FRANCHISE DISCLOSURE DOCUMENT

Yogurtland Franchising, Inc.
a California corporation

17801 Cartwright Road
Irvine, CA 92614
Telephone: (949) 265-8000
info@yogurt-land.com
www.yogurt-land.com

Yogurtland Franchising, Inc. ("Yogurtland") franchisees will operate a quick-service yogurt retail store.

We offer two franchise programs through this disclosure document (Franchises for our traditional stores are described in a separate disclosure document.):

1. Travel Plaza Location Single Store ("Travel Plaza Location"). We offer a single store location to operate inside a travel plaza facility (typically adjacent to a tollway, freeway or interstate highway), where the Yogurtland store may offer a reduced selection of flavors and toppings. The total estimated investment necessary to begin operation of a Yogurtland franchise for a single, interior store ranges from $218,210 to $374,935. For each Store, this includes $19,200 to $27,000 that must be paid to the franchisor or its affiliates.

2. Big Box Inside Location Single Store ("Big Box Location"). We offer a single store location to operate inside a general merchandise, big box retail store, where the Yogurtland store offers a reduced selection of flavors and toppings. The total estimated investment necessary to begin operation of a Yogurtland franchise for a single, interior store ranges from $218,210 to $374,935. For each Store, this includes $19,200 to $27,000 that must be paid to the franchisor or its affiliates.

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 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 Angela Oliveira, at 17801 Cartwright Road, Irvine, CA 92614, Telephone: (949) 265-8000.

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

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

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

Issuance Date: September 12, 2017

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in **Exhibit A** for information about the franchisor or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION AND ARBITRATION ONLY IN CALIFORNIA. OUT OF STATE MEDIATION AND ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE OR ARBITRATE WITH US IN CALIFORNIA THAN IN YOUR OWN STATE.

2. THE FRANCHISE AGREEMENT STATES THAT CALIFORNIA LAW GOVERNS THE AGREEMENT ON MANY ISSUES, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

3. YOUR SPOUSE AND THE SPOUSE OF ANY OTHER SHAREHOLDER, PARTNER OR MEMBER, AS APPLICABLE, MUST ALSO SIGN A PERSONAL GUARANTEE MAKING EACH SPOUSE INDEPENDENTLY LIABLE FOR YOUR FINANCIAL OBLIGATIONS UNDER THE AGREEMENT. THE GUARANTEE WILL PLACE YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS AT RISK IF YOUR FRANCHISE FAILS.

4. FAILURE TO OPEN YOUR STORE WITHIN 90 DAYS OF YOUR RECEIPT OF THE PREMISES DOES NOT RELIEVE YOU OF YOUR MONTHLY OBLIGATION TO PAY BASE ROYALTY FEES OF $1,000.

5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: See the next page for state effective dates.

STATE EFFECTIVE DATES

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

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

STATE	REGISTRATION DATE
CALIFORNIA	pending
HAWAII	pending
ILLINOIS	
INDIANA	
MARYLAND	
MINNESOTA	
NEW YORK	
NORTH DAKOTA	
RHODE ISLAND	
SOUTH DAKOTA	
VIRGINIA	
WASHINGTON	pending
WISCONSIN	

In all other states, the effective date of this Franchise Disclosure Document is the issuance date of: September 12, 2017

TABLE OF CONTENTS

EXHIBITS

EXHIBITS continued

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

We are Yogurtland Franchising, Inc., a California corporation. We were formed on November 13, 2006. To simplify this Disclosure Document, we refer to ourselves as "Yogurtland," "we" or "us." "You" means the person who buys the franchise. Sometimes in this Disclosure Document "you" also means individuals who are stockholders of a corporation, members of a limited liability company, or partners of a partnership that buys a franchise.

Our Principal business address is 17801 Cartwright Road, Irvine, CA 92614. Our phone number is (949) 265-8000. Our agent for service of process in California is Ronald Cheung, whose address is 17801 Cartwright Road, Irvine, CA 92614. Please check Exhibit A for agents in other registration states.

Our business is operating and granting franchises to let people, like you, operate Yogurtland® frozen yogurt stores, which offer several flavors of frozen yogurt and other menu items for on-premises consumption and carryout. We started franchising in March 2007.

Other than as disclosed above, we are not in any other business, have not conducted business in any other line of business and have not offered or sold franchises in any other line of business.

Our affiliate, Withim Corporation (a California corporation formed on August 7, 2003, "Withhim"), opened the first Yogurtland® retail store in February 2006. Withim sells yogurt and related products from its retail store. Withim shares the same address as us. Withim is not in any other business and does not offer or sell franchises in any line of business.

As of December 31, 2016, Withim operated one (1) Yogurtland® store of the type you will operate. The address and phone number of the store is listed in Exhibit "L" to this Disclosure Document.

A second affiliate of ours, Higher Ground Development Corp. (a California corporation formed on April 22, 2003, "Higher Ground"), opened its first Yogurtland retail store on September 26, 2008. Higher Ground sells yogurt and related products from its retail stores. Higher Ground shares the same address as us. Higher Ground is not in any other business and does not offer or sell franchises in any line of business.

As of December 31, 2016, Higher Ground operated two (2) Yogurtland stores of the type you will operate. The address and phone number of the stores are listed in Exhibit "L" to this Disclosure Document.

A third affiliate of ours, First Vine Partners, LLC (a California limited liability company formed on December 9, 2008, "First Vine"), opened its first Yogurtland retail store on

April 16, 2009. First Vine sells yogurt and related products from its retail store. First Vine shares the same address as us. First Vine is not in any other business and does not offer or sell franchises in any line of business.
As of December 31, 2016, First Vine operated one (1) Yogurtland store of the type you will operate. The address and phone number of the stores are listed in Exhibit "L" to this Disclosure Document.

A fourth affiliate of ours, PMC Enterprise, Inc. (a California corporation formed on February 17, 2010, "PMC"), opened its first Yogurtland retail store on September 28, 2010. PMC sells yogurt and related products from its retail stores. PMC shares the same address as us. PMC is not in any other business and does not offer or sell franchises in any line of business.

As of December 31, 2016, PMC operated two (2) Yogurtland stores of the type you will operate. The address and phone number of the stores are listed in Exhibit "L" to this Disclosure Document.

A fifth affiliate of ours, MCP Enterprise, Inc. (a California corporation formed on January 11, 2011, "MCP"), opened its first Yogurtland retail store on February 7, 2011. MCP sells yogurt and related products from its retail store. MCP shares the same address as us. MCP is not in any other business and does not offer or sell franchises in any line of business.

As of December 31, 2016, MCP operated one (1) Yogurtland store of the type you will operate. The address and phone number of the store is listed in Exhibit "L" to this Disclosure Document.

A sixth affiliate of ours, YL Downey, Inc. (a California corporation formed on October 20, 2011, "YL Downey"), opened its first Yogurtland retail store on February 19, 2013. YL Downey sells yogurt and related products from its retail store. YL Downey shares the same address as us. YL Downey is not in any other business and does not offer or sell franchises in any line of business.

As of December 31, 2016, YL Downey operated one (1) Yogurtland store of the type you will operate. The address and phone number of the store is listed in Exhibit "L" to this Disclosure Document.

A seventh affiliate of ours, YL Statedivision, Inc. (an Illinois corporation formed on July 11, 2012, "YL Statedivision"), opened its first Yogurtland retail store on January 11, 2013. YL Statedivision sells yogurt and related products from its retail store. YL Statedivision shares the same address as us. YL Statedivision is not in any other business and does not offer or sell franchises in any line of business.

As of December 31, 2016, YL Statedivision operated one (1) Yogurtland store of the type you will operate. The address and phone number of the store is listed in Exhibit "L" to this Disclosure Document.

An eighth affiliate of ours, YL Harvard Square, Inc. (a Massachusetts corporation formed on February 7, 2013, "YL Harvard Square"), opened its first Yogurtland retail store on June 15, 2013. YL Harvard Square sold yogurt and related products from its retail store. On September 2, 2015, that store ceased operations. YL Harvard Square shares the same address as us. YL Harvard Square is not in any other business and does not offer or sell franchises in any line of business.

A ninth affiliate of ours, YL Seventh Avenue, Inc. (a New York corporation formed on January 29, 2013, "YL Seventh Avenue"), opened its first Yogurtland retail store on May 5, 2013. YL Seventh Avenue sold yogurt and related products from its retail store. On February 13, 2015, that store ceased operations. YL Seventh Avenue shares the same address as us. YL Seventh Avenue is not in any other business and does not offer or sell franchises in any line of business.

A tenth affiliate of ours, YL Amsterdam, Inc. (a New York corporation formed on January 31, 2013, "YL Amsterdam"), opened its first Yogurtland retail store on September 4, 2013. YL Amsterdam sold yogurt and related products from its retail store. YL Amsterdam shares the same address as us. On May 20, 2015, that store ceased operations. YL Amsterdam is not in any other business and does not offer or sell franchises in any line of business.

An eleventh affiliate of ours, YL Park Slope Brooklyn, Inc. (a New York corporation formed on October 4, 2012, "YL Park"), opened its first Yogurtland retail store on December 22, 2012. YL Park sold yogurt and related products from its retail store. YL Park shares the same address as us. On May 20, 2015, that store ceased operations. YL Park is not in any other business and does not offer or sell franchises in any line of business.

A twelfth affiliate of ours, YL Brookline, Inc. (a Massachusetts corporation formed on February 7, 2013, "YL Brookline"), opened its first Yogurtland retail store on May 21, 2013. YL Brookline sold yogurt and related products from its retail store. YL Brookline shares the same address as us. On September 1, 2015, that store ceased operations. YL Brookline is not in any other business and does not offer or sell franchises in any line of business.

A thirteenth affiliate of ours, YL South Gate Inc. (a California corporation formed on April 4, 2014, "YL South Gate"), opened its first Yogurtland retail store on July 23, 2014. YL South Gate sells yogurt and related products from its retail store. YL South Gate shares the same address as us. YL South Gate is not in any other business and does not offer or sell franchises in any line of business.

As of December 31, 2016, YL South Gate operated one (1) Yogurtland store of the type you will operate. The address and phone number of the store is listed in Exhibit "L" to this Disclosure Document.

A fourteenth affiliate of ours, YL Hawaii Kai Inc. (a Hawaii corporation formed on September 11, 2014, "YL Hawaii Kai"), opened its first Yogurtland retail store on December 11, 2014. YL Hawaii Kai sells yogurt and related products from its retail store. YL Hawaii Kai shares the same address as us. YL Hawaii Kai is not in any other business and does not offer or sell franchises in any line of business.

As of December 31, 2016, YL Hawaii Kai operated one (1) Yogurtland store of the type you will operate. The address and phone number of the store is listed in Exhibit "L" to this Disclosure Document.

A fifteenth affiliate of ours, YL Edinger Plaza, Inc. (a California corporation formed on March 18, 2013, "YL Edinger"), opened its first Yogurtland retail store on August 28, 2013. YL Edinger sells yogurt and related products from its retail store. YL Edinger shares the same address as us. YL Edinger is not in any other business and does not offer or sell franchises in any line of business.

As of December 31, 2016, YL Edinger operated one (1) Yogurtland store of the type you will operate. The address and phone number of the store is listed in Exhibit "L" to this Disclosure Document.

A sixteenth affiliate of ours, YL Genesee Plaza, Inc. (a California corporation formed on June 24, 2013, "YL Genesee"), opened its first Yogurtland retail store on November 8, 2013. YL Genesee sells yogurt and related products from its retail store. YL Genesee shares the same address as us. YL Genesee is not in any other business and does not offer or sell franchises in any line of business.

As of December 31, 2016, YL Genesee operated one (1) Yogurtland store of the type you will operate. The address and phone number of the store is listed in Exhibit "L" to this Disclosure Document.

A seventeenth affiliate of ours, YL Costa Verde, Inc. (a California corporation formed on June 24, 2013, "YL Costa Verde"), opened its first Yogurtland retail store on October 17, 2013. On March 1, 2015, we transferred ownership of YL Costa Verde's store to a Yogurtland franchisee. YL Costa Verde shares the same address as us. YL Costa Verde is not in any other business and does not offer or sell franchises in any line of business.

An eighteenth affiliate of ours, YL Sugarhouse LLC (a Utah limited liability company formed on January 25, 2013) opened its first Yogurtland retail store on May 16, 2013. YL On May 9, 2015, we transferred ownership of that store to a Yogurtland franchisee. YL Sugarhouse shares the same address as us. YL Sugarhouse is not in any other business and does not offer or sell franchises in any line of business.

We do not directly operate any stores of the type being franchised.

We are also affiliated with Paramount Dairy, Inc., a California corporation formed on March 28, 2007, and formerly known as Flavor Mine, Inc. ("Paramount Dairy").

Paramount Dairy manufactures and sells yogurt base and other products through various distribution channels to retailers, including competitors of the Yogurtland® system. Paramount Dairy will also supply proprietary yogurt and other products to you. Paramount Dairy is located in Paramount, California. Paramount Dairy is not in any other business and does not offer or sell franchises in any line of business.

We are also affiliated with Joseph Trading, Inc., a California corporation ("Joseph Trading") formed on November 12, 2013, d/b/a Flavormine, and formerly known as Paramount Dairy, Inc. Joseph Trading sells yogurt toppings, cups, spoons and similar ingredients and materials to our franchisees, licensees and affiliates who operate Yogurtland Stores. Joseph Trading will also supply these proprietary items to you for use in the operation of your franchised Store. The offices of Joseph Trading are in Buena Park, California. Joseph Trading also sells yogurt mixes, toppings, cups, spoons, packaging and small wares through various distribution channels to retailers, including competitors of the Yogurtland® system. Joseph Trading is not in any other business and does not offer or sell franchises in any line of business.

We have no parents, predecessors, or any other affiliates that offer franchises in any line of business or provide products or services to franchisees of the Yogurtland system, or primarily engage in any other businesses.

As a franchisee, you will use our Yogurtland marks to sell self-serve frozen yogurt to the general public. Your store is designed to incorporate an upscale yogurt shop look featuring indoor seating or take out services, custom designed interiors, furniture, fixtures, specially designed uniforms and wearing apparel that compliment the yogurt shop look. You will use our system including marketing techniques, trade secrets, and recipes.

