEAL)

ACKNOWLEDGMENT FOR INDIVIDUAL RELEASOR

STATE OF _____

ss.:

COUNTY OF _____

On this ___ day of _____, _____, before me _____, the undersigned
(Name of Notary)
officer, personally appeared _____, to me personally known, and known to me to be the
same person whose name is signed to the foregoing RELEASE, and acknowledged the execution thereof for
the uses and purposes therein set forth.

IN WITNESS WHEREOF I have hereunto set my hand and official seal.

Notary Public

My Commission expires: _____

(NOTARIAL SEAL)

EXHIBIT H

GENERAL RELEASE – SUCCESSOR TERM

GENERAL RELEASE

To all to whom these Presents shall come or may Concern, Know That _____ [a corporation / limited liability company organized under the laws of the State of _____] [an individual domiciled in the State of _____] as RELEASOR, in consideration of the execution by HEY YOGURT FRANCHISING LLC of a Successor Franchise Agreement, dated _____, regarding the franchise between RELEASOR and HEY YOGURT FRANCHISING LLC (the "Franchise Agreement"), and other good and valuable consideration, hereby releases and discharges HEY YOGURT FRANCHISING LLC as RELEASEE; RELEASEE'S corporate parents, subsidiaries or affiliates; and, the respective officers, directors, shareholders, agents, attorneys, contractors and employees of each of the foregoing (in their corporate and individual capacities), along with RELEASEE'S heirs, executors, administrators, successors and assigns, from all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims and demands whatsoever, in law, admiralty or equity, which against the RELEASEE, the RELEASOR, RELEASOR'S heirs, executors, administrators, successors and assigns ever had, now have or hereafter can, shall or may have, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the day of the date of this RELEASE arising out of or related to the Franchise Agreement, including, without limitation, claims arising under federal, state and local laws, rules and ordinances; provided, however, that nothing contained in this release is intended to disclaim or require RELEASOR to waive reliance on any representation that RELEASEE made in the Franchise Disclosure Document that RELEASEE provided to RELEASOR; and provided further that all liabilities arising under Indiana Code Sec. 23-2-2.7 and/or the Maryland Franchise Registration and Disclosure Law and/or the Washington Franchise Investment Protection Act (RCW 19.100), and the rules adopted thereunder are excluded from this release, and that all rights enjoyed by RELEASOR under said Franchise Agreement and any causes of action arising in his, her or its 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, Section 687.4 and 687.5 be satisfied. If RELEASOR is domiciled or has his or her principal place of business in the State of California, then RELEASOR hereby expressly waives and relinquishes all rights and benefits under Section 1542 of the California Civil Code, which provides: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

Whenever the text hereof requires, the use of singular number shall include the appropriate plural number as the text of the within instrument may require.

This RELEASE may not be changed orally.

IN WITNESS WHEREOF, the RELEASOR (if an individual) has executed this RELEASE, and (if a business entity) has caused this RELEASE to be executed by a duly authorized officer and its corporate seal to be hereunto affixed on _____, _____.

RELEASOR

[SEAL]

By _____

ACKNOWLEDGMENT FOR BUSINESS ENTITY RELEASOR

STATE OF _____

ss.:

COUNTY OF _____

On _____, _____ before me _____,
personally came _____, to me known, who, by me duly sworn, did depose and say that
deponent resides at _____, that deponent is
the _____ of _____, the company described in the foregoing RELEASE, and which
executed said RELEASE, that deponent knows the seal of the company, that the seal affixed to the
RELEASE is the corporate seal, that it was affixed by order of the board of directors or managers of the
company; and that deponent signed deponent's name by like order.

IN WITNESS WHEREOF I have hereunto set my hand and official seal.

Notary Public

My Commission expires: _____

(NOTARIAL SEAL)

ACKNOWLEDGMENT FOR INDIVIDUAL RELEASOR

STATE OF _____

ss.:

COUNTY OF _____

On this ___ day of _____, _____, before me _____, the undersigned
(Name of Notary)
officer, personally appeared _____, to me personally known, and known to me to be the
same person whose name is signed to the foregoing RELEASE, and acknowledged the execution thereof for
the uses and purposes therein set forth.

IN WITNESS WHEREOF I have hereunto set my hand and official seal.

Notary Public

My Commission expires: _____

(NOTARIAL SEAL)

EXHIBIT I

GENERAL RELEASE - ASSIGNMENT

GENERAL RELEASE

To all to whom these Presents shall come or may Concern, Know That _____ [a corporation / limited liability company organized under the laws of the State of _____] [an individual domiciled in the State of _____] as RELEASOR, in consideration of the consent of HEY YOGURT FRANCHISING LLC to the Assignment of the Franchise Agreement between RELEASOR and HEY YOGURT FRANCHISING LLC (the "Franchise Agreement") to _____, and other good and valuable consideration, hereby releases and discharges HEY YOGURT FRANCHISING LLC as RELEASEE, RELEASEE'S corporate parents, subsidiaries or affiliates and the respective officers, directors, shareholders, agents, attorneys, contractors and employees of each of the foregoing entities (in their corporate and individual capacities), and RELEASEE'S heirs, executors, administrators, successors and assigns, from all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims and demands whatsoever, in law, admiralty or equity, which against the RELEASEE, the RELEASOR, RELEASOR'S heirs, executors, administrators, successors and assigns ever had, now have or hereafter can, shall or may have, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the day of the date of this RELEASE, including, without limitation, claims arising under federal, state and local laws, rules and ordinances; provided, however, that nothing contained in this release is intended to disclaim or require RELEASOR to waive reliance on any representation that RELEASEE made in the Franchise Disclosure Document that RELEASEE provided to RELEASOR; provided further that all liabilities arising under Indiana Code Sec. 23-2-2.7 and/or the Maryland Franchise Registration and Disclosure Law and/or and the Washington Franchise Investment Protection Act (RCW 19.100) are excluded from this release, and that all rights enjoyed by RELEASOR under said Franchise Agreement and any causes of action arising in his, her or its 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, Section 687.4 and 687.5 be satisfied. If RELEASOR is domiciled or has his or her principal place of business in the State of California, then RELEASOR hereby expressly waives and relinquishes all rights and benefits under Section 1542 of the California Civil Code, which provides: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

Whenever the text hereof requires, the use of singular number shall include the appropriate plural number as the text of the within instrument may require.

This RELEASE may not be changed orally.

IN WITNESS WHEREOF, the RELEASOR (if an individual) has executed this RELEASE, and (if a business entity) has caused this RELEASE to be executed by a duly authorized officer and its corporate seal to be hereunto affixed on _____, _____.

RELEASOR

[SEAL]

By _____

ACKNOWLEDGMENT FOR BUSINESS ENTITY RELEASOR

STATE OF _____

ss.:

COUNTY OF _____

On _____, _____ before me _____,
personally came _____, to me known, who, by me duly sworn, did depose and say that
deponent resides at _____, that deponent is
the _____ of _____, the company described in the foregoing RELEASE, and which
executed said RELEASE, that deponent knows the seal of the company, that the seal affixed to the
RELEASE is the corporate seal, that it was affixed by order of the board of directors or managers of the
company; and that deponent signed deponent's name by like order.

IN WITNESS WHEREOF I have hereunto set my hand and official seal.

Notary Public

My Commission expires: _____

(NOTARIAL SEAL)

ACKNOWLEDGMENT FOR INDIVIDUAL RELEASOR

STATE OF _____

ss.:

COUNTY OF _____

On this __ day of _____, _____, before me _____, the undersigned
(Name of Notary)
officer, personally appeared _____, to me personally known, and known to me to be the
same person whose name is signed to the foregoing RELEASE, and acknowledged the execution thereof for
the uses and purposes therein set forth.

IN WITNESS WHEREOF I have hereunto set my hand and official seal.

Notary Public

My Commission expires: _____

(NOTARIAL SEAL)

EXHIBIT J
LISTING OF OWNERS OF FRANCHISEE AND OWNERSHIP INTERESTS

Effective Date: This Exhibit J is current and complete as of _____ [date].

1. **Form of Franchisee Owner.** (Please select either (a) or (b) below).

(a) **Individual Proprietorship.** List individual(s):

Name: _____

Name: _____

Name: _____

Name: _____

(b) **Corporation ____, Limited Liability Company ____, or Partnership ____.** (CHECK ONE)

You were incorporated or formed on _____, under the laws of the State of _____. You have not conducted business under any name other than your corporate, limited liability company, or partnership name and _____.

2. **Owners, Directors/Officers.** The following list includes the full name and address of each person who is one of your owners, shareholders, members, partners, directors, officers or an owner of one of your owners, and fully describes the nature of each of their respective ownership interest (attach additional pages, if necessary).

Name: _____ Address: _____ _____ Type of Interest: _____ Number Units Owned: _____ Number Entitled to Vote: _____ % of Total Units of Franchisee: _____ Title (if officer or director): _____	Name: _____ Address: _____ _____ Type of Interest: _____ Number Units Owned: _____ Number Entitled to Vote: _____ % of Total Units of Franchisee: _____ Title (if officer or director): _____
Name: _____ Address: _____ _____ Type of Interest: _____ Number Units Owned: _____ Number Entitled to Vote: _____ % of Total Units of Franchisee: _____ Title (if officer or director): _____	Name: _____ Address: _____ _____ Type of Interest: _____ Number Units Owned: _____ Number Entitled to Vote: _____ % of Total Units of Franchisee: _____ Title (if officer or director): _____

3. **Name and Address of Person to Receive Notice for Franchisee.** (If different than what is stated in the Franchise Agreement)

Name: _____

Postal Address: _____

E-mail Address: _____

4. **Identification of the Business Manager.** The shareholder, member, partner who is responsible for overseeing and supervising the operation of the Outlet (the "Business Manager") as of the Effective Date is _____
(must be one of the principal owners listed in Section 2 above). You may not change Business Manager without our prior written approval.
5. **Update of Exhibit J.** You and your owners agree to update, sign and deliver to us from time to time a revised Exhibit J to reflect all future permitted changes in this information.

FRANCHISEE:

[Print Name of Franchisee Entity]

By: _____
Name: _____
Title: _____

RECEIPT ACKNOWLEDGED:

FRANCHISOR:

HEY YOGURT FRANCHISING LLC

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

EXHIBIT B TO DISCLOSURE DOCUMENT

AREA DEVELOPMENT AGREEMENT

**HEY YOGURT FRANCHISING LLC
AREA DEVELOPMENT AGREEMENT**

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STATE ADDENDA TO AREA DEVELOPMENT AGREEMENT

EXHIBITS

- A FRANCHISE TERRITORIES
- B DEVELOPMENT TERRITORY
- C FIRST UNIT FRANCHISE AGREEMENT YOU AND WE WILL SIGN
- D-1 CONFIDENTIALITY/NON-COMPETITION AGREEMENT
- D-2 CONFIDENTIALITY AGREEMENT (NON-MANAGERIAL PERSONNEL)
- E GUARANTEE
- F INFORMATION REGARDING AREA DEVELOPER

HEY YOGURT FRANCHISING LLC
AREA DEVELOPMENT AGREEMENT

This AREA DEVELOPMENT AGREEMENT (this "Agreement") is made and entered into as of _____ between HEY YOGURT FRANCHISING LLC, a New Jersey limited liability company with its principal office at 10 Malcolm Avenue # 4, Teterboro, NJ 07608 ("we," "us," "our" or "Franchisor") and _____, whose principal address is _____ ("you", "your" or "Area Developer").

1. INTRODUCTION

1.01 The Hey Yogurt Businesses, System and Proprietary Marks

As a result of the expenditure of time, skill, effort and money, we and our affiliates have developed a proprietary system for opening and operating businesses ("Hey Yogurt Businesses" or "Businesses") that open and operate quick-service retail beverage and specialty dessert outlets (each, an "Outlet") specializing in the sale of yogurt-based beverages, smoothies, specialty drinks, and related food and dessert products (the "Hey Yogurt System" or the "System"). The System makes use of the mark "HEY YOGURT" and certain other trademarks, service marks, trade names, related emblems, designs, labels, trade dress, signs and symbols, copyrighted materials and other intellectual property (together, the "Proprietary Marks").

1.02 The Area Franchise

You wish to obtain the right to acquire and operate Hey Yogurt franchises in those geographical territories (the "Development Territory") defined below and set forth in Exhibit B to this Agreement and pursuant to a development schedule (the "Development Schedule") defined and set forth in Section 6.01 of this Agreement. We wish to grant you the right to acquire and operate Hey Yogurt franchises in the Development Territory and pursuant to the Development Schedule upon the terms and subject to the conditions set forth in this Agreement.

2. GRANT OF AREA DEVELOPMENT RIGHTS

2.01 Area Development Rights

We grant you, and you accept, the right to and obligation to acquire and operate franchised Hey Yogurt Businesses in the Development Territory and pursuant to the Development Schedule upon the terms and subject to the provisions of this Agreement and the terms of each Unit Franchise Agreement (referred to individually as a "Franchise Agreement" and collectively as the "Franchise Agreements") entered into between you and us, and all agreements related to the Franchise Agreements.

3. TERRITORY

3.01 Territorial Grant

You undertake to own and operate the franchised Hey Yogurt Businesses listed in Section 6.01 of this Agreement within the Development Territory set forth by map or written description in Exhibit B of this Agreement. The Development Territory embraces the Franchise Territories (as defined below). Each "Franchise Territory" is the restricted geographic area within which you agree to establish and operate a Hey Yogurt Business pursuant to the Franchise Agreements which this Agreement contemplates will be entered into between you and us. The Franchise Territories are set forth in Exhibit A to this Agreement.

3.02 Our Restrictions

Within the Development Territory, during the Term of this Agreement, we, our affiliates, subsidiaries and designees (together, the "Affiliates") will not operate a Company-owned business of the type contemplated by this Agreement and franchised under the Franchise Agreements, or

Initials Franchisor _____ Area Developer _____

enter into any other agreement granting rights to own, develop, or operate Hey Yogurt Businesses, all so long as you are not in default under this Agreement and all other related agreements, and except as provided in Section 3.03 ("Rights We Reserve"). These restrictions will terminate immediately upon the expiration or termination of this Agreement for any reason.

You acknowledge that this Agreement confers no marketing exclusivity in the Development Territory on you, and that all Hey Yogurt Businesses (whether Company-owned, Company joint-ventured, franchised or otherwise) may solicit, service, advertise and offer their products and services to any individual or entity, regardless of your or its geographic location, including your Development Territory.

3.03 Rights We Reserve

You acknowledge that we and our Affiliates may have, and may later acquire or develop, rights and property that are not granted to you or may not be designated as part of the Hey Yogurt System. You further acknowledge that this Agreement does not create any form of franchise or license with respect to those rights, all of which remain our property. We reserve those rights and all rights not expressly granted in this Agreement. These rights will not be qualified or diminished in any way by implication. For example, and without limitation, we or our Affiliates may own, operate or authorize others to own or operate Hey Yogurt Businesses or any other form of Hey Yogurt business subject only to the territorial restrictions provided in Section 3.02 and engage in or authorize others to conduct at any location any form of business including any type of product or service not offered under the Proprietary Marks. Without limiting the generality of this paragraph, we and our Affiliates reserve the following specific rights:

We and our Affiliates may sell within and outside your Territory through any methods of distribution other than a dedicated Hey Yogurt Outlet, including, without limitation, the internet/worldwide web and other forms of electronic commerce; online networks; "800" or similar toll-free telephone numbers (other than those we establish and make available to you for use in your franchised Business(es) hereunder); mail order; catalogues; direct marketing campaigns, including mail and phone solicitations; and, television sales, including "infomercials" (together, "Alternative Distribution Channels").

4. TERM

4.01 Term

The term ("Term") of this Agreement will be for a period beginning on the date we sign this Agreement and extending until the earlier of either the actual or scheduled Date of Execution of the last Franchise Agreement executed pursuant to this Agreement and specified in Section 6.01 of this Agreement, unless sooner terminated in accordance with the provisions of this Agreement.

4.02 Notice of Expiration

If applicable law requires us to give notice of expiration to you at a specified time before the expiration of the Term of this Agreement, and we have not done so, then the term of this Agreement will be extended on a month-to-month basis until we have given you the required notice of expiration and the required period before the expiration of the Agreement becomes effective has expired.

5. AREA DEVELOPMENT FEE

5.01 Area Development Fee

In consideration of our execution of this Agreement, you agree to pay us an area development fee equal to [] (the "Area Development Fee"). The Area Development Fee is payable in full when you sign this Agreement and will be fully earned when paid. You recognize that we have incurred administrative and other expenses in relation to this Agreement, and that our development opportunities have been lost or curtailed as a result of the territorial rights granted to

you in this Agreement. Therefore, we will not refund the Area Development Fee in whole or in part, under any circumstance.

6. DEVELOPMENT SCHEDULE

6.01 Development Schedule

For so long as this Agreement is in effect and you are not in default under the terms of this Agreement or any Franchise Agreement, you will have the right and obligation to execute Franchise Agreements for and commence operations of Hey Yogurt Businesses pursuant to the development schedule below (the "Development Schedule"). The Development Schedule sets forth the date on which you must execute the Franchise Agreement for each Business (the "Date of Execution") and the date no later than which you must commence operations of each Business under each Franchise Agreement (the "Commencement of Operations Date").

Business Number	Date of Execution of Franchise Agreement	Commencement of Operations Date
1	Concurrent with execution of this Area Development Agreement	12 months after signing franchise agreement
2	Within 6 months following the opening date of the first franchised unit	12 months after signing franchise agreement
3		
4		
5		
6		
7		
8		
9		
10		

You may not develop or commence operations of more than the number of Businesses set forth above without first obtaining our written consent.

A Hey Yogurt Business will be considered "developed" if: (a) the Franchise Agreement for the Business has been signed by you and us, and (b) the Hey Yogurt Business has commenced operations in accordance with the Franchise Agreement governing the Business.

6.02 Failure to Fulfill Development Obligations

Except as provided in Section 17.01 below ("Unavoidable Delay or Failure to Perform [Force Majeure]"), if you fail to adhere to the Development Schedule in Section 6.01 by either: (1) failing to execute the Franchise Agreement for each franchised Business on or before the Date of Execution specified above, or (2) failing to commence operations of each franchised Business on or before the applicable Commencement of Operations Date specified above, then this will constitute a material breach of this Agreement, which, unless you cure it as provided in Section 15.03 of this Agreement, will result in this Agreement being terminated immediately.

Termination of this Agreement for this reason will not be a termination (constructive or otherwise) of any Unit Franchise Agreement(s) entered into by you and us under which you have already commenced the operation of the franchised Hey Yogurt Businesses covered by the Unit Franchise Agreement(s) if you have fully performed and otherwise been in compliance with all of your obligations under the Unit Franchise Agreement(s) in question. The undeveloped balance of your Development Territory will revert to us, and we may operate or franchise Hey Yogurt Businesses within the undeveloped balance of the Development Territory without in any way being in violation of this Agreement. This remedy of ours will be in addition to whatever other remedies we may have at law or in equity.

