FRANCHISE DISCLOSURE DOCUMENT

Sara's Artisan Gelato Franchising LLC
a Wisconsin Limited Liability Company
2132 E. Deerfield Avenue, Unit 104
Suamico, WI 54173
920-412-4014
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sarasartisangelato.com

The franchise relates to the establishment and operation of artisan gelato stores offering the production, merchandising, and sale of artisan gelato and other products utilizing a specially designed building or facility with specially developed equipment ("Franchised Business") which are identified by the mark "Sara's Artisan Gelato™."

The total investment necessary to begin operation of a full-size Franchised Business is $317,300 to $437,600. The total investment necessary to begin operation of an express-size Franchised Business is $175,050 to $241,350. This includes $40,000 that must be paid to the franchisor or an affiliate. We also offer a 25% discount on the initial franchise fee for franchisees in good standing that sign a franchise agreement for an additional franchised store.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Jonathan Santaga at 2132 E. Deerfield Avenue, Unit 104, Suamico, Wisconsin, (920) 412-4014, jonathan@sarasgelato.com.

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

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

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

Issuance Date: July 15, 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 or Exhibits E-1 and E-2.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's discretion. 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 F 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 Sara's Artisan Gelato™ 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 Sara's Artisan Gelato™ franchisee?	Item 20 or Exhibit E-1 and E-2 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*

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

<u>Business model can change</u>. 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.

<u>Supplier restrictions</u>. 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.

<u>Operating restrictions</u>. 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.

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

<u>Renewal</u>. 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.

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

Some States Require Registration

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

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State 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. **Spousal Liability**. Your spouse may in some circumstances be required to sign a personal guarantee making the spouse jointly and severally liable for the obligations of the franchisee under the franchise agreement which also places the spouse's personal and marital assets at risk. You may want to consider this when making a decision to purchase this franchise opportunity.

2. **Short Operating History**. 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.

3. **Supplier Control**. You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the Franchisor, Parent, its affiliates, or suppliers that the franchisor designates, at prices the Franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

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

TABLE OF CONTENTS

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

To simplify the language in this disclosure document (the “Disclosure Document”), we refer to Sara's Artisan Gelato Franchising LLC as “Franchisor,” “we,” “us,” or “our.” We refer to the individual or business entity (corporation, partnership, etc.) buying the franchise as “Franchisee” or “you.” If the Franchisee is a business entity, each owner of the Franchisee must personally guarantee all of the Franchisee's obligations under the Franchise Agreement (as defined below) and will be individually bound by, and personally liable for the breach of, every provision of the Franchise Agreement.

The Franchisor

We established Sara's Artisan Gelato Franchising LLC on February 18, 2026, in the State of Wisconsin as a limited liability company. We maintain our principal place of business at 2132 E. Deerfield Avenue, Unit 104, Suamico, WI 54173. We do business only under the name Sara's Artisan Gelato. Our agents for service of process are described in Exhibit B.

We have offered franchises for Sara's Artisan Gelato since July 2026. We have not offered franchises in any other line of business.

Parent Company

Our parent company, Sara's Artisan Gelato, LLC, a Wisconsin limited liability company (“Parent”), owns all right, title, and interest in and to the proprietary marks, including "Sara's Artisan Gelato™" (collectively, the “Marks”) and licenses the Marks and other intellectual property rights to us for use by our franchisees. Parent is also the designated supplier to franchisees of the Proprietary Products (as defined below). Parent owns and operates Sara's Artisan Gelato stores, which includes two traditional stores in Green Bay, Wisconsin and one seasonal store in Door County, Wisconsin. Parent shares our principal business address. Except as described in this paragraph, we do not have any parents, predecessors, or other affiliates required to be disclosed in this Item 1.

Parent owns 100% of the membership interests in the Franchisor.

The Franchise Offered

Franchisor offers franchises to establish and operate artisan gelato stores involving the production, merchandising, and sale of artisan gelato and other products. You will operate a Sara's Artisan Gelato store (referred to in this Disclosure Document as the “Franchised Business”) according to the terms of our franchise agreement in the form attached as Exhibit C to this Disclosure Document (“Franchise Agreement”) and according to our standards, as described below.

The Sara's Artisan Gelato system (the “System”) is identified by means of certain trade names, service marks, trademarks, trade dress, logos, emblems, and indicia of origin, including the name "Sara's Artisan Gelato™". We can add, eliminate, modify or substitute any of the Marks at any time, in our sole discretion.

Our System includes our methods, techniques, standards, specifications, policies and procedures relating to the operation of Sara's Artisan Gelato stores as described in our confidential operational manual and other written directives (collectively, the “Manual”). It also includes our distinctive decor, color schemes, and our special recipes and menu items, and our advertising and promotional programs, all of which we may change, improve and further develop.

The distinguishing characteristics of the System include, without limitation, distinctive exterior and interior design, decor, color scheme, fixtures, and furnishings; standards and specifications for products and supplies; uniform standards, specifications, and procedures for operations; procedures for screening, recruiting and training personnel; payroll and bookkeeping procedures and policies; training and assistance; marketing methods; and advertising and promotional programs.

Store Types. We offer two types of franchise locations:

- **Full-Size Store:** Typically between 1,500 to 1,600 square feet and offers seating.
- **Express/Seasonal Store:** Typically between 650 to 750 square feet and may be approved to be closed for a portion of the calendar year.

Market and Competition

The Franchised Business will provide products and services to the general public. You can expect to compete in your market with locally-owned businesses, as well as with national and regional chains, that offer ice cream and frozen treats, and other items that may compete with the products offered at a Sara's Artisan Gelato store. The market for these items is well-established and highly competitive. These businesses vigorously compete on the basis of factors such as price, service, store location, and product quality. Ideal Sara's Artisan Gelato locations are in a high-visibility, high-traffic area that benefits from being situated on a busy town street with a strong income demographic. You will face other business risks that could have an adverse effect on your business, including changes in consumer taste, economic conditions, seasonal population fluctuation, travel patterns, pricing policies of competitors, changes to laws or regulations, changes in supply, cost of, and demand for products, new technologies, and competition that provides related products or services.

Laws and Regulations

In addition to the laws, regulations and ordinances applicable to businesses generally, such as the Americans with Disabilities Act, Federal Wage and Hour Laws, and the Occupational Safety and Health Act, you should consider that certain aspects of the food service business are heavily regulated by federal, state and local laws, rules and ordinances. The U.S. Food and Drug Administration, the U.S. Department of Agriculture, as well as state and local departments of health and other agencies have laws and regulations concerning the preparation of food and sanitary conditions of food service facilities. State and local agencies routinely conduct inspections for compliance with these requirements. There may be other laws applicable to your business.

You will need to understand and comply with those laws in operating the Franchised Business. This is not an exhaustive list, there are other local, state, and federal laws, rules, and/or regulations that apply to your operation of the Franchised Business. Care should be taken to carefully review any additional laws, rules, and regulations that apply to the Franchised Business.

ITEM 2: BUSINESS EXPERIENCE

Jonathan Santaga: President and Chief Operating Officer

Jonathan Santaga has served as President and CEO since January 2021 in Green Bay, Wisconsin. Mr. Santaga holds a business and marketing degree from the University of Minnesota. Prior to joining Sara's Artisan Gelato, he held various roles in sales development, IT, accounting, manufacturing, operations, HR, and food safety.

Sara Kwaterski: Owner and Founder

Sara Kwaterski is the Owner and Founder of Sara's Artisan Gelato. Ms. Kwaterski studied at Johnson & Wales Culinary Institute and graduated from Fox Valley Technical College with a Culinary Degree. Her continued gelato education includes a certificate from the Carpigiani Gelato University in Bologna, Italy. Ms. Kwaterski previously developed all gelato flavors, mix-ins, and other food products served at Sara's Artisan Gelato locations. She served as President and CEO until entering into a partnership with Jonathan Santaga in 2023. Ms. Kwaterski currently serves in a public relations role and as social media manager, with some involvement in day-to-day operations.

Nathan Ihlenfeldt: Chief Operating Officer

Nathan has served as Chief Operating Officer of Sara's Artisan Gelato in Green Bay, Wisconsin since April 2024. Since joining the company, he has overseen and been actively involved in Sales, Production, Production Planning, Purchasing, Logistics, Marketing, and Business Development operations. Prior to Sara's Artisan Gelato, Nathan served as a Sales Representative for Cintas in the Uniform and Facility Services division. Before Cintas, he held several marketing positions with Belmark Inc. in De Pere, Wisconsin.

Nathan attended the University of Washington and graduated from St. Norbert College with a degree in Business Administration.

ITEM 3: LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4: BANKRUPTCY

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

ITEM 5: INITIAL FEES

You must pay us an initial franchise fee of Forty Thousand Dollars ($40,000). The entire fee is due when you sign the Franchise Agreement. The initial franchise fee is not refundable. The entire initial franchise fee is fully earned in consideration of administrative and other expenses incurred by us in granting this franchise and for our lost or deferred opportunity to enter into agreements with others.

Franchisees granted the right to develop additional locations will pay a reduced fee equal to seventy-five percent (75%) of the then-current initial franchise fee for each additional location developed (currently discounted to $30,000).

ITEM 6: OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty Fee	5% of Gross Sales	Weekly, by the Tuesday following the close of business for the seven (7) day period ending at the close of business on the preceding Saturday	See Note 1.
Brand Fund	Up to 2% of Gross Sales (currently 1%)	Weekly, same time and manner as Royalty Fee	See Note 2.
Interest	12% per annum or the maximum rate permitted by applicable law	Upon demand	Only due if you do not make proper payment on time. Interest begins to accrue when payment was initially due.
Technology Fee	$20	Weekly	Paid at the same time and manner as the Royalty Fee. May be increased by up to 10% annually.
Local Marketing	Minimum of 1% of Gross Sales (may increase up to 2%)	Monthly	In addition to Brand Fund contribution. Must use approved formats and materials.
Grand Opening Marketing	Minimum of $5,000	30 days prior to opening and within 60 days after opening	For initial marketing and promotions.
Additional Training of the Initial Training Program	$1,000 per attendee	As incurred	If Franchisor is required to offer any portion of the Initial Training Program more than once to accommodate Franchisee's attendees, Franchisee

Type of Fee	Amount	Due Date	Remarks
			must pay an additional training fee of One Thousand Dollars ($1,000) per attendee.
Remedial Training after Initial Training Program	$500 per person per day, plus travel and related expenses	As incurred	Payable if you request additional training at your store and we are able to accommodate, or if you are operating below our standards and we require you to have additional training. You must pay all costs of our trainer, which include and are not limited to, airfare, transportation, hotel, and meals.
Additional Training Courses	Currently $400 for tuition per person per course, subject to increase to no more than the actual charge by the third-party educational provider. You pay all travel and other related expenses incurred by all trainees.	As incurred	For mandatory training, the tuition is payable to us and is due regardless of attendance. See Note 3.
Inspection/Audit Expenses	Cost of inspection or audit, plus interest at the highest rate allowed by law on any underpayment	On demand	Payable only if inspection or audit shows that any financial information delivered by you to us is inaccurate by 2% or more.

Type of Fee	Amount	Due Date	Remarks
Renewal Fee	10% of our then-current initial franchise fee	Prior to the execution of your renewal agreement	Payable if you renew your franchise.
Transfer Fee	$1,500 for internal transfers; 50% of then-current initial franchise fee to existing franchisee; 75% of then-current initial franchise fee to new franchisee	At the time of transfer	$5,000 non-refundable deposit due when you announce intent to sell, balance due at closing.
Relocation Fee	40% of then-current initial franchise fee	Upon our approval to relocate your business	If approved to relocate your store. Half due at agreement to assist, half when new location is approved.
Mystery Shop Fees	Up to $250 per month	As required	If we institute a mystery shopper program.
Conference Fees	$500 per attendee	As offered	For educational conferences. You are responsible for your own travel, lodging and related expenses.
Insufficient Funds Fee	$250 per occurrence	As required	Due any time an EFT withdrawal is denied due to insufficient funds in your account. Three or more occurrences within any twelve-month period may be grounds for default.
Indemnification	Any and all types of damages, liabilities, losses, costs, and expenses we or related parties incur	On demand	You must indemnify us and our affiliates from liability for any claim based on or arising from your

Type of Fee	Amount	Due Date	Remarks
	as a result of claims or from your ownership and operations of the Franchised Business.		operation of the Franchised Business.
Costs and Attorneys' Fees	Reimbursement of our costs and expenses	As incurred	You must pay all reasonable attorney's fees incurred by Franchisor in enforcing any obligation under, or in defending against any claim, demand, action, or proceeding related to the Agreement Franchise Agreement.
Tax Reimbursement	Reimbursement of our costs and expenses	As incurred	You are responsible for paying all taxes for your Franchised Business, and you must reimburse us for any taxes that we must pay to any state taxing authority on account of your operation or payments that you make to us.
Interim Operations Fee	Greater of $500 per day or 10% of revenues during the time period we operate your Franchised Business, plus expenses	As incurred	Due if we step in and operate the Franchised Business in the event you default This fee is in addition to all other fees due to us under the Franchise Agreement.

Type of Fee	Amount	Due Date	Remarks
Ongoing Inventory and Supplies	Prices of inventory and supplies you purchase	As incurred	Throughout the term of the Franchise Agreement, you must purchase certain inventory and supplies either (i) from us or Parent, or (ii) an approved supplier
Media Penalty Fee	$3,000, per occurrence	As incurred	If you post, publish, share, or otherwise disseminate any content of a religious or political nature on any social media platform, website, blog, or other online or digital medium in connection with, or that could reasonably be associated with, the Franchised Business, the Marks, or the System, you must pay us a media penalty fee of $3,000 per occurrence.
Vendor Approval Fee	Our costs and expenses up to $750	As incurred	You must obtain our prior written approval before engaging any third-party vendor, supplier, contractor, or service provider in connection with the Franchised Business. Each request for approval must be accompanied by a non-refundable vendor approval fee of up to $750 per occurrence, payable

Type of Fee	Amount	Due Date	Remarks
			upon submission of the approval request.

Notes to Item 6 Table:

Note 1. "Gross Sales" means all revenues generated from sales of all products and services conducted at, from or with respect to the Franchised Business, whether these sales are evidenced by cash, check, credit, charge, account, barter or exchange. Gross Sales do not include the sale of products or services for which refunds have been made in good faith to customers, the sale of equipment or furnishings used in the operation of the Franchised Business, any sales taxes or other taxes collected from customers and paid directly to the appropriate taxing authority.

Note 2. Your required contribution to the Brand Fund is in addition to the amount you must spend on local advertising. See Item 11 of this Disclosure Document for more information about the Brand Fund and your local marketing obligations.

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

Note 4. Except as described in this Item 6, all fees are imposed and collected by and payable to us, though we may transfer these rights to our affiliates, including Parent. These fees are non-refundable and uniformly imposed. All amounts paid to us, Parent and our affiliates must be in United States Dollars ($).

ITEM 7: ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT — FULL-SIZE LOCATION

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Initial Franchise Fee	$40,000	$40,000	Lump sum	When you sign your Franchise Agreement	Us

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Lease, Utility & Security Deposits (Note 1)	$4,000	$5,200	As arranged	Before opening	Lessor, Utility Companies
Permits and Licenses	$2,000	$5,000	As incurred	Before opening	Government Agencies
Design & Architectural Fees	$2,000	$7,000	As arranged	Before opening	Architect
Leasehold Improvements (Note 2)	$160,000	$240,000	As arranged	Before opening	Contractor
Signage (Note 3)	$5,500	$6,100	As arranged	Before opening	Vendors
Furniture & Fixtures	$10,000	$15,000	As arranged	Before opening	Vendors
POS/Back Office System (Note 4)	$3,500	$4,000	As arranged	Before opening	Vendors
Equipment (Note 5)	$45,000	$50,000	As arranged	Before opening	Vendors
Professional Fees (Note 6)	$10,000	$15,000	As incurred	Before opening	Attorneys, Accountants
Initial Inventory (Note 7)	$14,000	$15,000	As arranged	Before opening	Us, Approved Suppliers
Insurance (Note 8)	$3,000	$5,000	As arranged	Before opening	Insurance Company
Training Expenses (Note 9)	$3,300	$5,300	As incurred	During training	Airlines, Hotels, Restaurants

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Grand Opening Marketing (Note 10)	$5,000	$10,000	As arranged	Within 60 days after opening	Distribution Service and Media
Additional Funds (Note 11)	$10,000	$15,000	As incurred	As incurred	Employees, Suppliers, Utilities
TOTAL ESTIMATED INVESTMENT	**$317,300**	**$437,600**			

YOUR ESTIMATED INITIAL INVESTMENT — EXPRESS LOCATION

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Initial Franchise Fee	$40,000	$40,000	Lump sum	When you sign your Franchise Agreement	Us
Lease, Utility & Security Deposits (Note 1)	$500	$700	As arranged	Before opening	Lessor, Utility Companies
Permits and Licenses	$500	$750	As incurred	Before opening	Government Agencies
Design & Architectural Fees	$750	$1,000	As arranged	Before opening	Architect
Leasehold Improvements (Note 2)	$75,000	$115,000	As arranged	Before opening	Contractor
Signage (Note 3)	$5,500	$6,100	As arranged	Before opening	Vendors

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Furniture & Fixtures	$5,500	$7,500	As arranged	Before opening	Vendors
POS/Back Office System (Note 4)	$2,000	$3,000	As arranged	Before opening	Vendors
Equipment (Note 5)	$15,000	$20,000	As arranged	Before opening	Vendors
Professional Fees (Note 6)	$8,000	$10,000	As incurred	Before opening	Attorneys, Accountants
Initial Inventory (Note 7)	$7,000	$8,000	As arranged	Before opening	Us, Approved Suppliers
Insurance (Note 8)	$2,000	$4,000	As arranged	Before opening	Insurance Company
Training Expenses (Note 9)	$3,300	$5,300	As incurred	During training	Airlines, Hotels, Restaurants
Grand Opening Marketing (Note 10)	$5,000	$10,000	As arranged	Within 60 days after opening	Distribution Service and Media
Additional Funds (Note 11)	$5,000	$10,000	As incurred	As incurred	Employees, Suppliers, Utilities
TOTAL ESTIMATED INVESTMENT	**$175,050**	**$241,350**			

Notes:

Note 1. The figures reflect the estimated security deposits and utility deposits. Lease costs will vary based on square footage, cost per square foot, location, length of lease, age of the leased property, local market conditions, zoning, and the size of the premises. You should consult a real estate professional in your geographic area before purchasing a franchise.

Note 2. Leasehold improvements include demolition, plumbing, electrical, drywall, HVAC, flooring, lighting and any other permanent fixtures installed during construction. The cost of leasehold improvements will depend on the condition and size of the site, the local cost of contract work, and the location of the Franchised Business.

Note 3. Signage includes both interior and exterior signage for the store.

Note 4. The POS system includes workstations for the Square POS systems and other peripheral devices.

Note 5. Includes all store equipment.

Note 6. Includes your cost to establish your business entity and utilize an attorney for the FDD review.

Note 7. Includes your initial inventory of food, beverage, paper and chemical supplies, including required purchases from us such as gelato pans, gelato pints, cookies, waffle cone batter, fudge, and caramel sauce.

Note 8. Low-end assumes your first quarterly premium. The high end assumes payment of your annual premium.

Note 9. Includes the cost for you and your key managers to attend our pre-opening training course (up to five days), including costs of travel, lodging, meals, and wages.

Note 10. Includes the anticipated advertising through your first 60 days of operation.

Note 11. These amounts are the minimum recommended levels to cover operating expenses, including employees' salaries for 3 months. However, we cannot guarantee that this amount will be sufficient. Additional working capital may be required if sales are low or fixed costs are high.

Financial Qualifications. We recommend that franchise candidates have a minimum credit score of 720. For a full-size store, we recommend minimum liquidity of approximately $135,000 and a net worth of $565,000 or greater. For an express-size store, we recommend minimum liquidity of approximately $80,000 and a net worth of $310,000 or greater.

Your credit history could impact the amount (and cost) of funds needed during the start-up phase. If you have no credit history or a weak credit history may give you less favorable lending and payment terms, which might increase the amount of funds you will need during this period.

The figures in the chart and the explanatory notes are only estimates. Your actual costs may vary considerably, depending, for example, on factors such as: local economic conditions; the local market for the Franchised Business; timing of your opening; the prevailing wage rate; competition; the sales level achieved during the initial period of operation; and your management and training experience, skill, and business acumen.

You should review these figures carefully with a business advisor before making any decision to purchase the franchise. You should take into account the cash outlays and probable losses that you may incur while you are trying to get established. Extensive start-up costs may be involved, depending upon your circumstances.

We relied upon our business experience in preparing the estimates with respect to additional funds and in all of the Item 7 charts.

ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases from Us

All products sold or offered for sale at the Franchised Business, and other products, materials, supplies, paper goods, fixtures, furnishings and equipment used or sold at the Franchised Business, must meet our standards and specifications, as established in the Manual or otherwise in writing. You must purchase gelato pans, gelato pints, cookies, waffle cone batter, fudge, and caramel sauce directly from us, the Parent or our designated suppliers. Your initial pre-opening investment includes required purchases from us, Parent or our affiliates, which typically account for 15% to 18% of the total startup costs. Furthermore, ongoing inventory and supply requirements require that 75% to 85% of all recurring purchases be sourced directly through these established channels.

Approved Suppliers

You must purchase all food items, ingredients, supplies, materials, and other products and equipment used or offered for sale at the Franchised Business for which we have established standards or specifications solely from suppliers (including manufacturers, distributors and other sources) which demonstrate the ability to meet our standards and specifications, who possess adequate quality controls and capacity to supply your needs promptly and reliably, and who have been approved by us.

If you desire to purchase products from a party other than an approved supplier, you must submit to us a written request to approve the proposed supplier, together with evidence of conformity with our specifications as we may require. We will use our best efforts, within 30 days after our receipt of your completed request and completion of all required evaluation and testing, to notify you of our approval or disapproval of the proposed supplier. You may not sell or offer for sale any products of the proposed supplier until our written approval of the proposed supplier is received. We may at any time revoke our approval of particular products or suppliers when we determine, in our sole discretion, that such products or suppliers no longer meet our standards.

We are not required to make available to prospective suppliers our standards and specifications for formulas, including the recipes or ingredients for proprietary or trade secret products that we, in our sole discretion, consider confidential.

Third-Party Vendors

In addition to the supplier approval requirements described above, you may not engage, retain, contract with, or otherwise use any third-party vendor, supplier, contractor, or service provider in connection with the Franchised Business without our prior written approval. You must submit a written request to us for approval of each proposed third-party vendor, including information we may reasonably require regarding the vendor's identity, the nature of the goods or services to be provided, and the proposed terms of engagement. Each request must be accompanied by a non-refundable vendor approval fee of up to $750. We have the right, in our sole and absolute discretion, to approve or deny any request.

Advertising Materials

All advertising, including internet advertising, must meet our specifications as set forth in our Manual. You must submit all proposed advertising to us for our approval before use. You may not use any advertising not prepared or previously approved by us within the preceding 6 months. On written notice from us, you must immediately discontinue use of any unapproved, or approved and subsequently disapproved, advertising materials.

Computer System

As more fully described in Item 11, you must obtain and maintain computer hardware and software during the term of the Franchise Agreement meeting our specifications, including the Square POS system.