Specialty yogurt stores are highly competitive, and the last year has seen many new competitors enter the market. You will compete with other retail yogurt stores as well as yogurt products sold at grocery and other retail stores. Sales are typically greater in warmer months. Your general market is any person who likes yogurt. Our concept gives customers a wide selection of yogurt and toppings.

California and other states and local jurisdictions have laws, rules, regulations, and ordinances which may apply to your store, including those concerning construction, design and maintenance of the store premises; health and sanitation requirements for restaurant employee practices concerning the storage, handling, cooking and preparation of food; restrictions on smoking; availability and cleanliness of restrooms; employee health and safety; fire safety and emergency preparedness; and use, storage and disposal of waste, insecticides, and other hazardous materials; menu labeling; and, equal access for the disabled. In addition, the federal government has enacted new legislation further regulating food safety as well as equal access for disabled persons. You should investigate whether there are regulations and requirements that may apply in the geographic area where you are interested in locating your franchise.

ITEM 2: BUSINESS EXPERIENCE.

Chairman, Secretary, Treasurer, President and Chief Executive Officer: Phillip Chang

Mr. Chang has been our President, Secretary, Treasurer and Director since we were formed in November 2006. In January 2014, he was named Chairman of our Board of Directors, and resigned from his role as President. In July 2014, Mr. Chang returned as President and Chief Executive Officer.

Vice President of Operations: Jeff Sweetman

Mr. Sweetman joined the Company at its Irvine, California offices in May 2015, as Vice President Operations. From March 2013 to January 2015, he served as Executive Vice President for The Quiznos Master LLC in Denver, Colorado. From October 2012 to February 2013, he served as Senior Director of Operations for National Veterinary Associates in Agoura Hills, California. From November 2004 to September 2011, he was Director of Operations for Togo's Eatery in San Jose, California.

Vice President of Franchise Development: John Wayne Carlson

Mr. Carlson was appointed Vice President of Franchise Development for Yogurtland in June 2016 and has his office in Irvine, CA. Prior to joining us, Mr. Carlson was Vice President of Franchise Operations for Togo's Eateries LLC from June 2014 to June 2016 in San Jose, CA. Previous to that he served as Senior Director of Business Development and Franchise Operations of International Coffee & Tea, LLC (dba "The Coffee Bean & Tea Leaf") from May 2011 to June 2014 in Los Angeles, CA. Previous to that he served as Senior Director of Strategic Services and a variety of other Development, Operations and Marketing roles at Dunkin' Brands, Inc. (dba Dunkin' Donuts and Baskin-Robbins) from 1987 to 2011 in Canton, Massachusetts & Burbank, California.

Senior Director of Marketing: Chad Bailey

Mr. Bailey was appointed Senior Director of Marketing for Yogurtland in May 2016 at our offices in Irvine, California. Prior to that he was Vice President and Chief Marketing Officer for Robeks Corporation from January 2012 to April 2016 in Los Angeles, California. From September 2006 to January 2012, he served in various marketing roles for The Johnny Rockets Group, Inc., concluding as the Director of Brand Marketing in Aliso Viejo, California.

Director of Franchise Development: Donald Spring

Mr. Spring has served as Director of Franchise Development since December 2016 in Irvine, California. Prior to that he was Regional Director of Operations for the Company from June 2015 in Irvine, CA. Prior to joining us, he was Franchise Director for Dickey's Barbecue from February 2015 to June 2015 in Dallas, Texas. From September 2013 to

February 2015 he served as Regional Director of Operations for Quiznos in Denver, Colorado. From March 2012 to September 2013 Mr. Spring was an Area Leader for El Pollo Loco in Costa Mesa, California. From December 2005 to March 2012 he served as Manager of Training and Franchise Services for Togo's Eateries in San Jose, California.

General Counsel: Steven Emmons

Mr. Emmons has served as the Company's General Counsel since February 2010. He also has a separate law practice in Irvine, California.

ITEM 3: LITIGATION.

Steven Mitnick, as assignee of Central Jersey Enterprises, LLC v. Yogurtland Franchising, Inc.; United States District Court, District of New Jersey, Civil Action No. 17-00325 (FLW).

On December 13, 2016, a lawsuit was commenced in New Jersey state court by Steven Mitnick ("Mitnick"), as assignee of Central Jersey Enterprises, LLC ("Central Jersey"), a former franchisee of ours, against Yogurtland Franchising, Inc. and its President, Phillip Chang, alleging breach of contract, breach of the duty of good faith and fair dealing, unjust enrichment, violations of the New Jersey Franchise Practices Act, and fraudulent inducement to contract. The state court lawsuit then was removed to the U.S. District Court for the District of New Jersey, and on August 16, 2017, the U.S. District Court granted our Motion to Compel Arbitration. The court ordered that the lawsuit be administratively terminated pending the outcome of the arbitration proceeding. We have not been notified of the commencement of any related arbitration proceeding, although based on previous communications, we expect Mitnick to commence a proceeding.

The lawsuit alleges that our development of a unit in Mt. Laurel, New Jersey was too close to Central Jersey's units (even though the lawsuit also alleges that Central Jersey previously had requested Franchisor's approval to develop the same Mt. Laurel location), and that Central Jersey purchased the Mt. Laurel unit from us to protect the reputation of Central Jersey's business operations. Mitnick also alleges that our representatives induced Central Jersey to purchase franchises through inaccurate oral representations regarding interest from third parties in the System's development in the tri-state area and inaccurate oral representations regarding our plans for the System there that were not included in the disclosure document. The lawsuit further alleges that we breached the franchise agreements by not providing adequate marketing support to Central Jersey from the System Marketing Fund, that we unreasonably withheld the System's yogurt flavor variety and that we were unjustly enriched from franchisee purchases of required equipment and other items (even though franchisor disclosed in its disclosure documents the rebates it received from franchisee purchases). Mitnick sought damages, attorneys' fees and costs as well as other unspecified relief. Franchisor categorically denies all of these allegations.

Catherine Youngman, Chapter 7 Trustee, for Michael Haines v. Yogurtland Franchising, Inc.; United States Bankruptcy Court, District of New Jersey, Case No. 16-15573-MBK.

On August 30, 2017, Catherine Youngman—the Chapter 7 Trustee ("Trustee") in the bankruptcy proceeding in regard to Michael Haines ("Haines"), commenced an action against us and Phillip Chang, our president. Haines was a member of Central Jersey (our former franchisee) and a guarantor for certain of Central Jersey's legal obligations. This case arises out of the same facts and circumstances as described above in the Mitnick matter. The Trustee alleges violations of the New Jersey Franchise Practices Act, breach of contract, and fraudulent misrepresentation. The Trustee seeks findings that we violated the New Jersey Franchise Practices Act, breached the franchise agreements, and engaged in fraudulent misrepresentations that induced Haines to personally guaranty various obligations of Central Jersey. The Trustee also seeks damages in an unspecified amount, attorneys' fees and costs, and other unspecified relief. Franchisor categorically denies all of these allegations.

Claim of Martino Investment Group, LLC

In March 2015, an arbitration proceeding was commenced in California by Claimant Martino Investment Group, LLC, a former franchisee of the System, against Yogurtland Franchising, Inc. and its President, Phillip Chang, alleging breach of contract, common law fraud, negligent misrepresentation, violations of the Illinois Franchise Disclosure Act, violations of the California Franchise Investment Law, rescission, and Unfair Trade Practices. In June 2016 the proceeding was settled, with the settlement terms providing for payment of $607,500 to Claimant, and an additional $220,000 allotted to attorneys fees. Franchisor also obtained from the landlord a release of Claimant from all obligations under the lease of the store's premises in consideration for payment of approximately $60,000. Franchisor denied any wrongdoing or any failure to comply with any applicable laws or regulations. No final findings of fact or conclusions of law were made.

Claim of Regina Du

In September 2009, Yogurtland International, LLC was named in a putative class action, *Regina Du v. Yogurtland International,* Los Angeles Superior Court case no. BC 421198. The complaint was amended to name Yogurtland Franchising, Inc., and Yogurtland International, LLC was dismissed from the case. For the most part, the complaint was a copy of a putative class action filed against Yogurtland's competitor Pinkberry in 2007. In substance, the complaint contended that Yogurtland's product did not come from a licensed manufacturer, that it contained ingredients that made it adulterated, and that its ingredients and nutritional information were inaccurate. Unlike the Pinkberry lawsuit, the Du complaint alleged that the company improperly used product that had been previously frozen, and that it violated a California statute specifying that frozen yogurt shall contain not less than 3.5% milk fat. Furthermore, the complaint alleged technical violations of statutes, including that ingredients and nutrition information were not made available to the public. For settlement purposes only, the class was certified, and the lawsuit was settled with court approval after notice and a fairness hearing. In accordance with the court's order of January 21, 2011, as of the Final Settlement Date of April 6, 2011, the lawsuit was dismissed with prejudice. Without admitting any wrongdoing, we agreed to and did distribute from the Yogurtland Stores in California 250,000 coupons of $1.00 face value each, and to pay plaintiffs' attorneys and costs in an amount not to exceed $145,000.

Claim of John Yo, Han Sop Woo and Janet & Daniel, Inc.

John Yo, Han Sop Woo and Janet & Daniel, Inc. v. Yogurtland Franchising, Inc., Phillip Chang and Terrence Chan. (NY Supreme Court, NY County, Case No. 602933109, filed Sept. 23, 2009). Plaintiffs were the franchisee at a single location, whom we terminated for failure to pay royalties and other fees and starting a second yogurt store using our system, without telling us. They then filed this complaint. They claimed we promised to let them become a master franchisee or area developer in the East Coast, alleging fraud, negligent misrepresentation and breach of contract and implied covenant of good faith and fair dealing regarding these matters and contents of our FDD. They sued us, our President and our Director of Research and Development. They sought $10 million damages, interest, costs and disbursements, $5 million punitive damages, return of royalties and fees paid to us and reimbursement of expenses in entering into the franchise. We exercised our right to remove the case to federal court (U.S. District Court for Southern District of New York, Case No. 09CIV 9063, Oct. 29, 2009). In December, 2009 we settled, agreeing to mutual releases; Plaintiffs agreed to de-identify the two locations, return our operations manuals, and not use our trade secrets or operating procedures; we agreed to reimburse former customers for unused gift cards up to a total of $1,400.

Other than these actions, no other actions are required to be disclosed in this Item.

ITEM 4: BANKRUPTCY.

No bankruptcies are required to be disclosed in this Item.

ITEM 5: INITIAL FEES.

1. Single Store Travel Plaza Locagtions. You pay us a non-refundable Initial Franchise Fee of $12,500 on signing your Franchise Agreement.

2. Single Store Big Box Locations. You pay us a non-refundable Initial Franchise Fee of $7,500 on signing your Franchise Agreement.

3. For each Franchise Agreement pertaining to a single store (whether a Travel Plaza or Big Box Location), you must also deposit with us the sum of $3,000 to secure prompt payment of any amounts becoming past due from you to us or our affiliates. The deposit is refundable at the expiration of the Franchise Agreement's term.

In addition, you must pay us, before opening your store, a one-time fee of $4,500 for limited construction management and information technology staging services for the store in order to receive our preliminary floor plan layout and prototype design development package for your Yogurtland® store and our limited construction management services. Depending on your Store's proximity to our Support Center in Irvine, California, the experience and capability of you, your employees and contracted parties, and other factors, the estimated range of our out-of-pocket expenses runs from $0 - $2,000 for both Travel Plaza and Big Box Locations.

You must purchase certain initial supplies from us at an approximate cost of $1,750 to $2,083. This range applies to both Travel Plaza and Big Box Locations. You will also need to purchase from our other approved suppliers other inventory, supplies, equipment, and fixtures. See Items 7 and 8. Each of these fees is due upon demand, which is generally prior to your Store's opening.

You are obligated to reimburse us for the out-of-pocket expenses we incur to provide our trainers to your store to provide initial training to you and your employees. This includes expenses for travel, lodging, meals, mileage, etc. Depending on your Store's proximity to our Support Center in Irvine, California, the experience and capability of the staff at your Store, and other factors, the estimated range of our out-of-pocket expenses runs from $500 - $3,000. This reimbursement is due to us from you upon demand, which will generally occur just prior to your Store's opening.

Except as expressly provided above, we do not provide or offer any refunds of the initial fees paid to us. We do not currently offer any financing of the initial franchise fee or of any equipment that you must purchase from us. All fees imposed by us are uniform for new franchisees, except as to the above described, reduced Initial Franchise Fees and the fees that may range as provided above.

ITEM 6: OTHER FEES.[1]

Type of Fee	Amount	Due Date	Remarks
ROYALTY for Travel Plaza[2] and Big Box	6% of Gross Sales[3] or $1,000 per month, which ever is higher. 6.5% of Gross Sales or $1,200 per month, which ever is higher, if your royalty payments are received late.	The base royalty ($1,000) is due on the 15th of each month for that calendar month. Any balance owing is due and payable by the 5th calendar day of each month on account of Gross Sales derived in the prior month.	The royalty fee is paid to us.

Type of Fee	Amount	Due Date	Remarks
MARKETING FUND FEE, for Travel Plaza and Big Box	2% of Gross Sales. 2.5% of Gross Sales[3], if your marketing fee payments are received late.	The Marketing Fund Fee is due and payable by the 5th calendar day of each month on account of Gross Sales derived in the prior month.	The marketing fee is paid to us.
COOPERATIVE ADVERTISING FEES (n/a for Travel Plaza and Big Box Locations)[4]	n/a	n/a	n/a
ADDITIONAL TRAINING for Travel Plaza and Big Box	\$200 to \$500 per program	Before training	You pay this fee to us for each person who attends our periodic training seminars.
ADDITIONAL MANAGER TRAINING for Travel Plaza and Big Box	\$500 to \$1000/additional person (reimbursement of our administrative and out-of-pocket expenses)	Before training	You reimburse us for our administrative and out-of-pocket expenses when we train any additional managers (after the initial training)
PRODUCT PURCHASES, which include food inventory, spoons, paper goods, etc. for Travel Plaza and Big Box	These purchase (made via purchase orders) occur two, sometimes three times per week and range from approximately \$1,000 to \$2,500 each. These purchases typically represent 85-90% of your regular, ongoing purchases of goods and supplies for the franchised business.	On demand.	You pay us for products you buy from us or our affiliates either directly or through a distributor. The frequency of delivery and level of expenditure will tend to correspond to your Store's sales level.