6.03 Time is of the Essence

Subject to the provision of Section 17.01 below ("Unavoidable Delay or Failure to Perform [Force Majeure]"), your timely performance of your obligations under Article 6 of this Agreement is of material importance and is of the essence to this Agreement.

7. EXECUTION OF FRANCHISE AGREEMENTS

7.01 Execution of Franchise Agreements

You and we will execute a Franchise Agreement for each Business provided for in the Development Schedule. Each Franchise Agreement will be in our then-current form of Franchise Agreement. The first Franchise Agreement you will sign contemporaneously with signing this Agreement, using our current form of Franchise Agreement. A copy of that current form is attached to this Agreement as Exhibit C.

Each Franchise Agreement will be executed according to the following procedure:

(1) Not less than sixty days (and no more than ninety days) before the scheduled Date of Execution of the Franchise Agreement for the franchise to be conveyed, you shall request in writing (by email or otherwise) that we furnish to you a copy of our then-current applicable Hey Yogurt Franchise Disclosure Document, including our then-current applicable form of Hey Yogurt Franchise Agreement, modified as provided above (collectively, the "Franchise Disclosure Document").

(2) Promptly upon receipt of your request, we will deliver to you a copy of our then-current Franchise Disclosure Document. You must acknowledge receipt by executing the Receipt form prescribed in the Franchise Disclosure Document and promptly returning the Receipt to us.

(3) No sooner than fourteen (14) calendar days but no later than twenty (20) business days after you receive our Franchise Disclosure Document, you must, by written notice, notify us as to whether or not you elect to execute our then-current form of Franchise Agreement (modified as provided above) for the Business.

(4) Promptly upon our receipt of your notice that you elect to execute our then-current form of Franchise Agreement (modified as provided above), we will furnish to you one or more execution copies of the Franchise Agreement. Promptly upon receipt of these execution copies, you must execute them and return them to us.

If you fail to perform any of the acts or fail to deliver any of the notices required pursuant to the provisions of subsections (1), (2), (3) or (4) above in a timely fashion, this will be a material and incurable breach of this Agreement which, unless we waive the breach, will entitle us to terminate this Agreement immediately on notice to you, with no opportunity to cure.

8. OUR DUTIES

8.01 Duties of Franchisor

So long as you are not in default of this Agreement or the Franchise Agreements, we will grant you the right and obligation to acquire and operate Hey Yogurt franchises in the Development

Territory and pursuant to the Development Schedule, upon the terms and subject to the provisions of this Agreement and the terms of each Franchise Agreement entered into between you and us and of all documents related to this Agreement and the Franchise Agreement, and to use solely and in connection with these Franchise Agreements the Hey Yogurt System as it may be changed, improved, modified or further developed from time to time, in the Development Territory as defined in this Agreement and upon the terms and subject to the provisions of this Agreement and the terms of all documents related to this Agreement and the Franchise Agreements.

Pursuant to the Franchise Agreements and under their terms, we will offer and perform the training, instruction, assistance and other activities for which the Franchise Agreements provide.

9. YOUR DUTIES

9.01 Payments to Us

In addition to all other payments under this Agreement, you agree to pay us (or our Affiliates) immediately upon demand:

1. All sales taxes, trademark license taxes and any other taxes, imposed on, required to be collected, or paid by us or our Affiliates (excluding any corporate income taxes imposed on us or our Affiliates) because we or our Affiliates have furnished services or products to you or collected any fee from you.
2. All amounts we advanced, or which we have paid, or for which we have become obligated to pay, on your behalf for any reason.
3. All amounts due to us (or our Affiliates) for any other reason.

All payments due to us from you under this Agreement must be paid by check transmitted to our headquarters address, except that we reserve the right to require deposit of payments elsewhere and/or payment by wire transfer or other form of electronic funds transfer.

9.02 Compliance with Franchise Agreement, Brand Standards, and Laws, Rules and Regulations

You agree to abide by and faithfully adhere to the terms of each Franchise Agreement signed pursuant to this Agreement.

You further agree, in regard to your area development business hereunder, to abide by and faithfully adhere to our confidential operating manuals (the "Brand Standards"). The Brand Standards may take the form of one or more of the following: one or more loose leaf or bound volumes; bulletins; notices; videos; CD-ROMS; computer software; other electronic media; online postings; e-mail and/or electronic communications; facsimiles; or, any other now or hereafter developed medium capable of conveying the Brand Standards' contents. The Brand Standards will, among other things, set forth our operating systems, procedures, policies, methods, standards, specifications and requirements for operating your franchised Business. You must at all times operate your area development business in strict compliance with the Brand Standards. We have the right to prescribe additions to, deletions from or revisions of the Brand Standards (the "Supplements to the Brand Standards"), all of which will be considered a part of the Brand Standards. All references to the Brand Standards in this Agreement will include the Supplements to the Brand Standards. Supplements to the Brand Standards will become binding on you as if originally set forth in the Brand Standards, upon being delivered to you.

You further agree to develop and operate the franchised Hey Yogurt Businesses in strict compliance with all applicable laws, rules and regulations of all governmental authorities; to comply with all applicable wage, hour and other laws and regulations of the federal, state and local governments; to prepare and file all necessary tax returns; to pay all taxes imposed upon you related

to the Businesses; and, to obtain and keep in good standing all necessary licenses, permits and other required forms of governmental approval required of you.

9.03 Indemnification

You hereby agree that you will, at your sole cost, at all times defend and hold harmless us, our Affiliates, and the corporate affiliates, subsidiaries, successors, assigns and designees of each, and the respective directors, officers, employees, agents, attorneys, shareholders, designees, contractors and representatives of each (we and all others referenced above, the "Indemnitees"), and indemnify, reimburse and hold harmless us and the other Indemnitees to the fullest extent permitted by law, against all claims, losses, liability and costs (as denominated in the following paragraph) incurred in connection with any judicial, administrative or arbitration action or proceeding (including bankruptcy, insolvency, debtor/creditor or similar proceedings), suit, claim, demand, investigation, or formal or informal inquiry (regardless of whether any of the foregoing is reduced to judgment) or any settlement of the foregoing, which actually or allegedly, directly or indirectly, arises out of, is based, upon, is a result of or is related to any of the following:

1. Any element of your entry into this Agreement;
2. Claims of any type or nature advanced by or against you or any of your officers, directors, shareholders, partners, proprietors, management, agents, employees, affiliates representatives and contractors (or any third party acting on your behalf or at your direction) by a third party (or, as applicable, against a third party) or between or among themselves;
3. Your alleged or actual infringement or violation of any patent, mark or copyright or other proprietary right owned or controlled by third parties;
4. Your alleged or actual violation or breach of any contract, federal, state, local, foreign or other law, rule or regulation;
5. Libel, slander or any other form of defamation by you;
6. Your alleged or actual violation or breach of any warranty, representation, agreement or obligation set forth in this Agreement;
7. Any acts, errors, neglects or omissions by you and/or your officers, directors, shareholders, management, employees, agents, servants, contractors, partners, proprietors, affiliates or representatives (or any third party acting on your behalf or at your direction), whether or not any of the foregoing was approved by us;
8. Any damage to the property, or injury or death, suffered by you, us, any of our Affiliates, or their, our or your officers, directors, management, agents, employees and contractors, including (without limitation) any property damage, injury or death suffered or caused by any contractor or vehicle serving your area development business hereunder;
9. Any claim, however and wherever asserted, that we or our affiliates are the employer, joint employer or co-employer of you and/or your employees (including, without limitation, any claims against us for your violation of any federal, local or state labor and/or wage and hour laws, rules or regulations);
10. Your offer, sale and/or delivery of securities, equity interests or other ownership interests in you or your area development business hereunder; and
11. All activities, conduct and representations which you may engage in connected to any actual or attempted assignment (as defined in Section 12.02) of any interest whatsoever in your area development business hereunder; and, any action by any

visitor to any facility operated in conjunction with your area development business hereunder.

As used herein, the phrase "claims, losses, liabilities and costs" includes all claims; causes of action; fines; penalties; liabilities; losses; employment liabilities; compensatory, exemplary, statutory or punitive damages or liabilities; costs of investigation; lost profits; court costs and expenses; reasonable attorneys' and experts' fees and disbursements; settlement amounts; judgments; compensation for damage to our reputation and goodwill; costs of or resulting from delays; travel, food, lodging and other living expenses necessitated by the need or desire to appear before (or witness the proceedings of) courts or tribunals (including arbitration tribunals), or government or quasi-governmental entities (including those incurred by the Indemnitees' attorneys and/or experts); all expenses of compensation and public notices; and, other such amounts incurred in connection with the matters described. All such losses and expenses incurred under this indemnification provision will be chargeable to and paid by you pursuant hereto, regardless of any actions, activity or defense undertaken by us or the subsequent success or failure of the actions, activity or defense.

Specifically excluded from the indemnity you give hereby is any liability associated with our or the other Indemnitees' gross negligence, willful misconduct or criminal acts (except to the extent that joint liability is involved, in which event the indemnification provided herein shall extend to any finding of comparative or contributory negligence attributable to you).

You agree to give us written notice of any suit, proceeding, claim, demand, inquiry or any other event that could be the basis for a claim for indemnification hereunder by any Indemnitee within three days of your actual or constructive knowledge of it. At your expense and risk, we may elect to assume (but under no circumstance will we be obligated to undertake) the defense and/or settlement of the action, suit, proceeding, claim, demand, inquiry or investigation. However, we will seek your advice and counsel and keep you informed with regard to the defense or contemplated settlements. Our undertaking of defense and/or settlement will in no way diminish your obligation to indemnify us and the other Indemnitees and to hold us and them harmless. If you or any of your affiliates and the Indemnitees (or any one of them) are named as co-defendants, and there is a conflict of interest between them such that they cannot be represented by common counsel, then the Indemnitees may retain separate counsel at your expense and you will promptly reimburse the Indemnitees for all costs and attorneys' fees incurred upon request and as they are incurred.

We will have the right, at any time we consider appropriate, to offer, order, consent or agree to settlements or take any other remedial or corrective actions we consider expedient with respect to the action, suit, proceeding, claim, demand, inquiry or investigation if, in our sole judgment, there are reasonable grounds to do so. You will not settle or compromise any legal action in which any Indemnitee is a defendant without our prior written consent, which we may grant or withhold in our sole discretion and business judgment. Under no circumstances will we or the other Indemnitees be required to seek recovery from third parties or otherwise mitigate their losses to maintain a claim against you. You agree that any failure to pursue recovery from third parties or mitigate loss will in no way reduce the amounts recoverable by us or the other Indemnitees from you. The indemnification obligations of this Section 9.03 will survive the expiration or sooner termination of this Agreement.

9.04 Business Entity Franchisee Requirements

If you are a corporation, limited liability company, limited partnership or any other type of business entity, you must comply with the following requirements (which will also apply to any assignee of this Agreement which is a business entity):

1. Furnish us with all of your formation, organizational and governing documents; a schedule of all current owners (indicating as to each its percentage ownership interest) in the form

annexed hereto as Exhibit F; any shareholders, partnership, membership, buy-sell or equivalent agreements and documents; and, a list of all your officers, directors and managers (as applicable).

2. Confine your activities to the operation of your franchised Business, and your governing documents must provide that your activities are confined exclusively to the operation of your franchised Hey Yogurt Business(es).

3. You must promptly notify us in writing of any change in any of the information specified, or in any document referred to, herein.

4. Maintain stop transfer instructions against the transfer on the records of any of your equity securities, and not issue or have outstanding any securities on the face of which the following printed legend does not legibly and conspicuously appear:

"The transfer of this security is subject to the terms and conditions of an Area Development Agreement with HEY YOGURT FRANCHISING LLC, dated _____. Reference is made to the provisions of this Area Development Agreement and to the governing documents of the issuer. Please refer to those documents for the terms of the restrictions."

5. All of your business entity's organizational documents (including any partnership, partnership agreements, incorporation documents, organization/formation documents, bylaws, operating agreements, shareholders agreements, buy/sell or equivalent agreements, and trust instruments) will recite that the issuance or transfer of any interest in you is restricted by the terms of this Agreement, and that the sole purpose for which you are formed (and the sole activity in which you are or will be engaged) is the conduct of a franchised Hey Yogurt Business(es) pursuant to one or more area development and/or franchise agreements from us and that your activities will be exclusively confined to such purpose. Your organizational documents will also include a "Supremacy of Area Development Agreement" clause reciting the following: "To the extent any provision of this Agreement conflicts, violates or is inconsistent with any provision of the Hey Yogurt Area Development Agreement, the parties hereto agree that the provisions of such Area Development Agreement shall supersede the same and that the parties hereto shall enter into such amendments to this agreement as are necessary in order to make the relevant provisions consistent with or non-violative of the provisions of the Hey Yogurt Area Development Agreement."

6. Without our prior written consent (which shall not be unreasonably withheld, delayed or conditioned), you may not permit any mortgage, lien, pledge or other security interest in respect of any of your business entity's shares, equity interests or other ownership interests. Any violation of this restriction will give us the right to terminate this Agreement immediately upon notice to you.

9.05 Best Efforts; Cooperation with Us

You agree to act in good faith and use your best efforts to comply with your obligations under this Agreement, and to cooperate with us in accomplishing the purposes of this Agreement.

9.06 Your Participation in Operations

A. You agree to devote your full time and efforts to the performance of your duties under this Agreement, and a failure to do so will constitute a material breach of this Agreement, which, unless cured as provided in Section 15.03 of this Agreement, will result in this Agreement being terminated in accordance therewith.

B. Upon the execution of this Agreement, you must designate, and must retain at all times during the Term, an individual to serve as your business to oversee the general development and operation of your Outlets ("Area Manager"). If you are an individual, you must perform all obligations of the Area Manager. If you are a business entity, prior to engaging the services of an Area Manager, you must identify such individual to us. The Area Manager must be qualified and approved, in our business judgment, to oversee multi-unit operations and must have attended and successfully

completed, or promptly attend and successfully complete, our Initial Training Program (as described in the first unit Franchise Agreement we sign for your first Hey Yogurt Business, for form of which is attached hereto). The Area Manager must execute the "Confidentiality/Non-Competition Agreement" attached as Exhibit D-1 to this Agreement.

1. You may, at your option and subject to our written consent, designate one or more district managers to work under the supervision of the Area Manager to supervise the operation of all Outlets developed and operated by you (and, if applicable, your affiliates) within a geographic subset of all Outlets to be developed and operated pursuant to this Agreement (each a "District Manager"); provided however, that you and your Area Manager will remain fully responsible for any District Manager's performance. The District Manager, if appointed, must also be identified to us and approved by us, must promptly attend and successfully complete our Initial Training Program (at your expense), and must execute the "Confidentiality/Non-Competition Agreement" attached as Exhibit D-1 to this Agreement.

2. Unless a District Manager is designated pursuant to Section 9.06(B)(2), your Area Manager must devote full time and best efforts to the supervision of the Outlets operated by you and, if applicable, your affiliates, and, without our written consent, must not engage in any other business. The foregoing provision will not apply if a District Manager is designated, provided, the District Manager must devote his or her full time and best efforts to the supervision and operation of the Hey Yogurt Outlets conducted by you and, if applicable, your affiliates.

3. You may also appoint several Outlet-level managers (each, a "Outlet General Manager") to oversee the day-to-day operations of each of the Outlets developed and operated by you (and, if applicable, your affiliates) pursuant to this Agreement, in accordance with the terms of the Franchise Agreement for each Outlet developed hereunder. Each General Manager must execute such confidentiality and/or non-competition agreement as required by the applicable Franchise Agreement.

4. The Business Manager, any District Manager and any Outlet General Manager must meet our qualifications, as set forth in this Agreement, the Brand Standards, or otherwise in writing and, without limitation, must be empowered with authority to act for and on your behalf.

5. All non-managerial personnel whom you hire to assist you with your area development business must sign our form of Confidentiality Agreement annexed hereto as Exhibit D-2.

6. You must immediately notify us within five (5) days upon the death, disability or termination of employment of your Area Manager (or any District Manager), for any cause or reason, or if your Area Manager (or any District Manager) no longer qualifies as such. You must designate a successor or acting Area Manager (or any District Manager) promptly and, in any event, no later than ten (10) days following the death, disability or termination of the predecessor Area Manager (or any District Manager). The above protocols and procedures governing your proposal and our approval of your initial Area Manager (or any District Manager) shall apply to any successor Area Manager (or any District Manager) you may propose. Any successor Area Manager (or any District Manager) must possess those credentials set forth in our Brand Standards, must attend and successfully complete our next scheduled Initial Training Program and must attend and successfully complete such other reasonable training at such times as we may specify, all at your expense. The failure to employ and train a successor Area Manager (or any District Manager) will constitute a material breach of this Agreement.

9.07 Anti-Terrorism, Anti-Corruption

You represent and warrant to us that, as of the date of this Agreement and at all times during the term hereof, and to your actual or constructive knowledge, neither you, any affiliate of yours, any individual or entity having a direct or indirect ownership interest in you or any such affiliate (including any shareholder, general partner, limited partner, member or any type of owner), any officer, director,

manager, or management employee of any of the foregoing, nor any funding source you utilize is or will be identified on the list of the U.S. Treasury's Office of Foreign Assets Control (OFAC); is directly or indirectly owned or controlled by the government of any country that is subject to an embargo imposed by the United States government or by any individual that is subject to an embargo imposed by the United States government; is acting on behalf of any country or individual that is subject to such an embargo; or, is involved in business arrangements or other transactions with any country or individual that is subject to an embargo. You agree that you will immediately notify us in writing immediately upon the occurrence of any event which would render the foregoing representations and warranties incorrect. Notwithstanding anything to the contrary in this Agreement, you may not allow, effect or sustain any transfer, assignment or other disposition of this Agreement to a "Specially Designated National or Blocked Person" (as defined below) or to an entity in which a "Specially Designated National or Blocked Person" has an interest. For the purposes of this Agreement, "Specially Designated National or Blocked Person" means: (i) a person or entity designated by OFAC (or any successor officer agency of the U.S. government) from time to time as a "specially designated national or blocked person" or similar status; (ii) a person or entity described in Section 1 of U.S. Executive Order 13224, issued on September 23, 2001; or, (iii) a person or entity otherwise identified by any government or legal authority as a person with whom you (or any of your owners or affiliates) or we (or any of our owners or affiliates) are prohibited from transacting business.

You further agree that you will not hire, retain, employ or otherwise engage the services of any individual or entity in contravention of the Patriot Act; any law, rule or regulation pertaining to immigration or terrorism; or, any other legally prohibited individual or entity.

You represent and warrant that neither you, nor any entity or individual having an ownership interest in you; nor any affiliate of either yours; nor any officer, director, employee, contractor or servant of any of the foregoing, has in the past, currently does or will in the future support terrorism; provide money or financial services to terrorists; is engaged in terrorism; is on the current United States government list of organizations that support terrorism; has been engaged in or been convicted of fraud, corruption, bribery, money laundering, narcotics trafficking or other crimes; and, that all of the foregoing individuals are eligible under applicable United States Immigration laws to travel to the United States for training or any other purpose.