Insurance Requirements

You must obtain before opening the Franchised Business, and maintain in full force and effect at all times during the term of the Franchise Agreement, at your expense, insurance policies protecting you, us, and your and our respective officers, directors, partners, agents and employees against any demand or claim with respect to personal injury, death or property damage, or any loss, liability or expense arising or occurring in connection with the Franchised Business. Required insurance types include: comprehensive general liability insurance, property and casualty insurance, business interruption insurance, statutory workers' compensation insurance, employer's liability insurance, product liability insurance, and automobile insurance coverage for all vehicles used in connection with the Franchised Business.

These policies must be written by a responsible carrier or carriers having an A.M. Best rating of A or higher, shall name us as an additional insured, and shall provide at least the types and minimum amounts of coverage specified in the Manual.

If you should fail to obtain or maintain the insurance required by the Franchise Agreement for any reason, we have the right and authority (without, however, any obligation to do so) to procure the insurance. If we do so, you must pay the full premium paid, plus an administrative surcharge.

Revenue from Franchisee Purchases

We may negotiate purchase arrangements with some or all of the approved or designated suppliers and we may receive money or other benefits from approved or designated suppliers as a result of your purchases. As of the date of this Disclosure Document, there are no purchasing or distribution cooperatives. We estimate that approximately 75% to 85% of your expenditures for purchases in establishing your Franchised Business and on an ongoing basis will be for goods and services which are supplied by us or Parent or subject to sourcing restrictions.

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.

Obligation	Section in Franchise Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	1.2, 3.4 and Exhibit A	Item 11
b. Pre-opening purchases/leases	7.4, 7.5, 7.6	Items 5, 7, 8 and 11
c. Site development and other pre-opening requirements	Article V, 7.4, 7.5 and Exhibit A	Items 7, 8 and 11
d. Initial and ongoing training	Article VI	Items 6, 7 and 11
e. Opening	Article V and 1.2	Item 11
f. Fees	1.2, 2.2, Article IV, 12.1, 12.2 and 12.4	Items 5, 6, 7 and 11
g. Compliance with standards and policies/Manuals	7.1, 7.3, 7.4, 7.6 and Article IX	Items 8, 11 and 16
h. Trademarks and proprietary information	Article VIII and 10.1, 10.2 and 10.3	Items 13 and 14
i. Restrictions on products/services offered	7.2, 7.3, 7.4, 7.6, 7.17 and 7.18	Items 8 and 16
j. Warranty and customer service requirements	Article VII	Items 11 and 15
k. Territorial development and sales quotas	1.3	Item 12
l. Ongoing product/service purchases	7.6	Items 6 and 8
m. Maintenance, appearance and remodeling requirements	7.8, 7.10 and 7.11	Items 6, 7, 8 and 11
n. Insurance	Article XIII	Items 7 and 8
o. Advertising	7.9, 7.15, 8.2 Article XII	Items 6, 8, and 11
p. Indemnification	20.3	Item 6
q. Owner's participation/management/staffing	7.7 and 17.1	Items 11 and 15
r. Records and reports	Article XI	Items 6 and 11

Obligation	Section in Franchise Agreement	Disclosure Document Item
s. Inspections and audits	3.11, 7.8 and 11.7	Items 6 and 11
t. Transfer	Article XIV	Items 6 and 17
u. Renewal or Extension of Rights	2.2	Items 6 and 17
v. Post-termination obligations	Article XVI and Article XVII	Items 6 and 17
w. Non-competition covenants	17.2 and 17.3	Item 17
x. Dispute resolution	Article XXV	Items 6 and 17
y. Other: Personal Guarantee	18.2, Exhibit C	Items 1 and 15

ITEM 10: FINANCING

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

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

Before the Franchised Business opens, we must provide the following to you:

1. We will provide assistance in the site selection process, including review of information provided by you and your real estate broker, and we will retain the final right to accept or reject your proposed location and lease. (Franchise Agreement, Section 3.4).

2. We will make available, at no charge to you: (a) formal drawings of current store locations as reference for layouts; (b) design photographs for reference on materials; (c) specifications for furniture, fixtures, paint colors, and other building details in a spreadsheet format with references to links for purchase; and (d) standard architectural plans for the Franchised Business, including exterior and interior design and layout. Final design decisions shall be subject to approval by us, with review from an architect and corporate designer designated by us. (Franchise Agreement, Section 3.1).

3. Once a location has been secured, we will schedule a design/construction meeting with you to review the recommended store layout and provide input on how to design and best construct

or renovate the leased space as a Sara's Artisan Gelato franchised store. (Franchise Agreement, Section 3.4).

4. We will provide up to two representatives to provide on-site support for up to five days in connection with your opening. (Franchise Agreement, Section 3.3).

5. We will provide operating procedures to assist you in complying with our standard methods of record keeping, controls, staffing and training requirements, and production methods, and in developing approved sources of supply. (Franchise Agreement, Section 3.6).

6. We will provide you, on loan, one copy of our Manual. (Franchise Agreement, Section 3.8).

7. During the required time period of operations of the Franchised Business, as specified by us in the Manual or otherwise in writing, we shall make available to you for sale, or designate or approve other suppliers who shall make available to you for sale, products, ingredients, menu items, and supplies as we may designate. (Franchise Agreement, Section 3.9).

8. We will provide the Initial Training Program to your Mandatory Trainees. (Franchise Agreement, Section 6.1).

9. We will approve or disapprove your grand opening advertising promotions. (Franchise Agreement, Section 12.1).

Ongoing Obligations

During the operation of the Franchised Business, we will provide the following:

1. We agree to maintain a continuing advisory relationship with you, including consultation in the areas of marketing, merchandising, and general business operations. (Franchise Agreement, Section 3.5).

2. On your reasonable request, and in our sole discretion, we will make available to you advice and assistance on the proper implementation of the System and operation of the Franchised Business. We shall have the right to charge a reasonable fee for such advice and assistance. (Franchise Agreement, Section 3.5).

3. We shall make advertising and promotional materials available to you. (Franchise Agreement, Section 3.7).

4. We shall administer an advertising and brand promotion fund. (Franchise Agreement, Section 3.10).

5. We shall make products, ingredients, menu items and supplies available for sale. (Franchise Agreement, Section 3.9).

6. Let you use our Marks in connection with the operation of your Franchised Business. (Franchise Agreement, Section 8.2).

7. Approval or disapproval of advertising materials. (Franchise Agreement, Article XII).

8. Approval or disapproval of suppliers. (Franchise Agreement, Section 3.9).

9. Mandatory specifications and procedures for bookkeeping, accounting, and other reporting, including our standard chart of accounts. (Franchise Agreement, Article XI).

10. **Field Business Coaching Support.** Qualified representatives will periodically visit and consult with franchisees at their location to identify areas of improvement and help the business grow successfully and operate profitably.

Time to Open

You must find a space that is acceptable to us within four (4) months of signing the Franchise Agreement. Once a space has been identified that we accept, you must open your Store within five (5) months following such acceptance. The maximum timeframe between signing the Franchise Agreement and opening the Store is nine (9) months.

We expect Sara's Artisan Gelato stores to open six (6) to nine (9) months after the Franchise Agreement is signed or the location is approved. Factors which may affect the length of time between signing of the Franchise Agreement and opening for business include the time necessary to obtain necessary financing, to obtain permits and licenses necessary to construct and operate the Franchised Business, to complete construction or remodeling, to complete required training, and other factors.

Manual

In order to protect our reputation and goodwill and to maintain high standards of operation under the System, you must operate the Franchised Business in accordance with the standards, methods, policies, and procedures specified in our Manual, which will be loaned to you for the term of the Franchise Agreement once you complete the initial training program to our satisfaction. We may provide a portion or all of the Manual in or via electronic media, including through the Internet. The Manual shall remain the sole property of us and shall be kept in a secure place on the Franchised Business premises. A copy of the Table of Contents of the Manual is attached to this Disclosure Document as Exhibit D.

Advertising

Grand Opening Marketing. 30 days prior to opening and within the first 60 days after opening, you will be required to spend a minimum of $5,000 on grand opening marketing and promotions in your territory. (Franchise Agreement, Section 12.1).

Local Marketing. You will be required to spend a minimum of 1% of gross revenue per month on local marketing, which may be increased to up to 2% during the term of the Franchise Agreement. Local marketing must be implemented in a format and using materials and designs approved by us. Upon our request, you must submit receipts documenting this marketing activity. (Franchise Agreement, Section 12.2).

Advertising Approval. All advertising and promotion by you must be in the media and of a type and format as we may approve, must be conducted in a dignified manner, and must conform to standards and requirements as we may specify. You must not use any advertising or promotional plans or materials unless and until you have received written approval from us. You must submit all advertising to us at least ten (10) business days prior to the deadline for running the advertisement. If written approval or disapproval is not received by you within fifteen (15) days from the date such material is received by us, said materials shall be deemed disapproved unless and until subsequently approved. (Franchise Agreement, Section 12.6).

We may make available to you from time to time, pre-approved advertising that you will be required to use during such season and at such times as we shall specify in writing. In addition, we may make available, at your expense, such promotional materials, including newspaper mats, coupons, merchandising materials, point-of-purchase materials, special promotions, and similar advertising and promotional materials.

Brand Fund

You must pay to the Brand Fund a contribution equal to up to 2% of your Gross Sales (currently 1%). Your contribution to the Brand Fund is in addition to the required grand opening and local advertising described above. (Franchise Agreement, Section 4.4).

Sara's Artisan Gelato stores owned and operated by us, Parent or our affiliates contribute to the Brand Fund in the same manner, and in the same amounts, as our franchised businesses.

We will direct all advertising, marketing, and promotional programs and have sole discretion over all aspects of those programs, including the concepts, materials, and media used and the placement and allocation of them.

The Brand Fund, all contributions to it, and any of its earnings, are used exclusively to meet any and all costs of maintaining, administering, directing, conducting, and preparing advertising, marketing, public relations, and/or promotional programs and materials, and any other activities which we believe will enhance the image of the System.

A reasonable amount of the Brand Fund fees paid by all franchisees may be used to cover our costs and overhead as may be incurred in activities reasonably related to the direction and implementation of the Brand Fund and advertising programs for franchisees and the System.

We are not obligated, in administering the Brand Fund, to make expenditures for you which are equivalent or proportionate to your contribution, or to ensure that any particular franchisee benefits directly or on a pro rata basis from expenditures or activities of the Brand Fund.

It is anticipated that all contributions to the Brand Fund will be expended for their intended purposes during the fiscal year in which contributions are made. We will maintain separate bookkeeping accounts for the Brand Fund. The Brand Fund will not be audited. We will make available to you once a year an annual accounting of the Brand Fund's expenditures upon written request.

Website

You may not establish a separate Website for the Franchised Business unless approved by us. However, we have the right to require that you have one or more references or webpage(s), as designated and approved by us in advance, within our principal Website. At the present time, we do not plan to allow franchisees to have their own local social media accounts. If this is ever contemplated in the future, we will either own or be a co-administrator on any local social media accounts.

Computer System

You must purchase and use a computer/point of sale system that we specify. Parent uses Square for the point-of-sale (POS), management system, loyalty, text and email marketing, and credit card processing. We estimate that your cost to purchase the computer system and software is between $2,000 and $4,000, depending on the size of the Franchised Business.

You must maintain, upgrade, and update the computer system as we require and the Franchise Agreement does not restrict the frequency or expense of upgrades and maintenance. We will have independent access to the business data (including customer database, POS, sales, inventory, COGS) which is stored in your computer system. There are no contractual limitations on our right to access this information.

Initial Training Program

You and all managers of the Franchised Business approved by us must successfully complete our initial training program. Our initial training program consists of approximately five days of training at our headquarters and/or at a company-owned Sara's Artisan Gelato store in Green Bay, Wisconsin. We will require up to two individuals to attend and successfully complete training. A third person may attend training with no additional fee, and additional people may attend with our approval.

Prior to attending training, each individual must successfully complete ServSafe (or similar food safety certification) certification as required by the jurisdiction of where the Franchised Business is located, and complete online training that we may develop.

We do not charge tuition or impose a fee for training-related materials in connection with our initial training program, but you are responsible for all training-related expenses incurred by all persons who attend training including costs of travel, lodging, meals, and wages.

The following table is a summary of the subjects covered in our initial training program:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Overview of Sara's Artisan Gelato	2	0	Green Bay, WI
Gelato Presentation and Kitchen Operations	4	4	Green Bay, WI

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Store Opening/Closing Procedures	2	4	Green Bay, WI
Guest Service Procedures	2	4	Green Bay, WI
Equipment Operation and Maintenance	2	2	Green Bay, WI
Point of Sale System Operations	2	2	Green Bay, WI
Human Resources and Employee Management	2	0	Green Bay, WI
Financial Management and Recordkeeping	2	0	Green Bay, WI
Marketing and Promotions	2	0	Green Bay, WI
Quality Control and Health/Safety Standards	2	2	Green Bay, WI
Total	**22**	**18**	

Classroom Training

Classroom training may be conducted virtually in certain instances at our discretion. We will communicate to you in advance whether any portion of the classroom training will be conducted virtually, including the format and any technical requirements for participation.

Additional Training

You, your managers, and other employees shall also attend such additional courses, seminars and other training programs as we may reasonably require from time to time. Franchisees and Store Managers will be required to participate in up to five days of refresher training per year, at a location designated by us, or online. We may also require franchisees to attend a national business meeting or convention, for up to three days per year. You will bear all direct costs such as travel and accommodation for attending these events.

ITEM 12: TERRITORY

If you do not already have a location when you sign your Franchise Agreement, you must purchase or lease a site for your Franchised Business. Although you are solely responsible for locating the site for your Franchised Business, the location is subject to our written approval. Our approval will be based upon a variety of factors which may include the viability of the then-current location and demographics including number of households, household income, and vehicular traffic. You may not relocate the Franchised Business to any other location without our prior written consent.

You must submit your proposed lease to us for approval.

Franchisee's Territory

Subject to your continued compliance with the Franchise Agreement, we may grant you a protected area (“Franchisee's Territory”) within which we will not locate another franchised or company-owned Sara's Artisan Gelato store. The Franchisee's Territory shall be set forth in Exhibit A of the Franchise Agreement following our acceptance of your site location.

Your Territory will be determined by us in our sole discretion using Maptitude or another mapping and territory analysis tool designated by us. In establishing your Territory, we may consider one or more of the following factors: population; number of households; median income; drive time; ZIP codes or census areas; existing store and customer data; competitor locations; and grocery or wholesale customer locations. Based on these factors, Franchisee’s Territory will generally be a geographic area described by attaching a map, or by reference to streets, natural boundaries, or ZIP codes. The typical Territory is expected to have a population of 50,000 people.

During the term of your Franchise Agreement, we will not open or operate, or license others to own or operate, a Sara's Artisan Gelato store in your Territory.

Non-Traditional Locations

The following types of locations shall not be provided a protected territory: enclosed shopping centers, airports, amusement/theme parks, train stations, and sports stadiums and arenas.

Reserved Rights

Notwithstanding the foregoing, this franchise grants no rights outside the Franchisee's Territory, and we reserve the right to operate or permit others to operate Sara's Artisan Gelato stores or to otherwise use the Marks and/or the System at locations outside the Franchisee's Territory which may compete for customers drawn from the same area as your Franchised Business.

We and our affiliates retain the rights, among others, on any terms and conditions we deem advisable, and without granting you any rights therein:

(a) to market similar products and services under a different trademark within the Franchisee’s Territory;

(b) to market products or services under the Sara's Artisan Gelato Marks through alternate distribution channels, including through wholesale to restaurants, entertainment and sports venues, grocery stores, and other scoop shops, whether within or outside the Franchisee’s Territory;

(c) to acquire or be acquired by other independent businesses or competing franchise networks offering products and services similar to those offered as part of the franchise system, which may result in you competing with locations of the network being acquired within the Franchisee's Territory; and

(d) to establish and operate, and license others to establish and operate, Sara's Artisan Gelato stores under the System and Marks in your Territory at any existing or future (1) shopping malls, (2) airports, (3) bus and train depots and other transportation terminals, (4) entertainment facilities (including sports stadiums) and theme parks, and (5) rest stops, plazas and similar locations accessible from limited access highways.

Restrictions on Sales

You must sell all products at retail and not sell such products at wholesale or for re-sale, and refrain from selling any products at any location other than the approved location of your Franchised Business, except as expressly permitted under the catering services provisions described below. You are restricted from soliciting, accepting orders from, or providing delivery service to customers outside Franchisee's Territory. You do not have the right to use other channels of distribution, such as the Internet, telemarketing or other direct marketing, or delivery service to make sales outside Franchisee's Territory, unless permitted by us in writing.

Catering Services

You are authorized to provide catering services in connection with the Franchised Business, subject to the terms and conditions of the Franchise Agreement and our System Standards. All catering events, whether within or outside your Territory, require our prior written approval. If a catering opportunity arises for an event within your Territory, you will have the first right to service that event, subject to our prior written approval. We reserve the right, in our sole and absolute discretion, to oversee any catering event within your Territory, including the right to assume operational control of and take over any such event. If a catering opportunity arises for an event outside your Territory, the catering event will first be offered to the franchisee whose territory encompasses the location of the event. If that franchisee declines or fails to accept the event within the time period we establish, we will have the right, in our sole and absolute discretion, to service, operate, or assign the event. You have no right to service any catering event outside your Territory without the prior written consent of the territorial franchisee (if applicable) and us. We have the right to establish and modify standards, procedures, pricing guidelines, and operational requirements applicable to all catering services.

Under the Franchise Agreement, continuation of your location rights does not depend upon the volume of sales generated nor your penetration of the market potential.

You do not have the right to acquire additional franchises, although you may apply for the right to operate additional Franchised Businesses pursuant to separate franchise agreements.

ITEM 13: TRADEMARKS

Under the Franchise Agreement, you will be granted the right to establish and operate a Sara's Artisan Gelato store under the Marks, including "Sara's Artisan Gelato™" and such other trademarks, trade names, and service marks as we may designate as part of the System.

The following marks are the subject of pending federal trademark registration:

Mark	Serial Number	Application Date	Type of Registration
Sara's Artisan Gelato	99434248	October 9, 2025	Service Mark
	99434250	October 9, 2025	Stylized Logo Design

The Marks are owned by Parent and we have the right to use and to license others to use the Marks.

Additional trademark registration information and status will be updated upon federal registration.

There are currently no effective determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, or any state trademark administrator or court; or any pending infringement, opposition, or cancellation proceeding, or any pending material federal or state litigation involving the Marks. There are no agreements currently in effect which significantly limit our rights to use or license the use of the Marks in any manner material to the franchise. We know of no superior prior rights or infringing uses that could materially affect your use of the Marks.

You may use the Marks only for the purpose of operating and advertising the Franchised Business, in accordance with our standards. Unless otherwise authorized or required by us, you shall operate, advertise, and promote the Franchised Business only under the name “Sara's Artisan Gelato” with no accompanying words or symbols of any nature. You may not use “Sara's Artisan Gelato” in your corporate name.

You must promptly notify us of any suspected unauthorized use of the Marks, any challenge to the validity of the Marks, or any challenge to our ownership of, our right to use and to license others to use, or your right to use, the Marks. We have the sole right to direct and control any administrative proceeding or litigation involving the Marks, including any settlement.

We have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Marks. We will defend you against any third-party claim, suit, or demand arising out of your use of the Marks. If we, in our sole discretion, determine that you have used the Marks in accordance with the Franchise Agreement, the cost of your defense, including the cost of any judgment or settlement, will be borne by us. However, if we, in our sole discretion, determine that you have not used the Marks in accordance with the Franchise Agreement, the cost of your defense, including the cost of any judgment or settlement, will be your responsibility.

We may designate new, modified or replacement marks for your use, and require you, at your own expense, to use them in addition to or instead of any of the previously designated Marks.

ITEM 14: PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

We own common law copyrights in the Manual, our recipes, certain drawings and advertising materials. These materials are our proprietary property and must be returned to us upon expiration or termination of the Franchise Agreement.

There are no registered patents or copyrights material to your operation of the franchise. There are no pending patent applications that are material to the franchise.

We do, however, claim common law copyright and trade secret protection for many elements of the System, including our confidential information (which includes our trade secrets, recipes, supplier information, operational standards, Manual, advertising, marketing and brand strategy information and other information relating to the establishment and operation of a Sara's Artisan Gelato store that we designate as “Confidential Information”), our trade dress, copyrighted works and any designs or processes that may in the future be subject to a patent.

You may not, and you must use your best efforts to ensure that no other person discloses or uses (except as authorized by the Franchise Agreement) any of the contents of the Manual or any other trade secrets, whether during or after the term of your Franchise Agreement.

At our request, you shall require your managers and other such personnel having access to any of our Confidential Information to execute covenants that they will maintain the confidentiality of information they receive in connection with their employment. Our current form for this agreement is attached as Exhibit B to the Franchise Agreement. Once signed, you must provide us a copy of each such executed agreement.

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

Our goal is for you to be actively engaged in your Franchised Business. You (or, if you are a corporation, partnership or limited liability company, your principal, general partner or member) or your fully-trained manager shall devote full time and best efforts to the management and operation of the Franchised Business. You will be required to work in the business full time for a minimum of the first two years of the term of the Franchise Agreement. Following the second year, you may seek approval to reduce your full-time, in-store involvement, which we will approve or disapprove in our sole discretion.

The Franchised Business shall at all times be under the direct supervision of an individual who has satisfactorily completed our training program. You shall maintain a competent, conscientious, trained staff, including a manager (who may be you) who has completed the required training. If you do not wish to manage the operation of the Franchised Business on a day-to-day basis, you must obtain our approval of any person that you wish to engage to supervise the management of the Franchised Business (each a “Store Manager”).

Your day-to-day manager will be bound by certain provisions of the Franchise Agreement, including the confidentiality and non-compete provisions. The current form is attached as Exhibit B to the Franchise Agreement. Your manager need not have an equity interest in the franchise.

Franchisees are expected to live within ten to fifteen miles of the Franchisee's Territory.

If you are a business entity, or if any successor or assignee is a business entity, then all owners of an economic interest in your franchise and their spouses must execute a Guaranty and Assumption of Obligations in the form attached as Exhibit C to the Franchise Agreement. This guaranty requires them to jointly and severally guarantee the full payment and performance of the business entity's obligations to us and to personally assume all other obligations contained in the Franchise Agreement.

ITEM 16: RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale and sell all menu items, products and services that we designate for sale and only those menu items, products and services that we authorize for sale. We have the right to change the menu items that you must offer for sale. You may not under any circumstances offer or sell any gelato, ice cream, ice cream-related products or other gelato products of any kind other than the products sold by us, Parent, and/or required suppliers.

You must purchase specified products, materials, supplies, paper goods, fixtures, furnishings and equipment used or sold at the Franchised Business from suppliers designated by us or the Parent in order to assure the uniform quality and image associated with the Franchised Business.

You must sell all products at retail and not sell such products at wholesale or for re-sale, and refrain from selling any products at any location other than the approved location, except as expressly permitted under the catering services provisions of the Franchise Agreement (Section 7.18).

You may not operate a temporary cart or kiosk at any location within the Franchisee's Territory without our consent.

No vending, game, audio, video, internet, other coin or currency-operated machines, or any service, product or entertainment machine of any kind are permitted in your Franchised Business without our prior written consent.