Type of Fee	Amount	Due Date	Remarks
AUDIT FEE for Travel Plaza and Big Box	Cost of audit	On demand.	Payable to us, if our audit of you discloses under reporting[5] of royalties or other fees due to us in the amount of 2% or more for any month or longer.
TRANSFER FEE for Travel Plaza and Big Box	$10,000	Before any assignment, sale or transfer of the franchise	You pay us this fee for us to evaluate your proposed transferee or assignee.
LATE CHARGE for Travel Plaza and Big Box	Lesser of 18% per year or maximum rate allowed by law	On demand	Payable to us, if you fail to pay fees or other amounts when due.
RENEWAL FEE			
Travel Plaza	$12,500	Before renewal is effective	You pay this fee to us to renew your agreement for another term of 5 years.
Big Box[6]	$7,500 for 1st initial period (3 years); $7,500 for 1st renewal period (3 years); $7,500 for 2nd renewal period (3 years)	Before renewal is effective	You pay these fees to us to renew your agreement for up to two renewal terms of 3 years each.
LIQUIDATED DAMAGES/Deviation from standard for Travel Plaza and Big Box	$1,000 per breach and $1,000 for each day that the breach continues or occurs, up to a maximum of 30 days or $30,000	Discovery by us of a failure by you to adhere to our standards	If you fail to adhere to our standards, in addition to our other remedies we can charge you these liquidated damages.

Type of Fee	Amount	Due Date	Remarks
INSURANCE for Travel Plaza and Big Box	Amount of unpaid premiums	On demand and as incurred.	Payable to us, if you fail to maintain required insurance coverage and we elect to obtain coverage for you.
MANAGEMENT FEE for Travel Plaza and Big Box	For each month of your store's management by us, you pay us the greater of $5000 or 10% of Gross Sales; plus you pay the actual compensation and expenses for the store manager.	On demand	Payable to us, if we elect to manage your store pending our purchase of assets of your store or if we take over your store because of harm to our marks, system, or danger to public safety.
SUPPLIER EVALUATION FEE for Travel Plaza and Big Box	$1,500, plus reimbursement of our expenses	On demand	Payable to us, if you want us to evaluate a proposed new supplier for any goods or services.
INSUFFICIENT FUNDS FEE for Travel Plaza and Big Box	$100	On demand	If we debit your bank account electronically and there are insufficient funds, we will assess a fee of $100 to compensate us for our costs associated with the returned payment.
INDEMNIFICATION for Travel Plaza and Big Box	Actual Cost	As incurred	You must defend us and reimburse us if we are named in any lawsuit and/or held liable for claims arising out of the Store's operations or your acts or omissions.

Footnotes:

(1) All fees are imposed by and are payable to us. All fees are non-refundable. Unless otherwise indicated, all fees are imposed uniformly for new franchisees. Existing franchisees' agreements may have terms and fees different than yours.

If we ask, you must sign bank authorizations that we request to allow us to debit royalties, fees, charges, product purchase payments, and all other amounts due to us, directly from your bank account or credit card. See Authorization for Pre-arranged Payment (Direct Debit) (Exhibit "B" to the Franchise Agreement).

(2) This table pertains to the franchise agreements pertaining to a Yogurtland store located within a travel plaza facility (typically including foodservice, fuel, some groceries and other limited shopping in at a location adjacent to a tollway, freeway, interstate highway, etc.) or pertaining to a Yogurtland store within the interior of a large general merchandiser (which type is referred to in this disclosure document as a "Big Box Inside Location" or "Big Box Location"). Other types of store locations (whether our standard or non-traditional stores) are covered in our standard disclosure document.

(3) "Gross Sales" means all sums or things of value you receive from your Yogurtland store from all sales or other transactions for goods and services whether for cash, check, credit, barter, or otherwise. Gross Sales do not include refunds to customers or the amount of any sales taxes separately itemized, collected from customers for payment to a federal, state, or local taxing authority and actually paid to that authority.

(4) Franchise agreements pertaining to Travel Plaza Locations or Big Box locations will not require the franchisee to participate in advertising cooperatives. You are required to contribute to the Marketing Fund, as provided above.

(5) "Under reporting" means there were sales not included in your sales report to us.

(6) Franchise Agreements for Big Box locations will have an initial term of three (3) years, and potentially up to two (2) renewal terms of three (3) years each.

ITEM 7: ESTIMATED INITIAL INVESTMENT.[1]

YOUR ESTIMATED INITIAL INVESTMENT

FRANCHISE AGREEMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be made
INITIAL FRANCHISE FEE[2]				
Travel Plaza[3]	$12,500	Lump Sum	At Signing of Franchise Agreement	Franchisor
Big Box[3]	$7,500	Lump Sum	At Signing of Franchise Agreement	Franchisor

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be made
TRAINING FEE per person[4] for additional trainees for Travel Plaza and Big Box	Nothing additional, unless you elect additional trainees, then $500-$1,000 per trainee to reimburse our expenses	Cash	One Week Before Training	Franchisor
TRAVEL AND LIVING EXPENSES WHILE TRAINING[5] for Travel Plaza and Big Box	$500 - $6,000	Cash	Before Opening, as incurred	Airline, hotel, restaurants, etc.
TRAVEL AND LIVING EXPENSES FOR OUR STAFF TO PROVIDE ON-SITE OPENING ASSISTANCE[6] for Travel Plaza and Big Box	$500 - $3,000	Cash	On Demand	Franchisor
RENT & LEASE DEPOSIT				
Travel Plaza[7]	$3,000 - $20,000	Lump Sum	Before Opening	Landlord
Big Box[8]	$5,000	Lump Sum	Before Opening	Franchisor
UTILITY DEPOSITS[9]				
Travel Plaza	$1,000 - $3,000	Cash	Before Opening	Utility Companies
Big Box	$1,000 - $5,000	Cash	Before Opening	Utility Companies

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be made
LEASEHOLD IMPROVE-MENTS				
Travel Plaza[10]	$50,500 - $140,000	Cash	Before Opening	Third Party Contractors
Big Box[11]	$50,500 - $140,000	Cash	Before Opening	Third Party Contractors
SIGNS (indoor and outdoor) & exterior branding				
Travel Plaza[12]	$4,500 - $19,500	Cash	Before Opening	Supplier
Big Box[13]	$4,500 - $5,500	Cash	Before Opening	Supplier
FRANCHISOR-SUPPLIED DÉCOR AND OTHER ITEMS[14]				
Travel Plaza	$1,750 - $2,083	Cash	Before Opening	Franchisor
Big Box	$1,200 - $1,500	Cash	Before Opening	Franchisor

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be made
EQUIPMENT & FIXTURES[15] Travel Plaza and Big Box	$91,560 - $120,185	May vary	Will vary	Various Suppliers
POS SYSTEM[16] Travel Plaza and Big Box	$15,100	Lump Sum	Before Opening	Supplier
WATER FILTER SYSTEM[17] Travel Plaza and Big Box	$500	As incurred	Initial payment due before opening	Supplier
OPENING INVENTORY[18] Travel Plaza and Big Box	$3,750 - $5,250	Cash	Before Opening	Franchisor, our affiliate, and Various Suppliers
BUSINESS LICENSE[19] Travel Plaza and Big Box	$2,000-$4,000	Cash	Before Opening	Municipality
INSURANCE[20] Travel Plaza and Big Box	$2,100 - $2,400	Cash	Before Opening	Insurance Co.
OPENING ADVERTISING Travel Plaza and Big Box [21]	$6,000	Cash	Before Opening	Various Advertising Vendors
ARCHITECT[22] Travel Plaza and Big Box	$8,500 - $10,500	Cash	As Needed	Architect

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be made
LIMITED CONSTRUCTION MANAGEMENT & INFORMATION TECHNOLOGY STAGING SERVICES FEE[23] Travel Plaza and Big Box	$4,500 plus reimbursement for our actual out-of-pocket costs ($0 - $2,000)	Cash	On Demand	Franchisor
ATTORNEY AND OTHER PROFESSIONAL FEES				
Travel Plaza	$3,000 - $10,000	Cash	Before Opening	Your professional advisors
Big Box	$3,000 - $5,000	Cash	Before Opening	Your professional advisors
ADDITIONAL FUNDS- First 3 months of operations[24]				
Travel Plaza	$10,000 to $25,000	Cash	As Needed	Various
Big Box	$10,000 to $20,000	Cash	As Needed	Various
TOTAL[25]				
Travel Plaza	$309,816 to $702,546	Cash	On Demand	Franchisor, Landlord, Suppliers, others
Big Box	$218,210 to $374,935	Cash	On Demand	Franchisor, Landlord, Suppliers, others

(1)This table estimates your initial investment in a Travel Plaza Location or Big Box Location (as indicated) from the period before your store opens for business, through about 3 months of operations. In addition to information learned from franchisees who opened a Yogurtland store within a travel plaza (pursuant to a standard franchise agreement) and in providing construction consulting to a franchisee on two Big Box Locations, we used our and our affiliates' (Withim, Higher Ground, First Vine, PMC

Enterprise, et al.) experience in constructing a Yogurtland® store to make these estimates. These are only estimates, and as of the issuance date of this disclosure document, one store at a travel plaza has been built and opened and two Big Box locations are under construction. The sources of funds listed above are amounts to be supplied from your own funds. No allowance has been made for inflation or debt service or interest payment on borrowed money but you should consider these. Unless specifically noted, none of the initial investment expenses listed in the table is refundable. We do not finance your initial investment.

(2) You pay the initial franchise fee in a lump sum on signing the Franchise Agreement. Within the Travel Plaza franchises and the Big Box franchises respectively, this initial franchise fee is uniform to all new franchisees. We do not currently offer financing of the initial franchise fee or of any equipment that you must purchase from us. See Item 10. At the same time as you pay the initial franchise fee, you must deposit with us the sum of $3,000 to secure payment of any amounts becoming past due from you to us or our affiliates; this deposit is fully refundable with the expiration of the term of the Franchise Agreement, so long as you have fulfilled your payment obligations to us and our affiliates.

(3) For a Yogurtland Franchise Agreement pertaining to a Travel Plaza Location, you pay a non-refundable, initial franchise fee of $12,500 for the initial term of five (5) years. For a Yogurtland Franchise Agreement pertaining to a Big Box location, you pay a non-refundable, initial franchise fee of $7,500 for the initial term of three (3) years.

(4)We provide initial training at no additional charge for a total of two individuals responsible for store management at our office, our store location, a franchised location, or other location we designate. We charge for each additional person trained the amount we estimate as necessary to cover our expenses. The low end of the total range of initial investment below assumes you elect to have two persons trained initially. The high end of the total range assumes you elect to have one additional person trained initially (three total) and uses the high end of the reimbursement range of $0 to $1,000.

(5) You must arrange and pay for yourself and your manager to attend our initial training program including, transportation, lodging, meals, and wages. The amount spent will depend, in part, on the distance you must travel and the type of accommodations you choose. The low estimate assumes you do not incur travel and lodging expenses for you or your manager during the initial training program. The high estimate assumes you and your manager incur travel and lodging expenses during training.

(6) Estimated travel and living expenses for our staff to provide on-site opening assistance to you for up to 5 days. The low estimate assumes minimal travel expenses because your store is located near our headquarters. The high estimate assumes our staff incurs airfare and lodging costs during on-site opening assistance.

(7) This range pertains to Travel Plaza Locations. The range represents the estimated cost to you for rent payments to the owner of the facility where your franchise is located. This

estimate assumes rent for approximately 3 months, security deposit, and last month's rent. Your actual rent may vary significantly. Rent expenses for your facility may vary, based on location, square footage, age, and condition of the structure, lease arrangements, and other factors. The typical Yogurtland® store within a travel plaza will be approximately 1,000 to 1,500 square feet.

(8) This range pertains to Big Box Locations, for which the franchisor will enter into a master lease with the landlord and then enter into a sublease with you. This estimate assumes rent for approximately 3 months, a $5,000 security deposit, and estimated last month's rent. Your actual rent may vary significantly. Rent expenses for your facility may vary, based on your Gross Revenues, on location, square footage, age, and condition of the structure, lease arrangements, and other factors. The typical Yogurtland® store at a Big Box location will be approximately 1,000 to 1,500 square feet, but the square fee might be as low as 500 square feet. Where the master lease includes a specific amount as base rent, the franchisor will sublease the premises to you at a rate equal to 115% of the amount the franchisor pays to the landlord as base rent; the 15% premium is intended to reimburse the franchisor for its expense in negotiating and administering the master lease and to compensate the franchisor for its risk in entering into the master lease and sublease.

If the master lease has no fixed minimum rent or other fixed minimum charges, then you will also have no fixed minimum charges; however, you will be obligated to pay to us a security deposit of $5,000 under the sublease. The sublease will be subject to the terms and conditions of the Master Lease. You will also be obligated to comply with minimum opening hours and other requirements of the Master Lease.

Where the Master Lease provides the landlord with a right to terminate the Master Lease prior to its expiration without cause, the sublease will also be subject to early termination in the event the Master Lessor terminates the Master Lease.

(9) Utility companies may require you to place a deposit before installing telephone, Internet, gas, water, electricity, and other utility services. This deposit may be refundable in accordance with agreements made with utility companies.

(10) This range of expenses pertains to Travel Plaza Locations. "Leasehold Improvements" refers to estimated labor cost for construction of tenant improvement for a new Yogurtland® store within a travel plaza facility. The cost of construction and leasehold improvements depends on the size and condition of the premises, the local cost of contract work, layout, and location of the store. The range for a store is the cost of reasonable renovation or leasehold improvements, and may be less if the lessor provides you a tenant improvement allowance.