You are solely responsible for ascertaining what actions you must take to comply with all anti-terrorism and anti-corruption laws, and you specifically acknowledge and agree your indemnification responsibilities as provided in this Agreement pertain to your obligations under this Section 9.07. Any misrepresentation by you under this Section 9.07. or any violation of any anti-terrorism or anti-corruption laws by you, your owners, or employees will constitute grounds for immediate termination of this Agreement and any other agreement you have entered into with us or any of our affiliates.

10. CONFIDENTIAL INFORMATION

10.01 Restriction on Use of Confidential Information

You agree that you will not, during the Term of this Agreement or thereafter, divulge to or use for the benefit of any other person(s), partnership, proprietorship, association, corporation or entity, any confidential information, knowledge or know-how concerning your or our systems of operation, programs, services, products, customers or practices and/or pertaining to the Hey Yogurt System which may be communicated to you. Any and all information, knowledge, know-how, techniques and information which we, our Affiliates, or their respective officers, designate as confidential will be deemed confidential for the purposes of this Agreement, except information which you can demonstrate came to your attention before our disclosure or which, at or after the time of our disclosure to you, has become a part of the public domain through publication or communication by others.

11. COVENANTS NOT TO COMPETE

11.01 Covenants Not to Compete

You agree that during the Term of this Agreement, and for two years immediately following the expiration or termination of this Agreement for any reason within the geographical area described below, you will not directly or indirectly engage in any other business which offers or sells any of the programs, products or services which now or hereafter are authorized for sale under the System (including yogurt drinks and desserts) or component thereof in any manner (whether a wholesale supplier or otherwise); which offers or sells related services or products; which engages in any of the activities which this Agreement contemplates that you will engage in; or, which offers or sells any other service, product or component which now or in the future is part of the Hey Yogurt System, or any confusingly similar program, product or service (a "Competitive Business").

During the Term and any renewal term (if any) of this Agreement, you are prohibited from directly or indirectly engaging in any Competitive Business as a proprietor, partner, investor, shareholder, director, member, officer, manager, employee, principal, agent, adviser, or consultant. In addition, you agree not to divert any business that should be handled by your franchised business to any other person or entity.

For two (2) years immediately following (a) the expiration or termination or assignment (as defined in Section 12.02, below) of this Agreement for any reason or (b) the date on which all persons restricted by this Section 11.01 begin to comply with this Section 11.01, you are prohibited from directly or indirectly engaging in, aiding, assisting, serving or participating in any Competitive Business as a proprietor, partner, investor, shareholder, director, member, officer, manager, employee, principal, agent, adviser, or consultant, if the other business is located within your Development Territory, within three (3) miles driving distance of the perimeter of your Development Territory, or within three (3) miles driving distance of the perimeter of (or within) any Hey Yogurt Business Territory or Outlet location in operation or under construction (whether Company-owned, franchised or otherwise established and operated).

It is the intention of these provisions to preclude not only direct competition but also all forms of indirect competition, such as consultation for Competitive Businesses, service as an independent contractor for Competitive Businesses, or the provision of any assistance or transmission of information of any kind which would be of any material assistance to a competitor. Nothing in this Section will prevent you from owning for investment purposes no more than an aggregate of 5% of the capital stock of any Competitive Business you do not control and whose stock is listed on the New York Stock Exchange or the National Association of Securities Dealers Automated Quotation System. It is the intention of these provisions that any person or entity with any legal or beneficial interest in or traceable to or through you be bound by the provisions of this covenant.

You agree to obtain the execution of our Confidentiality/Non-Competition Agreement (Exhibit D) from the following persons and to cause them to refrain from the competitive activities described above: (a) before employment or any promotion, your Outlet Managers, any personnel you employ who have received or will receive training from us, all your other managerial employees and any other managerial personnel; and (b) if you are a Business Entity, all your officers, directors, equity holders, members and those of any Business Entity directly or indirectly controlling you, at the same time as the execution of this Agreement (or at such later time as they assume such status). You must furnish us with copies of all signed Confidentiality/Non-Competition Agreements no later than ten (10) days following their execution. You also agree to obtain the execution, from all other non-managerial personnel of your area development business hereunder, the "Confidentiality Agreement" attached as Exhibit D-2 to this Agreement, and to cause them to refrain from the competitive activities described above.

You agree to prosecute to the fullest extent permitted by law breaches of any Confidentiality/Non-Competition Agreement or Confidentiality Agreement executed pursuant to this

Section 11.01 and you acknowledge our right, to be exercised in our sole business judgment, to ourselves enforce the terms of each executed Confidentiality/Non-Competition Agreement and Confidentiality Agreement.

11.02 Enforcement of Covenants Not To Compete

The covenants not to compete set forth in this Agreement are fair and reasonable, and will not impose any undue hardship on you, since you have other considerable skills, experience and education which afford you the opportunity to derive income from other endeavors. You agree that such covenants not to compete: (a) are reasonable, including, but not limited to, their term, geographical area, and scope of activity to be restrained; (b) are designed to preclude competition which would be unfair to us; and (c) do not impose a greater restraint than is necessary to protect our goodwill and other legitimate business interests. You acknowledge that violation of the covenants not to compete in this Agreement would constitute a material breach of this Agreement and would result in immediate and irreparable injury to us for which no adequate remedy at law will be available. You therefore consent to the entry of an injunction prohibiting any conduct by you in violation of the terms of these covenants not to compete, without the necessity of our posting any bond or security. You agree that it may conclusively be presumed that any violation of the terms of the covenants not to compete was accomplished by and through your unlawful use of our Confidential Information, know-how, methods and procedures. You also agree that any claims you may have against us, whether or not arising from this Agreement, will not constitute a defense to our enforcement of the covenants not to compete in this Agreement. You agree to pay all costs and expenses, including reasonable attorneys' and experts' fees, that we incur in connection with the enforcement of the covenants not to compete set forth in this Agreement.

11.03 Lesser Included Covenants Enforceable At Law

If all or any portion of the covenants not to compete set forth in this Article 11 are held unreasonable, void, vague or illegal by any court or agency with competent jurisdiction over the parties and subject matter, the court or agency will be empowered to revise and/or construe the covenants to fall within permissible legal limits, and should not by necessity invalidate the entire covenants. You agree to be bound by any lesser covenant subsumed within the terms of this Article 11 as if the resulting covenants were separately stated in and made a part of this Agreement.

12. ASSIGNMENT

12.01 Assignment By Us

We will have the right to assign this Agreement, and all of our rights and privileges under this Agreement, to any person, firm, corporation or other entity, provided that, if the assignment results in the performance by the assignee of our functions under this Agreement: the assignee must, at the time of the assignment, be financially responsible and economically capable of performing our obligations under this Agreement, and the assignee must expressly assume and agree to perform these obligations.

You acknowledge that we will have the right to sell our company, our assets, our Proprietary Marks and/or our System to a third party; sell privately or publicly some or all of our securities; and/or undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring, and that we and our Affiliates have the right to purchase, merge, acquire, be acquired by or affiliate with an existing competitive or non-competitive franchise network, chain or any other business regardless of the location of that network's, chain's or business's facilities, and to operate, franchise or license those businesses and/or facilities as Hey Yogurt Businesses operating under marks other than the Proprietary Marks following the purchase, merger, acquisition or affiliation, regardless of the location of these facilities, which may be within the Territory and near your Outlets.

We have the right to delegate the performance of any portion or all of our obligations under this Agreement to third party designees, whether these designees are our agents or independent

contractors with whom we have contracted to perform these obligations. If we do so, such third-party designees will be obligated to perform the delegated functions for you in compliance with this Section 12.01.

12.02 Assignment By You – General

Your rights and obligations under this Agreement are personal because we have entered into this Agreement in reliance on and in consideration of your singular personal trust, confidentiality, skill and qualifications (or, if you are an entity, the personal trust, confidentiality, skill and qualifications of your owners and employees). Therefore, except as provided below, neither your interest in this Agreement, your rights, privileges or obligations under this Agreement, the franchised Business, the Outlet, nor any interest in the franchised Business, the Outlet or a Business Entity Franchisee (including any capital stock, membership, partnership or proprietary interest of you or anyone who controls you), may be assigned, sold, transferred, shared, reconsidered, sublicensed or divided, voluntarily or involuntarily, directly or indirectly, in one or a series of related transactions, by operation of law or otherwise (each, an "assignment"), without first obtaining our written consent as provided in this Article 12. Any assignment in violation of this Article 12 will be null, void and of no effect.

12.03 Assignment By You – To A Business Entity You Form

We will not unreasonably withhold or delay our consent to your assignment to a Business Entity that you form solely for the convenience of entity ownership if all the following conditions are met:

1. The Business Entity is newly formed and each requirement in Sections 9.04 and 18.15 has been satisfied.
2. Each individual involved in the new entity has the same proportionate ownership interest in the new entity as he or she had in your franchised Business(es) before the assignment.
3. You and the new entity sign an agreement with us under which you and the new entity are jointly and severally liable for all the obligations under this Agreement and bound by all the terms, conditions and covenants of this Agreement.
4. Each present and future equity holder in the new entity signs our Confidentiality/Non-Competition Agreement in the form of Exhibit D to this Agreement.

12.04 Assignment By You – Transfer Upon Death or Disability

Upon your death or long-term disability (if you are an individual) or the death or disability of any "Key Equityholder" as defined below (if you are a Business Entity), that person's rights will pass to his or her estate, heirs, legatees, guardians or representatives, as appropriate (collectively, the "Estate"). "Key Equityholder" means a 25% shareholder, member, partner or proprietor of the Franchisee as of the Effective Date.

The Estate may continue the operation of the franchised Business if: (i) the Estate provides a competent and qualified individual acceptable to us to serve as Area Manager and operate your Hey Yogurt Businesses on a full-time basis, and (ii) this individual assumes full-time operation of the Businesses as Area Manager within one month of the date the person dies or becomes disabled. If the Estate does not designate an Area Manager or the Estate's designated Area Manager does not assume the full-time operation of the franchised Business within one month, this will be a material breach of this Agreement which, unless cured by the Estate as provided in Section 15.03, will result in this Agreement being terminated immediately.

12.05 No Encumbrance

You will have no right to pledge, encumber, hypothecate or otherwise give any third party a security interest in this Agreement, the Franchise Agreements or the Businesses in any manner without our prior written permission, which we may withhold for any reason.

13. PROPRIETARY MARKS

13.01 Not a License of the Proprietary Marks

You acknowledge and agree that nothing contained in this Agreement will be deemed to constitute a license to you to use or display any of the Proprietary Marks in any manner. You will acquire a limited, non-exclusive license to use the Proprietary Marks only pursuant to, and to the extent that these rights are granted by, Franchise Agreements executed by you and us pursuant to this Agreement.

13.02 Non-Use of Trade Name

If you are a Business Entity, you may not use our Proprietary Marks or any confusingly similar words or symbols, in your entity name. In particular, you may not use the words "Hey Yogurt," "HEY YOGURT FRANCHISING LLC," or any variant as part of your Business Entity name.

13.03 Injunction

You explicitly affirm and recognize the unique value and secondary meaning attached to the Hey Yogurt System and the Proprietary Marks. Accordingly, you agree that any non-compliance by you with the terms of this Agreement, or any unauthorized or improper use of the Hey Yogurt System or the Proprietary Marks by you, will cause irreparable damage to us and other Hey Yogurt franchisees. You therefore agree that if you engage in this non-compliance, or unauthorized and/or improper use of the Hey Yogurt System or Proprietary Marks, during or after the period of this Agreement, we will be entitled to both temporary and permanent injunctive relief against you from any court of competent jurisdiction, in addition to all other remedies which we may have at law. You consent to the entry of these temporary and permanent injunctions.

14. RELATIONSHIP OF THE PARTIES

14.01 Independent Contractor; No Third-Party Beneficiaries

You are and will be our independent contractor under this Agreement. Nothing in this Agreement may be construed to create a partnership, joint venture, agency, employment or fiduciary relationship of any kind. Neither you nor any of your employees whose compensation you pay may in any way, directly or indirectly, expressly or by implication, be construed to be our employee for any purpose. You will be solely responsible for your employees and all employment-related decisions, including, without limitation, decisions concerning wages and benefits, hiring and discharging, training and supervision and work schedules of employees. You are not empowered to, and may not, make any express or implied agreements, warranties, guarantees or representations or incur any debt or other obligations in our name or for our account (or for those of any of our Affiliates). Except as expressly provided in this Agreement, we will have no control or access to your funds or their expenditure or in any other way exercise control over your franchised Business. You must communicate to all your employees that you, not us, are their employer; and you must ensure that no payroll checks or other employment-related documents (such as job applications and W-2s) contain or reference the Proprietary Marks or our name. Each of the parties will file its own tax, regulatory, and payroll reports with respect to its respective employees and operations, saving and indemnifying the other party hereto of and from any liability of any nature whatsoever by virtue thereof.

You agree to conspicuously identify yourself, your area development business, your franchised Businesses, your Outlets, and any other facilities of your franchised Businesses in all

dealings with third parties as an independent Hey Yogurt franchised Business and to place notice of independent ownership on all forms, business cards, stationery, advertising, signs and other materials in the manner that we specify and require from time to time, in our Brand Standards or otherwise.

All of our obligations under this Agreement are to you alone and no other party is entitled to rely on, enforce or obtain relief for breach of any of our obligations hereunder, either directly or by subrogation.

You promise that you will not avail yourself of any rights or remedies at law or in equity that may arise from an assertion that: (i) you are our agent, legal representative, subsidiary, joint venturer, partner, employee, or servant; or (ii) we are a joint employer for your employees. If such a claim is brought against us, we may use your covenant in this Section 14.01 as an absolute defense against such claim. Further, if any such claim is brought against us or our affiliates and subsidiaries, and their respective current and former officers, directors, shareholders, partners, employees, predecessors, successors, attorneys, agents, representatives, and assigns, you will indemnify, defend, and hold harmless any such party from and against any such claim.

14.02 Your Required Means of Identification

You agree that you will do business and be identified as an Area Developer, but not an agent of, HEY YOGURT FRANCHISING LLC.

15. DEFAULT AND TERMINATION

15.01 Termination By Us – Automatic Termination Without Notice

You will be in default of this Agreement, and all rights granted in this Agreement will immediately and automatically terminate and revert to us without notice to you, if: you become insolvent; you or any of the Businesses or any Guarantor thereof is adjudicated as bankrupt or insolvent; all or a substantial part of the assets thereof are assigned to or for the benefit of any creditor or creditors; a petition in bankruptcy is filed by or against you or any of the Businesses or Guarantor thereof and is not immediately contested and thereafter dismissed or vacated within sixty (60) days from filing; you admit in writing your inability to pay your debts when due; you, your franchised Business(es) and any affiliate or Guarantor thereof cause, permit or acquiesce in an order for relief under the U.S. Bankruptcy Code or any other applicable federal or state bankruptcy, insolvency, reorganization, receivership or other similar law now or hereafter in effect, or consent to the entry for an order for relief in an involuntary proceeding or to the conversion of an involuntary proceeding to a voluntary proceeding, under any such law; a bill in equity or other proceeding for the appointment of a receiver or other custodian of you, any of the Businesses, any Guarantor thereof or assets of any of them is filed and consented to by any of them; a receiver or other custodian (permanent or temporary) of all or part of the assets or property of you, any of the Businesses or any Guarantor thereof is appointed by any court of competent jurisdiction; proceedings for a composition with creditors under any state or federal law are instituted by or against you or any of the Businesses or any Guarantor thereof; you are dissolved; execution is levied against you, any of the Businesses or any Guarantor thereof or your property; the real or personal property of or any of the Businesses or any Guarantor thereof is sold after levy thereon by any governmental body or agency, sheriff, marshal, constable or other person authorized under federal, state and/or local law; a final court judgment against you remains unsatisfied or of record for thirty (30) days or longer (unless supersede as bond is filed); a judicial or non-judicial action to foreclose any lien or mortgage against any of your System Outlet premises or equipment is instituted against you and is not dismissed or settled by the earlier of (i) thirty (30) days from commencement or (ii) consummation of such sale; or, if you are a business entity, your governing body adopts any resolution or otherwise authorizes action to approve any of the foregoing activities.

15.02 Termination By Us Upon Notice – No Opportunity To Cure

You will have materially breached this Agreement and, in addition to all other remedies we have at law or in equity, we will have the right, at our option, to terminate this Agreement and all rights granted under this Agreement, without giving you any opportunity to cure the breach, effective immediately upon your receipt of notice (which, whether sent by overnight courier, personal physical delivery or any other manner authorized herein, will be deemed to have been received by you upon delivery or first attempted delivery of the notice to you) upon the occurrence of any of the following events:

1. You omitted or misrepresented any material fact in the information that you furnished to us in connection with our decision to enter into this Agreement.
2. We and you agree in writing to terminate this Agreement.
3. You, your Area Manager, any of your District Managers, and/or, if you are a business entity, any owner, member, shareholder, director or manager (as applicable) of such entity is convicted of a felony, fraud, crime involving moral turpitude, or any other crime or offense which we reasonably believe is related to your duties under this Agreement and/or your operation of any of the Businesses, or is likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated with the Proprietary Marks or our interest in the System or Proprietary Marks.
4. You purport or, if you are a business entity, any owner or principal of you purports to transfer any rights or obligations under this Agreement, any interest in you or any of the Businesses to any third party in violation of the terms of this Agreement.
5. You do not comply with the covenant not to compete during the term of this Agreement; violate the restrictions pertaining to the use of Confidential Information contained in this Agreement; or, do not obtain the execution of the additional covenants required in Article 11 of this Agreement.
6. You, your Area Manager and all others required to do so fail to attend or successfully complete our Initial Training Program.
7. You knowingly or through gross negligence: conceal revenues; maintain false books or records; falsify information or otherwise defraud or make false representations to us; or, submit any false report to us.
8. After curing a default which is subject to cure under Section 15.03 below, you commit the same act of default again within six months.
9. You make a willful misrepresentation or do not make a material disclosure required by any governmental authority regarding any matter involving or affecting your obligations under this Agreement or the operations of the Businesses.
10. You interfere or attempt to interfere in any manner with our or our affiliates' contractual relations and/or our relationships with other franchisees; any supplier of you, us or other franchisees; any governmental or quasi-governmental authority; our employees or advertising agencies; or, any third parties.
11. You commit any act or default which materially impairs the goodwill associated with our Proprietary Marks and which, by its nature, is incurable; or, if the default is curable, you fail to cure the default following delivery of written notice to cure at least seventy-two hours in advance.
12. You do not comply, for a period of fifteen (15) days after notification of non-compliance by us or any governmental or quasi-governmental authority, with any federal, state or local law or regulation applicable to the operation of the franchised Business.

13. You repeatedly fail to comply with one or more requirements of this Agreement, whether or not corrected after notice.
14. You, your Area Manager, or any of your District Managers violate any law, rule or regulation, and/or engages in any act or practice, which subjects you and/or us to widespread publicity, ridicule or derision.
15. You use or duplicate any aspect of our System, services, programs or products in an unauthorized fashion.
16. You engage in any business or market any service or product under a name or mark which, in our opinion, is confusingly similar to our Proprietary Marks.
17. You engage in conduct which reflects materially and unfavorably upon the operation and reputation of the Businesses, us or the Hey Yogurt System.
18. You or any of your owners' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or you or any of your owners otherwise violate any such law, ordinance, or regulation.
19. Per Section 15.05 ("Cross-Default"), you (or any of your owners) fail to cure within the applicable time period any breaches under this Agreement, or any other agreement between you (or any of your affiliates) and us (or any of our affiliates) including, but not limited to, any other area development agreement, franchise agreement, lease or promissory note.