You must comply with any gift card or loyalty programs developed by us and shall not offer alternative gift cards or loyalty programs.

Catering Services

You are authorized to provide catering services in connection with the Franchised Business, subject to our prior written approval for all catering events and compliance with the System Standards and the Manual. If a catering event is within your Territory, you have the first right to service the event, but we reserve the right to oversee and assume operational control of any such event in our sole discretion. If a catering event is outside your Territory, it will be offered first to the franchisee whose territory encompasses the event location; if that franchisee declines, we have the right to service or assign the event. We have the right to establish and modify standards, procedures, pricing guidelines, and operational requirements for all catering services.

ITEM 17: RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise Agreement	Summary
a. Length of the term of the franchise	2.1	10 years after signing your Franchise Agreement.
b. Renewal or extension of the term	2.2	You have the right to renew for 2 additional 5-year terms if certain conditions are met.
c. Requirements to renew or extend	2.2	Conditions include timely delivery of written notice (not less than 6 months nor more than 12 months prior to expiration); completion of all maintenance, refurbishing, renovating and remodeling; not being in default; satisfaction of all monetary obligations; ability to remain in possession of premises; execution of our then-current form of franchise agreement (which may have materially different terms); execution of a general release; compliance with then-current qualification and training requirements; and payment of renewal fee (10% of then-current initial franchise fee).
d. Termination by Franchisee	Not Applicable	Not Applicable
e. Termination by Franchisor without cause	Not Applicable	Not Applicable
f. Termination by Franchisor with "cause"	15.1, 15.2, and 15.3	We can terminate the Franchise Agreement only if you default.
g. "Cause" defined — curable defaults	15.3	30-day cure period applies generally. 7-day cure period applies if you fail to pay monies when due or fail to maintain required insurance. 24-hour cure period applies to violations of health, sanitation,

Provision	Section in Franchise Agreement	Summary
		or safety laws or if you cease to operate for 48 hours without prior written consent.
h. "Cause" defined — non-curable defaults	15.1 and 15.2	The Franchise Agreement will terminate without an opportunity to cure if: you become insolvent; you fail to locate an approved site or open within required time limits; you fail to complete training; you abandon the Franchised Business or lose right to possession; you are convicted of a felony or crime involving moral turpitude; a threat to public health or safety results from operations; any unauthorized transfer occurs; you disclose confidential information; you submit false reports; you misuse the Marks; you refuse to permit inspections; or you commit multiple defaults (whether or not previously cured).
i. Franchisee's obligations on termination/non-renewal	Article XVI	You must stop operating the Franchised Business; refrain from holding yourself out as a present or former franchisee; stop using all Confidential Information and Marks; cancel all assumed names containing the Marks; pay all sums owed; return the Manual; comply with non-compete covenants; offer us the option to purchase or assume the lease for the premises and to purchase assets; assign telephone numbers, social media pages, and member lists to us; cancel or assign domain names and websites to us.
j. Assignment of contract by Franchisor	14.1	We can transfer or assign the Franchise Agreement and all or any part of our rights or obligations to any person or legal entity.
k. "Transfer" by Franchisee — defined	14.2	A transfer is when you sell, assign, transfer, convey, pledge, encumber, merge or give away any direct or indirect interest in the Franchise Agreement, in Franchisee, or in all or substantially all of the assets of the Franchised Business.

Provision	Section in Franchise Agreement	Summary
l. Franchisor approval of transfer by Franchisee	14.2	Transfers require our prior written consent.
m. Conditions for Franchisor approval of transfer	14.3, 14.4	You have satisfied all monetary obligations; you are not in default; the Franchised Business is in good operating condition and compliance; the consideration offered is not excessive; you sign a general release; the transferee enters into our then-current franchise agreement; the transferee is approved by us; and you pay us the applicable transfer fee.
n. Franchisor's right of first refusal to acquire Franchisee's business	14.6	We can match any offer for your business by a third party. We have 45 days after receipt of the offer to exercise this option.
o. Franchisor's option to purchase Franchisee's business	16.4, 16.5, and 16.10	Upon termination or expiration, we can require you to assign your lease and/or telephone number to us. We also have the option of purchasing the assets of the Franchised Business from you within 30 days, at fair market value or depreciated book value, whichever is less.
p. Death or disability of Franchisee	14.7	Upon death or incapacity, the executor, administrator, or personal representative must transfer the interest to a third party approved by us within 6 months, subject to the same conditions as any other transfer.
q. Non-competition covenants during the term of the franchise	17.2	During the term, you may not own or have any interest in any business that offers or sells artisan gelato or similar products.
r. Non-competition covenants after the franchise is terminated or expires	17.3	For 2 years after expiration or termination, within your Territory or 5 miles of your Franchised Business or any Sara's Artisan Gelato store, you may not own or have any interest in any business that offers or sells artisan gelato or similar products.
s. Modification of the Agreement	23	No amendment or change is binding unless mutually agreed to in writing, but we may

Provision	Section in Franchise Agreement	Summary
		change the Manual and System standards at any time.
t. Integration/merger clause	23	The Franchise Agreement, other related written agreements and exhibits constitute the entire agreement. Nothing in the Franchise Agreement is intended to disclaim any representations made in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	25.3	Disputes shall be resolved in accordance with dispute resolution procedures set forth in the Manual.
v. Choice of forum	25.2	All disputes brought by Franchisee must be litigated in the U.S. District Court for the Eastern District of Wisconsin or, if such court lacks subject matter jurisdiction, in a state court located in such district.
w. Choice of law	25.1	Wisconsin law governs all disputes.

ITEM 18: PUBLIC FIGURES

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

ITEM 19: FINANCIAL PERFORMANCE REPRESENTATION

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchise 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 also be given, but 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 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 Jonathan Santaga at 2132 E. Deerfield Avenue, Unit 104, Suamico, WI 54173, 920-412-4014; the Federal Trade Commission; and the appropriate state regulatory agencies.

ITEM 20: OUTLETS AND FRANCHISEE INFORMATION

Table No. 1:
System-Wide Outlet Summary
For Years 2023 to 2025

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the end of the Year	Net Change
Franchised	2023	0	0	0
	2024	0	0	0
	2025	0	0	0
Company-Owned	2023	2	2	0
	2024	2	2	0
	2025	2	3	1
Total Outlets	**2023**	**2**	**2**	**0**
	2024	**2**	**2**	**0**
	2025	**2**	**3**	**1**

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

State	Year	Number of Transfers
All States	2023	0
	2024	0
	2025	0
Totals	**2023**	**0**
	2024	**0**

State	Year	Number of Transfers
	2025	**0**

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

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations — Other Reasons	Outlets at the End of the Year
All States	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
Totals	**2023**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2024	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2025	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Table No. 4
Status of Company-Owned Outlets
For Years 2023 to 2025[1]

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Wisconsin	2023	2	0	0	0	0	2
	2024	2	0	0	0	0	2
	2025	2	1	0	0	0	3

[1] These stores are owned and operated by our Parent.

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Total	**2023**	**2**	**0**	**0**	**0**	**0**	**2**
	2024	**2**	**0**	**0**	**0**	**0**	**2**
	2025	**2**	**1**	**0**	**0**	**0**	**3**

Table No. 5
Projected Openings as of March 31, 2026

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchise Outlet in the Next Fiscal Year	Projected New Company-Owned Outlet in the Next Fiscal Year
Wisconsin	0	5	0
Total	**0**	**5**	**0**

Exhibit E-1 contains a list of the names, addresses, and telephone numbers of our current franchisees as of December 31, 2025. Exhibit E-2 contains a list of the names and last known address and telephone number of each franchisee who had a Franchise Agreement terminated, cancelled, not renewed, or who otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year, or who had not communicated with us 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.

We have not sold any franchises as of the date of this Disclosure Document. Therefore, within the last three years, no franchisees have signed confidentiality clauses. In some instances, however, current and former franchisees may sign provisions restricting their ability to speak openly about their experience with our franchise system. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

As of the date of this Disclosure Document, we are not aware of any trademark-specific franchisee organizations that are associated with our franchise system.

ITEM 21: FINANCIAL STATEMENTS

We have not been in business for 3 years or more, and therefore cannot include all of the financial statements required by the FTC Franchise Rule. Attached to this Disclosure Document as Exhibit F is our unaudited opening balance sheet as of June 30, 2026. Our fiscal year end is December 31st.

ITEM 22: CONTRACTS

Our standard form of Franchise Agreement is attached to this Disclosure Document as Exhibit C.

ITEM 23: RECEIPT

Two copies of the Receipt for this Disclosure Document are attached as Exhibit H. Please return one copy to us and retain one copy for your files.

EXHIBIT A

LIST OF STATE ADMINISTRATORS

We intend to register this disclosure document as a "franchise" in some or all of the following states, if required by the applicable state laws. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in these states:

State	Contact Information
Illinois	Office of Attorney General Franchise Division, 500 South Second Street, Springfield, Illinois 62706 (217)782-4465
Michigan	Michigan Attorney General's Office Consumer Protection Division, Antitrust and Franchise Unit 525 West Ottawa Street Lansing, Michigan 48909 (517)373-7117
Minnesota	Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota, 55101 (651)539-1600
Wisconsin	Securities and Franchise Registration Wisconsin Department of Financial Institutions 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608)266-0448

EXHIBIT B

LIST OFAGENTS FOR SERVICE OF PROCESS

We intend to register this disclosure document as a "franchise" in some or all of the following states, if required by the applicable state laws. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in these states:

State	Agent for Service of Process
Illinois	Attorney General of the State of Illinois 500 South Second Street Springfield, Illinois 62706 (217)782-4465
Michigan	Michigan Department of Commerce, Corporations, Securities, and Commercial Licensing Bureau P.O. Box 30018 Lansing, Michigan 48909 (517)335-7567
Minnesota	Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota, 55101 (651)539-1600
Wisconsin	Securities and Franchise Registration Wisconsin Department of Financial Institutions 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608)266-0448

EXHIBIT C

FRANCHISE AGREEMENT

(See attached)

SARA'S ARTISAN GELATO FRANCHISING LLC
FRANCHISE AGREEMENT

Franchisee: ______________________

Date: ___________________________

SARA'S ARTISAN GELATO FRANCHISING LLC FRANCHISE AGREEMENT
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SARA'S ARTISAN GELATO FRANCHISING LLC

FRANCHISE AGREEMENT

THIS AGREEMENT ("**Agreement**") is made and entered into by and between Sara's Artisan Gelato Franchising LLC, a Wisconsin limited liability company with its principal place of business at 2132 E. Deerfield Avenue, Unit 104, Suamico, WI 54173 ("**we**," "**us**," "**our**," or "**Franchisor**"), and ________________________[name], a __________________[franchisee entity type] with its principal place of business at ___________________ [franchisee address] ("**you**" or the "**Franchisee**"), as of the date signed by us and set forth below our signature on this Agreement (the "**Effective Date**").

INTRODUCTION

Franchisor, as the result of the expenditure of time, skill, effort, and money, has developed, and continues to develop, a distinctive system relating to the establishment, operation, and promotion of artisan gelato stores involving the production, merchandising, and sale of artisan gelato and other products utilizing a specially designed building or facility with specially developed equipment, equipment layouts, interior and exterior accessories, identification schemes, products, management programs, standards, distribution and delivery methods, specifications and proprietary marks and information, and all of which may be changed, improved and further developed by Franchisor from time to time (the "**System**").

The distinguishing characteristics of the System include, without limitation, distinctive exterior and interior design, decor, color scheme, fixtures, and furnishings; standards and specifications for products and supplies; uniform standards, specifications, and procedures for operations; procedures for screening, recruiting and training personnel; payroll and bookkeeping procedures and policies; training and assistance; marketing methods; and advertising and promotional programs.

The System is identified by means of certain trade names, service marks, trademarks, trade dress, logos, emblems, and indicia of origin, including, but not limited to, the name "Sara's Artisan Gelato™," as are now designated and may hereafter be designated by Franchisor in writing for use in connection with the System (the "**Proprietary Marks**").

Franchisee desires to enter into the business of operating a Sara's Artisan Gelato store under Franchisor's System and Proprietary Marks, and wishes to enter into an agreement with Franchisor for that purpose, and to receive the training and other assistance provided by Franchisor in connection therewith.

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

In recognition of all of the details noted above, the parties have chosen to enter into this Agreement, taking into account all of the promises and commitments that they are each making to one another in this Agreement, and for other good and valuable consideration (the sufficiency and receipt of which they hereby acknowledge) and they agree as follows:

ARTICLE I. GRANT OF THE FRANCHISE

1.1 Grant of Franchise. Franchisor grants to Franchisee the right and Franchisee undertakes the obligation, upon the express terms and conditions set forth in this Agreement, to establish and operate a Sara's Artisan Gelato store under the Proprietary Marks and System (the "**Franchised Business**" or "**Store**"), and to use the Proprietary Marks and the System, as they may be changed and improved from time to time at Franchisor's sole discretion, solely in connection therewith. In connection therewith, this franchise includes the right to use at the Store only, the trademark "Sara's Artisan Gelato™," along with other Proprietary Marks, and the right to use at the Store only the System, including confidential and valuable information which now exists or may be acquired hereafter and set forth in Franchisor's Confidential Operating Manual (the "**Manual**") or as otherwise from time to time disclosed to Sara's Artisan Gelato franchisees.

1.2 Approved Location. Franchisee shall operate the Franchised Business only at the location identified in Exhibit A (the "**Approved Location**" or "**Premises**"). If, at the time of execution of this Agreement, a location for the Franchised Business has not been obtained by Franchisee and approved by Franchisor, Franchisee shall be assigned a preliminary territory within which to search for an acceptable site location. Franchisee shall be responsible for selecting a location and negotiating a lease for the franchise. Franchisor will review information provided by Franchisee and their real estate broker and will retain the final right to accept or reject Franchisee's proposed location and lease. Franchisee must find a space that is acceptable to Franchisor within four (4) months of signing this Agreement. Once a space has been identified that Franchisor accepts, Franchisee must open their Store within five (5) months following such acceptance. The maximum timeframe between signing this Agreement and opening the Store is nine (9) months. In the event that Franchisee does not open within the required timeframe, Franchisor shall have the option to terminate this Agreement; provided, however, that Franchisor, in its sole discretion, may elect to extend this period in the event that circumstances beyond Franchisee's control delay the opening. Franchisee shall not relocate the Franchised Business without the prior written approval of Franchisor. Franchisor shall have the right, in its sole discretion, to withhold approval of relocation. Franchisee shall include in any lease or sublease for the Premises a provision requiring the landlord to provide prior written approval for Franchisor's assumption or takeover of the lease in the event that Franchisee defaults under this Agreement or there is a transfer of a controlling interest in Franchisee.

In the event Franchisor approves Franchisee's request to relocate the Franchised Business, Franchisee shall pay to Franchisor a relocation fee equal to forty percent (40%) of the then-current initial franchise fee at the time of such relocation approval.

1.3 Franchisee's Territory. Franchisor may, in its sole and absolute discretion, grant Franchisee a protected area (the "**Franchisee's Territory**" or "**Protected Area**"). The size, boundaries, and configuration of any such Franchisee's Territory shall be determined by Franchisor in its sole discretion based on such factors as Franchisor deems relevant, including, without limitation, population density, geographic features, competitive conditions, and the location of existing or planned Sara's Artisan Gelato stores. Subject to Franchisee's continued compliance with this Agreement, within the Franchisee's Territory (if any), Franchisor will not locate another franchised or company-owned Sara's Artisan Gelato store. The Protected Area, if any, shall be set forth in Exhibit A following Franchisor's acceptance of Franchisee's site location. Franchisor reserves the right, in its sole discretion, to modify, reduce, or eliminate the Franchisee's

Territory at any time upon written notice to Franchisee. Notwithstanding the foregoing, this franchise grants no rights outside the Franchisee's Territory (if any), and Franchisor reserves the right to operate or permit others to operate Sara's Artisan Gelato stores or to otherwise use the Proprietary Marks and/or the System at locations outside the Franchisee's Territory which may compete for customers drawn from the same area as Franchisee's Franchised Business.

Franchisor and its affiliates further retain the rights, among others, on any terms and conditions Franchisor deems advisable, and without granting Franchisee any rights therein:

(a) to market similar products and services under a different trademark within Franchisee's Territory;

(b) to market products or services under the Sara's Artisan Gelato marks through alternate distribution channels, including through wholesale to restaurants, entertainment and sports venues, grocery stores, and other scoop shops, whether within or outside the Franchisee's Territory; and

(c) to acquire or be acquired by other independent businesses or competing franchise networks offering products and services similar to those offered as part of the franchise system, which may result in Franchisee competing with locations of the network being acquired within Franchisee's Territory.

1.4 Non-Traditional Locations. The following types of locations shall not be provided in a Franchisee's Territory: enclosed shopping centers, airports, amusement/theme parks, train stations, and sports stadiums and arenas.

1.5 Supplementing the System. Franchisee acknowledges that the System may be supplemented, improved, and otherwise modified from time to time by Franchisor; and Franchisee agrees to comply with all reasonable requirements of Franchisor in that regard, including, without limitation, offering and selling new or different products or services as specified by Franchisor.

ARTICLE II. TERM AND RENEWAL

2.1 Term. This Agreement shall be in effect upon its acceptance and execution by Franchisor and, except as otherwise provided herein, the term of this Agreement shall be ten (10) years from the Effective Date; provided, however, the term shall expire without notice upon any earlier expiration or termination of a lease or any other event affecting Franchisee's possession and occupancy of the Franchised Business.

2.2 Renewal. Franchisee may, subject to the following conditions, renew the rights granted under this Agreement for up to two (2) additional consecutive terms of five (5) years each. Franchisor may require, in its sole discretion, that any or all of the following conditions be met prior to such renewal:

(a) Franchisee shall give Franchisor written notice of Franchisee's election to renew not less than six (6) months nor more than twelve (12) months prior to the end of the then-current term;

(b) Franchisee shall make or provide for, in a manner satisfactory to Franchisor, such renovation and modernization of the Premises as Franchisor may reasonably require, including, without limitation, installation of new equipment and renovation of signs, furnishings, fixtures, and décor to reflect the then-current standards and image of the System;

(c) Franchisee and all of its affiliates shall not be in default of any provision of this Agreement, any amendment hereof or successor hereto, or any other agreement between Franchisee and Franchisor or its affiliates; and Franchisee and all of its affiliates shall have substantially complied with all the terms and conditions of such agreements during the terms thereof;

(d) Franchisee and all of its affiliates shall have satisfied all monetary obligations owed by Franchisee to Franchisor and its affiliates under this Agreement, and shall have timely met those obligations throughout the term of this Agreement;

(e) Franchisee shall present evidence satisfactory to Franchisor that Franchisee has the right to remain in possession of the Premises for the duration of the renewal term or shall obtain Franchisor's approval of a new location for the Franchised Business for the duration of the renewal term;

(f) Franchisee shall execute Franchisor's then-current form of franchise agreement, which may have materially different terms than this Agreement, including, without limitation, a higher royalty fee and advertising contribution and a smaller or modified Franchisee's Territory, except that Franchisee shall not be required to pay any initial franchise fee (but shall be required to pay the renewal fee set forth in **Section 2.2(h)** hereof);

(g) Franchisee shall execute, and shall cause each of its affiliates to execute, a general release, in a form prescribed by Franchisor, of any and all claims against Franchisor and its affiliates, and their respective officers, directors, agents, and employees; and

(h) Franchisee shall pay Franchisor a renewal fee in the amount of ten percent (10%) of Franchisor's then-current initial franchise fee.

ARTICLE III. DUTIES OF FRANCHISOR

3.1 Plans and Specifications. Franchisor shall make available, at no charge to Franchisee: (a) formal drawings of current store locations as reference for layouts; (b) design photographs for reference on materials; (c) specifications for furniture, fixtures, paint colors, and other building details in a spreadsheet format with references to links for purchase; and (d) standard architectural plans for the Franchised Business, including exterior and interior design and layout. Final design decisions shall be subject to approval by Franchisor, with review from an architect and corporate designer designated by Franchisor. Franchisee acknowledges that such layouts and specifications shall not contain the requirements of any federal, state or local law, code or regulation (including, without limitation, those concerning the Americans with Disabilities Act (the "**ADA**") or similar rules governing public accommodations or commercial facilities for persons with disabilities).

3.2 Training. Franchisor shall provide training as set forth in **Article VI** hereof.

3.3 Opening Assistance. Franchisor shall provide up to two (2) representatives to spend up to five (5) days assisting Franchisee and their staff on-site at Franchisee's Approved Location in conjunction with Franchisee commencing business operations.

3.4 Site Selection Assistance. Franchisor shall provide assistance in the site selection process, including review of information provided by Franchisee and Franchisee's real estate broker. Franchisor shall retain the final right to accept Franchisee's location. Franchisor shall provide input on how to design and best construct or renovate the leased space as a Sara's Artisan Gelato franchised store, including scheduling a design/construction meeting with Franchisee once a location has been secured.

3.5 Additional Assistance. On Franchisee's reasonable request, and in Franchisor's sole discretion, Franchisor will make available to Franchisee advice and assistance on the proper implementation of the System and operation of the Franchised Business. Franchisor shall have the right to charge a reasonable fee for such advice and assistance. Franchisor agrees to maintain a continuing advisory relationship with Franchisee, including consultation in the areas of marketing, merchandising, and general business operations.

3.6 Operating Procedures. Franchisor shall provide operating procedures to assist Franchisee in complying with Franchisor's standard methods of record keeping, controls, staffing and training requirements, and production methods, and in developing approved sources of supply. Franchisor shall provide to Franchisee standards, specifications, procedures, and techniques of the System, as the same may be modified by Franchisor from time to time, in its sole and absolute discretion.

3.7 Advertising and Promotional Materials. Franchisor shall make available to Franchisee advertising and promotional materials as provided in **Article XII** hereof.

3.8 Confidential Operating Manual. Franchisor shall provide Franchisee, on loan, one copy of Franchisor's Manual, as more fully described in **Article IX** hereof.

3.9 Products. During the required time period of operations of the Franchised Business, as specified by Franchisor in the Manual or otherwise in writing from time to time, Franchisor shall make available to Franchisee for sale, or designate or approve other suppliers who shall make available to Franchisee for sale, products, ingredients, menu items, and supplies as Franchisor may designate in the Manual or in writing from time to time. Franchisor shall make reasonable efforts to disseminate its standards and specifications to potential suppliers of Franchisee upon the written request of Franchisee.

3.10 Brand Fund. Franchisor shall administer an advertising and brand promotion fund in the manner set forth in **Article XII** hereof.

3.11 Inspections. Franchisor shall have the right, as it deems advisable in its sole discretion, to conduct inspections of Franchisee's operation of the Franchised Business.

3.12 Performance by Designee. Franchisee acknowledges and agrees that any duty or obligation imposed on Franchisor by this Agreement may be performed by any designee, employee, or agent of Franchisor, as Franchisor may direct.

ARTICLE IV. FEES

4.1 Initial Franchise Fee. In consideration of the franchise granted herein, Franchisee shall pay to Franchisor, on execution of this Agreement, an initial franchise fee of Forty Thousand Dollars ($40,000). The entire initial franchise fee is fully earned and non-refundable in consideration of administrative and other expenses incurred by Franchisor in granting this franchise and for Franchisor's lost or deferred opportunity to enter into this Agreement with others.