(11) This range of expenses pertains to Big Box locations (as described in Footnote 1 above). "Leasehold Improvements" refers to estimated labor cost for construction of tenant improvement for a new Yogurtland® store in a Big Box location. The cost of construction and leasehold improvements depends on the size and condition of the

premises, the local cost of contract work, layout, and location of the store. The range for a store is the cost of reasonable renovation or leasehold improvements.

(12) This range of expenses pertains to Travel Plaza Locations, and represents the estimated cost for signage and exterior branding at your location. The low estimate assumes minimal use of fixed (one exterior sign) and temporary ("coming soon" and "now open") banner signage. You will be required to install at least one exterior sign, one crest sign and various sized interior graphics. Awnings are required, where allowed.

(13) This range of expenses pertains to Big Box locations and represents the estimated cost for signage and exterior branding at your location. The range assumes one exterior sign and temporary ("coming soon" and "now open") banner signage.

(14) You must pay us this fee for menu boards, POS light shields, Gemstar® dispenser, topping bar label holders, yogurt flavor label holders, spoon dispenser and syrup dispenser for your Store.

(15) Equipment you must purchase includes refrigerator, freezer, locker, clock, and safe. Additional items may be necessary. Furniture you must purchase includes tables, chairs, umbrellas, bench seats, and millwork to be used in the customer area of the store. Fixtures you must purchase and install include hand sink, prep-sinks, 3-compartment sink, sink guards, glycol unit, and specific model, water-cooled Taylor® Model 791 yogurt machines. The cost of this equipment and fixtures will depend on the size of the facility, brands purchased (if other branded items are used, they still must meet our size and specifications standards, and our specific approval), and other factors. All equipments, furniture, fixtures, and similar items must be purchased from us or from our designated suppliers.

(16) You must purchase a complete Yogurtland Franchising, Inc. MICROS POS System (2 touch screen terminals, 2 cash drawers, 2 printers, 2 scales, 2 customer displays, along with a few miscellaneous items to create a turnkey POS System) from MICROS estimated at $15,100. This System will also include the Enterprise Management client license, MyMicros (Setup + 1st year of subscription), and your first year of MICROS Help Desk.

You will be required to maintain the MyMicros subscription at a currently estimated $600 a year cost and allows remote data review. You will be required to allow your system to be configured through MICROS Enterprise Management, which allows changes to be made remotely.

As a business that will accept credit cards, you will be required to maintain PCI DSS Compliance and any other applicable organizational or governmental requirement. You must adhere to the Payment Card Industry Data Security Standard (PCI DSS) which is a worldwide information security standard defined by the Payment Card Industry Security Standards Council. This currently must also include a SonicWALL TZ100 part number 01-SSC-8739 which includes the SonicWALL Comprehensive Gateway Security Suite. The SonicWALL Comprehensive Gateway Security Suite must be maintained at all times at a current estimated cost of $60 yearly. The specifications for the system are described in Item 11 and are subject to change by us at any time.

(17) You must purchase a water filtration system at an approximate cost of $500.

(18) Estimated cost for opening inventory to operate your store. Part of this expense is payable directly to us and/or our affiliates. The remainder is payable to our approved suppliers.

(19) Estimated costs for a business license, health department license, and food management license. The amount of license fees varies by jurisdiction. These licenses and permits typically must be obtained from the City, County, and/or State.

(20) Estimated one-year premium for required insurance. Insurance premiums may vary based on sales and location. You must obtain broad form comprehensive general liability coverage including products liability, contractual liability, and advertising injury coverage of at least $2,000,000 aggregate naming us as additional insured and with not more than $10,000 deductible; fire and casualty insurance on the store and your property; business interruption insurance; and worker's compensation, employer's liability coverage of at least $2,000,000 per occurrence, unemployment, and state disability insurance as required by law. We have the right to revise coverage and coverage amounts you must obtain and maintain.

(21) This range of expenses pertains to Travel Plaza Locations. Before and after opening, you must conduct grand opening advertising. You must spend at least $2,000/month advertising for 3 months in conjunction with opening your store, for a total of $6,000. Therefore, in the first 3 months, you must spend $6,000.

(22) This range of expenses pertains to Travel Plaza and Big Box Locations. Estimated charges for you to consult with an architect approved by us to design and prepare plans for your store will range from $8,500 - $10,500. In the event you prefer to use an architect that we have not approved, we will require a payment to us of $5,000 to compensate us for our time spent in working with your preferred architect on fully understanding the needs of our brand. This amount is based on our experience in working with architects not previously approved by us.

(23) You must pay us a limited construction management and information technology staging services fee of $4,500 to us for providing you with a preliminary floor plan layout and prototype design development package for your Yogurtland® store, and for the limited construction management and information technology staging services we provide to you during the design and construction phase of your build-out. In addition, you must reimburse us our actual out-of-pocket hard costs incurred (such as travel expenses, government fees, etc., which we estimate will run from $0 to $2,000).

(24) Additional Funds are the minimum recommended levels to cover operating expenses, including payroll expenses for 3 months. These figures include estimated

payroll costs. We do not include the salary for the store manager, on the assumption that you will manage the store. Additional working capital may be needed if sales are low or fixed costs are high. We based this estimate on our leadership team's many years of experience in the restaurant business. You should note, however, that their experience has not included foodservice operations located within either travel plaza locations or Big Box locations.

(25) There could be other factors not listed that may affect your initial investment. If your expenses exceed the high amounts in one or more categories your total investment could exceed the high estimate. We prepared these estimates based on our and our affiliates' experiences in constructing and operating Yogurtland stores, except that as of the date of issuance of this disclosure document, only one store at a travel plaza has been built and opened (by a franchisee), and no Big Box Location has yet opened, though two Big Box locations are under construction. These estimates do not provide for costs of financing. You should not plan to draw income from the operation during the start-up and development stage of your business, which could be longer than the three months covered by the table. You should have additional funds available, whether in cash or through a bank line of credit, or other assets which you may liquidate or against which you may borrow, to cover other expenses and other operating losses during your start-up and development stage, or beyond.

ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES.

We consider the reputation, good will, high standards, and uniformity of Yogurtland stores to be important to our success. Accordingly, there are products you must purchase from us and our designated or approved suppliers and vendors (including our affiliates) in accordance with our specifications and guidelines. All equipment, fixtures, supplies, inventory, and signs for use or sale in your store must meet our specifications. (Franchise Agmt. §§ 7.15, 7.17, 8.5) We can revise our specifications and guidelines on written notice to you.

You must hire and use at your expense a Yogurtland-approved, licensed architect or general contractor to conduct a site survey and to prepare as-built drawings for the job site after the lease for your Store is signed. You must also use a Yogurtland-approved general contractor to construct your Store.

You must purchase all food ingredients, materials, and equipment from us or from third-party sources we designate or approve. (Franchise Agmt. §§ 7.15, 7.17) We can require you to purchase and use specific brand items in operating your store. We will lend you a Confidential Business Operations Manual, which will contain specifications and standards developed by us and which you must strictly follow. (Franchise Agmt. §§ 3.1-6, 7.10, 7.20, 7.21)

The recipes, formulations, and specifications of all Yogurtland Products are trade secrets belonging exclusively to us. You must purchase all yogurt, drink base mixes, toppings, and all other items for the preparation of Yogurtland products from us or our designated or approved suppliers and vendors as specified in the Confidential Business Operations Manual. (Franchise Agmt. § 7.15, 7.17, 7.26)

We and/or our affiliates are the sole providers of the Yogurtland yogurt base, drink base mixes, and soft goods, such as napkins, paper cups, boxes, and other items, which are part of the Yogurtland System and which use our trademarks. Other supplies are provided by approved suppliers. Purchases of unapproved products or from unapproved vendors in violation of the franchise agreement will entitle us, among other things, to terminate your franchise agreement. We negotiate purchase arrangements with our suppliers for the benefit of our franchisees. We will supply you with our list of suggested and preferred suppliers, which may be updated from time to time in our sole discretion. (Franchise Agmt. § 7.15, 7.17, 7.26)

You must purchase a complete POS System that we designate and meets specifications we set. You must purchase, service, and maintain the POS System at your cost. We will require that the POS System connect electronically with and provide electronic access from our equipment. The specifications for the POS are listed in Item 11. (Franchise Agmt. Section 7.18)

We may also designate an affiliated entity as an approved supplier of items for the operation of the franchised business including products, materials, services, supplies, equipment, and facilities.

Other than the franchisor and our affiliates Paramount Dairy and Joseph Trading, there are no approved suppliers in which our officers own an interest.

If you want to offer something we haven't approved, or buy from a supplier we haven't approved, you must first obtain our written approval, which we may withhold in our discretion. In seeking our approval, you will first need to notify us in writing, provide us samples and other information we require to evaluate the product and supplier (other than an architect) and pay us the supplier evaluation fee of $1,500, plus reimburse us for our expenses incurred in the evaluation. (See Item 6.) We may require you to provide us information on the history and credit rating of the proposed supplier, description of items you want to purchase from the proposed supplier, information relevant to the proposed supplier's ability to satisfy our standards, ability to provide reliable service, references, and other information that we may request or designate. You must arrange for the proposed supplier to cooperate in testing or analyzing the supplier's products at your or the supplier's expense, to enable us to determine if the supplier and proposed items to be purchased are of satisfactory quality, reliability, and other characteristics. We will try to notify you in writing of our decision regarding the proposed supplier and the reasons for any disapproval, all within 15 business days after our receipt of all information that we deem necessary to make our decision. (Franchise Agmt. § 7.16) You may not contract directly with any proposed supplier until you obtain our written consent. We may revoke approval of suppliers at any time. If we do so, we will notify you in writing and you must comply.

In the event you prefer to use an architect that has not been approved by us and we consent to your preference, we charge you a fee of $5,000 to compensate us for the time our staff will likely spend working with your architect to ensure that he or she fully understands the needs of our brand and image. (Franchise Agmt §7.2)

We are entitled to the benefit of all discounts, volume rebates, administration fees, commissions, advertising allowances, or other advantages that we may obtain from any person supplying products or services to you or to other franchisees. (Franchise Agmt. § 7.15, 7.17) We currently have arrangements to derive revenue from your purchases or leases from third parties. There aren't any purchasing or distribution cooperatives. We do not provide material benefits to you based on your use of our designated or approved sources.

We and our affiliates derive revenue from your purchases from us, our affiliates, and certain other suppliers. The revenue from our sales and those of our affiliates to you equals the amount we or our affiliates charge you. For the year ending December 31, 2016, Yogurtland Franchising, Inc.'s total revenues were $11,793,809, while the combined revenues of our affiliates Paramount Dairy, Inc. (formerly known as Flavor Mine, Inc.), Joseph Trading, Inc. (dba Flavormine), and us were $54,849,454.

For the year ending December 31, 2016, the combined revenues of Paramount Dairy, Inc., Joseph Trading, Inc. and Yogurtland Franchising, Inc. for all purchases by our franchisees of products and services from any of us were $43,022,183, which represents 78.44%% of 2016 combined revenue of Franchisor, Paramount Dairy, Inc. and Joseph Trading, Inc.

The purchase of required items (equipment, products and services) from either of our affiliates Flavor Mine, Inc. or Joseph Trading, Inc. or from us will represent from 1 to 5% of your overall purchases in establishing your business and will represent from 85 to 90% of your overall purchases in operating your business.

For the year ending December 31, 2016, we received $156,000 in total from commissions and other benefits from unaffiliated suppliers, which range from zero to ten percent of the price to our franchisees.

As we assess consumer preferences and trends in the marketplace and develop new marketing techniques, products, and services, we anticipate that we will formulate and modify our standards and specifications and our approved suppliers and we will notify you of these developments through amendments to our confidential operations manual, newsletters, or other bulletins. (Franchise Agmt. §§ 3.4, 4.4)

All Yogurtland stores must meet the construction and appearance as well as equipment standards in our then-current manual or written directive. We will provide you a list of approved companies and contractors for this purpose. (Franchise Agmt. §§ 7.3, 7.15, 7.17, 8.2, 8.5)

ITEM 9: FRANCHISEE'S OBLIGATIONS

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

FRANCHISE AGREEMENTS (Travel Plaza and Big Box)

Obligation	Section in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Franchise Agmt, §§ 1.2, 7.2, 8.1, 8.2, 8.3, 8.4, 8.5, Sublease, all Sections, & Travel Plaza or Big Box Addendum	Items 11 and 17
b. Pre-opening purchases/leases	Franchise Agmt, §§ 6.2, 7.1, 7.2, 7.3, 7.9, 7.12, 7.15, 7.17, 7.18, 7.22, 7.23, 7.25, 7.26, 7.31, 7.32, 7.33, 8.1 – 8.5, & Travel Plaza or Big Box Addendum	Items 6, 7, 8, 11, and 17
c. Site development and other pre-opening requirements	Franchise Agmt, §§ 1.2, 6.2, 7.1, 7.2, 7.3, 7.6, 7.9, 7.12, 7.15, 7.17, 7.18, 7.20, 7.21, 7.22, 7.23, 7.25, 7.26, 7.31, 7.32, 7.33, 8.1- 8.5, & Travel Plaza or Big Box Addendum; & Big Box, Sublease, all sections	Items 6, 7, 8, 11, and 17
d. Initial and on going training	Franchise Agmt, Section 4 and 6.3	Items 5, 6, 7, 11, and 15
e. Opening	Franchise Agmt, §§6.7, 7.2, and 8.4 & Travel Plaza or Big Box Addendum	Items 7 and 11
f. Fees	Franchise Agmt, §§ 4.4, 4.5, 4.6, 4.7, 4.9, 5.1, 6, 7.2, 7.16, 8.2, 8.3, 8.4, 9.3, 9.10(c), and 11.3, & Travel Plaza or Big Box Addendum	Items 5, 6, 7, 11
g. Compliance with standards and policies/ Operating Manual/	Franchise Agmt, §§ 1.1, 3, 7, 8.2, 9.3, 16.7, 16.8 and 16.25 & Travel Plaza or Big Box Addendum	Items 8, 11, and 16
h. Trademarks and proprietary information	Franchise Agmt, §§ 1.1-1.3, Sections 2, 4.8, and 10	Items 13 and 14