15.03 Termination by Us – Fifteen Days to Cure

Except as specifically provided elsewhere in this Agreement, you will have fifteen (15) calendar days following our delivery of written notice to you to cure any default under this Agreement (or, if the default cannot reasonably be cured within this time, to initiate action to cure the default within such time and complete cure within the shortest reasonable time thereafter) and to provide us with evidence that you have done so. If you have not cured any default within that time, (or, if the default cannot reasonably be cured within such time, you have not initiated action to cure the default within the applicable cure period and thereafter cure the default within the shortest reasonable time thereafter), or any longer period that applicable law may require, then, in addition to all other remedies we have at law or in equity, this Agreement will terminate immediately upon expiration of the applicable cure period, or any longer period required by applicable law, without further notice to you.

You will be in default of this Agreement for any failure to comply with any of your obligations and, if you are a business entity, your owners and Guarantors, imposed by this Agreement, our Brand Standards and/or all Supplements to the Brand Standards or if you and/or your owners or Guarantors otherwise fail to fulfill the terms of this Agreement in good faith. These defaults include the following events, which are set forth as examples only and are not meant to, nor shall they be deemed to, delineate all of the possible defaults which you may commit under this Agreement:

1. You or any of your affiliates fail, refuse or neglect to pay promptly when due any money owed to us, our affiliates or any lender which has provided financing to your franchised Business. The cure period for this default shall not be the above-referenced fifteen (15) calendar days but, instead, will be five (5) calendar days after we transmit to you a written notice of default. If you fail to cure any such default within such shortened cure period, then this Agreement will terminate immediately upon expiration of the applicable cure period.
2. You fail, refuse or neglect to submit the financial and non-financial reports and other information required to be submitted to us under this Agreement, our Brand Standards

or other written notices we transmit to you, or you make any false statements in connection with any reports or other information required to be submitted to us.

3. You fail to maintain your trade accounts in a current status and/or fail to seek to promptly resolve any disputes with trade suppliers.
4. You engage in any business, or market any program, product or service, under a name or mark which, in our opinion, is confusingly similar to the Proprietary Marks.
5. You fail to pay any taxes due and owing by your franchised Business(es) hereunder (including employee taxes) when due.
6. You do not use our Proprietary Marks and/or trade dress solely in the manner and for the purposes directed by us in this Agreement, our Brand Standards or otherwise.
7. You do not indemnify us and/or one of the Franchisor Parties as required by this Agreement.
8. By act or omission, you permit a continued violation in connection with the operation of your business hereunder of any law, ordinance, rule or regulation of a governmental agency, in the absence of a good faith dispute over its application or legality and without promptly resorting to an appropriate administrative or judicial forum for relief.
9. You fail to obtain or maintain any required permit, certificate or other governmental approval required either by this Agreement or applicable law, rule or regulation.
10. You employ any individual who is not eligible for employment in the United States under any federal, state, local or other law, rule or regulation.
11. Any Guarantor fails to comply with any of the requirements imposed by or pursuant to the Guarantee addressed in Section 18.15 of this Agreement.
12. You do not devote the amount of your time and attention and/or your best efforts to the performance of your duties of this Agreement necessary for the proper and effective operation of your franchised area development business hereunder.
13. You fail to implement (and, at your expense, take all steps necessary to implement) and thereafter adhere to any new or changed System requirements.
14. A final judgment not subject to appeal is entered against you or any Guarantor and remains unsatisfied for more than thirty (30) days or, if any such judgment is subject to appeal, you do not prosecute such appeal within thirty (30) days (or such shorter period as any law, rule or regulation requires).
15. You fail to comply with any other requirement imposed by this Agreement or our Brand Standards, or otherwise fail to carry out the terms of this Agreement in good faith.

15.04 Description of Default

The description of any default in any notice that we transmit to you will in no way preclude us from specifying additional or supplemental defaults under this Agreement or any related agreements in any action, proceeding, hearing or lawsuit relating to this Agreement or the termination of this Agreement.

15.05 Cross Default

Any default or breach by you (or any of your affiliates) of any other agreement between us or our Affiliates and you (or any of your affiliates) will be considered a default under this Agreement, and any default or breach of this Agreement by you will be considered a default or breach under any and all other agreements between us (or any of our Affiliates) and you (or any of your affiliates). If the nature of the default under any other agreement would have permitted us to terminate this

Agreement if the default had occurred under this Agreement, or if the nature of the default under this Agreement permits us to terminate this Agreement, then we (or our Affiliate) will have the right to terminate any or all of the agreements between us (or any of our Affiliates) and you (or any of your affiliates) in the same manner provided for in this Agreement for termination of this Agreement. Your "affiliates" include any persons or entities controlling, controlled by, or under common control with you.

15.06 Notice Required By Law

If any valid, applicable law or regulation of a competent governmental authority with jurisdiction over this Agreement or the parties to this Agreement limits our rights of termination under this Agreement or requires longer notice or cure periods than those set forth above, then this Agreement will be considered modified to conform to the minimum notice, cure periods or restrictions upon termination required by the laws and regulations. We will not, however, be precluded from contesting the validity, enforceability or application of the laws or regulations in any action, proceeding, hearing or dispute relating to this Agreement or the termination of this Agreement.

16. OTHER OBLIGATIONS AND RIGHTS ON TERMINATION OR EXPIRATION

16.01 Other Obligations and Rights on Termination or Expiration

The termination of this Agreement upon breach of your development obligations, as set forth in Section 6.01 above, will not terminate any of the Unit Franchise Agreements executed by you before the effective date of termination of this Agreement and for which you have already commenced the franchised Hey Yogurt Business(es) covered by the Unit Franchise Agreement(s), but after the effective date of the termination, you will have no right to develop or operate any additional Hey Yogurt Business without first obtaining our express written consent, which we may withhold without cause.

Upon expiration or earlier termination of this Agreement for whatever reason, you agree to:

1. Immediately pay all sums due and owing to us or our Affiliates, plus interest, and all sums due and owing to any landlord, employees, taxing authorities, advertising agencies and all other third parties.
2. If we terminate because of your default, pay us all losses and expenses we incur as a result of the default or termination, including all damages, costs, and expenses, and reasonable attorneys' and experts' fees directly or indirectly related thereto, such as (without limitation) lost profits, lost opportunities, damage inuring to our Proprietary Marks and reputation, travel and personnel costs and the cost of securing a new Area Developer for the Development Territory. This obligation will give rise to and remain, until paid in full, a lien in our favor against any and all of assets, property, furnishings, equipment, signs, fixtures and inventory owned by you and any of the Businesses at the time of termination and against any of your money which we are holding or which is otherwise in our possession.
3. Immediately execute all agreements necessary to effectuate the termination in a prompt and timely manner.
4. Strictly comply with the post-termination/post-expiration covenants not to compete set forth in Article 11 of this Agreement.
5. Continue to abide by those restrictions pertaining to the use of our Confidential Information, trade secrets and know-how set forth in Article 10 of this Agreement.

16.02 No Prejudice

The expiration or termination of this Agreement will be without prejudice to our rights against you, and will not relieve you of any of your obligations to us at the time of expiration or termination,

or terminate your obligations which by their nature survive the expiration or termination of this Agreement.

17. UNAVOIDABLE DELAY OR FAILURE TO PERFORM (FORCE MAJEURE)

17.01 Unavoidable Delay or Failure to Perform (Force Majeure)

Any delay in our or your performance of any duties under this Agreement, or any non-performance of such duties, that is not your or our fault (as applicable) or within your or our reasonable control – including, but not limited to, fire; floods, natural disasters; Acts of God; war; civil commotion; any governmental act or regulation; any delays or defaults in deliveries by common carriers and/or postal services and/or overnight couriers; computer network outages; late deliveries or non-deliveries of goods or non-furnishing of services by third party vendors; strikes; and any other similar event beyond such party's control) will not constitute a breach or cause a default under this Agreement, provided, however, that we or you (as applicable) will take all steps reasonably possible to mitigate damages caused by such failure or delay.

Notwithstanding the foregoing, if any such failure or delay continues for more than 180 days, we will have the right at any time thereafter during the continuance of such failure or delay to terminate this Agreement upon 30 days advance written notice to you.

18. ADDITIONAL PROVISIONS

18.01 Waiver and Delay

No waiver or delay in either party's enforcement of any breach of any term, covenant or condition of this Agreement will be construed as a waiver by that party of any preceding or succeeding breach, or any other term, covenant or condition of this Agreement. Without limiting any of the foregoing, the acceptance of any payment specified to be paid by you under this Agreement will not be, nor be construed to be, a waiver of any breach of any term, covenant or condition of this Agreement.

We shall not be required to waive or impair any right, power, or option this Agreement reserves (including, without limitation, our right to demand exact compliance with every term, condition, and covenant or to terminate this Agreement before its term expires due to a breach) because of any custom or practice at variance with this Agreement's terms; our or your failure, refusal, or neglect to exercise any right under this Agreement or to insist upon the other's compliance with this Agreement, including, without limitation, any System standard; our waiver of or failure to exercise any right, power, or option, whether of the same, similar, or different nature, with other Hey Yogurt Outlets; the existence of area development agreements for other Hey Yogurt Outlets which contain provisions different from those contained in this Agreement; or, our acceptance of any payments due from you after any breach of this Agreement.

18.02 Notice of Our Alleged Breach

You agree to give us immediate written notice of any alleged breach or violation of this Agreement after you have constructive or actual knowledge of, believe, determine or are of the opinion that there has been an alleged breach of this Agreement by us, including any acts of misfeasance or nonfeasance. If you do not give written notice to us of any alleged breach of this Agreement within one year from the date that you have knowledge of, believe, determine or are of the opinion that there has been an alleged breach by us, then our alleged breach will be considered to be condoned, approved and waived by you and will not be considered to be a breach of this Agreement by us, and you will be permanently barred from commencing any action against us for the alleged breach or violation.

18.03 Our Right To Cure Defaults

In addition to all other remedies granted pursuant to this Agreement, if you default in the performance of any of your obligations, or breach any term or condition of this Agreement or any related agreement, then we may, at our election, immediately or at any time thereafter, without waiving any claim for breach under this Agreement and without notice to you, cure the default on your behalf. Our cost of curing the default and all related expenses will be due and payable by you on demand.

18.04 Our Withholding of Consent – Your Exclusive Remedy

If you make any claim or assertion that we have unreasonably withheld, conditioned or delayed any consent or approval to a proposed act by you under the terms of this Agreement or any other agreement, you agree that your sole remedy for the claim will be an action or proceeding to enforce the applicable contract provisions, for specific performance or for declaratory judgment.

18.05 Integration of Agreement; No Oral Agreements or Representations

Neither you nor we wish to enter into a business relationship with the other in which any terms or obligations are the subject of alleged oral statements or in which oral statements serve as the basis for creating rights or obligations different than or supplementary to the rights and obligations set forth herein. Accordingly, you and we agree that this Agreement, all Exhibits to this Agreement and all related agreements signed at the same time as this Agreement: constitute the entire agreement between the parties with reference to the subject matter of this Agreement and supersede any and all prior negotiations, understandings, representations and agreements; provided, however, that nothing in this Agreement or any related agreement is intended to disclaim the representations we made in the Franchise Disclosure Document that we provided to you.

No change, modification, amendment or waiver of any of the provisions of this Agreement will be effective and binding upon either party unless it is in writing, specifically identified as an amendment to this Agreement or waiver of any of the provisions of this Agreement, and signed by the party against whom enforcement of such writing is sought.

18.06 Notices

Any notice required or permitted to be given under this Agreement must be in writing; must be delivered to the other party either personally or by recognized, documented overnight delivery service capable, through “signature capture” or otherwise, of documenting delivery or attempted delivery of the notice, or by electronic mail with third party proof of delivery (including date and time); and, will be effective on the date that delivery is documented to have been first attempted. Any notice to us will be addressed to us at:

HEY YOGURT FRANCHISING LLC
10 Malcolm Avenue # 4

Teterboro, NJ 07608
Attention: Manager

With a contemporaneous copy (which shall not constitute notice) to:

Kaufmann Gildin & Robbins LLP
675 Third Avenue, Suite 2200
New York, New York 10017
Attention: David J. Kaufmann, Esq.

Any notice to you will be addressed to your address as set forth on the first page of this Agreement. Either party to this Agreement may, in writing, on ten (10) days' notice, inform the other of a new or changed address or addressee(s) to which notices under this Agreement should be sent. We may provide any notice under this Agreement (including, without limitation, any notice of

termination) sufficiently in advance of any event to permit compliance with any notice requirements under state or other laws.

18.07 Execution, Construction and Interpretation; Further Acts

A. This Agreement may be executed in multiple counterparts, each of which will be considered an original and all of which together will constitute one and the same instrument. Facsimile execution signatures will be considered as binding and conclusive as if original, provided, however, that any party so executing must use all commercially reasonable efforts to furnish to the other party(ies) the originally executed document(s) at the earliest opportunity.

B. The titles and subtitles of the various articles and sections of this Agreement are inserted for convenience and will not affect the meaning or construction of any of the terms, provisions, covenants and conditions of this Agreement. The language of this Agreement will in all cases be construed simply according to its fair and plain meaning and not strictly for or against us or you.

C. It is agreed that if any provision of this Agreement is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision will have the meaning which renders it valid.

D. The parties agree to execute all other documents and perform all further acts necessary or desirable to carry out the purposes of this Agreement.

E. Each reference in this Agreement to a corporation or partnership will also refer to a limited liability company, general or limited partnership, and any other entity or similar organization. Each reference to the organizational documents, shareholders, directors, officers and stock of a corporation in this Agreement will also refer to the functional equivalents of the organizational documents, shareholders, directors, officers and voting and/or equity rights, as applicable, in the case of a limited liability company, general partnership, limited partnership or any other entity or similar organization (this specifically includes members and managers, general and limited partners, membership interests and general and limited partnership interests).

18.08 Business Judgment

You and we recognize, and any mediator or judge is affirmatively advised, that certain provisions of this Agreement describe our right to take (or refrain from taking) certain actions in the exercise of our business judgment based on our assessment of the overall best interests of the Hey Yogurt System. Where such discretion has been exercised, and is supported by our business judgment, neither a mediator nor a judge may substitute his or her judgment for the judgment we have so exercised. "Business judgment" is a defined term for the purposes of this Agreement and is not intended to incorporate principles related to the application of any business judgment rule in a corporate law context.

18.09 Exercise of Rights

You understand and agree that whenever we have reserved a right in this Agreement, we have the uncontrolled and unfettered right to do what we have reserved.

18.10 Severability

Nothing contained in this Agreement may be construed as requiring the commission of any act contrary to law. Whenever there is any conflict between any provision of this Agreement and any present or future statute, law, ordinance or regulation required to be made applicable to this Agreement, the latter will prevail, but the affected provision of this Agreement will be curtailed and limited only to the extent necessary to bring it within the requirement of the law. If any article, section, sentence or clause of this Agreement is held to be indefinite, invalid or otherwise unenforceable, the entire Agreement will not fail for this reason, and the balance of the Agreement will continue in full force and effect. If any court of competent jurisdiction deems any provision of this Agreement (other

than for the payment of money) so unreasonable as to be unenforceable as a matter of law, the court may declare a reasonable modification of this Agreement and this Agreement will be valid and enforceable, and the parties agree to be bound by and perform this Agreement as so modified.

18.11 Attorneys' Fees and Costs of Enforcement

The prevailing party will be entitled to recover from the other party reasonable attorneys' fees, experts' fees, court costs and all other expenses of litigation in any action instituted against the other party to secure or protect the prevailing party's rights under this Agreement, to enforce the terms of this Agreement, or in any action commenced or joined in by the other party against the prevailing party. If we incur costs and expenses due to your failure to pay when due amounts owed to us, to submit when due any reports, information, or supporting records, or otherwise to comply with this Agreement, you agree, whether or not we initiate a formal legal proceeding, to reimburse us for all of the costs and expenses that we incur, including, without limitation, reasonable accounting, attorneys' and related fees, including any fees and costs incurred in connection with collection of any amounts due and, obtaining injunctive or other relief for the enforcement of any provisions of this Agreement.

18.12 Governing Law

This Agreement; all relations between us; and, any and all disputes between, on the one hand, you and/or any of your owners, officers, directors, managers, or affiliates, and on the other hand, us and/or any of our owners, officers, directors, managers, or affiliates, whether such dispute sounds in law, equity or otherwise, is to be exclusively construed in accordance with and/or governed by (as applicable) the law of the state of New York without recourse to New York (or any other) choice of law or conflicts of law principles. If we move our principal headquarters to another state, we reserve the right to designate that state's law as governing, again without recourse to that successor state's (or any other) choice of law or conflicts of law principles, upon written notice to you. If, however, any provision of this Agreement is not enforceable under the laws of New York (or a successor state we designate as provided above), and if your franchised Business(es) hereunder are located outside of New York (or such hereafter designated state) and the provision would be enforceable under the laws of the state in which the franchised Business(es) are located, then that provision (and only that provision) will be interpreted and construed under the laws of that state. This Section 18.12 is not intended to invoke, and shall not be deemed to invoke, the application of any franchise, business opportunity, antitrust, unfair competition, fiduciary or any other doctrine of law of the State of New York, or any successor state we designate (as provided above), which would not otherwise apply by its terms jurisdictionally or otherwise but for the within designation of governing law or which, by virtue of its denominated geographic or subject matter scope, would not by its terms otherwise apply.

18.13 Venue

Any action or proceeding brought by us or you (and/or any of our or your respective affiliates, and their respective owners, members, officers, directors or managers) against any such other party, whether sounding in law or equity, will be instituted, litigated through conclusion and, if necessary, appealed through final, irrevocable judgment exclusively in a state or federal district court of competent jurisdiction situated in the state and county in which our principal place of business is then located (currently Bergen County, New Jersey). Any such action or proceeding shall be brought in federal court if federal court jurisdiction exists and, if it does not exist, then in state court. You (and your affiliates, and the owners, members, officers, directors or managers of each of the foregoing) hereby irrevocably submit themselves to the jurisdiction of any such court and waive all questions of personal jurisdiction for the purpose of carrying out this provision. You (and each of your affiliates, and the owners, members, officers, directors or managers of each of the foregoing) agrees that any dispute as to the venue for litigation will be submitted to and resolved exclusively by such aforementioned court. Notwithstanding the foregoing, however, with respect to any action for monies owed, injunctive or other extraordinary or equitable relief, or involving possession or

disposition of, or other relief relating to, your franchised Business(es) or area development business hereunder, we may bring such an action in any state or federal district court which has jurisdiction. You, on behalf of yourself and your affiliates, and the owners, members, officers, directors or managers of each of the foregoing, hereby waive and covenant never to assert or claim that the venue designated for litigation by this Agreement is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including any claim under the judicial doctrine of “forum non conveniens”). The parties agree that this Section 18.13 shall not be construed as preventing either party from removing an action or proceeding from state to federal court.