4.2 Royalty Fees. Franchisee shall pay to Franchisor a continuing royalty fee in an amount equal to five percent (5%) of Gross Sales for each week during the term of this Agreement. Such royalty fees shall be paid to Franchisor on a weekly basis, by the Tuesday following the close of business for the seven (7) day period ending at the close of business on the preceding Saturday, in accordance with **Section 4.7** below.

4.3 Gross Sales. "**Gross Sales**" means all revenues generated from sales of all products and services conducted at, from or with respect to the Franchised Business, whether such sales are evidenced by cash, check, credit, charge, account, barter or exchange. Gross Sales shall not include the sale of products or services for which refunds have been made in good faith to customers, the sale of equipment or furnishings used in the operation of the Franchised Business, any sales taxes or other taxes collected from customers by Franchisee and paid directly to the appropriate taxing authority.

4.4 Brand Fund Contributions. Franchisee shall pay to Franchisor, at the same time, for the same seven (7) day period, in the same manner as, and in addition to the payments provided for under **Section 4.2** of this Agreement, one percent (1%) of the Gross Sales of the Franchised Business. Franchisor reserves the right to increase the Brand Fund contribution up to two percent (2%) during the term of this Agreement. Such contributions to the Brand Fund shall be in addition to any expenditures made pursuant to **Sections 12.1** and **12.2** hereof and shall be made in accordance with **Section 4.7** hereof.

4.5 Technology Fees. Franchisee shall pay to Franchisor a technology fee of Twenty Dollars ($20) on a weekly basis, payable at the same time and in the same manner as the Royalty Fees in **Section 4.2**. Franchisor reserves the right to increase the technology fee by up to ten percent (10%) on an annual basis.

4.6 Advertising Expenditures. Franchisee shall make monthly expenditures and contributions for advertising and promotion as specified in **Article XII** hereof.

4.7 Payments. All payments to Franchisor required by this **Article IV** and **Article XII** hereof shall be paid weekly, by the Tuesday following the seven (7) day period ending at the close of business on the preceding Saturday. All such payments shall be accompanied by a signed statement of Gross Sales for the applicable period along with all monies required to be paid under this Agreement. Franchisor shall have the right to require Franchisee to make payments under this Agreement by electronic funds transfer (EFT) or direct deposit. Acceptance of payment by electronic funds transfer shall not be deemed a waiver of any rights of Franchisor. Any payment or Gross Sales report not actually received by Franchisor on or before such date shall be deemed overdue. If any payment or report is overdue, Franchisee shall pay Franchisor immediately upon demand, in addition to the overdue amount, interest on such amount from the date it was due until received by Franchisor, at the rate of twelve percent (12%) per annum or the maximum rate permitted by applicable law, together with all collection costs and reasonable attorney's fees. Entitlement to such interest shall be in addition to any other remedies Franchisor may have. Franchisee shall not be entitled to set off any payments required to be made under this **Article IV** against any monetary claim it may have against Franchisor.

4.8 Insufficient Funds Fee. In the event of insufficient funds in Franchisee's EFT account or a returned check, Franchisor may charge Franchisee a fee of Two Hundred Fifty Dollars ($250) per occurrence. Three (3) or more insufficient funds charges within any twelve (12) month period shall be grounds for default of this Agreement.

4.9 Bank Account. Franchisee shall deposit all revenues from operation of the Franchised Business into one bank account within two (2) days of receipt, including cash, checks, credit card receipts or the value of other forms of payment. Franchisee shall furnish to Franchisor, upon Franchisor's request, such bank and account number, a voided check from such bank account, and written authorization for Franchisor to withdraw funds from such bank account via electronic funds transfer without further consent or authorization for all payments payable by Franchisee to Franchisor hereunder. Franchisee agrees to execute any and all documents as may be necessary to effectuate and maintain the electronic funds transfer arrangement, as required by Franchisor. In the event Franchisee changes banks or accounts for the bank account required by this **Section 4.9**, Franchisee shall, prior to such change, provide such information concerning the new account and an authorization to make withdrawals therefrom. Franchisee's failure to provide such information concerning the bank account required by this **Section 4.9** or any new account, or Franchisee's withdrawal of consent to withdrawals for whatever reason and by whatever method, shall be a breach of this Agreement.

4.10 Pricing. Franchisee shall have complete discretion as to the prices Franchisee charges for products sold in the Franchised Business.

4.11 Media Penalty Fee. In the event Franchisee violates the social media conduct restrictions set forth in **Section 8.10** of this Agreement, Franchisee shall pay to Franchisor a Media Penalty Fee in the amount of Three Thousand Dollars ($3,000) per occurrence, as more fully described in **Section 8.10** hereof.

4.12 Vendor Approval Fee. Franchisee shall pay to Franchisor a non-refundable Vendor Approval Fee of up to Seven Hundred and Fifty Dollars ($750) per occurrence in connection with each request for approval of a Third-Party Vendor, as more fully described in **Section 7.17** hereof.

ARTICLE V. OPENING OF FRANCHISED BUSINESS

5.1 Construction. Franchisee shall renovate or construct, and equip, the Franchised Business at Franchisee's own expense. Before commencing any renovation or construction of the Franchised Business, Franchisee, at its expense, shall adapt the preliminary plans and drawings that Franchisor provides to Franchisee under **Section 3.1** above by having prepared draft and final architectural drawings and specifications of the Premises by a licensed architect or engineer. Such draft and final drawings and specifications shall be submitted to Franchisor for its prior written approval. The drawings and specifications shall not thereafter be changed or modified without the prior written approval of Franchisor. Franchisor's approval hereunder shall not relate to Franchisee's obligations with respect to any federal, state or local laws, codes or regulations including, without limitation, the applicable provisions of the ADA regarding the construction, design and operation of the Franchised Business, which shall be Franchisee's sole responsibility.

5.2 Permits. Franchisee shall be responsible, at Franchisee's expense, for conforming the premises to local ordinances, building codes and the ADA, and for obtaining all zoning classifications, permits, and clearances, including, but not limited to, certificates of occupancy and certificates of health, which may be required by federal, state or local laws, ordinances, or regulations, or which may be necessary or advisable owing to any restrictive covenants relating to the Premises or required by the lessor.

5.3 Opening Deadline. Franchisee shall obtain Franchisor's written approval prior to first opening the Franchised Business, which approval shall not be unreasonably withheld. Franchisee shall commence operation of the Franchised Business not later than nine (9) months after the date of this Agreement. The parties agree that time is of the essence in the opening of the Franchised Business.

ARTICLE VI. TRAINING

6.1 Initial Training Program. Prior to the opening of the Franchised Business, Franchisee (or, if Franchisee is a Business Entity) and all managers of the Franchised Business, approved by Franchisor, shall attend and complete to Franchisor's satisfaction the initial training program offered by Franchisor (the "**Initial Training Program**"). The Initial Training Program shall consist of up to five (5) days of training with respect to the operation of the System, at Franchisor's store in Green Bay, Wisconsin, or at such other training facility (or virtually) as Franchisor may, from time to time, designate.

All Franchisees will be required to attend and successfully complete the Initial Training Program. Franchisor will require up to two (2) individuals to attend and successfully complete training (the "**Mandatory Trainees**"). Additional persons may attend the Initial Training Program with no additional fee, and additional persons may attend with Franchisor approval. If Franchisor is required to offer any portion of the Initial Training Program more than once to accommodate Franchisee's attendees, Franchisee must pay an additional training fee of One Thousand Dollars ($1,000) per attendee, if requested by Franchisor.

Prior to attending training, each individual must successfully complete ServSafe (or similar food safety certification) certification as required by the jurisdiction where the Store is located, and complete any online training that Franchisor may develop. Any persons subsequently employed by Franchisee in the position of manager shall also attend and complete Franchisor's training program, to Franchisor's satisfaction, within ninety (90) days of their date of hire.

6.2 Additional Training Courses and Remedial Training. Franchisee, Franchisee's managers, and other employees shall also attend such additional courses, seminars and other training programs as Franchisor may reasonably require from time to time, including up to five (5) days of refresher training per year, at a location designated by Franchisor, or online. Franchisor may also require Franchisee to attend a national business meeting or convention for up to three (3) days per year. In addition to tuition or attendance fees, Franchisee is responsible for any and all incidental expenses incurred by Franchisee and its personnel in connection with additional training or attendance at Franchisor's national business meeting or systemwide franchisee convention, including, without limitation, costs of travel, lodging, meals and wages.

Franchisee shall pay a fee of Five Hundred Dollars ($500) per person, payable if Franchisee is operating below Franchisor's standards and Franchisor requires Franchisee to have additional training. Franchisee must pay all costs of Franchisor's trainer, which include, but are not limited to, airfare, transportation, hotel, and meals.

6.3 Training Expenses. All training programs required by **Section 6.1** hereof shall be at such times and places as may be designated by Franchisor, and also may be conducted via Internet, conference call, or such other means as Franchisor determines in its sole discretion. For all training courses, seminars and programs required by **Section 6.1** hereof, Franchisor shall provide, at no charge to Franchisee, instructors, training materials, and technical training tools. Franchisee shall be responsible for any and all other expenses incurred by Franchisee and its employees in connection with the initial training program and any additional courses, seminars, and other training programs, including, without limitation, the costs of transportation, lodging, meals, and wages.

6.4 Conference Attendance. Franchisee (and/or their operating principal) and their Store Manager (as defined below) shall attend any meetings and conferences required by Franchisor and pay a reasonable fee (currently expected to be Five Hundred Dollars ($500) per attendee) to help Franchisor cover its costs of the conference. Franchisee shall be solely responsible for all costs and expenses incurred in connection with attending such conferences, including compensation, travel, lodging, meals, and miscellaneous expenses.

ARTICLE VII. DUTIES OF FRANCHISEE

7.1 Operating Standards. Franchisee understands and acknowledges that every detail of the Franchised Business is important to Franchisee, Franchisor and other franchisees in order to develop and maintain high operating standards, to increase the demand for the products sold by all franchised businesses operating under the System, and to protect Franchisor's reputation and goodwill.

7.2 Operating Requirement. Franchisee shall be actively engaged in Franchisee's Franchised Business location and shall be required to work in the business full time for a minimum of the first two (2) years. Following the second year, Franchisee may seek approval from Franchisor to reduce their full-time, in-store involvement. Franchisee is expected to live within ten (10) to fifteen (15) miles of their Franchisee's Territory. Should Franchisee move outside of their Franchisee's Territory, Franchisor shall evaluate their ability to continue to manage and oversee the business efficiently before approving the move.

7.3 Shop Operations. Franchisee shall use the Premises solely for the operation of the business franchised hereunder; shall keep the Franchised Business open and in normal operation during the following hours, unless prior written approval is obtained from Franchisor or unless Franchisor otherwise directs in writing: Monday through Saturday from 12:00 p.m. to 9:00 p.m., and Sunday from 12:00 p.m. to 7:00 p.m.; provided, however, that Franchisor may adjust such hours from time to time based on market conditions, geographic area, or other relevant factors, upon written notice to Franchisee. Franchisee shall refrain from using or permitting the use of the Premises for any other purpose or activity at any time without first obtaining the written consent of Franchisor; and shall operate the Franchised Business in strict conformity with such methods, standards, and specifications as Franchisor may from time to time prescribe in the Manual or otherwise in writing. Franchisee shall refrain from deviating from such standards, specifications, and procedures without Franchisor's prior written consent. Franchisee shall operate the Franchised Business so as to maximize Gross Sales and maintain all standards of the System.

7.4 Adherence to Standards and Specifications. To insure that the highest degree of quality and service is maintained, Franchisee shall operate the Franchised Business in strict conformity with such methods, standards, and specifications as Franchisor may from time to time prescribe in the Manual or otherwise in writing. Further, Franchisee agrees:

(a) to use all materials, ingredients, supplies, paper goods, uniforms, fixtures, furnishings, signs, equipment, methods of exterior and interior design and construction, and methods of product preparation and delivery prescribed by or which conform to Franchisor's standards and specifications, and to carry out the business covered by this Agreement in accordance with the operational standards and specifications established by Franchisor and set forth in the Manual and other documents as they presently exist or shall exist in the future or as may be otherwise disclosed to Franchisor's franchisees from time to time.

(b) to refrain from using or selling any products, materials, ingredients, supplies, paper goods, uniforms, fixtures, furnishings, signs, equipment, and methods of product preparation, merchandising, and delivery which do not meet Franchisor's standards and specifications.

(c) to offer for sale at the Franchised Business all products that are, from time to time, designated in writing as approved for sale at Sara's Artisan Gelato Stores by Franchisor; and to refrain from offering for sale any product(s) that have not been so designated in writing as approved by Franchisor; and to discontinue selling and offering for sale any products which Franchisor may, in its discretion, disapprove in writing at any time.

(d) to maintain at all times a sufficient supply of approved products.

(e) to purchase gelato pans, gelato pints, cookies, waffle cone batter, fudge, and caramel sauce directly from Franchisor or its designated suppliers. All other products and services such as beverages and packaging/paper products must be purchased from suppliers approved by Franchisor.

(f) to maintain, at all times and at Franchisee's expense, the interior and exterior of the Franchised Business and all fixtures, furnishings, signs, and equipment in the highest degree of cleanliness, orderliness, sanitation, and repair, as reasonably required by Franchisor. Franchisee shall make no material alteration, addition, replacement, or improvement in or to the interior or exterior of the Franchised Business without the prior written consent of Franchisor.

(g) to comply promptly with all applicable laws, rules, regulations, ordinances, and orders of public authorities including, but not limited to, the Board of Fire Underwriters and other similar organizations and of all governmental agencies, however designated, which address health, safety, sanitation, environmental, or other issues affecting operations of the Franchised Business.

(h) to sell all products hereunder at retail and not sell such products at wholesale or for re-sale, and to refrain from selling any products at any location other than the Approved Location, except as expressly permitted under **Section 7.18** (Catering Services) of this Agreement.

7.5 Fixtures, Furnishings, and Equipment. Franchisee shall purchase and install, at Franchisee's expense, all fixtures, furnishings, supplies, equipment (including, without limitation, décor, and signs as Franchisor may reasonably direct from time to time); and shall refrain from installing or permitting to be installed on or about the Premises, without Franchisor's prior written consent, any fixtures, furnishings, equipment, décor, signs or other items not previously approved by Franchisor.

7.6 Sources of Products. All products sold or offered for sale at the Franchised Business, and other products, materials, supplies, paper goods, fixtures, furnishings and equipment used or sold at the Franchised Business, shall meet Franchisor's then-current standards and specifications, as established in the Manual or otherwise in writing. Franchisor reserves the right to require Franchisee to purchase any or all approved products, equipment, and merchandise solely from Franchisor or an affiliate of Franchisor. Franchisor shall have the right to approve all suppliers of products or services. In the event that Franchisee requests Franchisor to evaluate a new product or supplier, Franchisor shall have the right to charge Franchisee for costs associated with the analysis.

7.7 Supervision. Franchisee is solely responsible for the management, direction, and control of the Franchised Business and all day-to-day operations of the Franchised Business. The Franchised Business shall at all times be under the direct supervision of an individual who has satisfactorily completed the training as required by **Section 6.1** hereof. Franchisee shall maintain a competent, conscientious, trained staff, including a manager (who may be Franchisee) who has completed the training described in **Section 6.1** hereof.

If Franchisee (or if Franchisee is conducting business as a Business Entity, Franchisee's principal owner) does not wish to manage the operation of the Franchised Business on a day-to-day basis, Franchisee must obtain Franchisor's approval of any person that Franchisee wishes to engage to supervise the management of the Franchised Business (each a "**Store Manager**"). Franchisor may establish conditions for approving any such Store Manager in its discretion, which may include the completion of training, confirmation that such Store Manager will have no competitive business, and/or execution of a non-disclosure agreement Franchisor requires. During any period in which no Store Manager is approved, Franchisee (or if Franchisee is conducting business as a Business Entity, Franchisee's principal owner) must supervise the day-to-day operations of the Franchised Business. Should Franchisee's Store Manager be terminated or otherwise cease employment, Franchisee shall hire and train a new Store Manager within thirty (30) days.

7.8 Inspections. Franchisee shall permit Franchisor and its agents to enter upon the Franchised Business premises at any time during normal business hours for the purpose of conducting inspections and to select materials, ingredients, products, supplies, paper goods, uniforms, fixtures, furnishings, signs, and equipment for evaluation purposes to assure that these items conform to the standards and specifications of the System. Franchisor may require Franchisee to remove any item which does not conform to applicable standards and specifications. Franchisee shall cooperate with representatives of Franchisor in such inspections by rendering such assistance as they may reasonably request; and, upon notice from Franchisor or its agents, and without limiting Franchisor's other rights under this Agreement, shall take such steps as may be necessary to correct immediately any deficiencies detected during any such inspection. Should Franchisee, for any reason, fail to correct such deficiencies within a reasonable time as determined by Franchisor, Franchisor shall have the right, but not the obligation, to correct any deficiencies which may be susceptible to correction by Franchisor and to charge Franchisee a reasonable fee for Franchisor's expenses in so acting, payable to Franchisor upon demand. The foregoing shall be in addition to such other remedies Franchisor may have.

If, within twenty-four (24) hours following written notice by Franchisor requesting the correction of an unhealthy, unsanitary, or unclean condition, or within thirty (30) days following written notice by Franchisor requesting maintenance, repairs, or alterations to the Franchised Business, Franchisee has not corrected the condition or completed the maintenance, repairs, or alterations, as the case may be, Franchisor may enter the Franchised Business, without being guilty of, or liable for, trespass or tort, and may cause the repairs, alterations, or painting to be completed, or the condition to be corrected, at the expense of Franchisee and without prejudice to any other rights or remedies of Franchisor.

7.9 Advertising Materials. Franchisee shall ensure that all advertising and promotional materials, signs, decorations and other items specified by Franchisor bear the Proprietary Marks in the form, color, location, and manner prescribed by Franchisor.

7.10 Maintenance of Premises. Franchisee shall maintain the Franchised Business premises (including the adjacent public areas) in a clean, orderly condition and in excellent repair; and, in connection therewith, Franchisee shall, at its expense, make such additions, alterations, repairs and replacements thereto (but no others without Franchisor's prior written consent) as may be required for that purpose, including, without limitation, such periodic repainting or replacement of obsolete signs, furnishings, equipment and décor as Franchisor may reasonably direct.

7.11 Refurbishment and Modernization. Franchisee shall comply with the following ongoing investment requirements:

(a) Routine Maintenance: Franchisee shall maintain all fixtures, décor items, equipment, and other construction elements on an as-needed basis. Any maintenance deficiencies identified by Franchisor must be addressed immediately by Franchisee.

(b) Equipment and Technology Upgrades: Franchisee shall make upgrades to any equipment or technology used in the Sara's Artisan Gelato business (including the point-of-sale and back-office system) as required by Franchisor.

(c) Trade Dress Updates: At Franchisor's request, but no more than once every five (5) years, Franchisor may require Franchisee to renovate the trade dress within the Franchised Business, including installation of new color schemes, flooring, signage, or other visual/physical elements, to conform to the building design, trade dress, color schemes and presentation of the Proprietary Marks in a manner consistent with the then-current image for new Sara's Artisan Gelato franchised businesses. Such refurbishment may include, without limitation, structural changes, remodeling, redecoration and modifications to existing improvements.

7.12 Changes to the System. Franchisee shall not implement any change, amendment or improvement to the System without the express prior written consent of Franchisor. Franchisee shall notify Franchisor in writing of any change, amendment or improvement in the System which Franchisee proposes to make, and shall provide to Franchisor such information as Franchisor requests regarding the proposed change, amendment or improvement. Franchisee acknowledges and agrees that Franchisor shall have the right to incorporate the proposed change, amendment or improvement into the System and shall thereupon obtain all right, title and interest therein without compensation to Franchisee.

7.13 Compliance with Lease. Franchisee shall comply with all the terms of its lease or sublease and all other agreements affecting the operation of the Franchised Business; shall promptly furnish Franchisor a copy of its lease, upon request; shall undertake best efforts to maintain a good and positive working relationship with its landlord and/or lessor; and shall refrain from any activity which may jeopardize Franchisee's right to remain in possession of, or to renew the lease or sublease for, the Franchised Business premises.

7.14 Health and Safety Standards. Franchisee shall meet and maintain the highest health and safety standards and ratings applicable to the operation of the Franchised Business. Franchisee shall furnish to Franchisor within forty-eight (48) hours after receipt thereof, a copy of any violation or citation which indicates Franchisee's failure to maintain local health or safety standards in the operation of the Franchised Business.

7.15 Gift Cards and Loyalty Programs. Franchisee shall comply with any gift card or loyalty programs developed by Franchisor and shall not offer alternative gift card or loyalty programs. Franchisee must comply with all of Franchisor's policies regarding advertising and promotion, including the use and acceptance of coupons.

7.16 Mystery Shops. Franchisor may implement a systemwide mystery shop program, and Franchisee shall be required to pay the cost of shops undertaken at Franchisee's location(s), up to Two Hundred Fifty Dollars ($250) per month.

7.17 Third-Party Vendor Approval. Franchisee shall not engage, retain, contract with, or otherwise use any third-party vendor, supplier, contractor, or service provider (each, a "**Third-Party Vendor**") in connection with the Franchised Business without the prior written approval of Franchisor. Franchisee shall submit a written request to Franchisor for approval of each proposed Third-Party Vendor, which request shall include such information regarding the proposed Third-Party Vendor as Franchisor may reasonably require, including, without limitation, the identity of the Third-Party Vendor, the nature of the goods or services to be provided, the proposed terms of engagement, and any other information Franchisor deems relevant to its evaluation. Each request for Third-Party Vendor approval shall be accompanied by a non-refundable vendor approval fee in the amount of up to Seven Hundred and Fifty Dollars ($7500) per occurrence (the "**Vendor Approval Fee**"). The Vendor Approval Fee shall be due and payable to Franchisor upon submission of the approval request. Franchisor shall have the right, in its sole and absolute discretion, to approve or deny any Third-Party Vendor request, and Franchisor's denial of any such request shall not entitle Franchisee to a refund of the Vendor Approval Fee. Franchisee's use of any Third-Party Vendor without Franchisor's prior written approval shall constitute a default under this Agreement.

7.18 Catering Services.

(a) Authorization to Provide Catering Services. Franchisee is authorized to provide catering services in connection with the Franchised Business, subject to the terms and conditions set forth in this **Section 7.18** and the System Standards. All catering services shall be conducted in accordance with the Manual, the System Standards, and such additional policies and procedures as Franchisor may establish from time to time. All catering events, whether within or outside the Territory, are subject to the prior written approval of Franchisor. Franchisee shall submit all catering event requests to Franchisor for review and approval in such form and within such time frames as Franchisor may prescribe. Franchisor's approval of any catering event may be withheld, conditioned, or revoked in Franchisor's sole and absolute discretion.

(b) Catering Events Within the Territory. In the event that a catering opportunity arises for an event to be held within Franchisee's Territory (a "**Territory Catering Event**"), Franchisee shall have the first right to service such Territory Catering Event. Franchisee shall notify Franchisor in writing of any Territory Catering Event and shall obtain Franchisor's prior written approval before committing to or performing any catering services in connection therewith. Franchisor reserves the right, in its sole and absolute discretion, to oversee any Territory Catering Event, including, without limitation, the right to assume operational control of and take over any such Territory Catering Event if Franchisor determines, in its sole discretion, that doing so is in the best interest of the System or the Proprietary Marks.