Obligation	Section in Agreement	Disclosure Document Item
i. Restriction on Products/ Services offered	Franchise Agmt, §§3.5, 3.6, 5.3, 5.6, 7.1, 7.7, 7.8, 7.10, 7.15 - 7.18,7.20 – 7.27, 7.29, 8.2, 8.3, and 8.5, & Travel Plaza or Big Box Addendum	Item 16
j. Warranty and customer service requirement	Franchise Agmt, §§ 7.10, 7.11, 7.19 – 7.21, 7.27	Item 11
k. Territorial development and sales quotas	Franchise Agmt, § 1. , & Travel Plaza or Big Box Addendum	Item 12
l. On-going products/ service purchases	Franchise Agmt, §§5.1(c), 7.1, 7.10, 7.15 – 7.18, 7.20 - 7.22, 7.25 – 7.27, 9.3	Item 8
m. Maintenance, appearance and remodeling requirements	Franchise Agmt, §§ 3.5, 7.3, 7.10, 7.15, 7.16, 7.17, 7.20 – 7.22, 7.24, 7.25, 8.2 - 8.5, 9.3, & Travel Plaza or Big Box Addendum	Item 11
n. Insurance	Franchise Agmt, Section 12.1, & Travel Plaza or Big Box Addendum	Item 7
o. Advertising	Franchise Agmt, §§ 5, 6.6. 6.7, and 6.9, & Travel Plaza or Big Box Addendum	Items 6 and 11
p. Indemnification	Franchise Agmt, § 12 Sublease, Section11	Item 6
q. Owner's Participation/ Management/ Staffing	Franchise Agmt, §§4.2, 4.3, 4.4, 4.6, 4.7, 4.9, 5.6, 7.5, 7.6, 7.7, 7.9, 7.11, 7.30, 7.33, 9.3, 9.6(j) and (k), 9.9, Articles 10, 11, 13 and 15, Section 16.1, 16.16, Sections 17.1 and 17.2, and Article18 Personal Guaranty	Items 11 and 15

Obligation	Section in Agreement	Disclosure Document Item
r. Records/ Reports	Franchise Agmt, §§ 6.14, 6.15,7.13, 7.14, 7.33	Item 6
s. Inspections/ Audits	Franchise Agmt, §§6.14-6.15 and 7.10	Items 6 and 11
t. Transfer	Franchise Agmt, §6.13, Article 11 Sublease, Section 8, & Travel Plaza or Big Box Addendum	Item 17
u. Renewal	Franchise Agmt, §§ 6.17, 9.2-9.3, & Travel Plaza or Big Box Addendum	Item 17
v. Post-termination Obligations	Franchise Agmt, §§ 9.7 - 9.10, Article 10 Sublease Section 9 Non-compete & Non-disclosure Agrmt, all sections, & Travel Plaza or Big Box Addendum	Item 17
w. Non-competition covenants	Franchise Agmt, §§10.4-10.6 Personal Guaranty, Paragraph 3 Non-compete & Non-disclosure Agrmt, all sections	Items 16 and 17
x. Dispute Resolution	Franchise Agmt, Article 15	Item 17
y. Non-Competition and Non-Disclosure requirements for your managers	Franchise Agmt, §§10.2, 10.6 Non-compete & Non-disclosure Agrmt, all sections	Item 17

ITEM 10: FINANCING.

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

If you are a corporation, partnership, or limited liability company, the respective shareholders, officers, partners, and members, must personally guarantee your obligations under the Franchise Agreement.

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

Except as listed below, Yogurtland is not required to provide you with any assistance.

1. Before you open your business, we will:

A(i) For Travel Plaza Locations. Assist you to obtain information regarding potential locations and review your proposed location within a designated area. Subject to the limitations in the Franchise Agreement we will review one or more additional proposed locations in the event your initial proposed location is disapproved. When you sign your Franchise Agreement, if we have not already approved a site for your proposed store, we will approve a general area, where you can search for a location. You must locate and evaluate prospective sites for a store within the general area we designate. We will determine the general area taking into account your geographic preferences, as listed in your application, and our business preferences and availability. You may not open a location that we do not approve. We will generally approve or disapprove your proposed site within two (2) weeks from your request for approval.

In evaluating the site, we may consider many factors such as size, appearance, and other physical characteristics of the premises, and demographic characteristics, traffic patterns, competition from other businesses in the area, and other commercial characteristics. You must provide us a copy of the fully signed lease within 5 business days of its signing. Our approval of a particular site is not a recommendation or guarantee as to suitability of the proposed site for a Yogurtland store. We are not responsible for the success of your store and we do not guarantee that a site approved by us will meet your expectations as to potential revenue or operational criteria. If we cannot agree on a location for your franchise within six months of the signing of your Franchise Agreement, you or we have the right to terminate your franchise. There are no refunds. (Franchise Agmt. § 8.1)

(ii) For Big Box Locations. Before signing the Franchise Agreement, you and we will agree on the location for the Franchised Business and on the monthly rental amount for the sublease you will enter into with us for the location. The form of sublease is attached as Exhibit L to this disclosure document. Our approval of or agreement to a particular site is not a recommendation or guarantee as to suitability of the proposed site for a Yogurtland store. We are not responsible for the success of your store and we do not guarantee that a site approved or agreed to by us will meet your expectations as to potential revenue or operational criteria.

B(i) For Franchise Agreements for Travel Plaza Locations and for Big Box Locations. Provide you with a prototype design development package. You must hire and use at your expense a Yogurtland-approved, licensed architect or general contractor to conduct and submit to us a site survey and an architect to prepare and submit to us as-built drawings for the job site after the lease for your Store is signed and preliminary floor plan, and interior and exterior designs. Following our receipt of these materials, we will provide you with an equipment list and specifications, and furnish material specifications for the Store, based on your as-built drawings. You and your architect must, at your expense, ensure the plan layout and specifications for the Store will meet all applicable federal, state and local laws and regulations, as well as the landlord's requirements. You are solely responsible to construct and develop the Store and to obtain any financing needed to do so. You must retain only licensed contractors approved by Yogurtland to perform the construction. You must submit to us a complete set of final plans and specifications prepared by a Yogurtland-approved, licensed architect before starting construction of the Store. We will review and either approve or provide comments on the plans and specifications. You must not start construction of the Store until we have approved in writing the final plans and specifications. You must not modify any plans or specifications which we approved without first obtaining our written consent to the modification. (Franchise Agmt. § 8.2) You must also use a Yogurtland-approved general contractor.

We also provide you information regarding sources and requirements for signage, equipment, fixtures, furnishings, improvements, supplies, and other products for the operation of a typical Yogurtland store. (Franchise Agmt. § 8.5) You are responsible to conform the premises to local ordinances and building codes, obtaining required permits, and complying with all health and safety and all other applicable codes and regulations. (Franchise Agmt. §§ 7.12, 7.23, 7.33)

We will provide assistance and supervision to your selected Yogurtland-approved architect and Yogurtland-recommended contractor to ensure compliance with our layout and design requirements. We charge a fee of $4,500 for this service as stated in Item 5. (Franchise Agmt. §§ 6.2, & Travel Plaza or Big Box Addendum) You must pay us the limited construction management and information technology staging fee within ten (10) days of our approval of a location for your Store. The fee is for our limited construction management and information technology staging services, which include:

- assistance in your selection of the general contractor; you sign all contracts, submit paperwork to all vendors, and are responsible for all billing;
- guidance to you and the general contractor on the construction work during the construction process; our representative makes two site visits (travel costs to be reimbursed by you):
- First visit will be scheduled during the third week of construction;
- Second visit will be scheduled at the end of construction;
- Any additional visits will be $750.00 per day, plus reimbursements to us for our expenses;
- you must report on a regular basis to us on the progress of the construction and other issues related to the lease and construction;
- we provide information and explain the store build-up checklist, process milestones, equipment layout for the architect, water cooling tower, kitchen & service area fixtures, equipment, graphics, smallwares, yogurt machines and POS system;

- we provide assistance to your opening team with training prior to your grand opening;
- we will conduct a final walk-thru of the Store before the Store may open for business.

You must obtain written approval from us to open the Store.

(ii) For Travel Plaza Locations.

You have up to six (6) months from the date of signing of the franchise agreement to secure an approved site and sign a lease for your Yogurtland® store. You must open for business to the public within ninety (90) days after the landlord delivers the premises to you or you accept possession of the premises, whichever is earlier ("Delivery Date"). In the event you fail to open your store on or before the 91st day after Delivery Date, you will be required to commence paying the base royalty rate of $1,000 each month until your store opens for business to the public. Once your store opens for business to the public, you are required to pay royalty and marketing fees based on gross sales as provided in the franchise agreement. Franchisor may, in its sole discretion, extend your deadline to open your store for business by written notice to you.

(iii) For Big Box Locations.

You must open for business to the public within one hundred twenty (120) days after you sign the franchise agreement and sublease, at which point you will receive possession of the Store's premises within the Big Box general merchandiser ("Delivery Date"). In the event you fail to open your store on or before the 121st day after Delivery Date, you will be required to commence paying the base royalty rate of $1,000 each month (in addition to the rents under the Sublease) until your store opens for business to the public. Once your store opens for business to the public, you are required to pay royalty and marketing fees based on gross sales as provided in the franchise agreement (in addition to the rents under the Sublease). Franchisor may, in its sole discretion, extend your deadline to open your store for business by written notice to you.

2(i) For Travel Plaza Locations. We estimate the time it will take from the date a franchisee signs the Franchise Agreement (and pays the Initial Franchise Fee) to the date the franchisee opens the Store for business is about four to eight months. Key factors that make up this period are: locating an acceptable site for the Store, negotiating a lease, obtaining plans and permits, constructing and equipping the interior of the Store, obtaining and installing signs, fixtures and décor items, obtaining inventory, and hiring and training employees.

(ii) For Big Box Locations. We expect the typical time to open a store inside a Big Box general merchandiser will be between three and six months from the time the franchisee signs the franchise agreement and sublease. Key factors that make up this period are: obtaining plans and permits, constructing and equipping the interior of the Store, obtaining and installing signs, fixtures and décor items, obtaining inventory, and hiring and training employees.

3. For All Franchisees. During the operation of the franchised business, we will:

a. Provide you information about sources and requirements of products and services that you are required to obtain from us or from other approved vendors, if any. (Franchise Agmt. §§ 7.15, 7.17, 8.5)

b. Furnish you guidance and operating assistance, at your reasonable request and our discretion, about (1) methods, standards, specifications, and general operating procedures utilized by Yogurtland® stores, (2) approved equipment, fixtures, furnishings, signs, products, and supplies, and (3) developing local advertising and promotional programs. We may furnish this guidance in our Operations Manual, bulletins and other written materials, telephone consultation, and electronic computer messages. (Franchise Agmt. §§ 3, 5.1B-D, 5.5, 5.6, 7.20, 7.21, 7.22, 8.3, 8.4, 8.5) We will also alert you of new product developments and on request try to help with any operating problems you encounter, as we deem appropriate.

c. Inspect your store, as we deem appropriate. (Franchise Agmt. § 6.14, 7.10)

d. Provide training for new store managers and additional training when deemed appropriate by us. If you ask and we agree to provide additional training, you must pay our then current rates for the additional training or assistance. (Franchise Agmt. § 4.4 - 4.7)

e. Provide suggested pricing to you. (Franchise Agmt. § 7.28)

4. Advertising.

A. System Advertising

We create or hire an agency as we determine to create advertising for the System. The choice of media for System advertising is ours as is the geography in which the advertising is displayed. We are not obligated to spend any particular amount or percentage of advertising dollars on any particular Store or group of Stores. At our discretion, advertising expenditures may be made nationally, regionally, or locally.

You may submit proposed advertising to us for our review and approval or disapproval as we determine. You must not display any advertising that has not been approved by us.

Currently there is no advertising council comprised of franchisees that advise us on advertising policies.

(i) For Travel Plaza Locations. You will contribute two percent (2%) of your Gross Sales per month to the Marketing Fund. (Franchise Agrmt. Section 5.1, 6.6) We have the right to modify the percentage of Gross Sales that you must contribute, provided that we will not establish a contribution rate greater than 5% of your Gross Sales. (Franchise Agmt. §§ 5.1, 6.6) If you are late in your marketing fund payments, you will contribute two and one-half percent (2.5%) of your Gross Sales per month to the Marketing Fund. See Item 6 & Travel Plaza Addendum.

(ii) For Big Box Locations. You will contribute two percent (2%) of your Gross Sales per month to the Marketing Fund. (Franchise Agrmt. Section 5.1, 6.6) We have the right to modify the percentage of Gross Sales that you must contribute, provided that we will not establish a contribution rate greater than 5% of your Gross Sales. (Franchise Agmt. §§ 5.1, 6.6) If you are late in your marketing fund payments, you will contribute two and one-half percent (2.5%) of your Gross Sales per month to the Marketing Fund. See Item 6. & Big Box Addendum.

(iii) For All Franchisees. The Marketing Fund will be used for advertising, marketing, public relations, and related purposes that we deem appropriate. The Marketing Fund may be used to pay costs of marketing surveys and research; employing public relations firms; developing and maintaining Internet website communications; preparing and producing video, audio, and written marketing materials; buying Internet, TV, radio, magazine, billboard, newspaper, and other media advertising, placement, time, and distribution; employing advertising agencies; providing or selling marketing materials to Yogurtland stores; holding conventions and meetings for personnel of Yogurtland stores; and paying costs to account for and report on contributions, expenditures, and related activities of the Marketing Fund. (Franchise Agmt. § 5.1.B.) We may use Marketing Fund revenue for local, regional, or national coverage, at our discretion.

We may cause the Marketing Fund to develop and market promotional items. If so, then those promotional items may be made available to you for purchase. You must maintain a representative inventory of promotional items in accordance with our requirements. (Franchise Agmt. § 5.1.C.)

The Marketing Fund may develop programs that include special offers from the Marketing Fund or otherwise and discount coupons. You must honor all special offers and discount coupons. We have no obligation to reimburse you for any cost or discount related to acceptance of coupons or special offers. Your contributions to the Marketing Fund are non-refundable. (Franchise Agmt. § 5.1.D.)