18.14 Punitive Damages

In no event will we be liable to you for punitive damages in any action or proceeding arising out of or relating to this Agreement; any breach, termination, cancellation or non-renewal of this Agreement; or, in any other action or proceeding whatsoever between the parties to this Agreement and/or any of their affiliates. You hereby waive and covenant never to advance any such claim for punitive damages.

18.15 Guarantee

If you are a Business Entity, the following persons must sign our standard form Guarantee (Exhibit E) at the same time as the execution of this Agreement or at such later time as they assume such status: (a) if you are a corporation or limited liability company, all shareholders or members (as applicable) owning 5% or more of your issued and outstanding stock or membership interests, as applicable; (b) if you are a partnership, all general partners owning a 5% or greater interest in you; and, (c) if you are a limited partnership, the general partner and all shareholders owning a 5% or greater interest in the general partner.

If you are in breach or default under this Agreement, we may proceed directly against each such individual and/or entity (each, a guarantor) without first proceeding against you and without proceeding against or naming in the suit any other guarantors. Your obligations and those of each guarantor will be joint and several. Notice to or demand upon guarantor will be considered notice to or demand upon you and all guarantors, and no notice or demand need be made to or upon all guarantor. The cessation of or release from liability of you or any guarantor will not relieve any other guarantor from liability under this Agreement, except to the extent that the breach or default has been remedied or money owed has been paid.

18.16 Survival

Any provision of this Agreement which imposes an obligation following the termination or expiration of this Agreement will survive the termination or expiration and will continue to be binding upon the parties to this Agreement.

This Agreement will be binding upon and inure to the benefit of the parties, their heirs, successors and assigns.

18.17 Your Additional Representations and Acknowledgments

You acknowledge, warrant and represent to us that:

1. You understand that we do not represent that you will have the ability to procure any required license, permit, certificate or other governmental authorization that may be necessary or required for you to operate your franchised Businesses or carry out the other activities contemplated by this Agreement.
2. You have received from us a copy of our Franchise Disclosure Document at least fourteen (14) calendar days before the execution of this Agreement or at least fourteen (14) calendar days before the payment by you to us of any consideration in connection with the sale or proposed sale of the area franchise granted by this Agreement.

3. You affirm that all information set forth in all applications, financial statements and submissions to us are true, complete and accurate in all respects, and you expressly acknowledge that we are relying on the truthfulness, completeness and accuracy of this information.
4. You acknowledge that you have received a complete copy of this Agreement and all related attachments and agreements at least seven (7) calendar days prior to the date on which this Agreement was executed. You further acknowledge that you have received the disclosure document required by the Trade Regulation Rule of the Federal Trade Commission entitled "Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures" at least fourteen (14) business days prior to the date on which this Agreement was executed.
5. If you are a business entity (including a corporation, limited liability company, general partnership or limited partnership), you are organized under the laws of the state of your principal place of business (or another state which you have identified to us) and your business entity is in good standing with and qualified to do business in each state and political/governmental subdivision having jurisdiction over your franchised area business hereunder.
6. If you are business entity, you have all requisite power and authority to execute, deliver, consummate and perform all of your obligations under this Agreement, and all necessary business entity proceedings have been duly taken to authorize the execution, delivery and performance of this Agreement. This Agreement has been duly authorized, executed and delivered by you, includes your legal, valid and binding obligations, and will be binding and enforceable upon you and your successors and assigns in accordance with its terms when executed by both parties.

19. SUBMISSION OF AGREEMENT

19.01 Submission of Agreement

The submission of this Agreement to you does not constitute an offer. This Agreement will become effective only upon the execution of this Agreement by both us and you. Our date of execution will be considered the date of execution of this Agreement.

THIS AGREEMENT WILL NOT BE BINDING ON US UNLESS AND UNTIL IT HAS BEEN ACCEPTED AND SIGNED BY AN AUTHORIZED OFFICER OF OURS.

YOU ACCEPT AND AGREE TO EACH AND ALL OF THE PROVISIONS, COVENANTS AND CONDITIONS OF THE FOREGOING AGREEMENT.

[signature page follows]

Dated: _____

Attest:

Witness/Date

AREA DEVELOPER:

If a Business Entity:

(Name of Entity)

By: _____

Name: _____

Title: _____

If one or more individuals:

(Signature)

(Print Name)

(Signature)

(Print Name)

This Agreement was executed by Area Developer in the state of _____.

Dated: _____

Attest:

Witness/Date

FRANCHISOR:

HEY YOGURT FRANCHISING LLC

By: _____

[signature page to Area Development Agreement]

Initials Franchisor _____ Area Developer _____

**STATE ADDENDA TO
HEY YOGURT FRANCHISING LLC AREA DEVELOPMENT AGREEMENT**

CALIFORNIA ADDENDUM TO AREA DEVELOPMENT AGREEMENT

Notwithstanding anything to the contrary set forth in the Area Development Agreement, the following provisions will supersede and apply to all area development agreements offered and sold in the State of California:

1. In Section 18.05 of the Area Development Agreement ("Integration of Agreement; No Oral Agreements or Representations"), the first paragraph is removed.
2. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
3. With respect to franchises sold in California, a franchisor is prohibited from modifying a franchise agreement, or requiring a general release, in exchange for any assistance related to a declared state or federal emergency.
4. This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals.

[signature page follows]

Signed:

AREA DEVELOPER:

FRANCHISOR:

If an entity, name of entity:

HEY YOGURT FRANCHISING LLC

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

If an individual:

Signature: _____

Print name: _____

Date: _____

If an individual:

Signature: _____

Print name: _____

Date: _____

[signature page – California Addendum to Area Development Agreement]

HAWAII ADDENDUM TO AREA DEVELOPMENT AGREEMENT

1. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee (or area developer) 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.
2. This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals.

Signed:

AREA DEVELOPER:

FRANCHISOR:

If an entity, name of entity:

HEY YOGURT FRANCHISING LLC

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

If an individual:

Signature: _____

Print name: _____

Date: _____

Signature: _____

Print name: _____

Date: _____

ILLINOIS ADDENDUM TO AREA DEVELOPMENT AGREEMENT

Illinois law governs the Area Development 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 acknowledgement signed or agreed to by a franchisee (or area developer) 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.

This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals.

[Signature page follows.]

Dated: _____

AREA DEVELOPER:

If an entity:

(Name of Entity)

By: _____

Its _____
(Title)

(Print Name)

If an individual:

(Signature)

(Print Name)

Dated: _____

HEY YOGURT FRANCHISING LLC

By: _____

Name: _____

Title: _____

[signature page to Illinois Addendum to Area Development Agreement]

INDIANA ADDENDUM TO AREA DEVELOPMENT AGREEMENT

Notwithstanding anything to the contrary set forth in the Area Development Agreement, the following provisions will supersede and apply:

1. The laws of the State of Indiana supersede any provisions of the Area Development Agreement or New York law if such provisions are in conflict with Indiana law. The Area Development Agreement will be governed by Indiana law, rather than New York law, as stated in Section 18.12 of the Area Development Agreement ("Governing Law").
2. Venue for litigation will not be limited to the county and state where the Franchisor's principal place of business is located (currently, Bergen County, New Jersey), as specified in Section 18.13 of the Area Development Agreement ("Venue").
3. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the area franchise without good cause or in bad faith, good cause being defined therein as a material breach of the area development agreement, will supersede the provisions of Article 15 of the Area Development Agreement ("Default and Termination") in the State of Indiana to the extent they may be inconsistent with such prohibition.
4. No release language set forth in the Area Development Agreement will relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana.
5. Section 11.02 of the Area Development Agreement ("Enforcement of Covenants Not to Compete") will not apply to area franchises offered and sold in the State of Indiana.
6. Section 18.04 of the Area Development Agreement ("Our Withholding of Consent – Your Exclusive Remedy ") will not apply to area franchises offered and sold in the State of Indiana.
7. Section 11.01 of the Area Development Agreement ("Covenants Not to Compete") is revised to limit the geographical extent of the post-term covenant not to compete to Area Developer's Development Territory for all area franchises sold in the State of Indiana.
8. Section 13.03 of the Area Development Agreement ("Injunction") will not apply to area franchises offered and sold in the State of Indiana.
9. Section 18.14 ("Punitive Damages") is deleted from the Area Development Agreement.
10. Notwithstanding the terms of Section 9.03 of the Area Development Agreement ("Indemnification"), Area Developer will not be required to indemnify Franchisor and the other Indemnitees for any liability caused by Area Developer's proper reliance on or use of procedures or materials provided by Franchisor or caused by Franchisor's negligence.
11. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee (or area developer) 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.
12. This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals.

[Signature page follows.]

Dated: _____

AREA DEVELOPER:

If an entity:

(Name of Entity)

By: _____

Its _____
(Title)

(Print Name)

If an individual:

(Signature)

(Print Name)

(Signature)

(Print Name)

Dated: _____

HEY YOGURT FRANCHISING LLC

By: _____

Name: _____

Title: _____

[signature page – Indiana Addendum to Area Development Agreement]

MARYLAND ADDENDUM TO AREA DEVELOPMENT AGREEMENT

The following provisions will supersede anything to the contrary in the Franchise Disclosure Document or Area Development Agreement and will apply to all area franchises offered and sold under the laws of the State of Maryland:

1. Any claims arising under the Maryland Franchise Registration and Disclosure Laws must be brought within three years after the grant of the Area Franchise.
2. Section 18.13 of the Area Development Agreement ("Venue") requires venue to be limited to the state and county where the Franchisor's principal place of business is then located (currently, Bergen County, New Jersey). This provision is deleted from all Area Development Agreements for residents of the State of Maryland and/or area franchises to be operated in the State of Maryland.
3. Section 18.17 ("Your Additional Representations, Warranties and Acknowledgments") is deleted from all Area Development Agreements for residents of the State of Maryland and/or area franchises to be operated in the State of Maryland.
4. The Area Development Agreement is amended to the effect that, pursuant to COMAR 02.02.08.16L, the general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
5. The following language is added to the last sentence of Section 18.05 of the Area Development Agreement ("Integration of Agreement; No Oral Agreements or Representations"): "provided, however, that the previous language is not intended to, nor will it, act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."
6. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee (or area developer) 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.
8. This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals.

[Signature page follows.]

Dated: _____

AREA DEVELOPER:

If an entity:

(Name of Entity)

By: _____

Its _____
(Title)

(Print Name)

If an individual:

(Signature)

(Print Name)

(Signature)

(Print Name)

Dated: _____

HEY YOGURT FRANCHISING LLC

By: _____

Name: _____

Title: _____

[signature page – Maryland Addendum to Area Development Agreement]

MINNESOTA ADDENDUM TO AREA DEVELOPMENT AGREEMENT

Notwithstanding anything to the contrary set forth in the Area Development Agreement, the following provisions will supersede and apply:

1. The following language will appear at the end of Section 18.13 of the Area Development Agreement ("Venue"):

"Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreement can abrogate or reduce any of Area Developer's rights as provided for in Minnesota Statutes, Chapter 80C, or Area Developer's rights to any procedure, forum or remedies provided for by the laws of the jurisdiction."

2. No release language set forth in the Area Development Agreement will relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Minnesota.
3. Minnesota law provides Area Developers with certain termination and non-renewal rights. Minnesota Statutes, Section 80C.14, subdivisions 3, 4, and 5 require, except in certain specified cases, that Area Developer be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the area development agreement.
4. Franchisor will protect Area Developer's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or indemnify Area Developer from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.
5. The fourth sentence of Section 11.02 of the Area Development Agreement ("Enforcement of Covenants Not To Compete") is amended to read as follows:

"Accordingly, you consent to the seeking of an injunction prohibiting any conduct by you in violation of the terms of the covenants not to compete set forth in this Agreement."

6. The third and fourth sentences of Section 13.03 of the Area Development Agreement ("Injunction") is amended to read as follows:

"You therefore agree that if you engage in this non-compliance, or unauthorized and/or improper use of the System or Proprietary Marks, during or after the period of this Agreement, we will be entitled to seek both temporary and permanent injunctive relief against you from any court of competent jurisdiction, in addition to all other remedies which we may have at law. You consent to the seeking of these temporary and permanent injunctions."

7. Any claims arising under Minnesota Statutes, Chapter 80C must be brought within three years after the cause of action accrues.
8. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee (or area developer) 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.

This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals.

[Signature page follows.]

Dated: _____

AREA DEVELOPER:

If an entity:

(Name of Entity)

By: _____

Its _____
(Title)

(Print Name)

If an individual:

(Signature)

(Print Name)

(Signature)

(Print Name)

Dated: _____

HEY YOGURT FRANCHISING LLC

By: _____

Name: _____

Title: _____

[signature page – Minnesota Addendum to Area Development Agreement]

NEW YORK ADDENDUM TO AREA DEVELOPMENT AGREEMENT

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document or Area Development Agreement, the following provisions will supersede and apply to all area franchises offered and sold under the laws of the State of New York:

1. The fourth sentence of Section 11.02 of the Area Development Agreement ("Enforcement of Covenants Not To Compete") is amended to read as follows:

"Accordingly, you consent to the seeking of an injunction prohibiting any conduct by you in violation of the terms of the covenants not to compete set forth in this Agreement."

2. The third and fourth sentences of Section 13.03 of the Area Development Agreement ("Injunction") are amended to read as follows:

"You therefore agree that if you engage in this non-compliance, or unauthorized and/or improper use of the System or Proprietary Marks, during or after the period of this Agreement, we will be entitled to seek both temporary and permanent injunctive relief against you from any court of competent jurisdiction, in addition to all other remedies which we may have at law. You consent to the seeking of these temporary and permanent injunctions."

3. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee (or area developer) 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.
4. This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals.

[Signature page follows.]

Dated: _____

AREA DEVELOPER:

If an entity:

(Name of Entity)

By: _____

Its _____
(Title)

(Print Name)

If an individual:

(Signature)

(Print Name)

Dated: _____

HEY YOGURT FRANCHISING LLC

By: _____

Name: _____

Title: _____

[signature page to New York Addendum to Area Development Agreement]

NORTH DAKOTA ADDENDUM TO AREA DEVELOPMENT AGREEMENT

Notwithstanding anything to the contrary set forth in the Area Development Agreement, the following provisions will supersede and apply:

1. The laws of the State of North Dakota supersede any provisions of the Area Development Agreement or New York law if such provisions are in conflict with North Dakota law. The Area Development Agreement will be governed by North Dakota law, rather than New York law, as stated in Section 18.12 of the Area Development Agreement ("Governing Law").
2. Any provision in the Area Development Agreement which designates jurisdiction or venue or requires the Area Developer to agree to jurisdiction or venue, in a forum outside of North Dakota, is deleted from Area Development Agreements issued in the State of North Dakota. The site of any arbitration will be agreeable to all parties.
3. No release language set forth in the Area Development Agreement will relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of North Dakota.
4. Section 16.01 of the Area Development Agreement ("Other Obligations and Rights on Termination or Expiration") may require franchisees to consent to termination or liquidated damages. This requirement is deleted from all Area Development Agreements used in the State of North Dakota.
5. Covenants restricting competition in the State of North Dakota, such as those found in Section 11.01 of the Area Development Agreement ("Covenants Not to Compete"), may be subject to Section 9-08-06 of the North Dakota Century Code. Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.
6. Section 18.13 of the Area Development Agreement ("Venue") requires that the franchisee consent to the jurisdiction of courts in the county and state where the Franchisor's principal place of business is then located (currently, Bergen County, New Jersey). This requirement is deleted from all Area Development Agreements used in the State of North Dakota.
7. Section 18.14 of the Area Development Agreement ("Punitive Damages") requires the franchisee to consent to a waiver of exemplary and punitive damages. This requirement is deleted from all Area Development Agreements used in the State of North Dakota.
8. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee (or area developer) 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.
9. This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals.

[Signature page follows.]

Dated: _____

AREA DEVELOPER:

If an entity:

(Name of Entity)

By: _____

Its _____
(Title)

(Print Name)

If an individual:

(Signature)

(Print Name)

(Signature)

(Print Name)

Dated: _____

HEY YOGURT FRANCHISING LLC

By: _____

Name: _____

Title: _____

[signature page – North Dakota Addendum to Area Development Agreement]

RHODE ISLAND ADDENDUM TO AREA DEVELOPMENT AGREEMENT

Notwithstanding anything to the contrary set forth in the Area Development Agreement, the following provisions will supersede and apply:

1. Any provision in the Area Development Agreement which designates the governing law as that of any state other than the State of Rhode Island is deleted from Area Development Agreements issued in the State of Rhode Island.
2. Section 19-28.1.-14 of the Rhode Island Franchise Investment Act, as amended by laws of 1993, 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. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee (or area developer) 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.
4. This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals.

[Signature page follows.]

Dated: _____

AREA DEVELOPER:

If an entity:

(Name of Entity)

By: _____

Its _____
(Title)

(Print Name)

If an individual:

(Signature)

(Print Name)

Dated: _____

HEY YOGURT FRANCHISING LLC

By: _____

Name: _____

Title: _____

[signature page to Rhode Island Addendum to Area Development Agreement]

VIRGINIA ADDENDUM TO AREA DEVELOPMENT AGREEMENT

Notwithstanding anything to the contrary set forth in the Area Development Agreement, the following provisions will supersede and apply:

1. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee (or area developer) 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.
2. This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals.

[Signature page follows.]

Dated: _____

AREA DEVELOPER:

If an entity:

(Name of Entity)

By: _____

Its _____
(Title)

(Print Name)

If an individual:

(Signature)

(Print Name)

(Signature)

(Print Name)

Dated: _____

HEY YOGURT FRANCHISING LLC

By: _____

Name: _____

Title: _____

[signature page to Virginia Addendum to Area Development Agreement]

WASHINGTON ADDENDUM TO AREA DEVELOPMENT AGREEMENT

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.
3. **Site of Arbitration, Mediation, and/or Litigation.** 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.
4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.
8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.
9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).
10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages

are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.
12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.
13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.
14. **Noncompetition Covenants.** 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 provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.
15. **Nonsolicitation Agreements.** 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.
16. **Questionnaires and Acknowledgments.** 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.
17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).
18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals.

[signature page follows]

The undersigned parties do hereby acknowledge receipt of this Addendum.

Dated this: _____.

FRANCHISOR: HEY YOGURT FRANCHISING LLC

FRANCHISEE (AREA DEVELOPER):

Signature of Franchisor Representative

Signature of Franchisee Representative

Title of Franchisor Representative

Title of Franchisee Representative

[signature page to Washington Addendum to Area Development Agreement]

WISCONSIN ADDENDUM TO AREA DEVELOPMENT AGREEMENT

Notwithstanding anything to the contrary set forth in the Area Development Agreement, the following provisions will supersede and apply:

1. The Wisconsin Fair Dealership Act, Wisconsin Statutes, Chapter 135 will apply to and govern the provisions of the Area Development Agreement.
2. That Act's requirement, including the requirements that, in certain circumstances, an Area Developer receives ninety (90) days' notice of termination, cancellation, non-renewal or substantial change in competitive circumstances, and sixty (60) days to remedy claimed deficiencies, will supersede the requirements of Article 15 of the Area Development Agreement ("Default and Termination") to the extent they may be inconsistent with the Act's requirements.
3. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
4. This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals.