(c) Catering Events Outside the Territory. In the event that a catering opportunity arises for an event to be held outside Franchisee's Territory (an "**Outside Catering Event**"), such Outside Catering Event shall first be offered to the franchisee whose territory encompasses the location of the event (the "**Territorial Franchisee**"). If the Territorial Franchisee declines or fails to accept the Outside Catering Event within such time period as Franchisor may establish, Franchisor shall have the right, in its sole and absolute discretion, to service, operate, or assign such Outside Catering Event. Franchisee acknowledges and agrees that Franchisee shall have no right to service any Outside Catering Event without the prior written consent of both the Territorial Franchisee (if applicable) and Franchisor.

(d) Franchisor Oversight. Franchisor shall have the right to establish and modify standards, procedures, pricing guidelines, and operational requirements applicable to all catering services performed under the System. Franchisor reserves the right, in its sole discretion, to oversee, direct, and assume operational control of any catering event, whether within or outside the Territory.

ARTICLE VIII. PROPRIETARY MARKS AND TECHNOLOGY

8.1 Franchisor's Representations. Franchisor represents with respect to the Proprietary Marks:

(a) Sara's Artisan Gelato, LLC, a Wisconsin limited liability company ("**Parent**") is the owner of all right, title, and interest in and to the Proprietary Marks;

(b) "Sara's Artisan Gelato™" is subject to pending federal trademark registration, and said mark has been and is being used by Franchisor and by its franchisees and licensees; said mark, together with the other Proprietary Marks presently owned by Parent or which may be acquired in the future, constitutes part of the System; and valuable goodwill is associated with and attached to said mark and the other Proprietary Marks; and

(c) Franchisor has the right to use, and to license others to use, the Proprietary Marks in accordance with this Agreement.

8.2 Franchisee's Use of the Proprietary Marks. With respect to Franchisee's use of the Proprietary Marks, Franchisee agrees that:

(a) Franchisee shall use only the Proprietary Marks designated by Franchisor, and shall use them only in the manner authorized and permitted by Franchisor;

(b) Franchisee shall use the Proprietary Marks only for the operation of the Franchised Business and only at the Approved Location, or in advertising for the Franchised Business conducted at or from the Approved Location;

(c) Unless otherwise authorized or required by Franchisor, Franchisee shall operate, advertise, and promote the Franchised Business only under the name "Sara's Artisan Gelato" with no accompanying words or symbols of any nature, except as may be otherwise required by law. Franchisee shall use all Proprietary Marks without prefix or suffix. Franchisee shall not use the Proprietary Marks as part of its corporate or other legal name;

(d) During the term of this Agreement and any renewal or extension hereof, Franchisee shall identify itself as the owner of the Franchised Business (in the manner required by Franchisor) in conjunction with any use of the Proprietary Marks, including, but not limited to, on invoices, order forms, receipts, business stationery, and contracts with all third parties or entities, as well as the display of such notices in such content and form and at such conspicuous locations as Franchisor may designate in writing;

(e) Franchisee's right to use the Proprietary Marks is limited to such uses as are authorized under this Agreement, and any unauthorized use thereof shall constitute an infringement of Franchisor's rights and will entitle Franchisor to exercise all of its rights under this Agreement in addition to all rights available at law or in equity;

(f) Franchisee shall not use the Proprietary Marks to incur any obligation or indebtedness on behalf of Franchisor;

(g) Franchisee shall execute any documents deemed necessary by Franchisor to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability;

(h) Franchisee shall promptly notify Franchisor of any suspected unauthorized use of the Proprietary Marks, any challenge to the validity of the Proprietary Marks, or any challenge to Parent's ownership of, Franchisor's right to use and to license others to use, or Franchisee's right to use, the Proprietary Marks. Franchisee acknowledges that Franchisor and Parent have the sole right to direct and control any administrative proceeding or litigation involving the Proprietary Marks, including any settlement thereof;

(i) Franchisee agrees to notify Franchisor promptly of any litigation instituted by Franchisee, or by any person, firm, or corporation against Franchisee, relating to the Proprietary Marks. In the event Franchisor or Parent undertakes the defense or prosecution of any such litigation, Franchisee agrees to execute any and all documents and do such acts and things as may, in the opinion of counsel for Franchisor, be necessary to carry out such defense or prosecution;

(j) Franchisee shall not, directly or indirectly, apply to register, register, or otherwise seek to use or control or in any way use "Sara's Artisan Gelato" or any other of the Proprietary Marks or any confusingly similar form or variation thereof in any place or jurisdiction; nor shall Franchisee assist any others to do so; and

(k) Franchisee shall not attempt to register or otherwise obtain any interest in any Internet domain name or URL containing any of the Proprietary Marks or any other word, name, symbol or device which is likely to cause confusion with any of the Proprietary Marks.

8.3 Acknowledgements. Franchisee expressly understands and acknowledges that:

(a) Parent is the owner of all right, title, and interest in and to the Proprietary Marks and the goodwill associated with and symbolized by them, and Franchisor has the right to use, and license others to use, the Proprietary Marks;

(b) The Proprietary Marks are valid and serve to identify the System and those who are authorized to operate under the System;

(c) During the term of this Agreement and after its expiration or termination, Franchisee shall not directly or indirectly contest the validity of Parent's ownership of, or Franchisor's right to use and to license others to use, the Proprietary Marks;

(d) Franchisee's use of the Proprietary Marks does not give Franchisee any ownership interest or other interest in or to the Proprietary Marks;

(e) Any and all goodwill arising from Franchisee's use of the Proprietary Marks, including any goodwill which might be deemed to have arisen through Franchisee's activities, shall inure solely and exclusively to the benefit of Franchisor, and upon expiration or termination of this Agreement and the license granted herein, no monetary amount shall be assigned to Franchisee or any of its principals, affiliates, subsidiaries, successors, licensees or assigns as attributable to any goodwill associated with Franchisee's use of the System or the Proprietary Marks;

(f) Except as specified in **Section 1.3** hereof, the license of the Proprietary Marks granted hereunder to Franchisee is nonexclusive and relates solely to the Approved Location set forth in this Agreement, and Franchisor and its affiliates thus have and retain the rights, among others: (i) to use the Proprietary Marks itself in connection with selling products and services; (ii) to grant other licenses for the Proprietary Marks; and (iii) to develop and establish other systems using the Proprietary Marks, similar proprietary marks, or any other proprietary marks, and to grant licenses thereto without providing any rights therein to Franchisee; and

(g) Franchisor reserves the right, in Franchisor's sole discretion, to modify, add to, or discontinue use of the Proprietary Marks, or to substitute different proprietary marks, for use in identifying the System and the businesses operating thereunder. Franchisee agrees promptly to comply with such changes, revisions and/or substitutions, and to bear all the costs of modifying Franchisee's signs, advertising materials, interior graphics and any other items which bear the Proprietary Marks to conform therewith.

8.4 Computer System and Required Software.

(a) Franchisor shall have the right to specify or require that certain brands, types, makes, and/or models of communications, computer systems, and hardware be used by Franchisee, including without limitation: (i) back office and point of sale systems, data, audio, and video, systems for use at the Franchised Business; (ii) printers and other peripheral hardware or devices; (iii) archival back-up systems; (iv) Internet access mode and speed; and (v) physical, electronic, and other security systems (collectively, the "**Computer System**").

(b) Franchisor shall have the right, but not the obligation, to develop or have developed for it, or to designate: (i) computer software programs that Franchisee must use in connection with the Computer System (the "**Required Software**"), which Franchisee shall install at its expense; (ii) updates, supplements, modifications, or enhancements to the Required Software, which Franchisee shall install at its expense; (iii) the tangible media upon which Franchisee shall record data; and (iv) the database file structure of the Computer System.

(c) At Franchisor's request, Franchisee shall purchase or lease, and thereafter maintain, the Computer System and, if applicable, the Required Software. Franchisor shall have the right at any time to remotely retrieve and use such data and information from Franchisee's Computer System or Required Software that Franchisor deems necessary or desirable. Franchisee expressly agrees to strictly comply with Franchisor's standards and specifications for all items associated with Franchisee's Computer System and any Required Software in accordance with Franchisor's standards and specifications. Franchisee agrees, at its own expense, to keep the Computer System in good maintenance and repair and install such additions, changes, modifications, substitutions, and/or replacements to the Computer System or Required Software as Franchisor directs from time to time in writing.

8.5 Data. All data provided by Franchisee, uploaded to Franchisor's system from Franchisee's system, downloaded from Franchisee's system to Franchisor's system, and/or obtained electronically or otherwise from Franchisee by Franchisor, is and will be owned exclusively by Franchisor, and Franchisor will have the right to use such data in any manner that Franchisor deems appropriate without compensation to Franchisee. In addition, all other data created or collected by Franchisee in connection with the System, or in connection with Franchisee's operation of the Franchised Business (including but not limited to consumer and transaction data), is and will be owned exclusively by Franchisor during the term of, and following termination or expiration of, this Agreement. Copies and/or originals of such data must be provided to Franchisor upon Franchisor's request. Franchisor hereby licenses use of such data back to Franchisee, at no additional cost, solely for the term of this Agreement and solely for Franchisee's use in connection with the establishment and operation of the Franchised Business pursuant to this Agreement.

8.6 Websites. Franchisee shall not maintain separate websites or social media accounts for Franchisee's business without prior written approval of Franchisor. If Franchisor approves local social media accounts, Franchisor shall either own or be a co-administrator on any such accounts. The term "**Website**" means an interactive electronic document contained in a network of computers linked by communications software, commonly referred to as the Internet or World Wide Web, including, but not limited to, any account, page, or other presence on a social or business networking media site, such as Facebook, Instagram, Twitter, LinkedIn, and on-line blogs and forums ("**Networking Media Sites**"). Franchisor shall have the right to require that Franchisee not have any Website other than the webpage(s), if any, made available on Franchisor's Website.

If Franchisor approves a separate Website for Franchisee (which Franchisor is not obligated to approve; and, which approval, if granted, may later be revoked by Franchisor), then each of the following provisions shall apply:

(a) Franchisee specifically acknowledges and agrees that any Website owned, established, or maintained by or for the benefit of Franchisee shall be deemed "advertising" under this Agreement and will be subject to, among other things, Franchisor's prior review and approval;

(b) Before establishing any Website, Franchisee shall submit to Franchisor, for Franchisor's prior written approval, a sample of the proposed Website domain name, format, visible content (including, without limitation, proposed screen shots), and non-visible content (including, without limitation, meta tags) in the form and manner Franchisor may reasonably require;

(c) If approved, Franchisee shall not materially modify such Website without Franchisor's prior written approval as to such proposed modification;

(d) Franchisee shall comply with the standards and specifications for Websites that Franchisor may periodically prescribe in the Manual or otherwise in writing;

(e) If required by Franchisor, Franchisee shall establish such hyperlinks to Franchisor's Website and other Websites as Franchisor may request in writing;

(f) Neither Franchisee, its principals, or any of Franchisee's employees shall make any posting or other contribution to a Networking Media Site relating to Franchisor, the System, the Proprietary Marks, or the Franchised Business that (i) is derogatory, disparaging, or critical of Franchisor, (ii) is offensive, inflammatory, or indecent, (iii) harms the goodwill and public image of the System and/or the Proprietary Marks, or (iv) violates Franchisor's policies relating to the use of Networking Media Sites.

8.7 Domain Names. Franchisee acknowledges and agrees that if Franchisor grants its approval for Franchisee's use of a generic, national, and/or regionalized domain name, Franchisor shall have the right to own and control said domain name at all times and may license it to Franchisee for the term of this Agreement on such terms and conditions as Franchisor may reasonably require. If Franchisee already owns any domain names, or hereafter registers any domain names, then Franchisee agrees that it shall notify Franchisor in writing and assign said domain names to Franchisor and/or a designee that Franchisor specifies in writing.

8.8 Online Use of Proprietary Marks. Franchisee shall not use the Proprietary Marks or any abbreviation or other name associated with Franchisor and/or the System as part of any e-mail address, domain name, and/or other identification of Franchisee in any electronic medium. Franchisee agrees not to transmit or cause any other party to transmit advertisements or solicitations by e-mail or other electronic media without first obtaining Franchisor's written consent as to: (a) the content of such e-mail advertisements or solicitations; and (b) Franchisee's plan for transmitting such advertisements.

8.9 Changes to Technology. Franchisee and Franchisor acknowledge and agree that changes to technology are dynamic and not predictable within the term of this Agreement. In order to provide for inevitable but unpredictable changes to technological needs and opportunities, Franchisee agrees that Franchisor shall have the right to establish, in writing, reasonable new standards for the implementation of technology in the System; and Franchisee agrees that it shall abide by those reasonable new standards established by Franchisor as if this Agreement were periodically revised by Franchisor for that purpose.

8.10 Social Media Conduct; Media Penalty Fee. Franchisee acknowledges and agrees that Franchisee shall not post, publish, share, or otherwise disseminate any content of a religious or political nature on any social media platform, website, blog, or other online or digital medium in connection with, or that could reasonably be associated with, the Franchised Business, the Proprietary Marks, or the System (collectively, "**Prohibited Media Content**"). For purposes of this Section, "Prohibited Media Content" includes, without limitation, any content that endorses, opposes, or otherwise takes a position on any political candidate, political party, political issue, ballot measure, legislation, governmental policy, or any religious belief, practice, institution, or organization. In the event that Franchisee posts, publishes, shares, or otherwise disseminates any Prohibited Media Content in violation of this Section, Franchisee shall pay to Franchisor a media penalty fee in the amount of Three Thousand Dollars ($3,000) per occurrence (the "**Media Penalty Fee**"). Each individual post, publication, or dissemination of Prohibited Media Content shall constitute a separate occurrence for purposes of calculating the Media Penalty Fee. The Media Penalty Fee shall be due and payable within ten (10) days of Franchisor's written notice to Franchisee of such violation. Payment of the Media Penalty Fee shall not limit or waive any other rights or remedies available to Franchisor under this Agreement, at law, or in equity, including, without limitation, the right to require immediate removal of any Prohibited Media Content and the right to terminate this Agreement in accordance with the termination provisions hereof.

ARTICLE IX. OPERATING MANUAL

9.1 Standards of Operation. In order to protect the reputation and goodwill of Franchisor and to maintain high standards of operation under the System, Franchisee shall operate the Franchised Business in accordance with the standards, methods, policies, and procedures specified in the Manual, one copy of which Franchisee shall receive on loan from Franchisor for the term of this Agreement upon completion by Franchisee of Franchisor's Initial Training Program to Franchisor's satisfaction. Franchisee acknowledges and agrees that Franchisor may provide a portion or all of the Manual (including updates and amendments), and other instructional information and materials, in or via electronic media, including, without limitation, through the Internet.

9.2 Confidentiality. Franchisee shall treat the Manual, any other manuals created for or approved for use in the operation of the Franchised Business, and the information contained therein, as confidential, and shall use all reasonable efforts to maintain such information as secret and confidential. Franchisee shall not copy, duplicate, record or otherwise reproduce the foregoing materials, in whole or in part, or otherwise make the same available to any unauthorized person.

9.3 Exclusive Property. The Manual shall remain the sole property of Franchisor and shall be kept in a secure place on the Franchised Business premises.

9.4 Revisions to Manual. Franchisor may from time to time revise the contents of the Manual, and Franchisee expressly agrees to comply with each new or changed standard. Franchisee shall ensure that the Manual is kept current at all times. In the event of any dispute as to the contents of the Manual, the terms of the master copy maintained by Franchisor at Franchisor's home office shall be controlling.

ARTICLE X. CONFIDENTIAL INFORMATION

10.1 Confidential Information. Franchisee shall not, during the term of this Agreement or thereafter, communicate, divulge or use for the benefit of any other person, partnership, association, limited liability company or corporation any confidential information, knowledge or know-how concerning the methods of operation of the business franchised hereunder, including, without limitation, the Manual, recipes, ingredients, cooking procedures, customer lists, drawings, materials, or equipment which may be communicated to Franchisee or of which Franchisee may be apprised by virtue of Franchisee's operation under the terms of this Agreement ("**Confidential Information**"). Franchisee shall divulge such Confidential Information only to such of its employees as must have access to it in order to operate the Franchised Business. Any and all information, knowledge, know-how, techniques and other data which Franchisor designates as confidential shall be deemed confidential for purposes of this Agreement.

10.2 Confidentiality Agreements. At Franchisor's request, Franchisee shall require Franchisee's managers and other such personnel having access to any of Franchisor's Confidential Information as Franchisor requires to execute covenants that they will maintain the confidentiality of information they receive in connection with their employment by Franchisee at the Franchised Business. Such covenants shall be in the form attached hereto as Exhibit B.

10.3 Irreparable Injury. Franchisee acknowledges that any failure to comply with the requirements of this **Article X** will cause Franchisor irreparable injury, and Franchisee agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining specific performance of, or an injunction against violation of, the requirements of this **Article X**, or such other relief sought by Franchisor.

ARTICLE XI. ACCOUNTING AND RECORDS

11.1 Gross Sales Reports. Franchisee shall record all sales on a point-of-sale recordkeeping and control system designated by Franchisor, or on any other equipment specified by Franchisor in the Manual or otherwise in writing. Franchisee shall maintain a record of all Gross Sales and expenses using such software or other means as specified by Franchisor in the Manual or otherwise in writing. Franchisee shall provide Franchisor with such Gross Sales records together with Franchisee's Royalty Fee payments as required by **Section 4.7** hereof. Such reports shall be submitted to Franchisor by such means as designated by Franchisor in the Manual or otherwise in writing, including, but not limited to, a web-based management system or other system that allows Franchisor instant, unrestricted access to Franchisee's sales information. Franchisor shall have the right to access any business information or data collected and generated on Franchisee's point-of-sale system.

11.2 Monthly Reports. Franchisee shall submit to Franchisor, on or before the tenth (10th) day of each month, on an approved form, a profit and loss statement of the Franchised Business for the preceding calendar or fiscal month prepared in accordance with generally accepted accounting principles.

11.3 Semi-Annual Reports. Franchisee shall submit to Franchisor, within thirty (30) days after the close of each six (6) month period, commencing with the opening of the Franchised Business, a profit and loss statement for the six (6) month period and a balance sheet as of the end of the period.

11.4 Annual Financial Statements. Franchisee shall, at Franchisee's expense, submit to Franchisor in the form prescribed by Franchisor, within ninety (90) days after the end of each fiscal year, Franchisee's financial statements for the preceding fiscal year, including, without limitation, a complete and accurate profit and loss statement and balance sheet, which may be unaudited but, upon Franchisor's request, shall be reviewed in accordance with generally accepted accounting principles.

11.5 Chart of Accounts. Franchisee shall use Franchisor's chart of accounts, income statement format, and permit Franchisor or a third-party vendor with direct access to accounting reports.

11.6 Preservation of Records. Franchisee shall prepare, and shall preserve for at least three (3) years from the dates of their preparation (or such longer period as may be required under applicable law), complete and accurate books, records and accounts in accordance with generally accepted accounting principles and in the form and manner prescribed by Franchisor from time to time in the Manual or otherwise in writing.

11.7 Inspection and Audit. FRANCHISOR AND ITS DESIGNATED AGENTS SHALL HAVE THE RIGHT AT ALL REASONABLE TIMES TO EXAMINE AND COPY, AT FRANCHISOR'S EXPENSE, THE BOOKS, RECORDS, ACCOUNTS AND TAX RETURNS OF FRANCHISEE. FRANCHISOR SHALL ALSO HAVE THE RIGHT, AT ANY TIME, TO HAVE AN INDEPENDENT AUDIT MADE OF THE BOOKS OF FRANCHISEE. IF AN INSPECTION SHOULD REVEAL THAT ANY PAYMENTS HAVE BEEN UNDERSTATED IN ANY REPORT TO FRANCHISOR, THEN FRANCHISEE SHALL IMMEDIATELY PAY TO FRANCHISOR THE AMOUNT UNDERSTATED UPON DEMAND, IN ADDITION TO INTEREST FROM THE DATE SUCH AMOUNT WAS DUE UNTIL PAID, AT THE RATE OF TWELVE PERCENT (12%) PER ANNUM, OR THE MAXIMUM RATE PERMITTED BY LAW, WHICHEVER IS LESS, PLUS ALL OF FRANCHISOR'S COSTS AND EXPENSES IN CONNECTION WITH THE INSPECTION, INCLUDING, WITHOUT LIMITATION, TRAVEL COSTS, LODGING AND WAGES EXPENSES, AND REASONABLE ACCOUNTING AND LEGAL COSTS. AUDITS IN WHICH FRANCHISEE HAS UNDERSTATED REVENUES BY TWO PERCENT (2%) OR MORE SHALL BE PAID FOR BY FRANCHISEE. THE FOREGOING REMEDIES SHALL BE IN ADDITION TO ANY OTHER REMEDIES FRANCHISOR MAY HAVE.

ARTICLE XII. ADVERTISING AND PROMOTION

12.1 Grand Opening Advertising. Within thirty (30) days prior to opening and within the first sixty (60) days after opening of the Franchised Business, Franchisee shall spend a minimum of Five Thousand Dollars ($5,000) on grand opening marketing and promotions in Franchisee's Territory. The strategies adopted by Franchisee for grand opening marketing must be approved by Franchisor, and Franchisor shall retain the option of collecting either all or some portion of the grand opening dollars from Franchisee prior to opening and implementing all or a portion of initial launch marketing on Franchisee's behalf.

12.2 Local Advertising and Promotion. During the term of this Agreement, Franchisee shall spend a minimum of One Percent (1%) of Gross Sales per month on local marketing, advertising, and promotion. Franchisor reserves the right to increase this requirement up to Two Percent (2%) during the term of this Agreement. Local marketing must be implemented in a format and using materials and designs approved by Franchisor. Upon request by Franchisor, Franchisee must submit receipts documenting this marketing activity. All local marketing, advertising, and promotion shall be conducted in such manner as Franchisor may, in its sole discretion, direct in the Manual or otherwise in writing.

12.3 Verification of Advertising Expenditures. Franchisee shall submit verification of the expenditures required by **Sections 12.1** and **12.2** hereof to Franchisor in the form and manner prescribed by Franchisor in the Manual or otherwise in writing from time to time.

12.4 Brand Fund Fee. During the term of this Agreement, Franchisee shall pay to the System's advertising and brand promotion fund (the "**Brand Fund**") a fee in an amount equal to One Percent (1%) of Franchisee's Gross Sales from the preceding week. Franchisor reserves the right to increase the Brand Fund contribution up to Two Percent (2%) during the term of this Agreement. Such contributions to the Brand Fund shall be in addition to any expenditures made pursuant to **Sections 12.1** and **12.2** hereof and shall be made in accordance with **Section 4.7** hereof. The Brand Fund shall be maintained and administered by Franchisor or its affiliate as follows:

(a) Franchisor or its affiliate shall direct all advertising programs, with sole discretion over the concepts, materials, and media used in such programs and the placement and allocation thereof.