We and our affiliates that operate Yogurtland® Stores may, but are not obligated to, make contributions to the Marketing Fund. (Franchise Agmt. § 5.1.F.)

We have the right, but are not obligated, to collect and contribute to the Marketing Fund any advertising or other rebates from suppliers or others we receive. (Franchise Agmt. § 5.1.G.)

We may but are not required to keep contributions to the Marketing Fund in accounts separate from our other funds. The Marketing Fund will not be used to defray our general operating expenses, except we may allocate a portion of the Marketing Fund (not to exceed 25%) to reimburse us for internal expenses (including an allocation of employee salaries) incurred in the operation of our marketing/advertising department and the administration of the Marketing Fund, which may include costs associated with developing, managing, and placing advertisements. (Franchise Agmt. § 5.1.H.)

We will oversee all programs financed by the Marketing Fund in our sole discretion including the creative concepts, materials, timing, placement, allocation, scope of advertising (local, regional or national), and other aspects. If we hire personnel, establish a department, or establish a separate entity for advertising and promotion, then we can use the Marketing Fund to pay for that. We are not obligated to cause Marketing Fund expenditures to benefit you equivalently or proportionately to your contributions, or at all, or to ensure that you or any one or more particular franchisees benefit directly or pro rata from uses of the Marketing Fund. (Franchise Agmt. § 5.1.I.) We are not required to spend any amount on advertising in the area where you or your Store is located. Also, for Travel Plaza Locations and for Big Box locations, you should not expect any of the Marketing Funds to be specifically directed to the vicinity of your Store.

We may spend in any fiscal year, more or less than the amount of contributions to the Marketing Fund made in that year. However, funds not spent in a fiscal year when contributed may be applied and used for Marketing Fund expenses in other years, which could also include payment of expenses from prior years. The Marketing Fund may borrow from us or others to finance operations and to cover deficits. (Franchise Agmt. § 5.1.J.) We have no present plans to use the Marketing Fund for solicitation of franchisees.

We or our designee will prepare an accounting of Marketing Fund expenditures annually and make it available to you on written request. We may arrange an audit of Marketing Fund expenditures, by an independent accountant we choose, and prepare it at the expense of the Marketing Fund. (Franchise Agmt. § 5.1.K.)

In the year ending December 31, 2016, we used the Marketing Fund in the following manner: 15% on administrative, 33% on production/national promotions, 5% on national media and public relations, 9% on local store marketing promotions and advertising, and 19% on creative, research and development, and agency fees and 19% on digital media/gift cards.

We may terminate or suspend operation of the Marketing Fund at any time. We may restart the Marketing Fund after termination or suspension. (Franchise Agmt. § 5.1.L.)

B. Local and Grand Opening Advertising

(i) For All Franchise Agreements. Each month of the term you must spend two percent (2%) of your Gross Sales (as defined in the franchise agreement) on local advertising. You must submit proposed advertising to us and use the materials only after you receive our consent, which we may withhold at our discretion. We may restrict where you advertise. Your advertising must include trademark, copyright, and independent ownership notices that we request. You must provide us written verification of your advertising expenditures, as we require. (Fran. Agmt. §§ 5.3, 6.7)

You must also spend at least $2,000 per month on grand opening advertising for the first 3 months to advertise the opening of your store. (Fran. Agmt. § 6.7)

On request, we may provide you copies of advertising, marketing and promotion formats and materials that we prepared and that we consider suitable for use at local Yogurtland stores. We may charge you our cost to produce these materials, including reasonable allocation of overhead and any shipping, handling and storage charges, payable when the materials are ordered. These payments are not refundable. (Fran. Agmt. § 5.5)

C. Cooperative Advertising

For Travel Plaza and Big Box Locations. We will not require you to join any advertising cooperative. (Fran. Agmt. . § 6.9, & Travel Plaza or Big Box Addendum.)

In contrast, for standard Yogurtland franchises (whether traditional or non-traditional locations), we may designate a geographic area as an advertising cooperative that the franchisee must participate in, and in which event the franchisee will participate and contribute to the cooperative according to its procedures. If we establish geographic areas of local or regional cooperative advertising, we may require those franchisees (but not you under this franchise agreement) to become an active member and contribute those sums determined by a majority vote of the cooperative members but in no event less than two percent (2%) and no event more than five percent (5%) of their respective monthly Gross Sales. Contributions to a cooperative established by us will apply as a credit against the amounts those franchisees must spend for local advertising. (Fran. Agmt. § 6.9) We may elect to administer the cooperative advertising. At our option, we may require the cooperative to be governed by written governing documents. If and when created, these documents will be made available to franchisees for review. We may require the cooperative, as designated by us, to prepare annual or periodic financial statements and make them available for review by franchisees. We have the power to form, change, dissolve, or merge cooperative advertising. There is no requirement for franchisor owned outlets to contribute to the cooperative, although we anticipate that they will do so according to guidelines we establish.

5. POS System

Before opening your Store you must purchase a complete POS System. (Fran. Agmt. § 7.18) Our current POS System is manufactured by Micros Systems, Inc. and uses touch screen monitors. We have used Micros Systems since May 2007. Your POS System will use software owned by Micros Systems, Inc. The current estimated cost for purchasing the POS System is approximately $15,100.

You will be required to maintain, at a currently estimated $600 a year cost, a MyMicros subscription which allows remote data review by us. You will be required to allow your system to be configured through MICROS Enterprise Management and the Yogurtland Franchising Technology Department only. The MICROS Enterprise Management software allows changes to be made remotely to enable you to have the best-configured MICROS POS System that you can have with the littlest down time possible.

We will have direct access to your MICROS BOH Computer, when we want, to accomplish tasks such as downloading data on sales from your store and other information logged by the registers. There is no limit on our right to access this information. You may not modify your MICROS BOH Computer to impair or block our access to this computer. This direct access also allows us to assist you in completing tasks.

We will designate an authorized repair center for your registers. You must pay all costs incurred to repair broken registers and to upgrade your POS System with new software or hardware when we request. There is no limit on how often we can ask you to do so. You may also want to purchase an optional maintenance service from Micros Systems. You should contact them directly for their maintenance and repair rates. We are not obligated for any maintenance, repairs, upgrades, or updates, or costs of any of those items.

As a business that will accept credit cards, you will be required to maintain PCI DSS Compliance and any other applicable organizational or governmental requirement. You must adhere to the Payment Card Industry Data Security Standard (PCI DSS) which is a worldwide information security standard defined by the Payment Card Industry Security Standards Council. This currently requires installation and use of a SonicWALL TZ105 part number 01-SSC-4906 which includes the SonicWALL Comprehensive Gateway Security Suite. The SonicWALL Comprehensive Gateway Security Suite must be maintained at all times at an estimated annual cost of $75. The specifications for the system are described in Item 11 and are subject to change by us at any time.

Vigilix Software will also be installed on your computer system to allow remote application monitoring of your MICROS POS System. You may not alter, uninstall or make any adjustments to this software for any reason. This software must be present on your Store's POS System at all times.

Yogurtland Franchising has created its own software called "Yogurtland Store Software." This software enables updates to your POS system to be done without human involvement. This software will also supply us with certain files from your system to keep our systems up to date with information from your system. You may not alter, uninstall or make any adjustments to this software for any reason.

6. We will loan you one set of the Confidential Business Operation Manual for your store. (Franchise Agmt. § 3.1) The table of contents of our Confidential Business Operation Manual is attached as Exhibit J. You must keep the contents confidential. We may add to, delete, supplement, or otherwise modify the contents of the Manual. You must promptly insert any revised pages or other forms of supplements into the loaned copy of the Manual. In any dispute about the contents of the Manual, our master copy

will control. You must operate the store in compliance with all the contents of the Manual. (Franchise Agmt. §§ 3.1- 3.6)

7. We provide a ten-day initial training program of classroom training and hands-on training at a Yogurtland company-operated location for a minimum of 2 people (you and your Store's general manager, who may be another owner of the franchise or an employee). (Franchise Agmt. § 4.2) Depending on their previous experience, some trainees may finish in less than ten days. Training is conducted as needed, but usually on a monthly basis. We anticipate training to take place at one or more of our stores in Seal Beach, Lakewood, Fullerton, and Huntington Beach, CA, but we reserve the right to provide training at other locations we designate. You and your fellow trainee must successfully complete the initial training program to our satisfaction before starting operations. We generally require training to be completed 2 to 4 weeks before the scheduled opening. We book your training once you have started construction. The initial training program outline is as follows:

INITIAL TRAINING PROGRAM (under all Franchise Agreements)

Position	Hours of Classroom Training	Hours of In-Store Training	Location
Service Guide	N/A	20+	Yogurtland Store Support Center, in Irvine, California
Shift Supervisor	10	20+	Yogurtland Store Support Center, Irvine, California; and Corporate Stores in Lakewood, Seal Beach, Huntington Beach and Fullerton, California
General Manager / Owner	20+	20+	Yogurtland Store Support Center, Irvine, California; and Corporate Stores in Lakewood, Seal Beach, Huntington Beach and Fullerton, California
TOTAL TRAINING HOURS	30+	60+	

Our instructional materials will consist primarily of our Operations Manual and other written handouts we may elect to provide you.

We provide you with initial training for a minimum of 2 people (you and your Store's general manager) at no charge. If you want additional persons trained, we will charge $1,000 for each additional person trained. You must pay for your and your staff's compensation, meals, travel, lodging, and other expenses while training.

During every shift of the Store's operation, at least one member of your operating staff must be a ServSafe operator, as certified by your local officials.

If we determine you need additional training in any particular area, we will try to provide the requested training to you. You must reimburse us for our reasonable estimate of our additional costs associated with the additional training. (Franchise Agmt. §§4.4 - 4.7) The head of our training is Danielle Pollard, our Senior Manager of Operating Systems. Training is also conducted by Jan Rock, Senior Manager of Learning & Development, Jerry Sjordia, Global Business Consultant, and Georgina Zirbes, Training Manager. These four individuals have a combined 45 years of experience of operations and training within the restaurant industry. We may refine and modify the training course and materials as we deem appropriate.

We provide you on-site opening assistance for up to 5 days, as we determine appropriate. You must pay for our staff's airfare, hotel, and food expenses while providing this assistance. (Franchise Agmt. §8.4)

We may periodically offer additional training programs to you covering various subjects, such as new products, procedures, marketing, customer services, bookkeeping, and other aspects of business operations that we believe are beneficial. We may charge you our then current rates per program to cover our costs and administrative overhead. These programs may last from one-half day to a full day. (Franchise Agmt. §§4.5-4.7) You pay for your and your staff's meals, travel, lodging, and other expenses while training.

ITEM 12: TERRITORY.

<u>All Franchise Agreements</u>

We grant you a franchise to use our trademarks for a single store at a specific location and nowhere else. You may only operate your store at a location we approve. You may not operate your store at any other site without our prior written consent. If you have not selected a particular site for your store when you sign the franchise agreement, we will designate a general geographic area specifying the area within which you may seek a location for your store. You may not offer for sale or sell products or services or any material, supplies, or inventory bearing the trademarks at any site other than your store without our prior written consent. (Fran. Agmt. § 1.1, 1.2, 1.3)

We use our business judgment with respect to the location of each proposed site, as to whether it is satisfactory for a new store. Although we consider the proposed location in relation to existing System Stores, there is no minimum distance that would prevent us from developing or approving a new store at any particular distance from your Store.

You may not relocate your store without first obtaining our prior written consent, which may be conditioned on: (i) the new location meeting our then-current criteria for new locations; (ii) we are satisfied that the proposed relocation will not have an adverse competitive impact on the Yogurtland system; (iii) you are current on all obligations to us; and (iv) you sign a general release of all claims. (Fran. Agmt. § 1.2)

The franchise agreement does not grant you any option rights or rights of first refusal or similar rights to acquire any additional franchises.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. We reserve the right to develop and operate, and to license others to develop and operate, additional Yogurtland Stores in new locations as we deem appropriate, which new locations may in some instances be perceived by existing Yogurtland operators as impacting their business. (Fran. Agmt. § 1.2, 1.3)

We and our affiliates retain the right to do the following: (1) establish, operate, sell and franchise and license others to establish and operate Yogurtland® stores and to sell Yogurtland® products and other items and services under the trademarks and other trademarks and service marks through Yogurtland® stores located anywhere; and (2) sell, market, distribute, solicit, and license others to sell, market, distribute and solicit sales of pre-packaged products, yogurt materials and other items identified as Yogurtland® or by other brand names, whether or not these brands are authorized for your use as well as other products or services under our marks and other marks through different channels of commerce such as super markets, wholesale markets, other yogurt stores and convenience stores as well as via the Internet, telemarketing, catalog sales, or other direct marketing sales. These activities may compete with you. (Fran. Agmt. §1.3)

We have no obligation and do not intend to compensate you for any of the potential sales described in the paragraph immediately above this one.

Under the terms of the franchise agreement, you are allowed to make sales ONLY from the premises of the Store, and you have no right to use other channels of distribution such as the Internet, catalog sales, telemarketing, or other direct marketing, to make sales other than in-store sales from the Store.

Neither we nor any affiliate of ours has plans to operate or franchise a business under a different trademark, although we reserve the right to do so.

ITEM 13: TRADEMARKS.

Trademark	Reg. No.	Reg. Date	Goods/ Services
YOGURTLAND	3,170,144	November 7, 2006	Retail stores featuring self-serve frozen yogurt and frozen yogurt toppings.
Yogurtland SIMPLY NONFAT	3,402,657	March 25, 2008	Retail stores featuring frozen yogurt and frozen yogurt toppings; and franchise services, namely, offering technical and business management assistance in the establishment and operation of retail stores featuring frozen yogurt
Yogurtland	3,883,756	November 30, 2010	Frozen yogurt; restaurant services featuring frozen yogurt and yogurt toppings
YOGURTLANDWICH	4,071,664	December 13, 2011	Frozen yogurt; frozen yogurt confections
	3,887,297	December 7, 2010	Frozen yogurt; restaurant services featuring frozen yogurt and yogurt toppings

We have filed all required affidavits for the marks.