[Signature page follows.]

Dated: _____

AREA DEVELOPER:

If an entity:

(Name of Entity)

By: _____

Its _____
(Title)

(Print Name)

If an individual:

(Signature)

(Print Name)

Dated: _____

HEY YOGURT FRANCHISING LLC

By: _____

Name: _____

Title: _____

[signature page to Wisconsin Addendum to Area Development Agreement]

EXHIBIT A TO AREA DEVELOPMENT AGREEMENT
FRANCHISE TERRITORIES

EXHIBIT A
FRANCHISE TERRITORIES

The protected Franchise Territories are the following:

If one or more map(s) are attached, check here: _____.

Initials: Franchisor _____ *Area Developer* _____

EXHIBIT B TO AREA DEVELOPMENT AGREEMENT
DEVELOPMENT TERRITORY

DEVELOPMENT TERRITORY

The Development Territory is constituted by the Franchise Territories set forth below and as defined in Section 3.01 of the Area Development Agreement, and consists of:

If a map is attached, check here: _____.

Initials: *Franchisor* _____ *Area Developer* _____

EXHIBIT C TO AREA DEVELOPMENT AGREEMENT

FIRST UNIT FRANCHISE AGREEMENT YOU AND WE WILL SIGN

SEE EXHIBIT A TO THE FRANCHISE DISCLOSURE DOCUMENT FOR THE CURRENT FORM OF THE FIRST UNIT FRANCHISE AGREEMENT YOU AND WE WILL SIGN.

Initials: *Franchisor* _____ *Franchisee* _____

EXHIBIT D-1 TO AREA DEVELOPMENT AGREEMENT

CONFIDENTIALITY / NON-COMPETITION AGREEMENT

CONFIDENTIALITY / NON-COMPETITION AGREEMENT

NAME: _____

AREA DEVELOPER: _____

HOME ADDRESS: _____

HOME TELEPHONE: _____

RELATION TO AREA DEVELOPER: _____
(Owner, Shareholder, Officer, Director,
Employee, Etc.)

_____ ("Developer") is an area developer of HEY YOGURT FRANCHISING LLC ("Franchisor") pursuant to an Area Development Agreement entered into by Franchisee and Franchisor dated _____ (the "Area Development Agreement") regarding the establishment of franchised Hey Yogurt business outlets. I agree that, unless otherwise specified, all terms in this Agreement have those meanings ascribed to them in the Area Development Agreement and the unit Franchise Agreements entered into thereunder, as applicable.

I agree that during the term of my employment by, ownership participation in, association with or service to Area Developer, or at any time thereafter, I will not communicate, divulge or use for the benefit of any other person, persons, partnership, proprietorship, association, corporation or entity any confidential information, knowledge or know-how concerning the systems of operation, services, products, clients or practices of Area Developer and/or Franchisor which may be communicated to me ("Confidential Information"), and I will not divert any business to competitors of Area Developer and/or Franchisor.

Any and all information, knowledge, know-how, techniques and information which the entities mentioned above or their officers designate as confidential will be Confidential Information for the purposes of this Agreement, except information which I can demonstrate came to my attention before disclosure or which had become or becomes a part of the public domain through publication or communication by others (unless the publication or communication is in violation of a similar confidentiality agreement), but in no event through any act of mine.

I specifically understand that, without limitation, the following constitute Confidential Information of Franchisor: all information, knowledge, trade secrets or know-how utilized or embraced by the System and/or imparted to me by Franchisor and/or Area Developer (or any of their respective affiliates) which concerns Area Developer's or Franchisor's systems of operation, programs, services, products, customers, practices, materials, books, records, manuals, computer files, databases or software; all elements of the System; all programs, products, services, equipment, technologies, recipes, food and beverage preparation techniques, policies, standards, requirements, criteria and procedures that now or in the future are a part of the System; Franchisor's operations manuals and other Brand Standards (including Supplements to the Brand Standards); all specifications, procedures, systems, techniques and activities employed by Franchisor or by Area Developer in the offer and sale of programs, products and/or services at or from the franchised Business; all pricing paradigms established by Franchisor or Area Developer; all of Franchisor's and/or Area Developer's sources (or prospective sources) of supply and all information pertaining to same (including wholesale pricing structures, the contents of sourcing agreements and the identity of suppliers); Franchisor's specifications, and Area Developer's final plans, for the construction, build out, design, renovation, décor, equipment, signage, furniture, fixtures and trade dress elements of Area Developer's Outlets; the identify of, and all information relating to, the Computer and POS Systems hardware and software utilized by Franchisor and

Area Developer; all information pertaining to Franchisor's and Area Developer's advertising, marketing, promotion and merchandising campaigns, activities, materials, specifications and procedures; all customer lists, data and records generated and/or otherwise maintained by the area development business and the franchised Outlets; Franchisor's internet/web protocols, procedures and content (including electronic data, data files, users names and passwords); Franchisor's training and other instructional programs and materials; all elements of Franchisor's recommended staffing, staff training and staff certification policies and procedures; all communications between Franchisor and Area Developer; additions or improvements to, deletions from and modifications and variations of the components of the System and the other systems and methods of operations which Franchisor employs now or in the future; research, development and test programs for products, services and operations; and, all other information, knowledge and know-how which either Franchisor or its affiliates, now or in the future, designate as confidential.

I will at no time copy, duplicate, record or otherwise reproduce any of the Confidential Information or material containing it, in whole or in part, store them in a computer retrieval or data base, nor otherwise make them available to any unauthorized person. Upon the expiration or other termination for any reason of my employment, association, service or ownership participation, I agree to return to Franchisor or Area Developer, as the case may be, all Confidential Information or material containing it (in whole or in part) in my possession utilized during my employment, association, service or ownership participation.

I further agree that during the term of my employment/service/association/ownership participation, I will not, directly or indirectly, engage or participate in any other business which engages in any of the activities which the Area Development Agreement contemplates will be engaged in by Area Developer; or, which offers or sells any other service, product or component which now or in the future is part of the System, or any confusingly similar product or service. I agree that I am prohibited from engaging in any competitive business as a proprietor, partner, investor, shareholder, director, officer, employee, principal, agent, advisor, or consultant.

Unless specifically prohibited by applicable law, for a period of two years immediately following the later of (a) the expiration or termination of my employment/service/association/ownership participation or (b) the date on which I begin to comply with the terms and conditions of this Agreement, I am prohibited from engaging in any competitive business, if the other business is located at the Outlet Location, within Area Developer's Development Territory, within three (3) miles driving distance of the boundaries of Area Developer's Development Territory and each Outlet, or within three (3) miles driving distance of (or within) the Development Territory or market area (as applicable) of any other franchised or company-owned Hey Yogurt Outlet in operation or under construction (regardless of how established and operated).

It is the intention of these provisions to preclude not only direct competition but also all forms of indirect competition, such as consultation for competitive businesses, service as an independent contractor for competitive businesses, or any assistance or transmission of information of any kind which would be of any assistance to a competitor. Nothing herein will prevent me from owning for investment purposes up to an aggregate of 5% of the capital stock of any competitive business, so long as the competitive business is a publicly held corporation whose stock is listed and traded on a national or regional stock exchange, or through the National Association of Securities Dealers Automated Quotation System (NASDAQ), and so long as I or Area Developer do not control the company in question.

It is the intention of these provisions that any person or entity having any legal or beneficial interest in or traceable to, down or through me to be bound by the provisions of this covenant, including (without limitation) my spouse, brother, brother-in-law, sister, sister-in-law, parent, parent-in-law, child, son-in-law or daughter-in-law; any direct or indirect beneficiary; any partner (general or limited) or proprietor of mine; and, any other such related person or entity, regardless

of how many levels or tiers there may be between any such described person or entity and me. Unless specifically prohibited by applicable law, I further agree that upon the expiration or termination of my term of employment/service/association, I will immediately refrain from any and all contacts with customers, for any purpose whatsoever.

I acknowledge that violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to Franchisor and Area Developer for which no adequate remedy at law will be available. Accordingly, I hereby consent to the entry of an injunction procured by Franchisor or Area Developer (or both) prohibiting any conduct by me in violation of the terms of those covenants not to compete and/or restrictions on the use of confidential information set forth in this agreement. I expressly agree that it may conclusively be presumed in any legal action that any violation of the terms of these covenants not to compete was accomplished by and through my unlawful utilization of Franchisor's Confidential Information. Further, I expressly agree that any claims I may have against Franchisor will not constitute a defense to Franchisor's enforcement of the covenants not to compete set forth in this Agreement. I further agree to pay all costs and expenses (including reasonable attorneys' and experts' fees) incurred by Franchisor in connection with the enforcement of those covenants not to compete set forth in this Agreement.

If all or any portion of this covenant not to use confidential information and not to compete is held unreasonable, void, vague or illegal by any court or agency having valid jurisdiction in an unappealed final decision to which Area Developer and/or Franchisor is a party, the court or agency will be empowered to revise and/or construe the covenant to fall within permissible legal limits, and should not invalidate the entire covenant. I expressly agree to be bound by any lesser covenant subsumed within the terms of this Agreement as if the resulting covenant were separately stated in and made a part of this Agreement.

I agree that this Agreement and all relations and disputes between myself on the one hand, and Area Developer or Franchisor on the other hand, whether sounding in contract, tort, or otherwise, are to be exclusively construed in accordance with and/or governed by (as applicable) the law of the State of New York without recourse to New York (or any other) choice of law or conflicts of law principles. If, however, any provision of this Agreement would not be enforceable under the laws of New York, and if the franchised Business is located outside of New York and the provision would be enforceable under the laws of the state in which the franchised Business is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Agreement is intended to invoke the application of any franchise, business opportunity, antitrust, "implied covenant", unfair competition, fiduciary or any other doctrine of law of the State of New York or any other state, which would not otherwise apply.

I further agree that any litigation arising out of or related to this Agreement; any breach of this Agreement; and, all relations and any and all disputes between myself on the one hand, and Area Developer or Franchisor on the other hand, whether sounding in contract, tort, or otherwise, will be instituted exclusively in a court of competent jurisdiction in the state and county in which Franchisor's principal place of business is then located (currently Bergen County, New Jersey). I agree that any dispute as to the venue for this litigation will be submitted to and resolved exclusively by a court of competent jurisdiction situated in the state and county in which Franchisor's principal place of business is then located (currently Bergen County, New Jersey).

I hereby waive and covenant never to assert or claim that said venue is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any claim under the judicial doctrine of forum non conveniens).

I understand that the rights and remedies of Franchisor under this Agreement are fully assignable and transferable and will inure to the benefit of its respective affiliates, successors and assigns. I further understand and agree that my and Area Developer's respective obligations for

hereunder may not be assigned by me or Area Developer, without the prior written consent of Franchisor.

Witnessed By:

(Print Name)

Witness/Date

(Signature)

(Date)

EXHIBIT D-2 TO AREA DEVELOPMENT AGREEMENT
CONFIDENTIALITY AGREEMENT (NON-MANAGERIAL PERSONNEL)

CONFIDENTIALITY AGREEMENT

NAME: _____

AREA DEVELOPER: _____

HOME ADDRESS: _____

HOME TELEPHONE: _____

RELATION TO AREA DEVELOPER: _____
(Employee, Independent Contractor, Etc.)

_____ ("Area Developer") is an area developer of HEY YOGURT FRANCHISING LLC ("Franchisor") pursuant to an Area Development Agreement entered into by Area Developer and Franchisor dated _____ (the "Area Development Agreement"). I agree that, unless otherwise specified, all terms in this Agreement have those meanings ascribed to them in the Area Development Agreement and in each unit Franchise Agreement entered into thereunder, as applicable.

I agree that during the term of my employment by, engagement by, association with or service to Area Developer, or at any time thereafter, I will not communicate, divulge or use for the benefit of any other person, persons, partnership, proprietorship, association, corporation or entity any confidential information, knowledge or know-how concerning the systems of operation, services, products, clients or practices of Area Developer and/or Franchisor which may be communicated to me ("Confidential Information"), and I will not divert any business to competitors of Area Developer and/or Franchisor.

Any and all information, knowledge, know-how, techniques and information which the entities mentioned above or their officers designate as confidential will be Confidential Information for the purposes of this Agreement, except information which I can demonstrate came to my attention before disclosure or which had become or becomes a part of the public domain through publication or communication by others (unless the publication or communication is in violation of a similar confidentiality agreement), but in no event through any act of mine.

I specifically understand that, without limitation, the following constitute Confidential Information of Franchisor: all products, services, equipment, technologies, recipes, food and beverage preparation techniques and procedures relating to the System; all systems of operation, services, programs, products, procedures, policies, standards, techniques, specifications and criteria which now comprise or in the future may comprise a part of the System; Franchisor's Confidential Operating Manual (as same may be amended from time to time); Supplements and/or amendments to the Manual; records pertaining to customers or billings; methods of advertising and promotion; customers; instructional materials; staff composition and organization systems; quality assurance programs; supervision systems; recommended services; recordkeeping systems and materials; bookkeeping systems and materials; business forms; product and service order forms; general operations materials; revenue reports; standards of interior and exterior design and decor; activity schedules; job descriptions; advertising, promotional and public relations materials/campaigns/guidelines/philosophy; specifications, systems, standards, techniques, philosophies and materials, guidelines, policies and procedures concerning the System; additions to, deletions from, and modifications and variations of the components constituting the System or the systems and methods of operations which are now, or may in the future, be employed by Franchisor, including all standards and specifications relating thereto and the means and manner of offering and selling same; and, all other components, specifications, standards, requirements and duties imposed by Franchisor or its Affiliates.

I will at no time copy, duplicate, record or otherwise reproduce any of the Confidential Information or material containing it, in whole or in part, store them in a computer retrieval or database, nor otherwise make them available to any unauthorized person. Upon the expiration or other termination for any reason of my employment, association, service or ownership participation, I agree to return to Franchisor or Area Developer, as the case may be, all Confidential Information or material containing it (in whole or in part) in my possession utilized during my employment, association, service or ownership participation.

I acknowledge that violation of the restrictions on the use of Confidential Information contained in this Agreement would result in immediate and irreparable injury to Franchisor and Area Developer for which no adequate remedy at law will be available. Accordingly, I hereby consent to the entry of an injunction procured by Franchisor or Area Developer (or both) prohibiting any conduct by me in violation of the terms of the restrictions on the use of Confidential Information set forth in this Agreement. Further, I expressly agree that any claims I may have against Franchisor will not constitute a defense to Franchisor's enforcement of the restrictions on the use of Confidential Information set forth in this Agreement. I further agree to pay all costs and expenses (including reasonable attorneys' and experts' fees) incurred by Franchisor in connection with the enforcement of those restrictions on the use of Confidential Information set forth in this Agreement.

If all or any portion of this covenant not to use confidential information is held unreasonable, void, vague or illegal by any court or agency having valid jurisdiction in an unappealed final decision to which Area Developer and/or Franchisor is a party, the court or agency will be empowered to revise and/or construe the covenant to fall within permissible legal limits, and should not invalidate the entire covenant. I expressly agree to be bound by any lesser covenant subsumed within the terms of this Agreement as if the resulting covenant were separately stated in and made a part of this Agreement.

I agree that this Agreement and all relations and disputes between myself on the one hand, and Area Developer or Franchisor on the other hand, whether sounding in contract, tort, or otherwise, are to be exclusively construed in accordance with and/or governed by (as applicable) the law of the State of New York without recourse to New York (or any other) choice of law or conflicts of law principles. If, however, any provision of this Agreement would not be enforceable under the laws of New York, and if the franchised Business is located outside of New York and the provision would be enforceable under the laws of the state in which the franchised Business is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Agreement is intended to invoke the application of any franchise, business opportunity, antitrust, "implied covenant", unfair competition, fiduciary or any other doctrine of law of the State of New York or any other state, which would not otherwise apply.

I further agree that any litigation arising out of or related to this Agreement; any breach of this Agreement; and, all relations and any and all disputes between myself on the one hand, and Area Developer or Franchisor on the other hand, whether sounding in contract, tort, or otherwise, will be instituted exclusively in a court of competent jurisdiction in the state and county in which Franchisor's principal place of business is then-located (currently, Bergen County, New Jersey). I agree that any dispute as to the venue for this litigation will be submitted to and resolved exclusively by a court of competent jurisdiction situated in the state and county in which Franchisor's principal place of business is then-located (currently, Bergen County, New Jersey). I hereby waive and covenant never to assert or claim that said venue is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any claim under the judicial doctrine of forum non conveniens).

(Print Name)

(Signature)

Date: _____

EXHIBIT E TO AREA DEVELOPMENT AGREEMENT

**GUARANTEE OF
HEY YOGURT FRANCHISING LLC AREA DEVELOPMENT AGREEMENT**

GUARANTEE OF HEY YOGURT FRANCHISING LLC AREA DEVELOPMENT AGREEMENT

In consideration of the execution by Franchisor of the Area Development Agreement (the "Area Development Agreement") dated _____, between HEY YOGURT FRANCHISING LLC ("Franchisor") and _____ ("Area Developer") and for other good and valuable consideration, each of the undersigned, for themselves, their heirs, successors, and assigns, do jointly, individually and severally hereby absolutely and unconditionally guarantee the payment of all amounts and the performance of all of the covenants, terms, conditions, agreements and undertakings contained and set forth in said Area Development Agreement and in any other agreement(s) by and between Area Developer and Franchisor.

If more than one person has executed this Guarantee, the term "the undersigned", as used herein, shall refer to each such person, and the liability of each of the undersigned hereunder shall be joint and several and primary as sureties.

The undersigned, individually and jointly, hereby agree to be personally bound by each and every covenant, term, condition, agreement and undertaking contained and set forth in said Area Development Agreement and any other agreement(s) by and between Area Developer and Franchisor, and agree that this Guarantee shall be construed as though the undersigned and each of them executed agreement(s) containing the identical terms and conditions of the Area Development Agreement and any other agreement(s) by and between Area Developer and Franchisor.

The undersigned hereby agree, furthermore, that without the consent of or notice to any of the undersigned and without affecting any of the obligations of the undersigned hereunder: (a) any term, covenant or condition of the Area Development Agreement may be amended, compromised, released or otherwise altered by Franchisor and Area Developer, and the undersigned do guarantee and promise to perform all the obligations of Area Developer under the Agreement as so amended, compromised, released or altered; (b) any guarantor of or party to the Area Development Agreement may be released, substituted or added; (c) any right or remedy under the Agreement, this Guarantee or any other instrument or agreement between Franchisor and Area Developer may be exercised, not exercised, impaired, modified, limited, destroyed or suspended; and, (d) Franchisor or any other person may deal in any manner with Area Developer, any of the undersigned, any party to the Area Development Agreement or any other person.