(b) The Brand Fund, all contributions thereto, and any earnings thereon, shall be used exclusively to meet any and all costs of maintaining, administering, directing, conducting and preparing advertising, marketing, public relations, and/or promotional programs and materials, and any other activities which Franchisor or its affiliate believes will enhance the image of the System, including, among other things, the costs of preparing and conducting video, audio, and written materials and electronic media; sponsoring, supporting, and/or donating proceeds to one or more charitable, social, or community organizations or initiatives; developing, implementing, and maintaining any digital presences or other software or applications; administering national, regional, digital, or local advertising and marketing campaigns and/or programs; using advertising, promotion, and marketing agencies and other advisors to provide assistance; supporting public relations, market research, and other advertising, promotion, and marketing activities; and/or any other expenditures that are directly or indirectly related to promoting the Proprietary Marks, the System, the brand, and/or Sara's Artisan Gelato Stores.

(c) Franchisor may also use the Brand Fund to pay for the Brand Fund's administrative and overhead costs, including the reasonable salaries and benefits of personnel who manage and administer the Brand Fund, and any other expenses that Franchisor or its affiliates incur that are related to administering or directing the Brand Fund and its programs.

(d) The purpose of the Brand Fund is to promote the Proprietary Marks, the System, the Sara's Artisan Gelato brand, and Sara's Artisan Gelato Stores generally. As such, Franchisee acknowledges and agrees that Franchisee is not guaranteed any particular benefit from the Brand Fund, and that there is no guarantee that Franchisee or the Franchised Business will benefit from Brand Fund expenditures directly or in proportion to Franchisee's Brand Fund contribution. \

(f) Franchisor may reduce or suspend Brand Fund contributions and/or operations of the Brand Fund for one or more periods of any length and terminate (and, if terminated, reinstate) the Brand Fund and associated Brand Fund contributions.

(g) Upon request, Franchisor will provide Franchisee with a statement of receipts and disbursements of the Brand Fund, prepared by an independent certified public accountant, for each fiscal year of the Brand Fund.

12.5 Franchisor Approval of Advertising. All advertising and promotion (including without limitation any design, advertisement, sign, or form of publicity) by Franchisee shall be in such media and of such type and format as Franchisor may approve, shall be conducted in a dignified manner, and shall conform to such standards and requirements as Franchisor may specify. Franchisee shall not use any such advertising or promotional plans or materials unless and until Franchisee has received written approval from Franchisor, pursuant to the procedures and terms set forth in **Section 12.6** hereof. Franchisor may make available to Franchisee from time to time, pre-approved advertising that Franchisee will be required to use during such season and at such times as Franchisor shall specify in writing. In addition, Franchisor may make available, at Franchisee's expense, such promotional materials, including newspaper mats, coupons, merchandising materials, point-of-purchase materials, special promotions, and similar advertising and promotional materials.

12.6 Advertising Approval Procedure. Franchisee shall submit to Franchisor samples of all advertising and promotional plans and materials (including without limitation any design, advertisement, sign, or form of publicity) and proposed coupons for any print, broadcast, cable, electronic, computer or other media (including, without limitation, the Internet) that Franchisee desires to use and that have not been prepared or previously approved by Franchisor within the preceding six (6) months, for Franchisor's prior approval. Franchisee shall provide any non-approved advertising to Franchisor at least ten (10) business days prior to the deadline for running the advertisement. Franchisee shall not use such plans or materials or coupons until they have been approved in writing by Franchisor. If written approval or disapproval is not received by Franchisee from Franchisor within fifteen (15) days from the date such material is received by Franchisor, said materials shall be deemed disapproved unless and until subsequently approved.

ARTICLE XIII. INSURANCE

13.1 Minimum Insurance Requirements. Franchisee shall procure, prior to the commencement of any operations under this Agreement, and shall maintain in full force and effect at all times during the term of this Agreement, at Franchisee's expense, insurance policies protecting Franchisee, Franchisor, and their respective officers, directors, partners, agents and employees against any demand or claim with respect to personal injury, death or property damage, or any loss, liability or expense whatsoever arising or occurring upon or in connection with the Franchised Business, including, but not limited to:

(a) Commercial General Liability Insurance: Minimum coverage of $1,000,000 per occurrence and $2,000,000 in the aggregate;

(b) Automobile/Van Coverage: Minimum coverage of $500,000 combined single limit;

(c) Property Damage Coverage: All perils coverage to personal property located in Franchisee's Store with a minimum sufficient to fully replace such peril;

(d) Umbrella Liability Insurance: Minimum coverage of $1,000,000; and

(e) Statutory workers' compensation insurance and employer's liability insurance.

Such policy or policies shall be written by a responsible carrier or carriers acceptable to Franchisor having an A.M. Best rating of A or higher, shall name Franchisor and Sara's Artisan Gelato LLC as an additional insured, and shall provide at least the types and minimum amounts of coverage specified above or in the Manual. Franchisee's insurance agent shall copy Franchisor on all policies written on behalf of Franchisee.

13.2 Additional Insurance Requirements. Insurance policies shall: (i) be written in the names of Franchisee, Franchisor, and any other parties designated by Franchisor, as their respective interests may appear; (ii) contain provisions denying to the insurer acquisition by subrogation of rights of recovery against any party named; (iii) provide that cancellation or alteration cannot be made without at least thirty (30) days written notice to any party named; and (iv) not be limited in any way by reason of any insurance which may be maintained by Franchisor. Details of specific coverages and limits of insurance will be contained in the Manual.

ARTICLE XIV. TRANSFER

14.1 Transfer by Franchisor. Franchisor shall have the right to transfer or assign this Agreement and all or any part of its rights or obligations herein to any person or legal entity, and any designated assignee of Franchisor shall become solely responsible for all obligations of Franchisor under this Agreement from the date of assignment. Franchisee shall execute such documents of attornment or otherwise as Franchisor shall request.

14.2 Transfer by Franchisee. Except as hereinafter provided, neither Franchisee, nor any owner of an economic interest if Franchisee is a Business Entity, without Franchisor's prior written consent, shall, by operation of law or otherwise, sell, assign, transfer, convey, give away, pledge, mortgage, or otherwise encumber any interest in this Agreement, or any interest in the franchise granted hereby, or any interest in the Business Entity which owns any interest in the franchise, nor offer, permit, or suffer the same. Any purported assignment or transfer not having the prior written consent of Franchisor shall be null and void and shall constitute default hereunder.

Franchisee shall notify Franchisor of any proposed transfer of any direct or indirect interest in this Agreement, in Franchisee, or in all or substantially all of the assets of the Franchised Business (a) prior to Franchisee's offering for sale (including, but not limited to, advertising the sale of) the Franchised Business, or any assets of the Franchised Business, or any ownership interest in Franchisee; and (b) at least thirty (30) days before any transfer is proposed to take place.

14.3 Transfer Requirements. Each transfer of any interest in Franchisee, the Franchised Business, this Agreement, and the Sara's Artisan Gelato franchise herein granted must receive the prior written consent of Franchisor. Franchisor may, in its sole discretion, require any or all of the following as conditions of its approval:

(a) That all of Franchisee's accrued monetary obligations and all other outstanding obligations to Franchisor and its affiliates have been satisfied;

(b) That Franchisee is not in default of any provision of this Agreement, any amendment hereof or successor hereto, or any other agreement between Franchisee and Franchisor or its affiliates;

(c) That the Franchised Business, including equipment, signs, building, improvements, interior and exterior, is in good operating condition and repair and in compliance with Franchisor's then-current standards, including, without limitation, standards for replacements and additions;

(d) That the consideration or payment terms offered by a proposed transferee are not excessive or unreasonable, based on the gross revenues of the Franchised Business and sale prices of other franchised businesses in the System, in Franchisor's reasonable business judgment;

(e) That the transferor executes a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its affiliates, and their respective officers, directors, agents, shareholders, and employees;

(f) That the transferee (and, if the transferee is other than an individual, such owners of a beneficial interest in the transferee as Franchisor may request) enters into a written assignment, in a form satisfactory to Franchisor, assuming and agreeing to discharge all of Franchisee's obligations under this Agreement, or the transferee executes, for a term ending on the expiration date of this Agreement and with such renewal term(s) as may be provided by this Agreement, Franchisor's then-current form of franchise agreement and all other standard ancillary agreements as Franchisor may require for the Franchised Business, which agreements shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement including, without limitation, a higher royalty fee and advertising contribution and a smaller or modified Franchisee's Territory;

(g) That the transferee (and, if the transferee is other than an individual, such owners of a beneficial interest in the transferee as Franchisor may request) demonstrates to Franchisor's satisfaction that it meets Franchisor's educational, managerial, qualification and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to operate the Franchised Business (as may be evidenced by prior related business experience or otherwise), and has adequate financial resources and capital to operate the Franchised Business;

(h) If the transferee is a Business Entity, it must comply with the terms of **Article XVIII** of this Agreement;

(i) That Franchisee remains liable for all of the obligations to Franchisor in connection with the Franchised Business which arose prior to the effective date of the transfer and execute any and all instruments reasonably requested by Franchisor to evidence such liability;

(j) That the transferee (or, if the transferee is a corporation, partnership or limited liability company, a principal of the transferee acceptable to Franchisor), or the transferee's manager (if transferee or transferee's principal will not manage the Franchised Business), at the transferee's expense, completes any training programs then in effect upon such terms and conditions as Franchisor may reasonably require; and

(k) That Franchisee pays to Franchisor the applicable Transfer Fee as set forth in **Section 14.4** hereof.

14.4 Transfer Fees. The following Transfer Fees shall apply:

(a) If Franchisee is transferring shares between existing owners that have already been approved by Franchisor, or if Franchisee is adding a new shareholder that does not change the majority ownership in the Franchisee entity, a Transfer Fee of One Thousand Five Hundred Dollars ($1,500) shall apply.

(b) If Franchisee is selling Franchisee's location(s) to an existing franchise owner within Franchisor's system that is approved to purchase the location(s), a Transfer Fee equal to fifty percent (50%) of the then-current Initial Franchise Fee shall apply.

(c) If Franchisee is selling Franchisee's location(s) to an individual that is new to the Sara's Artisan Gelato brand, a Transfer Fee equal to seventy-five percent (75%) of the then-current Initial Franchise Fee shall apply.

(d) A non-refundable deposit of Five Thousand Dollars ($5,000) shall be collected at the time Franchisee announces their intent to sell, with the balance of the fee being due at the time of sale.

(e) In the case of a transfer to a Business Entity formed by Franchisee for the convenience of ownership, no such transfer fee shall be required.

14.5 No Security Interest. Franchisee shall not grant a security interest in the Franchised Business or in any of the assets of the Franchised Business unless the secured party agrees that in the event of any default by Franchisee under any documents related to the security interest, Franchisor shall have the right and option (but not the obligation) to be substituted as obligor to the secured party and to cure any default of Franchisee, and, in the event Franchisor exercises such option, any acceleration of indebtedness due to Franchisee's default shall be void.

14.6 Franchisor's Right of First Refusal. If Franchisee desires to transfer or sell the business to a buyer, whether from inside or outside the System, Franchisor shall have the first right of refusal to purchase the business at the same price of the bona fide offer that Franchisee has received in writing from the potential buyer. Franchisor shall have the right and option, exercisable within forty-five (45) days after its receipt of said offer, to purchase Franchisee's franchise on the same terms and conditions as offered by said party. If Franchisor elects to purchase the seller's interest, closing on such purchase shall occur within thirty (30) days from the date of notice to the seller of the election to purchase by Franchisor. Failure of Franchisor to exercise the option afforded by this **Section 14.6** shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this **Article XIV**, with respect to a proposed transfer.

14.7 Death or Incapacity. Upon the death or physical or mental incapacity of any person with an interest in this Agreement, in Franchisee, or in all or substantially all of the assets of the Franchised Business, the executor, administrator, or personal representative of such person shall transfer such interest to a third party approved by Franchisor within six (6) months after such death or incapacity. Such transfers, including, without limitation, transfers by devise or inheritance, shall be subject to the same conditions as any inter vivos transfer. In the case of transfer by devise or inheritance, if the heirs or beneficiaries of any such person are unable to meet the conditions in this **Article XIV**, the executor, administrator, or personal representative of the decedent shall transfer the decedent's interest to another party approved by Franchisor within a reasonable time, which disposition shall be subject to all the terms and conditions for transfers contained in this Agreement. If the interest is not disposed of within a reasonable time, Franchisor may terminate this Agreement.

14.8 No Waiver. Franchisor's consent to a transfer of any interest in this Agreement, in Franchisee, or in all or substantially all of the assets of the Franchised Business shall not constitute a waiver of any claims it may have against the transferring party, nor shall it be deemed a waiver of Franchisor's right to demand compliance with any of the terms of this Agreement by the transferor or transferee.

ARTICLE XV. DEFAULT AND TERMINATION

15.1 Automatic Termination. Franchisee shall be in default under this Agreement, and all rights granted herein to Franchisee shall automatically terminate without notice to Franchisee, if Franchisee shall become insolvent or make an assignment for the benefit of creditors, or if a proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and is consented to by Franchisee or is not dismissed within thirty (30) days, or if a receiver or other custodian is appointed, or if the real or personal property of Franchisee shall be sold at levy thereupon by any sheriff, marshal, or constable.

15.2 Termination Without Opportunity to Cure. Franchisor may terminate this Agreement, effective upon delivery of notice of termination to Franchisee (in the manner set forth under **Article XXII** hereof), without affording Franchisee any opportunity to cure the default, upon the occurrence of any of the following events:

(a) If Franchisee fails to locate an approved site within the time limits provided in **Section 1.2** or to construct and open the Franchised Business within the time limits provided in **Section 5.3**;

(b) If Franchisee or Franchisee's designated trainees fail to complete the Initial Training Program or additional training described in **Section 6.1** hereof to Franchisor's satisfaction;

(c) If Franchisee abandons the Franchised Business, at any time ceases to operate the Franchised Business, loses the right to possession of the Premises, or otherwise forfeits the right to do or transact business in the jurisdiction where the Franchised Business is located; provided, however, that if, through no fault of Franchisee, the premises of the Franchised Business are damaged or destroyed by an event such that repairs or reconstruction cannot be completed within sixty (60) days thereafter, then Franchisee shall have thirty (30) days after such event in which to apply for Franchisor's approval to relocate and/or reconstruct the premises of the Franchised Business;

(d) If Franchisee is convicted of a felony, a crime involving moral turpitude, or any other crime or offense that Franchisor believes is reasonably likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated therewith or Franchisor's interest therein;

(e) If a threat or danger to public health or safety results from the operation of the Franchised Business;

(f) If any purported assignment or transfer of any direct or indirect interest in this Agreement, in Franchisee, or in all or substantially all of the assets of the Franchised Business is made to any third party without Franchisor's prior written consent, contrary to the terms of **Article XIV** hereof;

(g) If an approved transfer is not effected within the time provided following death or mental incapacity, as required by **Section 14.7** hereof;

(h) If, contrary to the terms of **Articles IX** or **X** hereof, Franchisee discloses or divulges the contents of the Manual or other Confidential Information provided to Franchisee by Franchisor;

(i) If Franchisee intentionally under-reports Gross Sales, submits any false reports to Franchisor, falsifies financial data, or otherwise commits an act of fraud with respect to its rights or obligations under this Agreement;

(j) If Franchisee misuses or makes any unauthorized use of the Proprietary Marks or any other identifying characteristics of the System, or otherwise materially impairs the goodwill associated therewith or Franchisor's rights therein;

(k) If Franchisee refuses to permit Franchisor to inspect the Franchised Business premises, or the books, records or accounts of Franchisee upon demand;

(l) If Franchisee's lease for the Franchised Business is terminated for reason of default by Franchisee;

(m) If Franchisee, upon receiving a notice of default under **Section 15.3** hereof, fails to initiate immediately a remedy to cure such default; or

(n) If Franchisee, after curing any default pursuant to **Section 15.3** hereof, commits the same default again, whether or not cured after notice.

15.3 Notice with Opportunity to Cure. Except as otherwise provided in **Sections 15.1** and **15.2** of this Agreement, upon any other default by Franchisee, Franchisor may terminate this Agreement by giving written notice of termination (in the manner set forth under **Article XXII** hereof) stating the nature of the default to Franchisee at least thirty (30) days prior to the effective date of termination; provided, however, that Franchisee may avoid termination by immediately initiating a remedy to cure such default, curing it to Franchisor's satisfaction, and by promptly providing proof thereof to Franchisor within the applicable cure period. If any such default is not cured within the specified time, or such longer period as applicable law may require, this Agreement shall terminate without further notice to Franchisee, effective immediately upon the expiration of the applicable cure period or such longer period as applicable law may require.

Notwithstanding the foregoing, the following lesser periods shall apply under the circumstances described:

(a) Seven Day Cure Period. A seven (7) day cure period shall apply if Franchisee fails, refuses, or neglects to pay when due to Franchisor any monies owing to Franchisor or to the Brand Fund, or if Franchisee fails to maintain the insurance coverage set forth in **Article XIII** of this Agreement.

(b) Twenty-Four Hour Cure Period. A twenty-four (24) hour cure period shall apply to the violation of any law, regulation, order, or Franchisor standard relating to health, sanitation, or safety or if Franchisee ceases to operate the Franchised Business for a period of forty-eight (48) hours without the prior written consent of Franchisor.

15.4 Statutory Cure Period. If a statute in the state in which the Franchised Business is located requires a cure period for the applicable default which is longer than any cure period specified in this **Article XV**, the statutory cure period shall apply.

15.5 Cross-Default. Any default by Franchisee under any other agreement between Franchisor or its affiliates as one party and Franchisee or any of Franchisee's owners or affiliates as the other party, that is so material as to permit Franchisor to terminate such other agreement, shall be deemed to be a default of this Agreement, and Franchisor shall have the right, at its option, to terminate this Agreement without affording Franchisee an opportunity to cure, effective immediately upon notice to Franchisee.

ARTICLE XVI. OBLIGATIONS UPON TERMINATION OR EXPIRATION

Upon termination or expiration of this Agreement, all rights granted hereunder to Franchisee shall forthwith terminate, and:

16.1 Cease Operations. Franchisee shall immediately cease to operate the Franchised Business, and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of Franchisor. Immediately upon the expiration or termination hereof, Franchisee shall dispose of, and not sell, any proprietary or trade secret products sold hereunder, including, but not limited to, any products having the Proprietary Marks or contained in packaging having the Proprietary Marks.

16.2 Cease Use of Confidential Information and Marks. Franchisee shall immediately and permanently cease to use, in any manner whatsoever, any confidential methods, procedures and techniques associated with the System; any Confidential Information; the Proprietary Mark "Sara's Artisan Gelato" and all other Proprietary Marks and distinctive forms, slogans, signs, symbols and devices associated with the System, and any other trade secrets, confidential information, operating manuals, slogans, trade dress, signs, symbols, or devices forming part of the System or otherwise used in connection with the operation of the Franchised Business. Continued use by Franchisee of Franchisor's Proprietary Marks after termination of this Agreement shall constitute willful trademark infringement by Franchisee.

16.3 Cancellation of Registrations. Franchisee shall take such action as may be necessary to cancel any assumed name registration or equivalent registration obtained by Franchisee which contains the mark "Sara's Artisan Gelato" or any other Proprietary Marks, and

Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within five (5) days after termination or expiration of this Agreement.

16.4 Assignment of Lease. Franchisee shall, at Franchisor's option, assign to Franchisor any interest which Franchisee has in any lease or sublease for the Franchised Business premises. In the event Franchisor does not elect to exercise its option to acquire the lease or sublease for the Franchised Business premises, Franchisee shall make such modifications or alterations to the premises immediately upon termination or expiration of this Agreement as may be necessary to distinguish the appearance of the premises from that of the Franchised Business under the System, and shall make such specific additional changes thereto as Franchisor may reasonably request for that purpose. In the event Franchisee fails or refuses to comply with the requirements of this **Section 16.4**, Franchisor shall have the right to enter upon the premises, without being guilty of trespass or any other tort, for the purpose of making or causing to be made such changes as may be required, at the expense of Franchisee, which expense Franchisee agrees to pay upon demand.

16.5 Assignment of Telephone Number and Digital Assets. Franchisee must cease using all telephone numbers and directory or other business listings used in connection with the Franchised Business. At Franchisor's option, Franchisee shall assign to Franchisor all rights to such telephone numbers and directory and other business listings, social media pages, and member lists, and shall sign all forms and documents required by Franchisor and any telephone company to effect such transfer. Franchisee hereby appoints Franchisor as Franchisee's true and lawful agent and attorney-in-fact with full power and authority for the sole purpose of taking such action as is necessary to complete such assignment. This power of attorney shall survive the expiration, termination or transfer of this Agreement. Franchisee is not entitled to any compensation from Franchisor if Franchisor exercises its rights or options under this **Section 16.5**.

16.6 Transfer Websites. Franchisee shall immediately irrevocably assign and transfer to Franchisor or its designee any and all interests Franchisee may have in the Website maintained by Franchisee in connection with the Franchised Business and in the domain name and home page address related to such Website. Franchisee shall immediately execute any documents and perform any other actions required by Franchisor to effectuate such assignment and transfer and otherwise ensure that all rights in such Website revert to Franchisor or its designee, and hereby appoints Franchisor as its attorney-in-fact to execute such documents on Franchisee's behalf if Franchisee fails to do so. Franchisee may not establish any Website using any similar or confusing domain name and/or home page address.

16.7 Subsequent Use of Proprietary Marks Prohibited. Franchisee agrees, in the event it continues to operate or subsequently begins to operate any other business, not to use any reproduction, counterfeit, copy or colorable imitation of the Proprietary Marks, either in connection with such other business or the promotion thereof, which, in Franchisor's sole discretion, is likely to cause confusion, mistake or deception, or which, in Franchisor's sole discretion, is likely to dilute Franchisor's rights in and to the Proprietary Marks. Franchisee further agrees not to utilize any designation of origin, description or representation (including but not limited to reference to the Franchisor, the System or the Proprietary Marks) which, in Franchisor's sole discretion, suggests or represents a present or former association or connection with Franchisor, the System or the Proprietary Marks.

16.8 Return Manual. Franchisee shall immediately return to Franchisor all operating manuals, plans, specifications, and other materials containing information prepared by Franchisor and relative to the operation of a Franchised Business (and any copies thereof, even if such copies were made in violation of this Agreement), all of which are acknowledged to be the property of Franchisor, and shall retain no copy or record of any of the foregoing, with the exception of Franchisee's copy of this Agreement, any correspondence between the parties and any other documents which Franchisee reasonably needs for compliance with any provision of law.

16.9 Payment. Franchisee shall promptly pay all sums owing to Franchisor and its affiliates prior to such termination or expiration, including interest and any damages, costs, and expenses, including reasonable attorneys' fees, incurred by Franchisor by reason of default on the part of Franchisee. In the event of termination for any default of Franchisee, such sums shall include all damages, costs, and expenses, including reasonable attorneys' fees, incurred by Franchisor as a result of the default, which obligation shall give rise to and remain, until paid-in-full, a lien in favor of Franchisor against any and all of the personal property, furnishings, equipment, signs, fixtures, and inventory owned by Franchisee and on the premises operated hereunder at the time of default.