No decision of any court or government agency limits our right to use or license the use of the Yogurtland trademark. Concerning our marks, there are no currently effective material determinations of the United States Patent and Trademark Office, Trademark Trial and Appeal Board, trademark administrator of any state or any other government agency, or court. Nor are there any pending infringement, opposition, or cancellation proceedings or pending material litigation involving our marks. However, we did file a lawsuit on July 6, 2012, in the United States District Court for the Northern District of Georgia Atlanta Division, styled as YOGURTLAND FRANCHISING, INC. v. YOGLI-MOGLI LLC, et al., with Case No. 1:12-cv-02363-SCJ (N.D. Ga.) alleging infringement by the defendant of our trademarks and trade dress and seeking damages and injunctive relief. That lawsuit was settled in December 2013, and we received from defendant both a lump sum payment and defendants' binding commitment to abide by specified restrictions on its trade dress.

There are no agreements currently in effect that significantly limit our rights to use or license the use of our trademarks in a manner material to the franchise. We are not aware of any superior prior rights or infringing uses that could materially affect your use of our marks. There is no pending material federal or state court litigation regarding our use or ownership rights in our marks.

You may not use any of our trademarks in any corporate or entity name but may identify your business as the fictitious business name of your store in a format as the law permits and we designate, such as "Yogurtland" of [geographic designation]. You must file all fictitious name affidavits required by law in the state and county where you are located.

If you use our trademarks according to the Franchise Agreement and our instructions, we have the right, but not the obligation, to protect you against claims of infringement or unfair competition arising out of your use of the trademarks. If we choose to defend you, you must fully cooperate with us in such a defense. If we defend, we will pay for the cost of the defense unless you elect to proceed through counsel of your own choosing. You must notify us of all infringements of our marks or confusingly similar marks, which come to your attention. We have sole discretion in deciding what action if any should be taken and have the sole right to control any litigation or administrative proceedings. The franchise agreement does not require us to indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving our marks or if the proceeding is resolved unfavorably to you.

We may prosecute or defend any infringement or unfair competition involving our marks or any other actions or proceedings that we deem necessary or desirable to protect our trademarks. You must not contest our right, title, or interest in the marks.

If we modify or stop use of any of our trademarks, you must also modify or stop their use. You must pay all costs to make these changes. We have no obligation to reimburse you for any expense resulting from these changes.

On termination or expiration of the franchise agreement, your right to use our marks ends. Thereafter you must not identify yourself as a Yogurtland franchisee or publicly identify yourself, or any business entity you are then associated with, as a former Yogurtland franchisee, or use any of our confidential information or trade secrets.

ITEM 14: PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION.

We do not own any patents that are material to the franchised business. We claim copyrights in our confidential Operations Manual, construction plans, advertisements, promotional material, and in other written materials we provide to you. However, none of these is registered in the U.S. Copyright Office. You will also learn information that we consider trade secrets. This includes operating procedures and contents of training, and information on how we operate. You must keep all of this confidential. The manuals and other materials we provide to you are only for use in the operation of your licensed store. The Franchise Agreement grants you the right to use the material for the term of the franchise and obligates you to operate the store in accordance with the format and operating system provided in the manuals. You may not divulge any trade secrets or reproduce or exhibit any portion of the manuals or other materials to any person other than to your employees and then only to the extent necessary to operate your store in accordance with the Franchise Agreement and only in confidence.

There are no current determinations of the Copyright Office or any court regarding our claimed copyrights. There are no agreements limiting our use of our copyrights. We are not aware of any patent or copyright infringement that could materially affect your franchise. There is no specific requirement in the franchise agreement requiring us to protect our copyrights or to defend and indemnify you for claims of copyright infringement. However, if you use our copyright materials as required by the Franchise Agreement, Operations Manual, and our instructions, we may, as a matter of policy, elect to do so. We alone have the right to control any litigation. We are not required to compensate you even if you must stop using any of our copyrighted or trade secret materials.

On termination or expiration of your Franchise Agreement, you must immediately return to us your manuals and all other materials containing our trade secrets and confidential information.

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

You or your manager must devote best efforts and dedicate a minimum of forty (40) hours per week to on site management of your franchised business. If you are a corporation, partnership, limited liability company, or other business organization, you must designate an individual we can rely on for the personal and direct onsite management of the franchised business. This designated person must complete the initial training program to our satisfaction. If the designated person separates from the franchised business, then you must designate another person, who must then complete the initial training program to our satisfaction within ninety (90) days of his or her predecessor's separation from the franchised business. The manager need not have an ownership interest in your Yogurtland business. One of the following combinations of individuals must complete all phases of our training program to our satisfaction and participate in all other activities we require to open your store. Those combinations are (a) Franchisee and Franchisee's initial store manager, or (b) Franchisee and spouse IF both are actively involved in the operation of the Store. Each and every replacement manager must satisfactorily complete our training program within sixty (60) days of becoming the manager. If you use a manager (instead of participating directly in your operations), we still recommend that you personally remain involved in your business. (See Franchise Agmt. Article 4, Sections 7.5, 7.6, 7.9, 7.30, 9.7, 9.9, Article 10, Article 11, Section 13.2.)

You are responsible to ensure that there is a ServSafe certified employee present during all shifts at your store. (Franchise Agrmt. Section 7.9)

You must operate your store continuously during the hours we specify. We may require you to open your store for business as early as 7 A.M. and stay open until as late as midnight or later, and remain open 7 days per week, up to 365 days per year (366 days in a leap year). (Franchise Agrmt. Section 7.7)

If you are a business organization, each owner of the business organization must sign a Guaranty agreement (see Exhibit G) personally guaranteeing the franchisee's obligations under the franchise agreement. (Franchise Agrmt. Section 16.1) In addition, the respective spouse of each of the owners of the business organization must also sign the Guaranty agreement.

Each of your managers must sign a confidentiality agreement as well as a covenant not to compete with us. See Exhibit F. (Franchise Agrmt. Section 10.2)

If you are already a Yogurtland franchisee, you must agree to amend each of your existing Franchise Agreements with us, so that as of the day after the Effective Date of the Franchise Agreement to which this Disclosure Document pertains, all of your other Franchise Agreements will have the same terms and provisions as are included in the form of Franchise Agreement attached to this Disclosure Document as Exhibit E, except that there will be no change to the percentage rates of Royalty Fees or to the expiration dates of your other Franchise Agreements.

ITEM 16: RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL.

You must offer for sale all and only the goods we designate for your store and which comply with our standards for kind and quality according to our operation manual or as otherwise we designate in writing. The restrictions on what you are permitted to sell may change, and you must comply with these changes with reasonable notice to you. There are no limits on our right to make changes. You must offer all products we authorize you to sell. However, we are not obligated to authorize you to sell all available Yogurtland products that we may have.

Without our prior written consent, you may not offer or sell any Yogurtland products or services at any site other than your licensed store. You may only sell finished Yogurtland products that have been approved for sale at your licensed store and only to retail customers. You may not sell any Yogurtland products, whether finished or unfinished, to any person or entity for resale. In addition, you may not use your licensed store for any purpose other than operation of the Yogurtland store. You may not install or operate in your store any ATM machine, public telephone, jukebox, vending machine, lottery ticket terminal, video game, or any other game or machine without our written approval. If you sell products, services, or anything else that we have not approved, we may require you to remove the unapproved products, services, or items. We may also declare you in default for doing so. (See Franchise. Agmt. Sections 7.4, 7.6, 7.10, 7.15, 7.17, 7.20, 7.21, 7.26, 7.29)

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.

FRANCHISE AGREEMENT

Provision	Section in franchise or other agreement	Summary
a. Length of Franchise Term		
(i) Travel Plaza Locations	Franchise Agreement Sec. 9.1 & Travel Plaza Addendum	5 years
(ii) Big Box Locations	Franchise Agreement Sec. 9.1, & Big Box Addendum	3 years
b. Renewal or extension of the term		
(i) Travel Plaza Locations	Franchise Agrmt §§ 9.2 and 9.3 & Travel Plaza Addendum	You may renew for 1 additional period of 5 years, if you meet all conditions.
(ii) Big Box Locations	Franchise Agrmt §§ 9.2 and 9.3, and Big Box Addendum	Subject in each case to landlord's approval in its sole discretion and your satisfying all other conditions), you may renew for an additional period of 3 years, and then for a second additional period of 3 years; potentially 9 years in aggregate including initial term.

Provision	Section in franchise or other agreement	Summary
c. Requirements to renew or extend (all franchise agreements)	Franchise Agreement Sec. 9.3	To renew for an additional term you must: comply with the franchise agreement throughout the term of your franchise; deliver written notice of your desire to renew at least one hundred eighty (180) days but no more than three hundred sixty-five (365) days before expiration of the then current term; pay the pertinent renewal fee; sign our then current Franchise Agreement to reflect the renewal term; sign a general release; remodel, redecorate, renovate, and upgrade the Store to meet our then current standards; be current on all amounts due to us and our affiliates. You may be asked to sign agreements that contain materially different terms and conditions than your current franchise agreement and other agreements. In every case, you must also ensure that you have adequate rights under your lease of the Store's premises to cover the renewal term.
d. Termination by franchisee (all franchise agreements)	Franchise Agreement Sec. 9.4	You may terminate, if we materially breach the agreement and fail to cure the breach, after providing us written notice and an opportunity to cure.
e. Termination by franchisor without cause		
(i) Travel Plaza Locations	N/A	We cannot terminate without cause.
(ii) Big Box Locations	Big Box Addendum to Franchise Agreement	We cannot terminate without cause, except in the event the master lessor terminates the Master Lease prior to its expiration, then the sublease will terminate automatically, and the Franchise Agreement may continue at a new mutually agreed Big Box location within 300 miles of the original location (subject to availability of Big Box locations).
f. Termination by franchisor with cause (all franchise agreements)	Franchise Agrmt § 9.5	We may terminate if you default on any of your obligations and fail to cure the default in the given time for curable defaults, but for some defaults there is no opportunity to cure.
g. "Cause" defined-curable defaults (all franchise agreements)	Franchise Agrmt §9.5	You have 30 days to cure most defaults. Defaults not listed in box H below might be curable.

Provision	Section in franchise or other agreement	Summary
h. "Cause" defined- non-curable defaults (all franchise agreements)	Franchise Agrmt §9.6	Failure to secure a location approved by us within 6 months of the Effective Date; we reasonably determine that continued operation would present imminent danger to public health or safety; we determine your conduct of the business materially and negatively affects the reputation of the brand; failure to comply with any federal, state, or local law or regulation for 10 days after notice of non-compliance; failure to operate the business for 3 or more consecutive days when you are obligated to operate; any assignment, transfer, or sublicense of your agreement without our consent; you become insolvent, make an assignment for the benefit of creditors; inability to pay obligations, bankruptcy, composition, adjustment, liquidation, dissolution, or similar relief, a receiver is appointed for substantial part of your assets or the Store; however, termination for bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.), or a final judgment or involuntary lien remains on the record, unsatisfied for sixty (60) days or longer; Store premises are seized, taken over, or foreclosed on by government official or creditor; a final judgment remains unsatisfied after 30 days, or an involuntary lien in the amount of $1,000 or more on any of your assets or property that is not removed within 15 days; you or any owner or officer of the franchisee s convicted of criminal misconduct relevant to operation of the Store or the brand or any felony; you make material misrepresentations relating to the acquisition or operation of the business; you submit false sales reports; your failure to pay fees or other amounts due us or fail to obtain insurance after 5 days notice; default after cure of breach, recurrence of any breach, failure, or default, whether or not the conduct, noncompliance or recurrence is corrected after notice; your failure on 3 separate occasions within 6 months to comply with any requirement under the Franchise Agreement.

Provision	Section in franchise or other agreement	Summary
i. Franchisee's obligations on termination/non-renewal (all franchise agreements)	Franchise Agrmt §§ 9.7–9.9 Non-compete & Non-disclosure Agrmt, all sections	Complete de-identification, pay amounts due, return all confidential materials, cease operations, stop using marks, systems, confidential information, cancel all assumed names, deliver/sell your equipment, inventory, and fixtures to us if we request, assign phone numbers to us, and comply with non-competition and non-solicitation requirements.
j. Assignment of contract by franchisor (all franchise agreements)	Franchise Agrmt §11.1	No restriction on our right to assign.
k. "Transfer" by franchisee – defined (all franchise agreements)	Franchise Agrmt § 11.2	Sale, assignment, or transfer of your interest in the agreement or assets.
l. Franchisor approval of transfer by franchisee (all franchise agreements)	Franchise Agrmt § 11.2	We have the right to deny approval of all proposed transfers but will not unreasonably withhold approval.
m. Conditions for franchisor approval of transfer (all franchise agreements)	Franchise Agrmt §11.3	You pay a $10,000 transfer fee; sign a general release that covers all claims against us other than any liability under the Maryland Franchise Registration and Disclosure Law; pay all amounts owed; provide a copy of all agreements and proposed agreements concerning the proposed transfer and other information we request; you make any changes to the terms of the transfer which we require; the proposed transferee qualifies and provides all information we request; the transferee assumes all obligations under the Agreement and/or, at our request, enters into our current form of Agreement for the remaining term; the Store is upgraded to our then-current standards prior to closing the transaction; and, you and the transferee obtain in writing, the landlord's consent. The transferee must also pay a $5,000 training fee and complete the training program prior to the completion of the transfer.

Provision	Section in franchise or other agreement	Summary
n. Franchisor's right of first refusal to acquire franchisee's business (all franchise agreements)	Franchise Agrmt §§11.4 &11.5	We may match any offer for your business and thereby require you to transfer business to us.
o. Franchisor's option to purchase franchisee's business (all franchise agreements)	Franchise Agrmt §9.8	Following termination or expiration other than due to our uncured breach, we or our assignee have the right, by delivering written notice to you, to purchase from you, any or all of the Store's equipment, fixtures, inventory, products, materials and supplies as we choose, and to take an assignment of the lease of the Store premises.
p. Death or disability of franchisee (all franchise agreements)	Franchise Agrmt §11.7	Surviving heirs may operate the business if they qualify within 180 days, or they may assign to an approved buyer.
q. Non-competition covenants during the term of the franchise (all franchise agreements)	Franchise Agrmt §§10.4-10.6 Non-compete & Non-disclosure Agrmt §§5 & 6	You cannot directly or indirectly operate anywhere a business similar to your franchised business. You may also not have an ownership interest in any entity which grants franchises or licenses to others to operate stores specializing in yogurt, drinks, desserts, snacks or similar foods or employ, recruit or hire any person employed or previously employed by us or our other franchisees without our or the other employer's consent. Your managers cannot compete with or engage in any competing business at your location or within three miles of any existing Yogurtland store without our written consent. Additionally, your managers cannot hire, or attempt to hire, any employee of ours or other Yogurtland franchisees without our or the affected franchisee's consent.