Should Area Developer be in breach or default under the Area Development Agreement or any other agreement(s) by and between Area Developer and Franchisor, Franchisor may proceed directly against any or each of the undersigned without first proceeding against Area Developer and without proceeding against or naming in such suit any other Area Developer, signatory to the Area Development Agreement or any others of the undersigned.

Notice to or demand upon Area Developer or any of the undersigned shall be deemed notice to or demand upon Area Developer and all of the undersigned, and no notice or demand need be made to or upon any or all of the undersigned. The cessation of or release from liability of Area Developer or any of the undersigned shall not relieve any other Guarantors from liability hereunder, under the Area Development Agreement, or under any other agreement(s) between Franchisor and Area Developer, except to the extent that the breach or default has been remedied or monies owed have been paid.

Any waiver, extension of time or other indulgence granted by Franchisor or its agents, successors or assigns, with respect to the Area Development Agreement or any other agreement(s) by and between Area Developer and Franchisor, shall in no way modify or amend this Guarantee, which shall be continuing, absolute, unconditional and irrevocable.

It is understood and agreed by the undersigned that the provisions, covenants and conditions of this Guarantee shall inure to the benefit of the Franchisor, its successors and assigns. This Guarantee may be assigned by Franchisor voluntarily or by operation of law without reducing or modifying the liability of the undersigned hereunder.

This Guarantee is to be exclusively construed in accordance with and/or governed by the law of the State of New York without recourse to New York (or any other) choice of law or conflicts of law principles. If, however, any provision of this Guarantee would not be enforceable under the laws of New York, and if the business franchised under the Area Development Agreement is located outside of New York and the provision would be enforceable under the laws of the state in which the franchised business is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Guarantee is intended to invoke the application of any franchise, business opportunity, antitrust, "implied covenant", unfair competition, fiduciary or any other doctrine of law of the State of New York or any other state, which would not otherwise apply.

Any litigation arising out of or related to this Guarantee will be instituted exclusively in a court of competent jurisdiction in the state and county in which Franchisor's principal place of business is then located (currently, Bergen County, New Jersey). The undersigned agree that any dispute as to the venue for this litigation will be submitted to and resolved exclusively by a court of competent jurisdiction situated in such state and county. The undersigned hereby waive and covenant never to assert or claim that said venue is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any claim under the judicial doctrine of forum non conveniens).

Should any one or more provisions of this Guarantee be determined to be illegal or unenforceable, all other provisions shall nevertheless be effective.

IN WITNESS WHEREOF, each of the undersigned has executed this Guarantee effective as of the date of the Area Development Agreement.

Attest:

By: _____

Signature

Printed Name

Address

Attest:

By: _____

Signature

Printed Name

Address

Attest:

By: _____

Signature

Printed Name

Address

EXHIBIT F TO AREA DEVELOPMENT AGREEMENT

LISTING OF OWNERS OF AREA DEVELOPER AND OWNERSHIP INTERESTS

LISTING OF OWNERS OF AREA DEVELOPER AND OWNERSHIP INTERESTS

Effective Date: This Exhibit F is current and complete as of _____ [date].

1. **Form of Area Developer Ownership.** (Please select either (a) or (b) below).

(a) **Individual Proprietorship.** List individual(s):

Name: _____

Name: _____

Name: _____

Name: _____

(b) **Corporation ____, Limited Liability Company ____, or Partnership ____.** (CHECK ONE)

You were incorporated or formed on _____, under the laws of the State of _____. You have not conducted business under any name other than your corporate, limited liability company, or partnership name and _____.

2. **Owners, Directors/Officers.** The following list includes the full name and address of each person who is one of your owners, shareholders, members, partners, directors, officers or an owner of one of your owners, and fully describes the nature of each of their respective ownership interest (attach additional pages, if necessary).

Name: _____ Address: _____ Type of Interest: _____ Number Units Owned: _____ Number Entitled to Vote: _____ % of Total Units of Area Developer: _____ Title (if officer or director): _____	Name: _____ Address: _____ Type of Interest: _____ Number Units Owned: _____ Number Entitled to Vote: _____ % of Total Units of Area Developer: _____ Title (if officer or director): _____
Name: _____ Address: _____ Type of Interest: _____ Number Units Owned: _____ Number Entitled to Vote: _____ % of Total Units of Area Developer: _____ Title (if officer or director): _____	Name: _____ Address: _____ Type of Interest: _____ Number Units Owned: _____ Number Entitled to Vote: _____ % of Total Units of Area Developer: _____ Title (if officer or director): _____

3. **Name and Address of Person to Receive Notice for Area Developer.** (If different than what is stated in the Franchise Agreement)

Name: _____

Postal Address: _____

E-mail Address: _____

4. **Identification of the Business Manager.** The shareholder, member, partner who is responsible for overseeing and supervising the operation of the Outlet (the "Business Manager") as of the Effective Date is _____
(must be one of the principal owners listed in Section 2 above). You may not change Business Manager without our prior written approval.
5. **Update of Exhibit J.** You and your owners agree to update, sign and deliver to us from time to time a revised Exhibit J to reflect all future permitted changes in this information.

AREA DEVELOPER:

[Print Name of Area Developer Entity]

By: _____
Name: _____
Title: _____

RECEIPT ACKNOWLEDGED:

FRANCHISOR:

HEY YOGURT FRANCHISING LLC

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

EXHIBIT C TO FRANCHISE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

HEY YOGURT FRANCHISING LLC
(A Limited Liability Company)

BALANCE SHEET

APRIL 8, 2026

HEY YOGURT FRANCHISING LLC
(A Limited Liability Company)
APRIL 8, 2026

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INDEPENDENT AUDITOR'S REPORT

To the Member
Hey Yogurt Franchising LLC

Opinion

We have audited the accompanying balance sheet of Hey Yogurt Franchising LLC (a limited liability company) as of April 8, 2026, and the related notes to the financial statement.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of Hey Yogurt Franchising LLC as of April 8, 2026, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement 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 a financial statement that is free from material misstatement, whether due to fraud or error.

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

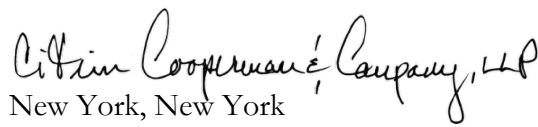
Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is 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 generally accepted auditing standards 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 financial statement.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- 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 Hey Yogurt 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 financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Hey Yogurt 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.


New York, New York
April 20, 2026

HEY YOGURT FRANCHISING LLC
(A Limited Liability Company)
BALANCE SHEET
APRIL 8, 2026

ASSETS

Cash	\$ <u>150,000</u>
TOTAL ASSETS	\$ <u><u>150,000</u></u>

LIABILITIES AND MEMBER'S EQUITY

Liabilities	\$ -
Commitments (Notes 4 and 5)	
Member's equity	<u>150,000</u>
TOTAL LIABILITIES AND MEMBER'S EQUITY	\$ <u><u>150,000</u></u>

See accompanying notes to financial statement.

HEY YOGURT FRANCHISING LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENT
APRIL 8, 2026

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Hey Yogurt Franchising LLC (the "Company" or "Franchisor"), a wholly-owned subsidiary of DAEJI Holdings LLC (the "Parent"), was formed on March 17, 2026, as a New Jersey limited liability company, to sell franchises pursuant to a license agreement dated March 17, 2026, between the Company and Hey Yogurt US LLC (the "Licensor"), an entity affiliated through common ownership of the member of the Parent. Pursuant to the Company's standard franchise agreement, franchisees will operate a business under the "Hey Yogurt" name and system that offers a quick-service retail beverage and specialty dessert outlet specializing in the sale of yogurt-based beverages, smoothies, specialty drinks, and related food and dessert products. The Company has not had significant operations from the date of formation through April 20, 2026, the date on which the financial statement was available to be issued, and has not executed any franchise agreements as of that date.

The Company is a limited liability company and, therefore, the member is not liable for the debts, obligations or other liabilities of the Company, whether arising in contract, tort or otherwise, unless the member has signed a specific guarantee.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The accompanying financial statement has been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of estimates

The preparation of a balance sheet in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the balance sheet. Actual results could differ from those estimates.

Revenue and cost recognition

The Company expects that it will derive substantially all its revenue from franchise agreements related to franchise fee revenue, royalty fees, transfer fees, and system brand fund fees. No such franchise agreements have been executed by the Company as of the date this financial statement was available to be issued.

Franchise fees, royalties and other franchise-related fees

Contract consideration from franchisees is expected to consist primarily of initial or renewal franchise fees, sales-based royalties, sales-based system brand fund fees, and transfer fees payable by a franchisee for the transfer of their franchise unit to another franchisee. The Company intends to collect an up-front fee for the grant of such rights. The initial franchise fees are nonrefundable and collectable when the underlying franchise agreement is signed by the franchisee. Sales-based royalties and system brand fund fees are payable monthly. Renewal and transfer fees are due from franchisees when an existing franchisee renews the franchise agreement for an additional term or when a transfer to a third party occurs, respectively.

HEY YOGURT FRANCHISING LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENT
APRIL 8, 2026

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and cost recognition (continued)

Franchise fees, royalties and other franchise-related fees (continued)

The Company's primary performance obligation under the franchise agreement includes granting certain rights to the Company's intellectual property in addition to a variety of activities relating to opening a franchise unit. Those services include training and other such activities commonly referred to collectively as "pre-opening activities." The Company will determine if a certain portion of those pre-opening activities provided is not brand specific and provides the franchisee with relevant general business information that is separate from the operation of a Company-branded franchise unit. The portion of pre-opening activities that is not brand specific will be deemed to be distinct, as it provides a benefit to the franchisee and is not highly interrelated to the use of the Company's intellectual property, and will therefore be accounted for as a separate performance obligation. All other pre-opening activities are expected to be highly interrelated to the use of the Company's intellectual property and will therefore be accounted for as a single performance obligation, which is satisfied by granting certain rights to use the Company's intellectual property over the term of each franchise agreement.

The Company will estimate the stand-alone selling price of pre-opening activities using an adjusted market assessment approach. The Company will first allocate the initial franchise fees and the fixed consideration under the franchise agreement to the stand-alone selling price of the pre-opening activities and the residual, if any, to the right to access the Company's intellectual property. Consideration allocated to pre-opening activities that are not brand specific will be recognized when those performance obligations are satisfied.

Initial and renewal franchise fees allocated to the right to access the Company's intellectual property will be recognized as revenue on a straight-line basis over the term of the respective franchise agreement.

Royalties will be earned as a percentage of franchisee gross sales ("sales-based royalties") over the term of the franchise agreement, as defined in each respective franchise agreement. Franchise royalties which represent sales-based royalties that are related entirely to the use of the Company's intellectual property will be recognized as franchisee sales occur and the royalty is deemed collectible.

System brand fund

The Company may maintain a system brand fund which will be established to collect and administer funds contributed for use in marketing and promotional programs for franchise units. System brand fund fees will be collected from franchisees based on a percentage of franchisee gross sales. The Company has determined that it acts as a principal in the collection and administration of the system brand fund and therefore will recognize the revenues and expenses related to the system brand fund on a gross basis. The Company has determined that the right to access its intellectual property and administration of the system brand fund are highly interrelated and therefore will be accounted for as a single performance obligation.

HEY YOGURT FRANCHISING LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENT
APRIL 8, 2026

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and cost recognition (continued)

System brand fund (continued)

If system brand fund fees exceed the related system brand fund expenses in a reporting period, advertising costs will be accrued up to the amount of system brand fund revenues recognized.

Other revenues

The Company will recognize revenue from other fees and other services provided to the franchisees as a single performance obligation, when the services are rendered.

Incremental costs of obtaining a contract

The Company will capitalize direct and incremental costs, principally consisting of commissions, associated with the sale of franchises and amortize them over the term of the franchise agreement.

Accounts receivable

Accounts receivable will be stated at the amount the Company expects to collect. The Company will maintain an allowance for doubtful accounts to estimate expected lifetime credit losses that are based on historical experience, the aging of accounts receivable, consideration of current economic conditions and its expectations of future economic conditions. If the financial condition of the Company's franchisees was to deteriorate or other circumstances occur that result in an impairment of franchisees' ability to make payments, the Company will record additional allowances as needed. The Company will write off uncollectible receivables against the allowance when collection efforts have been exhausted.

Income taxes

As a single-member limited liability company and, therefore, a disregarded entity for income tax purposes, the Company's assets and liabilities are combined with and included in the income tax return of the Parent. Accordingly, the accompanying financial statement does not include a provision or liability for federal or state income taxes.

Uncertain tax positions

The Company recognizes and measures its unrecognized tax benefits in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 740, *Income Taxes*. Under that guidance, management assesses the likelihood that tax positions will be sustained upon examination based on the facts, circumstances and information, including the technical merits of those positions, available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available or when an event occurs that requires a change. There were no uncertain tax positions at April 8, 2026.

Subsequent events

In accordance with FASB ASC 855, *Subsequent Events*, the Company has evaluated subsequent events through April 20, 2026, the date on which this financial statement was available to be issued. There were no material subsequent events that required recognition or additional disclosure in this financial statement.

HEY YOGURT FRANCHISING LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENT
APRIL 8, 2026

NOTE 3. CONCENTRATION OF CREDIT RISK

The Company places its cash, which may at times be in excess of Federal Deposit Insurance Corporation insurance limits, with a major financial institution. Management believes that this policy will limit the Company's exposure to credit risk.

NOTE 4. SYSTEM BRAND FUND CONTRIBUTION

Pursuant to the structured form of the franchising arrangement, the Company reserves the right to collect system brand fund fees up to 2% of franchisees' gross sales. These funds are to be spent solely on advertising and related expenses for the benefit of the franchisees with a portion designated to offset the Company's administrative costs to administer the funds, all at the discretion of the Company. There have been no contributions to the system brand fund as of the date this financial statement was available to be issued.

NOTE 5. RELATED-PARTY TRANSACTIONS

License agreement

On March 17, 2026, the Company entered into a 20-year non-exclusive license agreement with the Licensor for the use of the registered name "Hey Yogurt US LLC" (the "license agreement"), which is automatically renewable for additional consecutive 20-year periods unless terminated by Licensor due to material breach of the license agreement, as further detailed in the license agreement. Pursuant to the license agreement, the Company acquired the right to sell "Hey Yogurt" franchises, and the right to earn franchise fees, royalties and other fees from franchisees. The Company is obligated to pay the Licensor a license fee based on certain percentage up to a maximum of 30% of the gross royalty revenues, as further detailed in the license agreement.

EXHIBIT D TO FRANCHISE DISCLOSURE DOCUMENT
STATE FRANCHISE ADMINISTRATORS

STATE FRANCHISE ADMINISTRATORS

CALIFORNIA

California Commissioner of the Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, California 90013-2344
(866) 275-2677

HAWAII

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

ILLINOIS

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

INDIANA

Franchise Section
Indiana Securities Commission
302 West Washington Street, Room E-111
Indianapolis, Indiana 46204
(317) 232-6681

MARYLAND

Maryland Division of Securities
Office of the Attorney General
200 St. Paul Place
Baltimore, Maryland 21202-2020
(410) 576-6360

MICHIGAN

Consumer Oversight Division
Antitrust and Franchise Unit
Michigan Department of Attorney General
670 Williams Building
525 W. Ottawa Street
Lansing, Michigan 48913
(517) 373-1160

MINNESOTA

Minnesota Department of Commerce
Securities-Franchise Registration
85 7th Place East, Suite 280
St. Paul, Minnesota 55101-2198
(651) 539-1500

NEW YORK

New York State Department of Law
Investor Protection Bureau
28 Liberty St. 21st Fl.
New York, New York 10005
(212) 416-8000

NORTH DAKOTA

North Dakota Insurance & Securities Department
600 East Boulevard Avenue
Dept. 401
Bismarck, North Dakota 58505-0510
(701) 328-2910

RHODE ISLAND

Division of Securities
Department of Business Regulations
1511 Pontiac Avenue
John O. Pastore Complex – Building 69-1
Cranston, Rhode Island 02920
(401) 462-9500

SOUTH DAKOTA

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

VIRGINIA

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

WASHINGTON

Securities Division
Department of Financial Institutions
P.O. Box 41200
Olympia, WA 98504-1200
(360) 902-8760

WISCONSIN

Department of Securities
Wisconsin Department of Financial Institutions
4822 Madison Yards Way, North Tower
Madison, Wisconsin 53705
(608) 266-0448

EXHIBIT E TO FRANCHISE DISCLOSURE DOCUMENT
AGENTS FOR SERVICE OF PROCESS

EXHIBIT E
AGENTS FOR SERVICE OF PROCESS

If a state is not listed below, the Franchisor has not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed below in which the Franchisor has appointed an agent for service of process.

There may also be additional agents appointed in some of the states listed below.

CALIFORNIA

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

HAWAII

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

ILLINOIS

Attorney General of the State of Illinois
500 South Second Street
Springfield, Illinois 62706

INDIANA

Indiana Secretary of State
201 State House
200 West Washington Street
Indianapolis, Indiana 46204

MARYLAND

Maryland Securities Commissioner
200 St. Paul Place
Baltimore, Maryland 21202-2020

MICHIGAN

Michigan Department of Commerce
Corporations and Securities Bureau
6586 Mercantile Way
Lansing, Michigan 48909

MINNESOTA

Commissioner of Commerce
Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101-2198

NEW YORK

Secretary of State of the State of New York
99 Washington Avenue
Albany, New York 12231

NORTH DAKOTA

Insurance Commissioner
North Dakota Insurance & Securities
Department
600 East Boulevard Avenue, Dept. 401
Bismarck, North Dakota 58505
701-328-2910

RHODE ISLAND

Director of Department of Business
Regulation
1511 Pontiac Avenue
John O. Pastore Complex – Building 69-1
Cranston, Rhode Island 02920

SOUTH DAKOTA

Department of Labor and Regulation
Division of Insurance
Securities Regulation
124 S Euclid, Suite 104
Pierre, South Dakota 57501

VIRGINIA

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

WASHINGTON

Director of Financial Institutions
Department of Financial Institutions
150 Israel Rd. SW
Tumwater, WA 98501

WISCONSIN

Administrator, Division of Securities
Department of Financial Institutions
201 W. Washington Avenue – Third Fl.
Madison, Wisconsin 53703

EXHIBIT F TO FRANCHISE DISCLOSURE DOCUMENT
STATE ADDENDA TO DISCLOSURE DOCUMENT

CALIFORNIA ADDENDUM TO DISCLOSURE DOCUMENT

Registration of this franchise does not constitute approval, recommendation, or endorsement by the Commissioner of the Department of Financial Protection and Innovation.

OUR WEBSITES HAVE NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of California:

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

The State of California has codified regulations specific to the food service industry which may be applicable to you. You may refer to California Plan Check Guide for Retail Food Facilities at <http://www.cdph.ca.gov/Programs/CID/DCDC/Pages/Immunization/Imz/Pages/152-California-Plan-Check-Guide-for-Retail-Food-Facilities-2-File.aspx>. For further requirements, please see the California Retail Food Code at <http://www.cdph.ca.gov/Programs/CID/DCDC/Pages/Immunization/Imz/Pages/152-California-Plan-Check-Guide-for-Retail-Food-Facilities-2-File.aspx>.