16.10 Franchisor's Option to Purchase Assets. Franchisor shall have the option, to be exercised within thirty (30) days after termination, to purchase from Franchisee any or all of the equipment, furnishings, and signs related to the operation of the Franchised Business at fair market value or at Franchisee's depreciated book value, whichever is less, and to purchase any or all supplies and inventory of the Franchised Business at Franchisee's cost or depreciated book value, whichever is less. If the parties cannot agree on the price of any such items within a reasonable time, an independent appraisal shall be conducted at Franchisor's expense, and the appraiser's determination shall be binding. If Franchisor elects to exercise any option to purchase herein provided, it shall have the right to set off all amounts due from Franchisee, and the cost of the appraisal, if any, against any payment therefor.

16.11 Compliance with Covenants. Franchisee shall continue to comply with **Article X** and **Section 17.3** of this Agreement for the Post-Term Period specified therein.

16.12 Franchisor's Right to Operate. Franchisor may, at its option, step in and operate Franchisee's business in the event Franchisee is placed in default of this Agreement. Should Franchisor exercise this option, compensation shall be paid to Franchisor at the greater of Five Hundred Dollars ($500) per day or ten percent (10%) of revenues during the time period Franchisor is managing the business, plus any business, travel and lodging expenses incurred by Franchisor engaged in operating Franchisee's business. The amounts due pursuant to this Section are in addition to all other amounts due to Franchisor under this Agreement.

ARTICLE XVII. COVENANTS

17.1 Best Efforts. Franchisee covenants that, during the term of this Agreement, except as otherwise approved in writing by Franchisor, Franchisee (or, if Franchisee is a corporation, partnership or limited liability company, a principal, general partner or member of Franchisee) or Franchisee's fully-trained manager shall devote full time and best efforts to the management and operation of the Franchised Business.

17.2 In-Term Covenants. Franchisee specifically acknowledges that, pursuant to this Agreement, Franchisee will receive valuable, specialized training and Confidential Information, including, without limitation, information regarding the operational, sales, promotional, and marketing methods and techniques of Franchisor and the System. Franchisee covenants that during the term of this Agreement, except as otherwise approved in writing by Franchisor, Franchisee shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person or legal entity:

(a) Divert or attempt to divert any present or prospective business or customer of any of Franchisor's franchised businesses to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks and the System;

(b) Employ or seek to employ any person who is at that time employed by Franchisor or by any other franchisee of Franchisor, or otherwise directly or indirectly induce such person to leave his or her employment; or

(c) Except with respect to the ownership or operation of additional licensed Sara's Artisan Gelato stores, own, maintain, operate, engage in, be employed by, provide any assistance or advice to, or have any interest in (as owner or otherwise) any business that offers or sells artisan gelato or similar products that are the same as or similar to the products being offered by the Franchised Business under the System.

17.3 Post-Term Covenants. Franchisee covenants that, except as otherwise approved in writing by Franchisor, for a continuous uninterrupted period of two (2) years commencing upon the date of (a) a transfer permitted under **Article XIV** of this Agreement; (b) expiration of this Agreement; or (c) termination of this Agreement (regardless of the cause for termination) (the "**Post-Term Period**"), neither Franchisee, nor any partner if Franchisee is a partnership, nor any shareholder if Franchisee is a corporation, nor any member if Franchisee is a limited liability company, shall either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person or legal entity:

(a) Divert or attempt to divert any business or customer of the Franchised Business to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with Franchisor's Proprietary Marks and the System;

(b) Employ or seek to employ any person who is at that time employed by Franchisor or by any other Sara's Artisan Gelato franchisee, or otherwise directly or indirectly induce such person to leave such employment;

(c) Communicate or divulge to, or use for the benefit of any person, persons, partnership, association, or corporation, any information or knowledge concerning the methods of constructing, equipping, or operating a Sara's Artisan Gelato store and all other information or knowledge which Franchisor deems confidential and which may be communicated to Franchisee, or of which Franchisee may be apprised by virtue of Franchisee's operation under this Agreement; or

(d) Own, maintain, operate, engage in, be employed by, provide assistance to, or have any interest in (as owner or otherwise) any business that offers or sells artisan gelato or similar products that are the same as or similar to the products being offered by the Franchised Business under the System, and is, or is intended to be, located at or within: (i) the Approved Location or Franchisee's Territory; or (ii) five (5) miles of this or any other Sara's Artisan Gelato store.

17.4 No Application to Equity Securities. Section 17.2(c) and **Section 17.3(d)** shall not apply to ownership by Franchisee of a less than five percent (5%) beneficial interest in the outstanding equity securities of any corporation which has securities registered under the Securities Exchange Act of 1934.

17.5 Reduction of Scope of Covenants. Franchisee understands and acknowledges that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in **Sections 17.2** and **17.3**, or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof; and Franchisee agrees that it shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of **Article XXIV** hereof. The covenants contained in this **Article XVII** shall be construed as severable and independent and shall be interpreted and applied consistently with the requirements of reasonableness and equity. If all or any portion of a covenant in this Article **XVII** is held unreasonable or unenforceable by a court or agency having valid jurisdiction, Franchisee expressly agrees to be bound by any lesser covenant included within the terms of such greater covenant that imposes the maximum duty permitted by law.

17.6 No Defense. Franchisee expressly agrees that the existence of any claims it may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this **Article XVII**. Franchisee acknowledges that Franchisee's violation of the terms of this **Article XVII** would result in irreparable injury to Franchisor for which no adequate remedy at law may be available, and Franchisee accordingly consents to the issuance of an injunction prohibiting any conduct by Franchisee in violation of the terms of this **Article XVII**. Franchisee agrees to pay all costs and expenses (including reasonable attorneys' fees) incurred by Franchisor in connection with the enforcement of this **Article XVII**.

ARTICLE XVIII. BUSINESS ENTITY FRANCHISEE

18.1 Franchisee Business Entity. If Franchisee is a corporation, partnership, or limited liability company (each, a "**Business Entity**"), Franchisee shall comply with the following requirements:

(a) Such Business Entity's formation documents shall provide that its activities are limited exclusively to operating Sara's Artisan Gelato Stores as provided under this Agreement, unless otherwise permitted in writing by Franchisor.

(b) Franchisee shall furnish Franchisor with copies of its governing documents (including, as applicable, articles of incorporation, bylaws, partnership agreements, articles of organization, operating agreements, and resolutions authorizing entry into this Agreement) as well as such other documents as Franchisor may reasonably request, and any amendments thereto.

(c) Franchisee's governing documents and, if applicable, stock certificates shall at all times note conspicuously that equity, partnership, or membership interests are held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon assignments by this Agreement; provided, however, that the requirements of this Section (c) regarding stock certificates shall not apply to a publicly-held corporation. Franchisee shall maintain stop-transfer instructions against the transfer on its records of any equity securities.

(d) Franchisee shall maintain and furnish to Franchisor, upon request, a current list of all owners of record and beneficial owners of any equity, partnership, or membership interests in Franchisee.

(e) Any new issuance of an economic interest in the Business Entity shall be subject to Franchisor's prior written approval.

18.2 Guaranty and Indemnification. If Franchisee is a Business Entity, or if any successor to or assignee of Franchisee is a Business Entity, then all owners of an economic interest in Franchisee and their spouses shall execute a Guaranty and Assumption of Obligations in the form attached hereto as Exhibit C, to jointly and severally guaranty the full payment and performance of the Business Entity's obligations to Franchisor and to personally assume all other obligations of Franchisee contained in this Agreement.

ARTICLE XIX. TAXES, PERMITS, AND INDEBTEDNESS

19.1 Payment of Taxes. Franchisee shall promptly pay when due all taxes levied or assessed, including, without limitation, employer's portion of employment-related taxes (FICA, Medicare and unemployment taxes) and sales taxes, and all accounts and other indebtedness of every kind incurred by Franchisee in the operation of the Franchised Business. Franchisee shall pay to Franchisor an amount equal to any state or local taxes, including, without limitation, sales, use, service, occupation, employment related, excise, gross receipts, income, property or other taxes, that may be imposed on Franchisor as a result of Franchisor's receipt or accrual of the initial franchise fee, royalty fees, advertising fees, renewal fees, and all other fees that are referenced in this Agreement, whether assessed against Franchisee through withholding or other means or whether paid by Franchisor directly, unless the tax is credited against income tax otherwise payable by Franchisor. In such event, Franchisee shall pay to Franchisor (or to the appropriate governmental authority) such additional amounts as are necessary to provide Franchisor, after taking such taxes into account (including any additional taxes imposed on such additional amounts), with the same amounts that Franchisor would have received or accrued had such withholding or other payment, whether by Franchisee or by Franchisor, not been required

19.2 Permits and Licenses. Franchisee shall comply with all federal, state, and local laws, rules, and regulations (including, without limitation, the applicable provisions of the ADA regarding the construction, design and operation of the Franchised Business), and shall timely obtain any and all permits, certificates, or licenses necessary for the full and proper conduct of the Franchised Business, including, without limitation, licenses to do business, fictitious name registrations, sales tax permits, health permits, building permits, and fire clearances.

19.3 Notification of Adverse Action. Franchisee shall immediately notify Franchisor in writing of the commencement of any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, which may adversely affect the operation or financial condition of the Franchised Business.

ARTICLE XX. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

20.1 Independent Contractor. This Agreement does not create a fiduciary relationship between Franchisor and Franchisee; Franchisor and Franchisee are and will be independent contractors; and nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever. Franchisee acknowledges and agrees that Franchisor's usual business is offering and selling rights to operate Sara's Artisan Gelato stores using the Proprietary Marks and System, developing enhancements to the System, and providing assistance to franchisees, and, accordingly, Franchisor's usual business is different from Franchisee's usual business of operating the Franchised Business. During the term of this Agreement, Franchisee shall hold itself out to the public as an independent contractor operating the Franchised Business pursuant to a franchise agreement from Franchisor. Franchisee agrees to take such action as may be necessary to do so, including, without limitation, exhibiting a notice of that fact in a conspicuous place at the premises of the Franchised Business, the content of which Franchisor reserves the right to specify. Franchisee agrees to identify itself conspicuously in all dealings with customers, suppliers, public officials, Franchisee's personnel, and others as the sole owner and operator of the Franchised Business and to place notices of independent ownership on the forms, business cards, stationery, advertising, and other materials Franchisor requires from time to time. Franchisee also acknowledges that Franchisee will have a contractual relationship only with Franchisor and may look only to Franchisor to perform under this Agreement, and not Franchisor's affiliates, designees, officers, directors, employees, or other representatives or agents.

20.2 No Authority to Contract. Nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name; and Franchisor shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action; nor shall Franchisor be liable by reason of any act or omission of Franchisee in its operation of the business franchised hereunder or for any claim or judgment arising therefrom against Franchisee or Franchisor.

20.3 Indemnification. Franchisee shall indemnify and hold harmless Franchisor and its affiliates, and their respective officers, directors and employees against any and all claims, losses, costs, expenses, liabilities and damages arising directly or indirectly from, as a result of, or in connection with Franchisee's operation of the Franchised Business, the business conducted under this Agreement, or Franchisee's breach of this Agreement, including, but not limited to, those alleged to be caused by Franchisor's negligence, unless (and then only to the extent that) the claims, obligations, and damages are determined to be caused solely by Franchisor's gross negligence or willful misconduct according to a final, unappealable ruling issued by a court with competent jurisdiction, as well as the costs, including reasonable attorneys' fees, of defending against them. In the event Franchisor incurs any costs or expenses, including, without limitation, legal fees, travel expenses, and other charges, in connection with any proceeding involving Franchisee in which Franchisor is not a party, Franchisee shall reimburse Franchisor for all such costs and expenses promptly upon presentation of invoices. Franchisee acknowledges and agrees that Franchisee's indemnification and hold harmless obligations under this Section shall survive the termination or expiration of this Agreement. Nothing herein shall preclude Franchisor from choosing its own legal counsel to represent it in any lawsuit, arbitration, or other dispute resolution.

20.4 Force Majeure. Neither Franchisor, Franchisor's affiliates, nor Franchisee shall be responsible or liable for any delays in the performance of any duties under this Agreement which are not the fault or within the reasonable control of that party including, but not limited to, fire, flood, natural disasters, acts of God, delays in deliveries by common carriers, governmental acts or orders, late deliveries of products or goods or furnishing of services by third party vendors, civil disorders, acts of terrorism, or strikes and any other labor-related disruption, and in any event said time period for the performance of an obligation hereunder shall be extended for the amount of time of the delay or impossibility. Provided, however, this clause shall not apply to and not result in an extension of: (1) the time for payments to be made by Franchisee as required by **Section 4.7** hereof; or (2) the term of this Agreement.

ARTICLE XXI. APPROVALS AND WAIVERS

21.1 Approvals and Consent. Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee shall make a timely written request to Franchisor therefor, and such approval or consent must be obtained in writing.

21.2 No Warranties or Guarantees. Franchisor makes no warranties or guarantees upon which Franchisee may rely, and assumes no liability or obligation to Franchisee, by providing any waiver, approval, consent, or suggestion to Franchisee in connection with this Agreement, or by reason of any neglect, delay or denial of any request therefor.

21.3 No Waiver. Any failure of Franchisor to exercise any power reserved to it by this Agreement, or to insist upon strict compliance by Franchisee with any obligation or condition hereunder, and any waiver by Franchisor of any breach of a term, covenant, or condition shall not constitute a waiver of such term, covenant, or condition or any subsequent breach of the same or any other term, covenant, or condition in this Agreement, and no custom or practice of the parties at variance with the terms hereof shall constitute a waiver of Franchisor's right to demand compliance with any of the terms hereof. Waiver by Franchisor of any particular default of Franchisee shall not affect or impair Franchisor's rights with respect to any subsequent default of the same, similar, or different nature; nor shall any delay, force, or omission of Franchisor to exercise any power or right arising out of any breach of default by Franchisee of any of the terms, provisions, or covenants hereof, affect or impair Franchisor's right to exercise the same, nor shall such constitute a waiver by Franchisor of any right hereunder, or the right to declare any subsequent breach or default and to terminate this Agreement prior to the expiration of its term. Subsequent acceptance by Franchisor of any payments due to it hereunder shall not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee of any terms, covenants, or conditions of this Agreement.

ARTICLE XXII. NOTICES

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered, sent by registered mail, or sent by other means which affords the sender evidence of delivery or rejected delivery (which shall include electronic communication, such as e-mail), to the respective parties at the following addresses, unless and until a different address has been designated by written notice to the other party:

Notices to Franchisor:

Sara's Artisan Gelato Franchising LLC
2132 E. Deerfield Avenue, Unit 104
Suamico, WI 54173
Attn: Jonathan Santaga
Email: jonathan@sarasgelato.com

Notices to Franchisee:

Name
Address
City, State, ZIP
Attn:
Email:

ARTICLE XXIII. ENTIRE AGREEMENT

This Agreement, the attachments hereto, and the documents referred to herein constitute the entire Agreement between Franchisor and Franchisee concerning the subject matter hereof, and supersede any prior agreements, no other representations having induced Franchisee to execute this Agreement. Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing. Nothing in this Agreement or in any related agreement between Franchisor and Franchisee is intended to disclaim the representations in Franchisor's Franchise Disclosure Document.

ARTICLE XXIV. SEVERABILITY AND CONSTRUCTION

24.1 Severability. Each section, part, term, and provision of this Agreement shall be considered severable, and if, for any reason, any section, part, term, or provision herein is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such shall not impair the operation of, or have any other effect upon, such other portions, sections, parts, terms, provisions, and/or covenants of this Agreement as may remain otherwise intelligible; and the latter shall continue to be given full force and effect and bind the parties hereto; and said invalid portions, sections, parts, terms, provisions, and/or covenants shall be deemed not to be a part of this Agreement.

24.2 Survival. Any provision or covenant in this Agreement which expressly or by its nature imposes obligations beyond the expiration, termination or assignment of this Agreement (regardless of cause for termination), shall survive such expiration, termination or assignment, including but not limited to **Article X**, **Article XVII**, **Article XX** and **Article XXVI**.

24.3 No Rights or Remedies Conferred. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisee, Franchisor, Franchisor's officers, directors, shareholders, agents, and employees, and such of Franchisor's successors and assigns as may be contemplated by **Article XIV** hereof, any rights or remedies under or by reason of this Agreement.

24.4 Promises and Covenants. Franchisee expressly agrees to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof any portion or portions which a court or agency having valid jurisdiction may hold to be unreasonable and unenforceable in an unappealed final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court or agency order.

24.5 Headings. Captions, paragraph and subparagraph designations, and section headings are included in this Agreement for convenience only, and in no way do they define, limit, construe, or describe the scope or intent of the respective parts of this Agreement.

ARTICLE XXV. APPLICABLE LAW AND DISPUTE RESOLUTION

25.1. Applicable Law. This Agreement shall be interpreted and construed exclusively under the laws of the State of Wisconsin. In the event of any conflict of law, the laws of the State of Wisconsin shall prevail, without regard to the application of any conflict-of-law rules.

25.2. Jurisdiction and Venue. Any action, whether or not arising out of, or relating to, this Agreement, brought by Franchisee (or any principal thereof) against Franchisor shall be brought in the U.S. District Court for the Eastern District of Wisconsin or, if such court lacks subject matter jurisdiction, in a state court located in such district. Franchisor shall have the right to commence an action against Franchisee in any court of competent jurisdiction. Franchisee hereby waives all objections to personal jurisdiction or venue for purposes of this **Section 25.2** and agrees that nothing in this **Section 25.2** shall be deemed to prevent Franchisor from removing an action from state court to federal court.

25.3. Dispute Resolution.

(a) Informal Resolution. The parties shall attempt in good faith to resolve any dispute arising out of or relating to this Agreement promptly by negotiation between representatives who have authority to settle the controversy. Either party may give the other party written notice of any dispute not resolved in the normal course of business. Within fifteen (15) days after delivery of such notice, the receiving party shall submit to the other a written response. The notice and response shall include: (i) a statement of each party's position and a summary of the arguments supporting that position; and (ii) the name and title of the representative who will represent that party. Within thirty (30) days after delivery of the initial notice, the representatives shall meet at a mutually acceptable time and place to attempt to resolve the dispute.

(b) Mediation. If the dispute has not been resolved by negotiation within forty-five (45) days of the initial notice, or if the parties failed to meet within thirty (30) days, either party may initiate mediation by providing written notice to the other party. The parties shall endeavor to resolve the dispute through non-binding mediation administered by the American Arbitration Association ("**AAA**") or another mutually agreed-upon mediation service. The mediation shall be conducted in Brown County, Wisconsin, unless the parties mutually agree to another location. Each party shall bear its own costs of mediation, and the parties shall share equally the fees and expenses of the mediator. If mediation is unsuccessful, either party may proceed to binding arbitration as set forth below.

(c) Binding Arbitration. Except as otherwise provided in this Agreement, any dispute, controversy, or claim arising out of or relating to this Agreement, or the breach, termination, or validity thereof, that has not been resolved through negotiation or mediation, shall be finally resolved by binding arbitration in accordance with the Commercial Arbitration Rules of the AAA then in effect. The arbitration shall be conducted by a single arbitrator mutually agreed upon by the parties, or if the parties cannot agree, selected in accordance with the AAA rules. The arbitration shall take place in Brown County, Wisconsin. The arbitrator shall have the authority to award any remedy or relief that a court of competent jurisdiction could order or grant, including specific performance, injunctive or other equitable relief, and costs and attorneys' fees. The arbitrator's decision shall be final and binding, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

(d) Confidentiality. All negotiations, mediation, and arbitration proceedings conducted pursuant to this **Section 25.3** shall be confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence.

(e) Exceptions. Notwithstanding the foregoing, either party may seek preliminary injunctive or other equitable relief from any court of competent jurisdiction as provided in **Section 25.7** hereof without first complying with the negotiation and mediation procedures set forth above if such relief is necessary to prevent irreparable harm. Additionally, Franchisor may proceed directly to litigation or arbitration, without first complying with the negotiation and mediation procedures, for any claims arising from Franchisee's failure to pay amounts due under this Agreement or any claims involving the Proprietary Marks, Confidential Information, or covenants not to compete.

25.4 No Exclusivity. No right or remedy conferred upon or reserved to Franchisor or Franchisee by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

25.5 WAIVER OF RIGHT TO JURY TRIAL AND PUNITIVE DAMAGES. FRANCHISOR AND FRANCHISEE HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY AGREE AS FOLLOWS: (A) FRANCHISOR AND FRANCHISEE HEREBY EXPRESSLY AND IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING; AND (B) FRANCHISOR AND FRANCHISEE HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM OF ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM EACH SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY IT.

25.6 LIMITATION OF CLAIMS. ANY AND ALL CLAIMS AND ACTIONS ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE RELATIONSHIP OF FRANCHISEE AND FRANCHISOR, OR FRANCHISEE'S OPERATION OF THE FRANCHISED BUSINESS, BROUGHT BY FRANCHISEE AGAINST FRANCHISOR, SHALL BE COMMENCED WITHIN ONE (1) YEAR FROM THE OCCURRENCE OF THE FACTS GIVING RISE TO SUCH CLAIM OR ACTION, OR SUCH CLAIM OR ACTION SHALL BE BARRED.

25.7 Injunctive Relief. Nothing herein contained shall bar Franchisor's right to obtain injunctive relief from a court of competent jurisdiction against threatened conduct that will cause it loss or damage, under the usual equity rules, including the applicable rules for obtaining specific performance, restraining orders, and preliminary injunctions.

25.8 Costs and Expenses. Franchisee shall pay to Franchisor all damages, costs, and expenses, including all court costs, mediation costs, and reasonable attorney's fees, and all other expenses incurred by Franchisor in enforcing any obligation under, or in defending against any claim, demand, action, or proceeding related to, this Agreement, including, but not limited to the obtaining of injunctive relief.

ARTICLE XXVI. FRANCHISEE'S ACKNOWLEDGEMENTS AND REPRESENTATIONS

26.1 Independent Investigation. Franchisee acknowledges that it has conducted an independent investigation of the business franchised hereunder, and recognizes that the business venture contemplated by this Agreement involves business risks and that its success will be largely dependent upon the ability of Franchisee (or, if Franchisee is a Business Entity, the ability of its principals) as an independent businessperson. The prospect for success of the business venture undertaken by Franchisee by virtue of this Agreement is speculative and depends to a material extent upon Franchisee's efforts and abilities as an independent business person, as well as other factors. Franchisor makes no representations or warranties as to the potential success of the business venture undertaken by Franchisee hereby. Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received, any warranty or guarantee, express or implied, as to the potential volume, profits, or success of the business venture contemplated by this Agreement. Franchisee represents and warrants that it has entered into this Agreement after making independent investigations of Franchisor's business, and not in reliance upon any representation by Franchisor as to sales or profits which Franchisee in particular might be expected to realize.

26.2 Acknowledgement of Receipt. Franchisee acknowledges that it received Franchisor's current Franchise Disclosure Document at least fourteen (14) calendar days prior to the date on which this Agreement was executed or Franchisee paid any money to Franchisor. Franchisee further acknowledges that it received a complete copy of this Agreement, the attachments hereto, and all related agreements attached to the Franchise Disclosure Document, and that Franchisee waited at least seven (7) calendar days prior to executing them if any changes to such agreements were unilaterally and materially made by Franchisor.

26.3 Acknowledgement of Understanding. Franchisee acknowledges that it has read and understood this Agreement, the attachments hereto, and agreements relating thereto, if any, and that Franchisor has accorded Franchisee ample time and opportunity to consult with advisors of Franchisee's own choosing about the potential benefits and risks of entering into this Agreement.

26.4 Representations and Warranties. Franchisee and all owners of Franchisee (if Franchisee is a Business entity) represent and warrant that each individual is a United States citizen or a lawful resident of the United States; that each Business Entity is and shall remain duly organized and in good standing during the term of this Agreement; and that all financial and other information which Franchisee has provided to Franchisor in connection with Franchisee's application for this franchise is true and correct.

26.5 Compliance with Anti-Terrorism Laws. Franchisee acknowledges that under applicable U.S. law, including, without limitation, Executive Order 13224, signed on September 23, 2001 (the "Order"), Franchisor is prohibited from engaging in any transaction with any Specially Designated National or Blocked Person. "**Specially Designated National**" or "**Blocked Person**" shall mean (1) those persons designated by the U.S. Department of Treasury's Office of Foreign Assets Control from time to time as a "specially designated national" or "blocked person" or similar status, (2) a person engaged in, or aiding any person engaged in, acts of terrorism, as defined in the Order, or (3) a person otherwise identified by government or legal authority as a person with whom Franchisor is prohibited from transacting business. Currently, a listing of such designations and the text of the Order are published on the website. Accordingly, Franchisee represents and warrants to Franchisor that as of the date of this Agreement, neither Franchisee nor any person holding any ownership interest in Franchisee, controlled by Franchisee, or under common control with Franchisee is a Specially Designated National or Blocked Person, and that Franchisee (1) does not, and hereafter shall not, engage in any terrorist activity; (2) is not affiliated with and does not support any individual or entity engaged in, contemplating, or supporting terrorist activity; and (3) is not acquiring the rights granted under this Agreement with the intent to generate funds to channel to any individual or entity engaged in, contemplating, or supporting terrorist activity, or to otherwise support or further any terrorist activity. Franchisee agrees that Franchisee shall immediately provide written notice to Franchisor of the occurrence of any event which renders the representations and warranties in this **Section 26.5** incorrect.

26.6 Site Approval. Franchisee hereby acknowledges and agrees that Franchisor's approval of a site does not constitute an assurance, representation or warranty of any kind, express or implied, as to the suitability of the site for the Franchised Business or for any other purpose. Franchisor's approval of a site indicates only that Franchisor believes the site complies with acceptable minimum criteria established by Franchisor solely for its purposes as of the time of the evaluation. Both Franchisee and Franchisor acknowledge that application of criteria that may have been effective with respect to other sites and premises may not be predictive of potential for all sites and that, subsequent to Franchisor's approval of a site, demographic and/or economic factors, such as competition from other similar businesses, included in or excluded from Franchisor's criteria could change, thereby altering the potential of a site or lease. Such factors are unpredictable and are beyond Franchisor's control. Franchisor shall not be responsible for the failure of a site approved by Franchisee to meet Franchisee's expectations as to revenue or operational criteria. Franchisee further acknowledges and agrees that its acceptance of a franchise for the operation of the Franchised Business at the site is based on its own independent investigation of the suitability of the site.

26.7 **Acknowledgement Addendum.** Franchisee acknowledges that it has executed the Acknowledgement Addendum attached as Exhibit D, which is incorporated into this Agreement by reference.

ARTICLE XXVII. EXECUTION

This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. This Agreement may be executed by electronic means.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement in duplicate on the date first above written.

FRANCHISOR:

SARA’S ARTISAN GELATO FRANCHISING LLC

By: ___________________________

Name: ___________________________

Title: ___________________________

Date: ___________________________

FRANCHISEE:

By: ___________________________

Name: ___________________________

Title: ___________________________

Date: ___________________________

EXHIBIT A TO FRANCHISE AGREEMENT

APPROVED LOCATION AND FRANCHISEE'S TERRITORY

1. Approved Location. The Approved Location under this Agreement shall be:

____

(Franchisor and Franchisee acknowledge that the Approved Location may not be determined until after this Agreement is signed.)

2. Site Selection Area. [If applicable, to be completed upon execution of Agreement]

____

3. Franchisee's Territory. If Franchisor, in its sole and absolute discretion, elects to grant Franchisee a protected territory, such Franchisee's Territory shall consist of the following geographic area described below:

____

If Franchisor elects to grant a Franchisee's Territory, Franchisor and Franchisee acknowledge and agree that the Franchisee's Territory is the geographic area described above, as determined by Franchisor in its sole discretion. Subject to Franchisee's continued compliance with this Agreement, and the reserved rights described in Section 1.3 of this Agreement, during the Term, neither Franchisor nor any of its affiliates will establish, operate, or authorize any other person to establish or operate a Sara's Artisan Gelato Store in the Franchisee's Territory. Franchisor reserves the right, in its sole discretion, to modify, reduce, or eliminate the Franchisee's Territory at any time upon written notice to Franchisee.

SARA'S ARTISAN GELATO FRANCHISING LLC

By: ___________________________

Name: ___________________________

Title: ___________________________

FRANCHISEE:

By: ___________________________

Name: ___________________________

Title:___________________________

EXHIBIT B TO FRANCHISE AGREEMENT

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

(For execution by Franchisee's managers and other personnel having access to Franchisor's Confidential Information.)

In consideration of my position as __________ of __________ (the "**Franchisee**"), and One Dollar, receipt of which is acknowledged, I hereby acknowledge and agree that:

1. Sara's Artisan Gelato Franchising LLC (the "**Franchisor**"), as the result of the expenditure of time, skill, effort, and money, has developed, and continues to develop, a distinctive system relating to the establishment, operation, and promotion of artisan gelato stores, and all of which may be changed, improved and further developed by Franchisor from time to time (the "**System**").
2. As an employee of the Franchisee, I will receive valuable confidential information, disclosure of which would be detrimental to the Franchisor and the Franchisee, such as information relating to the Manual, recipes, ingredients, preparation procedures, customer lists, drawings, materials, or equipment of the Franchisor and the System related to the establishment and operation of Sara's Artisan Gelato stores, which are beyond the present skills and experience possessed by me ("**Confidential Information**"). This list of confidential matters is illustrative only and does not include all matters considered confidential by the Franchisor and the Franchisee.
3. I will hold in strict confidence all information designated by the Franchisor or the Franchisee as confidential. Unless the Franchisor otherwise agrees in writing, I will disclose and/or use the Confidential Information only in connection with my duties as an employee of the Franchisee. My undertaking not to disclose Confidential Information is a condition of my position with the Franchisee and continues even after I cease to be in that position.
4. While in my position with the Franchisee, I will not do anything which may injure the Franchisee or the Franchisor, such as (a) divert or attempt to divert any present or prospective business or customer of any Sara's Artisan Gelato store to any competitor, by direct or indirect inducement or otherwise; (b) do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Franchisor's marks and the System; or (c) employ or seek to employ any person who is at that time employed by the Franchisor or any franchisee of the Franchisor (including the Franchisee), or otherwise directly or indirectly induce such person to leave his or her employment.
5. The Franchisor is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with the Franchisee. I am aware that my violation of this Agreement will cause the Franchisor and the Franchisee irreparable harm; therefore, I acknowledge and agree that the Franchisor and/or the Franchisee may apply for the issuance of an injunction preventing me from violating this Agreement in addition to any other remedies it may have hereunder, at law or in equity; and I agree to pay the Franchisor and the Franchisee all the costs it/they incur/s, including without limitation attorneys' fees, if this Agreement is enforced against me.
6. If any part of this Agreement is held invalid by a court or agency having valid jurisdiction, the rest of the Agreement is still enforceable and the part held invalid is enforceable to the extent found reasonable by the court or agency.

7. This Agreement shall be construed under the laws of the State of Wisconsin.

ACKNOWLEDGED BY EMPLOYEE:

Signature: __________________________

Print Name: __________________________

Address: __________________________

Date: __________________________

ACKNOWLEDGED BY FRANCHISEE:

By: __________________________

Name: __________________________

Title: __________________________

Date: __________________________

EXHIBIT C TO FRANCHISE AGREEMENT

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given by each of the undersigned persons indicated below who have executed this Guaranty (each a "**Guarantor**") to be effective as of the Effective Date of the Agreement (defined below).

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement (the "**Agreement**") on this date by Sara's Artisan Gelato Franchising LLC ("**Franchisor**") each Guarantor personally and unconditionally (a) guarantees to Franchisor and its successors and assigns, for the term of the Agreement and afterward as provided in the Agreement, that ____________________________________ ("**Franchisee**") will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including the non-competition, confidentiality, and transfer requirements, to the extent such provisions are enforceable under applicable Wisconsin law.

Each Guarantor consents and agrees that: (1) Guarantor's direct and immediate liability under this Guaranty will be joint and several, both with Franchisee and among other Guarantors; (2) Guarantor will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses to do so; (3) this liability will not be contingent or conditioned upon Franchisor's pursuit of any remedies against Franchisee or any other person; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which Franchisor may from time to time grant to Franchisee or to any other person, including the acceptance of any partial payment or performance or the compromise or release of any claims, or any amendment, waiver, or restatement to any terms of the Agreement, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement; (5) at Franchisor's request, each Guarantor shall present updated financial information to Franchisor as reasonably necessary to demonstrate such Guarantor's ability to satisfy the financial obligations of Franchisee under the Agreement; and (6) Guarantor waives all suretyship defenses available under Wisconsin law or otherwise, including any defenses based on the modification, release, or impairment of the Franchisee's obligations or any collateral securing those obligations.

Each Guarantor waives: (1) all rights to payments and claims for reimbursement or subrogation which any Guarantor may have against Franchisee arising as a result of the Guarantor's execution of and performance under this Guaranty; and (2) acceptance and notice of acceptance by Franchisor of Guarantor's undertakings under this Guaranty, notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices to which he or she may be entitled.

Each Guarantor hereby agrees to defend, indemnify, and hold Franchisor harmless against any and all losses, damages, liabilities, costs, and expenses (including, but not limited to, reasonable attorneys' fees, reasonable costs of investigation, court costs, and arbitration fees and expenses) resulting from, consisting of, or arising out of or in connection with any failure by Franchisee to perform any obligation of Franchisee under the Agreement, any amendment thereto, or any other agreement executed by Franchisee referred to therein, unless (and then only to the extent that) such losses, damages, liabilities, costs, or expenses are determined to be caused solely by Franchisor's intentional misconduct in a final, unappealable ruling issued by a court with competent jurisdiction or arbitrator.

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

The undersigned spouse of each Guarantor indicated below, by signing below, acknowledges and consents to the guaranty given herein by his/her spouse. Such consent also serves to bind the assets of the marital estate to Guarantor's performance of this Guaranty. Franchisor confirms that a spouse who signs this Guaranty solely in his or her capacity as a spouse (and not as an owner) is signing merely for the purposes described above and, as necessary, to bind the assets of the marital estate as described herein and for no other purpose (including, without limitation, to bind the spouse's own separate property).

Each Guarantor that is a business entity, retirement or investment account, or trust acknowledges and agrees that if Franchisee (or any of its affiliates) is delinquent in payment of any amounts guaranteed hereunder, no dividends or distributions may be made by such Guarantor (or on such Guarantor's account) to its owners, accountholders, or beneficiaries or otherwise, for so long as such delinquency exists, subject to applicable law.

This Guaranty shall terminate upon the termination or expiration of the Agreement, except that all obligations and liabilities of the Guarantors which arose from events which occurred on or before the effective date of such termination shall remain in full force and effect until satisfied or discharged by the Guarantors, and all covenants which by their terms continue in force after the expiration or termination of the Agreement shall remain in force according to their terms.

This Guaranty is binding upon each Guarantor and its respective executors, administrators, heirs, beneficiaries, and successors in interest. This Guaranty shall be interpreted and construed under the laws of the State of Wisconsin.

[Signature Page Follows]

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

GUARANTORS

Owners:

____

Print Name: ________________________________

Email Address:

____

Print Name: ________________________________

Email Address:

Spouses:

____

Print Name: ________________________________

Email Address:

____

Print Name: ________________________________

Email Address:

EXHIBIT D TO FRANCHISE AGREEMENT

ACKNOWLEDGEMENT ADDENDUM

This Acknowledgement Addendum is executed in connection with the Franchise Agreement dated _________, 2026 (the "**Franchise Agreement**") between Sara's Artisan Gelato Franchising LLC ("**Franchisor**") and ________________________ ("**Franchisee**").

The purpose of this Acknowledgement Addendum is to determine whether any statements or promises were made to Franchisee that Franchisor has not authorized or that may be untrue, inaccurate, or misleading, and to be certain that Franchisee understands the limitations on claims that may be made by Franchisee by reason of the offer and sale of the franchise and operation of the Sara's Artisan Gelato store. Franchisee should review each of the following questions carefully and provide honest responses to each question.

ACKNOWLEDGMENTS AND REPRESENTATIONS

1. **Receipt of Franchise Disclosure Document.** Did you receive a copy of Franchisor's Franchise Disclosure Document (and all exhibits and attachments) at least 14 calendar days prior to signing the Franchise Agreement?

   Check one: ( ) Yes ( ) No

   If no, please comment:
   ____

2. **Review of Disclosure Document and Franchise Agreement.** Have you studied and reviewed carefully Franchisor's Franchise Disclosure Document and the Franchise Agreement?

   Check one: ( ) Yes ( ) No

   If no, please comment:
   ____

3. **Receipt of Franchise Agreement.** Did you receive a copy of the Franchise Agreement at least 7 calendar days prior to the date on which the Franchise Agreement was executed?

   Check one: ( ) Yes ( ) No

   If no, please comment:
   ____

4. **Negotiated Changes.** If you answered no to question 3, but answered yes to question 1, were all of the changes to the Franchise Agreement made as a result of negotiations that you initiated with Franchisor?

   Check one: ( ) Yes ( ) No ( ) N/A

   If no, please comment:
   ____

5. **Understanding of Documents.** Did you understand all the information contained in both the Franchise Disclosure Document and the Franchise Agreement?

   Check one: ( ) Yes ( ) No

   If no, please comment:
   ____

6. **Contradictory Representations.** Was any oral, written, or visual claim or representation made to you which contradicted the disclosures in the Franchise Disclosure Document?

   Check one: ( ) Yes ( ) No

   If yes, please comment:
   ____

7. **Financial Performance Representations.** Did any employee or other person speaking on behalf of Franchisor make any oral, written, or visual representation, claim, statement, or promise to you that stated, suggested, predicted, or projected financial performance, sales, revenues, earnings, income, or profit levels at any Sara's Artisan Gelato location or business, or the likelihood of success at your franchised store, other than the information contained in Item 19 of the Franchise Disclosure Document?

   Check one: ( ) Yes ( ) No

   If yes, please state in detail the oral, written, or visual representation:
   ____

8. **Territory and Rights.** Do you understand that the franchise granted is for the right to operate the Sara's Artisan Gelato store at the Approved Location only, as stated in Section 1.2 of the Franchise Agreement, and that Franchisor and its affiliates have the right to issue franchises or operate competing stores for or at locations, as Franchisor determines, at any other location? Do you further understand that any territorial rights granted under Section 1.3 and Exhibit A are granted by Franchisor in its sole discretion and may be modified, reduced, or eliminated by Franchisor at any time?

   Check one: ( ) Yes ( ) No

   If no, please comment: ____

---

9. **Entire Agreement.** Do you understand that the Franchise Agreement contains the entire agreement between you and Franchisor concerning the franchise for the Sara's Artisan Gelato store, meaning that any prior oral or written statements not set out in the Franchise Agreement will not be binding?

   Check one: ( ) Yes ( ) No

   If no, please comment: ____

---

10. **Business Risks and Factors Affecting Success.** Do you understand that the success or failure of your Sara's Artisan Gelato store will depend in large part upon your skills and experience, your business acumen, your location, the local market for products under the Sara's Artisan Gelato trademarks, interest rates, the economy, inflation, the number of employees you hire and their compensation, competition, and other economic and business factors? Further, do you understand that the economic and business factors that exist at the time you open your Sara's Artisan Gelato store may change?

    Check one: ( ) Yes ( ) No

    If no, please comment: ____

---

11. **External Risks and Disruptions.** Do you understand that this franchise business may be impacted by other risks, including those outside your or Franchisor's control such as

economic, political, or social disruption, including pandemics, natural disasters, acts of terrorism, or other unforeseen events? In addition, do you understand that any such events and any preventative or protective actions that federal, state, and local governments may take in response may result in a period of business disruption, reduced customer demand, and reduced operations for Sara's Artisan Gelato stores? The extent to which any such events impact the Sara's Artisan Gelato system will depend on future developments which are highly uncertain and which Franchisor cannot predict.

Check one: ( ) Yes ( ) No

If no, please comment: ____

12. **Independent Investigation.** Do you acknowledge that you have conducted an independent investigation of the Sara's Artisan Gelato franchise business opportunity and have not relied solely on information provided by Franchisor in making your decision to purchase the franchise?

Check one: ( ) Yes ( ) No

If no, please comment: ____

13. **Opportunity to Consult Advisors.** Do you acknowledge that you have had the opportunity to consult with legal, financial, and other professional advisors of your choosing before signing the Franchise Agreement?

Check one: ( ) Yes ( ) No

If no, please comment: ____

[Signature Page Follows]

ACKNOWLEDGEMENT ADDENDUM SIGNATURE PAGE

By signing below, Franchisee acknowledges that Franchisee has carefully read and considered each question above, has answered each question truthfully and accurately, and understands the significance of this Acknowledgement Addendum.

FRANCHISEE:

By: ____________________________

Name: __________________________

Title: __________________________

Date: __________________________

If Franchisee is an individual:

Signature: _________________________

Print Name: _______________________

Date: __________________________

ACKNOWLEDGED BY FRANCHISOR:

SARA'S ARTISAN GELATO FRANCHISING LLC

By: ____________________________

Name: __________________________

Title: __________________________

Date: __________________________

EXHIBIT D

MANUAL TABLE OF CONTENTS

(See attached)

Sara's Artisan Gelato Brand Standards Manual

Table of Contents

Sara's Artisan Gelato Brand Standards Manual

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Sara’s Artisan Gelato Brand Standards Manual

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Sara's Artisan Gelato Brand Standards Manual

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EXHIBIT E-1

LIST OF CURRENT FRANCHISEES

None.

EXHIBIT E-2

LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM

None.

EXHIBIT F

FINANCIAL STATEMENTS

(See attached.)

Balance Sheet - Franchise

Sara's Artisan Gelato

As of Jun 30, 2026

	TOTAL
Assets	
Current Assets	
Bank Accounts	
1025 Franchise LLC Checking x0349	50,000.00
Total for Bank Accounts	**$50,000.00**
Total for Current Assets	**$50,000.00**
Total for Assets	**$50,000.00**
Liabilities and Equity	
Liabilities	
Total for Liabilities	
Equity	
3040 Retained Earnings	50,000.00
Net Income	
Total for Equity	**$50,000.00**
Total for Liabilities and Equity	**$50,000.00**

EXHIBIT G

STATE SPECIFIC ADDENDA

The following are additional disclosures for the Disclosure Document of Sara's Artisan Gelato Franchising LLC required by various state franchise laws. Each provision of these additional disclosures will only apply to you if the applicable state franchise registration and disclosure law applies to you.

FOR THE FOLLOWING STATES: ILLINOIS, MICHIGAN, MINNESOTA, OR WISCONSIN. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Illinois

1. Except for the U.S. Federal Arbitration Act and other federal laws in the U.S., the laws of the State of Illinois will govern the Franchise Agreement.

2. Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

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

4. Your rights upon termination and non-renewal of a Franchise Agreement are subject to sections 19 and 20 of the Illinois Franchise Disclosure Act.

Michigan

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

(a) A prohibition on the right of a franchisee to join an association of franchisees.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in the Michigan Franchise Investment Act. This shall not preclude a franchise, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement or area development agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

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

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

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

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

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

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

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

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

Any questions regarding this notice should be directed to:

State of Michigan
Consumer Protection Division
Attn: Franchise
670 G. Mennen Williams Building
525 West Ottawa
Lansing, Michigan 48933
Telephone Number: (517) 373-7117

THIS ADDENDUM WILL APPLY ONLY IF THE MICHIGAN FRANCHISE INVESTMENT LAW WOULD APPLY ON ITS OWN, WITHOUT REFERRING TO THIS ADDENDUM.

Minnesota

1. The following is added at the end of the chart in Item 17:

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

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibits us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial or requiring the Franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Disclosure Document or Franchise 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.

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

In compliance with Minnesota Statute 80C.17 Subd. 5, no action may be commenced pursuant to this section more than three years after the cause of action accrues

You cannot consent to us obtaining injunctive relief. You may seek injunctive relief. See Minnesota Rule 2860.4400(J). Also, a court will determine if a bond is required.

2. The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols or indemnify the franchisee from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the name. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).

EXHIBIT H

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This Disclosure Document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
Illinois	Not Registered
Michigan	Not Registered
Minnesota	Not Registered
Wisconsin	July 15, 2026

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 I

RECEIPT

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain English. Read this Disclosure Document and all agreements carefully.

If Sara's Artisan Gelato 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. Under Michigan law, we must give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Sara's Artisan Gelato 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, D.C. 20580 and the state agency listed on Exhibit A.

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

Name: Sara's Artisan Gelato Franchising LLC

Address: 2132 E. Deerfield Avenue, Unit 104, Suamico, WI 54173

Telephone Number: (920) 412-4014

Issuance Date: July 15, 2026

I have received a Disclosure Document dated July 15, 2026 that included the following Exhibits:

- Exhibit A — List of State Administrators
- Exhibit B — List of Agents for Service of Process
- Exhibit C — Franchise Agreement
- Exhibit D — Manual Table of Contents
- Exhibit E — List of Current Franchises
- Exhibit E-2 — List of Franchisees Who Have Left the System
- Exhibit F — Former Financial Statements
- Exhibit G — State Specific Addenda
- Exhibit H — State Effective Dates
- Exhibit I — Receipt

[Signature Page Follows]

Date: ______________________

Prospective Franchisee

By: ______________________

Name: ______________________

Individually and on behalf of the following entity:

Company Name: ______________________

Title: ______________________

PLEASE KEEP THIS COPY OF THE RECEIPT WITH YOUR FDD

RECEIPT

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain English. Read this Disclosure Document and all agreements carefully.

If Sara's Artisan Gelato 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. Under Michigan law, we must give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Sara's Artisan Gelato 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, D.C. 20580 and the state agency listed on Exhibit A.

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

Name: Sara's Artisan Gelato Franchising LLC

Address: 2132 E. Deerfield Avenue, Unit 104, Suamico, WI 54173

Telephone Number: (920) 412-4014

Issuance Date: July 5, 2026

I have received a Disclosure Document dated July 15, 2026 that included the following Exhibits:

- Exhibit A — List of State Administrators
- Exhibit B — List of Agents for Service of Process
- Exhibit C — Franchise Agreement
- Exhibit D — Manual Table of Contents
- Exhibit E — List of Current Franchises
- Exhibit E-2 — List of Franchisees Who Have Left the System
- Exhibit F — Former Financial Statements
- Exhibit G — State Specific Addenda
- Exhibit H — State Effective Dates
- Exhibit I — Receipt

[Signature Page Follows]

Date: ______________________

Prospective Franchisee

By: ______________________

Name: ______________________

Individually and on behalf of the following entity:

Company Name: ______________________

Title: ______________________

PLEASE SIGN, DATE, AND RETURN THIS COPY OF THE RECEIPT TO FRANCHISOR