If the franchised Outlet sells alcoholic beverages, the franchisee must comply with the requirements set forth in the Alcoholic Beverage Control Act and the California Code of Regulations, Title 4 for the sale of alcoholic beverages.

ITEM 6 OTHER FEES

1. The highest interest rate permitted under California law for late payments is 10% annually.

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

The Antitrust Law Section of the Office of the California Attorney General views maximum price agreements as per se violations of the Cartwright Act. As long as this represents the law of the State of California, we will not interpret the Franchise Agreement as permitting or requiring maximum price limits.

ITEM 12 TERRITORY

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

1. California Business and Professions Code sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.
2. The Franchise Agreement provides 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 contains a provision requiring application of the laws of New York. This provision may not be enforceable under California law.
4. The Franchise Agreement requires venue to be limited to the state and county where our principal place of business is then-located (currently, Bergen County, New Jersey). This provision may not be enforceable under California law.
5. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law. The franchisor will not enforce in California the prohibition on franchisee employing or soliciting for employment any current or former employee of franchisor or its affiliates (also known as a no-poach/non-solicitation provision) in section 12.02 of the Franchise Agreement that is disclosed in Item 17, rows q and r.
6. You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).
7. California Corporations Code, Section 31125 requires us to give you a disclosure document, approved by the Department of Financial Protection and Innovation before we ask you to consider a material modification of your franchise agreement.
8. 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.
9. California Corporations Code, Section 31119, states that it is unlawful to sell any franchise in California that is subject to registration under this law without first providing to the prospective franchisee, at least 14 days prior to the execution by the prospective franchisee of any binding franchise or other agreement, or at least 14 days prior to the receipt of any consideration, whichever occurs first, a copy of the offering circular, together with a copy of all proposed agreements relating to the sale of the franchise.
10. Neither the franchisor nor any person or franchise broker disclosed 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. 78a *et seq.*, suspending or expelling such persons from membership in such association or exchange.
11. 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.
12. Franchisees owning any interest in the franchise must sign a personal guaranty, making you and your spouse individually liable for your financial obligations under the agreement if you are married. The guaranty will place your and your spouse's marital and personal assets at risk, perhaps including your house, if your franchise fails.

OTHER

1. The Franchise Agreement and Area Development Agreement contain a provision requiring you to waive your right to punitive or exemplary damages against the franchisor or any of its representatives, limiting your recovery to actual damages. Under California Corporations Code section 31512, these provisions are not enforceable in California for any claims you may have under the California Franchise Investment Law.
2. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
3. California's Franchise Investment Law (Corporations Code sections 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.

HAWAII ADDENDUM TO DISCLOSURE DOCUMENT

- A. This proposed registration is exempt from the registration requirements of the states of Georgia, Louisiana, Maine, North Carolina, South Carolina, and Texas.
- B. This proposed registration is or will be shortly on file in the States of California, New York, and Illinois.
- C. No states have refused, by order or otherwise, to register these franchises.
- D. No states have revoked or suspended the right to offer these franchises.
- E. The proposed registration of these franchises has not been withdrawn in any state.
- F. No release language set forth in the Franchise Agreement will relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Hawaii.
- G. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF REGULATORY AGENCIES OR A FINDING BY THE DIRECTOR OF REGULATORY AGENCIES THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE. THIS OFFERING CIRCULAR CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

ILLINOIS ADDENDUM TO DISCLOSURE DOCUMENT

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

INDIANA ADDENDUM TO DISCLOSURE DOCUMENT

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Indiana:

1. The Franchise Agreement will be governed by Indiana law, rather than New York law, as stated in Section 30.03 of the Franchise Agreement ("Governing Law").
2. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as a material breach of the franchise agreement, shall supersede the provisions of Article 17 of the Franchise Agreement ("Default and Termination") in the State of Indiana to the extent they may be inconsistent with such prohibition.
3. No release language set forth in the Franchise Agreement shall relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana.
4. Section 12.04 of the Franchise Agreement ("Enforcement of Covenants Not to Compete") and Article VIII of the Software License Agreement ("Injunction") shall not apply to franchises offered and sold in the State of Indiana.
5. Section 21.03 of the Franchise Agreement ("Our Withholding of Consent – Your Exclusive Remedy") shall not apply to franchises offered and sold in the State of Indiana.
6. Section 16.01 of the Software License Agreement ("Governing Law") shall not relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana, and the laws of the State of Indiana supersede such provision or New York law if such provision is in conflict with Indiana law.
7. The third sentence of Article 14 of the Software License Agreement ("Limitation of Liability") shall not apply to franchises offered and sold in the State of Indiana.
8. Section 30.05(B) of the Franchise Agreement ("Waiver of Jury Trial and Punitive Damages") is deleted from all Franchise Agreements used in the State of Indiana.
9. Notwithstanding the terms of Section 8.10 of the Franchise Agreement ("Indemnification"), Franchisee will not be required to indemnify Franchisor and the other Indemnitees for any liability caused by Franchisee's proper reliance on or use of procedures or materials provided by Franchisor or caused by Franchisor's negligence.
10. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

MARYLAND ADDENDUM TO DISCLOSURE DOCUMENT

The following provisions will supersede anything to the contrary in the Franchise Disclosure Document or Franchise Agreement and will apply to all franchises offered and sold under the laws of the State of Maryland:

ITEM 12 TERRITORY

The following sentence is added at the end of the paragraph in Item 12 concerning our reservation of territorial rights which begins "Under the terms of the Franchise Agreement, you waive and release any claims, demands or damages arising from or related to any of the activities described above":

"These waivers and releases are not intended to nor will they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law. These waivers and releases will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law."

ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

1. The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
2. The laws of the State of Maryland may supersede the Franchise Agreement, including the areas of termination and renewal of the Franchise.
3. A franchisee may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Laws must be brought within three years after the grant of the Franchise.
4. The provision of the Franchise Agreement that provides for termination upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

OTHER

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

If the franchise agreement or any agreement executed by the franchisee in connection therewith (including but not limited to, if applicable, an area development agreement), includes any questionnaire to be completed by or acknowledgments to be made by the franchisee that are contrary to the Statement of Policy Regarding the Use of Franchise Questionnaires and Acknowledgments, adopted on September 18, 2022 by the North American Securities Administrators Association, Inc. (with an effective date of January 1, 2023), then any such questionnaire and/or acknowledgments shall not apply to prospective franchisees who are Maryland residents or who seek to purchase a franchise located in Maryland.

**ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO
THE MICHIGAN FRANCHISE INVESTMENT LAW**

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

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

(iv) The failure of the franchisee or proposed transferee to pay an 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 service.

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

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

ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO THE OFFICE OF THE ATTORNEY GENERAL, CORPORATE OVERSIGHT DIVISION, ATTN.: FRANCHISE, 670 LAW BLDG., LANSING, MICHIGAN 48913, (517) 373-7117.

MINNESOTA ADDENDUM TO THE DISCLOSURE DOCUMENT

Notwithstanding anything to the contrary set forth in the Disclosure Document or Franchise Agreement, the following provisions will supersede and apply:

ITEM 13 TRADEMARKS

- 1, Franchisor will protect your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

1. Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit the Franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the disclosure document or agreement(s) can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.
2. No release language set forth in the Franchise Agreement will relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Minnesota.
3. Minnesota law provides franchisees with certain termination and non-renewal rights. Minnesota Statutes, Section 80C.14, subdivisions 3, 4, and 5 require, except in certain specified cases, that franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Franchise Agreement.
4. Under the terms of the Franchise Agreement as modified by the Minnesota Addendum to the Franchise Agreement, you agree that if you engage in any non-compliance with the terms of the Franchise Agreement or unauthorized or improper use of the System or Proprietary Marks, during or after the period of this Agreement, we will be entitled to seek both temporary and permanent injunctive relief against you from any court of competent jurisdiction, in addition to all other remedies which we may have at law, and you consent to the seeking of these temporary and permanent injunctions.
5. Any claims arising under Minnesota Statutes, Chapter 80C must be brought within three years after the cause of action accrues.

OTHER

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

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

NEW YORK ADDENDUM TO DISCLOSURE DOCUMENT

Notwithstanding anything to the contrary set forth in the Disclosure Document or Franchise Agreement, the following provisions will supersede and apply to all franchises offered and sold under the laws of the State of New York:

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS. 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 PROSPECTUS.

THE FRANCHISOR REPRESENTS THAT THE PROSPECTUS DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT.

ITEM 2. BUSINESS EXPERIENCE

Item 2 of the Disclosure Document lists the directors, principal officers and other executives who will have management responsibility in connection with the operation of the Franchisor's business relating to the franchises offered by this disclosure document, with a statement for each regarding his principal occupations over the past five years.

ITEM 3. LITIGATION

Neither the Franchisor, its affiliates nor any person named in Item 2 above has pending any administrative, criminal or material civil action (or a significant number of civil actions irrespective of materiality) alleging a violation of any franchise law, securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property or comparable allegations.

Neither the Franchisor, its affiliates nor any person named in Item 2 above has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten year period immediately preceding the application for registration, has been convicted of a misdemeanor or pleaded nolo contendere to a misdemeanor charge or been held liable in a civil action by final judgment or been the subject of a material complaint or other legal proceeding, if such misdemeanor conviction or charge or civil action, complaint or other legal proceeding involved violation of any franchise law, securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property or comparable allegations.

Except as disclosed in Item 3 of the FDD, neither the Franchisor, its affiliates, nor any person named in Item 2 above is subject to any currently effective injunctive or restrictive order or decree relating to franchises in general or the franchise offered or under any federal, state or Canadian franchise, securities, antitrust, trade regulation or trade practice law as a result of a concluded or pending action or proceeding brought by a public agency.

ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

1. The following language replaces the "Summary" section of Item 17(d), entitled "Termination by franchisee": You may terminate the Agreement on any grounds available by law.
2. Sections 13.01 (H) and 14.04 (O) of the Franchise Agreement are each amended to include the following language immediately following the requirement that Franchisee execute a General Release:

"Provided, however, that all rights enjoyed by Franchisee and any causes of action arising in its favor from the provisions of Article 33 of the General Business Law

(GBL) of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of GBL, Section 687(4) and 687(5) be satisfied."

The same language (in quotes immediately above) is also added to the end of the "Summary" sections of Item 17(c), titled "Requirements for a franchisee to renew or extend, and Item 17(m), entitled "Conditions for franchisor approval of transfer".

3. The requirements of Section 12.04 and Section 23.01 of the Franchise Agreement that you consent to the entry of an injunction are modified in the State of New York to provide only that you consent to the seeking of such an injunction.
4. The following sentence is added at the end of the section entitled "Modification" in Item 17 of the Disclosure Document, and at the end of the "Summary" sections of Item 17(v) (entitled "Choice of forum") and 17(w) (entitled "Choice of law"):

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

OTHER

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

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

NORTH DAKOTA ADDENDUM TO DISCLOSURE DOCUMENT

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of North Dakota:

1. The laws of the State of North Dakota supersede any provisions of the Franchise Agreement or New York law if such provisions are in conflict with North Dakota law. The Franchise Agreement and Area Development Agreement will be governed by North Dakota law, rather than New York law, as stated in Item 17(w) of the Franchise Disclosure Document, Section 30.03 of the Franchise Agreement ("Governing Law") and Section 18.12 of the Area Development Agreement ("Governing Law").
2. Any provision in the Franchise Agreement which designates jurisdiction or venue or requires the Franchisee to agree to jurisdiction or venue, in a forum outside of North Dakota, is deleted from Franchise Agreements issued in the State of North Dakota.
3. No release language set forth in the Franchise Agreement shall relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of North Dakota.
4. Item 17(c) of the Franchise Disclosure Document and Section 13.01 of the Franchise Agreement ("Conditions to Successor Franchise Agreement") each require the execution of a general release upon renewal. This requirement is deleted from all Franchise Disclosure Documents and Franchise Agreements used in the State of North Dakota.
5. Item 17(i) of the Franchise Disclosure Document, Section 18.01 of the Franchise Agreement ("Further Obligations and Rights Following the Termination or Expiration of this Agreement") and Section 16.01 of the Area Development Agreement ("Other Obligations and Rights on Termination or Expiration") may require franchisees to consent to termination or liquidated damages. This requirement is deleted from all Franchise Disclosure Documents and agreements used in the State of North Dakota.
6. Covenants restricting competition in the State of North Dakota, such as those found in Item 17(r) of the Franchise Disclosure Document, Section 12.02 of the Franchise Agreement ("Covenant Not to Compete") and Section 11.01 of the Area Development Agreement ("Covenants Not to Compete"), may be subject to Section 9-08-06 of the North Dakota Century Code. Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.
7. Item 17(v) of the Franchise Disclosure Document, Section 30.04 of the Franchise Agreement ("Venue") and Section 18.13 of the Area Development Agreement ("Venue") each require that the franchisee consent to the jurisdiction of courts in the state and county where our principal place of business is then-located (currently, Bergen County, New Jersey). This requirement is deleted from all Franchise Disclosure Documents and agreements used in the State of North Dakota.
8. Section 30.05 of the Franchise Agreement ("Waiver of Jury Trial and Punitive Damages") requires the franchisee to consent to a waiver of trial by jury. This requirement is deleted from all Franchise Agreements used in the State of North Dakota.
9. Section 30.05 of the Franchise Agreement ("Waiver of Jury Trial and Punitive Damages") and Section 18.14 of the Area Development Agreement ("Punitive Damages") each require the franchisee to consent to a waiver of exemplary and punitive damages. This

requirement is deleted from all Franchise Agreements and Area Development Agreements used in the State of North Dakota.

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

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

In recognition of the requirements of the State of Rhode Island Franchise Investment Act (the "Act"), §19-28.1 *et seq.*, the Franchise Disclosure Document submitted by Hey Yogurt Franchising LLC for use in the State of Rhode Island is amended as follows:

1. Item 17 u.- Dispute resolution by arbitration or mediation shall comply with §19-28.1-21 of the Act - Private civil actions - and be amended to read:

(a.) A person who violates any provision of this Act is liable to the franchisee for damages, costs, and attorneys and experts fees. In the case of a violation of §§ 19-28.1-5, 19-28.1-8, or 19-28.1-17(1)-(5), the franchisee may also sue for rescission. No person shall be liable under this section if the defendant proves that the plaintiff knew the facts concerning the violation.

(b) Every person who directly or indirectly controls a person liable under this section, every principal executive officer or director of the liable person, every person occupying a similar status or performing similar functions, and every agent or employee of a liable person, who materially aids in the act or transaction constituting the violation, is also liable jointly and severally with and to the same extent as the person liable under this section, unless the agent, employee, officer, or director proves he or she did not know, and in the exercise of reasonable care could not have known of the existence of the fact by reason of which the liability is alleged to exist.

2. Item 17 v. - Choice of forum and Item 17 w. - Choice of law shall comply with § 19-28.1-14 of the Act - Jurisdiction and venue - and be amended to read:

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

VIRGINIA ADDENDUM TO THE DISCLOSURE DOCUMENT

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure: 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 do 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.

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

WASHINGTON ADDENDUM TO THE DISCLOSURE DOCUMENT

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.
3. **Site of Arbitration, Mediation, and/or Litigation.** 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.
4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.
8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).
10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).
11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.
12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.
13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.
14. **Noncompetition Covenants.** 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 provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.
15. **Nonsolicitation Agreements.** 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.
16. **Questionnaires and Acknowledgments.** 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.

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).
18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

WISCONSIN ADDENDUM TO DISCLOSURE DOCUMENT

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Wisconsin:

1. **REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF SECURITIES OF THE STATE OF WISCONSIN.**
2. The following shall apply to Franchise Agreements in the State of Wisconsin:
 - a. The Wisconsin Fair Dealership Act, Wisconsin Statutes, Chapter 135 shall apply to and govern the provisions of Franchise Agreements issued in the State of Wisconsin.
 - b. That Act's requirement, including the requirements that, in certain circumstances, a franchisee receives ninety (90) days' notice of termination, cancellation, non-renewal or substantial change in competitive circumstances, and sixty (60) days to remedy claimed deficiencies, shall supersede the requirements of Article 19 of the Franchise Agreement ("Default and Termination") to the extent they may be inconsistent with the Act's requirements.
3. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

EXHIBIT G TO FRANCHISE DISCLOSURE DOCUMENT

STATE EFFECTIVE DATES

State Effective Dates

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

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

State	Effective
California	Pending
Hawaii	
Illinois	Pending
Indiana	
Maryland	
Michigan	
Minnesota	
New York	Pending
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

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 H TO FRANCHISE DISCLOSURE DOCUMENT

RECEIPT

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Hey Yogurt 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 that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Hey Yogurt Franchising LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the state agency listed on Exhibit D.

The franchisor is Hey Yogurt Franchising LLC, located at 10 Malcolm Avenue # 4, Teterboro, NJ 07608. Its telephone number is (858) 877-8888.

Issuance date: April 23, 2026

The franchise seller(s) for this offering are Junhao Li, Grace Hwang, and _____, Hey Yogurt Franchising LLC, at 10 Malcolm Avenue # 4, Teterboro, NJ 07608, (858) 877-8888.

Hey Yogurt Franchising LLC authorizes the respective state agencies identified on Exhibit E to receive service of process for it in the particular state.

I received a disclosure document dated April 23, 2026, that included the following Exhibits:

- EXHIBIT A FRANCHISE AGREEMENT AND RELATED MATERIALS (Including the forms of General Release as Exhibits G, H, and I)
- EXHIBIT B AREA DEVELOPMENT AGREEMENT
- EXHIBIT C FINANCIAL STATEMENTS
- EXHIBIT D STATE ADMINISTRATORS
- EXHIBIT E AGENTS FOR SERVICE OF PROCESS
- EXHIBIT F STATE ADDENDA TO DISCLOSURE DOCUMENT
- EXHIBIT G STATE EFFECTIVE DATES PAGE
- EXHIBIT H RECEIPT

Dated: _____

PROSPECTIVE FRANCHISEE:

If a corporation or other business entity:

If an individual:

(Name of Entity)

(Signature)

By: _____

(Print Name)

Its _____
(Title)

(Signature)

(Print Name)

(Print Name)

You may return the signed receipt either by signing, dating, and mailing it to Hey Yogurt Franchising LLC at 10 Malcolm Avenue # 4, Teterboro, NJ 07608 or by electronically executing, dating and returning it through the electronic signature platform that we require or emailing it to hello@heyYogurtus.com.

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Hey Yogurt 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 that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Hey Yogurt Franchising LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the state agency listed on Exhibit D.

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- EXHIBIT G STATE EFFECTIVE DATES PAGE
- EXHIBIT H RECEIPT

Dated: _____

PROSPECTIVE FRANCHISEE:

If a corporation or other business entity:

If an individual:

(Name of Entity)

(Signature)

By: _____

(Print Name)

Its _____
(Title)

(Signature)

(Print Name)

(Print Name)

PLEASE KEEP THIS RECEIPT FOR YOUR RECORDS.