Provision	Section in franchise or other agreement	Summary
r. Non-competition covenants after the franchise is terminated or expires (all franchise agreements)	Franchise Agrmt §§10.4-10.6 Non-competition and non-disclosure agrmt §§ 5-6	For 2 years following termination or expiration you cannot operate or have an interest in a competing business or have an ownership interest in any entity that grants franchises or licenses to others to operate stores specializing in yogurt, drinks, desserts or similar foods. For 2 years after termination or expiration, you may not employ, recruit or hire any person employed or previously employed by us or our other franchisees without our or the other employer's consent. For 2 years after your manager's employment ends for any reason, they cannot compete with or engage in any competing business at your location or within three miles of any existing Yogurtland store without our written consent. For two years after end of employment, your manager cannot hire, or attempt to hire, any employee of ours or other Yogurtland franchisees without our or the affected franchisee's consent.
s. Modification of the agreement (all franchise agreements)	Franchise Agrmt §16.7	No modification is valid except in writing signed by you and us. Manuals may change at our discretion, including our Operation Manual. Manual changes are not changes to the agreement.
t. Integration/merger clause (all franchise agreements)	Franchise Agrmt §16.25	Nothing in the agreement or in any related agreement is intended to disclaim the representations we made in the Franchise Disclosure Document. Any representations or promises outside of the Franchise Disclosure Document and other agreements may not be enforceable.
u. Dispute resolution by arbitration or mediation (all franchise agreements)	Franchise Agrmt §§15.2 & 15.3	Except for certain claims, all disputes must be mediated before resorting to arbitration or court action. If mediation fails, the parties agree to arbitrate dispute (except for certain specified claims).
v. Choice of forum (all franchise agreements)	Franchise Agrmt §15.5	Arbitration must be in Orange County, California, subject to state law.

Provision	Section in franchise or other agreement	Summary
w. Choice of law (all franchise agreements)	Franchise Agrmt §15.1	California law applies, except for a) issues of arbitration, which are governed by the Federal Arbitration Act; b) issues involving trademarks, which are governed by the Lanham Act; and c) franchise registration and disclosure issues, unless California's Franchise Investment Law would apply to those issues independently from Section 15.1 of the Franchise Agreement.

ITEM 18: PUBLIC FIGURES.

We do not use any public figure to promote our franchise. We, however, reserve the option to do so in the future.

ITEM 19: FINANCIAL PERFORMANCE REPRESENTATIONS.

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

(i) For Travel Plaza and Big Box Location Locations. We have never operated a Travel Plaza or Big Box Location. Furthermore, no Yogurtland franchisee has operated a Travel Plaza Location for at least a full year, and no Yogurtland franchisee has operated a Big Box Location for any period of time. Therefore, we have only a very limited sales history for a Travel Plaza Location and no sales history for any Big Box Location. On that basis, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets for any Travel Plaza Location or Big Box Location. However, because the basic operation of the Travel Plaza and Big Box Locations will be generally similar to the basic operation of our traditional stores (specifically, self-service, limited menu and seating, most products sold by weight, etc.), we have included below certain financial performance representations regarding our traditional stores. In reviewing those representations, you must recognize that although traditional stores do share with Travel Plaza and Big Box Locations the same basic operation, they are also significantly different from traditional Yogurtland stores which have exterior entrances and are not located within host facilities. Those differences might boost or reduce potential customer traffic and, therefore, sales and profitability.

We do not authorize our employees or representatives to make any financial performance representations either orally or in writing regarding Travel Plaza or Big Box Locations. If you receive any financial performance information or projections for your future income regarding either Travel Plaza or Big Box Locations, you should report it to the franchisor's management by contacting Jeff Sweetman, 17801 Cartwright Road, Irvine, CA 92614 or (949) 265-8000, the Federal Trade Commission, and the appropriate state regulatory agencies.

(ii) Traditional Yogurtland Stores – Because the basic operation of the Travel Plaza and Big Box Locations will be generally similar to the basic operation of our traditional stores (specifically, self-service, limited menu and seating, most products sold by weight, etc.), we have included below certain financial performance representations regarding our traditional stores. In reviewing these representations, you must be recognize that although traditional stores do share with Travel Plaza and Big Box locations the same basic operation, they are also significantly different from traditional Yogurtland stores which have exterior entrances and are not located within host facilities. Those differences might boost or reduce potential customer traffic and, therefore, sales and profitability.

The following information reflects the historical financial performance of the combined system of traditional Yogurtland stores, i.e., that of our Affiliates, Withim Corporation, which operated one (1) retail store (in Fullerton, CA) for the full calendar year 2016, Higher Ground Development Corporation, which operated two (2) retail stores (in Irvine and Los Angeles, CA) for the full calendar year 2016, First Vine Partners, LLC, which operated one (1) retail store (in Alhambra, CA) for the full calendar year 2016, PMC Enterprise Inc., which operated two (2) retail stores (in Los Angeles and Lakewood, CA) for the full calendar year 2016, MCP Enterprise Inc., which operated one (1) retail store (in Los Alamitos, CA) for the full calendar year 2016, YL Statedivision, Inc., which operated one (1) retail store (in Chicago, IL) for the full calendar year 2016, YL Downey, Inc. which operated one (1) retail store (in Downey, CA) for the full calendar year 2016, YL Genesee Plaza, Inc. which operated one (1) retail store (in San Diego, CA) for the full calendar year 2016, YL Edinger Plaza, Inc., which operated one (1) retail store (in Costa Mesa, CA) for the full calendar year 2016, YL South Gate, which operated one (1) retail store (in South Gate, CA), for the full calendar year 2016, YL Hawaii Kai, Inc. which operated one (1) retail store (in Honolulu, HI) for the full calendar year 2016, and franchise-operated retail stores for the full calendar year 2016 ("Franchisee Stores"). This information consists of average Gross Sales for Withim, Higher Ground, First Vine, PMC, MCP, YL Statedivision, YL Downey, YL Genesee, YL South Gate, Hawaii Kai, YL Edinger, and Franchisee Stores, as well as certain fixed and controllable costs achieved by Withim, Higher Ground, First Vine, PMC, MCP, YL Statedivision, YL Downey, YL Genesee, YL South Gate, YL Hawaii Kai, and YL Edinger Stores that were open for the full calendar year 2016.

As explained above, the Travel Plaza and Big Box Locations, which are the subject of this disclosure document, have certain key characteristics that are not shared with the traditional Yogurtland stores whose financial performance is described below. Those different, key characteristics include the lack of an exterior public entrance for Travel Plaza and Big Box Locations, and that they will typically be located inside a host facility, which the public will enter to gain access to the Travel Plaza or Big Box Location. In each case, it is the host facility that would be expected to be the primary generator of public traffic around the entrance to the Yogurtland operation. These key characteristics might prove to be positive or negative factors in the financial performance of the Yogurtland operation. With very little experience for a Travel Plaza Location and none for a Big Box Location, we can not reasonably determine whether on average or otherwise these key characteristics that differ between traditional stores, on one hand, and Travel Plaza and Big Box Locations, on the other hand, will tend to have positive or negative effects on the store's performance.

You must also note that a newly opened business should not be expected to achieve sales volumes or maintain expenses similar to those of an established business.

Some traditional Stores have sold or earned the various amounts described below or shown in the charts below. Your individual results may differ. There is no assurance you will sell or earn as much.

Net Sales of Traditional Yogurtland Stores (NOT including Big Box or Travel Plaza Locations)

For the full calendar year 2016, our Affiliates, Withim Corporation, Higher Ground Development Corporation, First Vine Partners LLC, PMC Enterprise Inc., MCP Enterprise Inc., YL Statedivision, YL Downey, YL Edinger Plaza, YL Genesee, YL South Gate, and YL Hawaii Kai operated thirteen (13) retail stores in aggregate for the entire year (which serves as the basis for the analysis below). In addition, there were two hundred fifty-five (255) franchised stores open for the full calendar year of 2016. Stores open less than one full year have been omitted. The average net sales (less sales tax, discounts and coupons) of the thirteen (13) Affiliates' Stores and the two hundred fifty-five (255) Franchise Stores open full year 2016 are shown in the table below. The systemwide average net sales for 2016 for all of the two hundred sixty-eight (268) Affiliates' Stores and Franchisee Stores open the full calendar year combined was $574,184, and one hundred twenty-eight (128) of those Stores (48%) achieved sales at that average level or higher.

Affiliates' Traditional Stores Average Unit Volume (NOT including Big Box or Travel Plaza Locations)

Average net sales for calendar year 2016 for the thirteen (13) Affiliates' traditional Stores open the full calendar year was $717,014. Nine (9) of those Stores (69%) achieved sales at that average level or higher.

<u>Franchise Traditional Stores Average Unit Volume (NOT including Big Box or Travel Plaza Locations)</u>

The average net sales for calendar year 2016 for the two hundred fifty-five (255) Franchised traditional Stores open the full calendar year was $568,573, and one hundred twenty-one (121) of those Stores (47%) achieved sales at the average level or higher.

<u>All Affiliates-Operated and Franchised Traditional Stores</u> **<u>(NOT including Big Box or Travel Plaza Locations)</u>**

(2016 Net Sales for all Affiliates-Operated and Franchised Traditional Stores operated for full calendar year.)

Sales Range	Number of Affiliates' Stores	Number of Franchised Stores
$1,000,000 - $1,249,999	1	9
$750,000 - $999,999	3	42
$500,000 - $749,999	8	100
$250,000 - $499,999	1	87
$0 - $249,999	0	17
TOTAL	13	255

<u>All Affiliates' Traditional Stores</u> **<u>(NOT including any Big Box or Travel Plaza Locations)</u>**

(Average EBITDA Statement for all Affiliates-Operated Traditional Stores) (Note 1)

P&L Item	Dollars
Sales (Note 2)	$717,014
Food & Paper (Note 3)	197,836
Labor (Note 4)	134,553
Benefits (Note 5)	21,405
Utilities (Note 6)	23,480
Repairs and Maintenance (Note 6)	6,230
Supplies (Note 7)	15,989
Rent (8)	88,200
Other Controllable Expenses (Note 9)	42,862
License and Fees (Note 10)	2,100
Advertising (Note 11)	35,671
Restaurant Operating Profit (EBITDA) before Franchise royalty or marketing fees, costs of financing and other franchise expenses (Note 12)	148,688

Notes and Assumptions:

1. We compiled the figures provided above from our Affiliates' unaudited financial statements and from sales reports submitted to us by our franchisees on a calendar year basis. The sales information provided by our franchisees and used by us in determining the numerical values provided has not been audited and has not necessarily been prepared on a basis consistent with generally accepted accounting principles. The information contained in the average EBITDA statement above is for our Affiliates' (Withim, Higher Ground, First Vine, PMC, MCP, YL Statedivision, YL Downey, YL Edinger Plaza, YL Genesee Plaza, YL South Gate and YL Hawaii Kai) traditional Stores only. Franchise Profit & Loss and EBITDA information varies by franchisee and is unavailable to us. The average EBITDA statement above does not include franchise royalty fees, cost of financing, and other franchise expenses. The average EBITDA statement above is not a statement of profits and losses; it represents earnings before interest, taxes, depreciation, and amortization, and indicates the cash flow from the stores' operations.

2. Sales shown here are net sales (derived from Withim, Higher Ground, First Vine, PMC, MCP, YL Statedivision, YL Downey, YL Edinger Plaza, YL Genesee Plaza, YL South Gate and YL Hawaii Kai Stores) and include sales of all food, beverage and promotional items, net of sales taxes, discounts and coupons.

3. "Food and paper" includes food, paper, and other items for resale to the customer.

4. Labor includes wages paid to all hourly and management employees working in the Store, as well as all management bonuses. Your costs could vary depending on the prevailing wage rates of the area of the country in which a store is located and the specific labor laws.

5. Benefits include all employer and payroll taxes, workers' compensation costs, and amounts for vacation and health insurance. Other factors that could make your costs differ from our Affiliate's costs are the amount of vacation time granted and the amount and type of insurance coverage provided to employees. Pension and 401(k) contributions for the employees' benefit have not been included in these figures.

6. Utilities and repair and maintenance costs vary somewhat with the sales volume and are generally seen as controllable by store management. Variables that could impact your total utilities and maintenance include the region of the country in which the store is located.

7. Supplies include janitorial, cleaning, operating and office supplies and vary based on the size and volume of the store.

8. Rent and real estate taxes include both base and percentage rent, if any, as well as real and personal property taxes. Rent and taxes will vary based on the location and size of your store. In addition, there are other occupancy costs such as common area maintenance, equipment leases, insurance and various taxes and licenses. These costs will

vary depending upon negotiated terms of the lease, common area provisions and local taxes, assessments, license fees and insurance policies.

9. Other Controllable Expenses include services for security, armored pick-up, in-store music, local advertising, and daily cash over or short charges. Insurance costs for comprehensive general liability, property and casualty insurance are also reflected in Other Controllable Expenses. You could have additional expenses in this category such as legal and other professional fees, etc.

10. License and Fees include costs for business licenses and permits, bank and credit card service charges and new store pre-opening expenses.

11. Advertising costs include the cost of developing and executing various marketing programs for the Stores. This includes the development and placement of electronic media and print advertising, as well as costs of in-store advertising materials.

12. These costs do not include the royalty or marketing fees that you must pay under the Franchise Agreement.

We have not suggested, and certainly cannot guarantee, that you will succeed in the operation of your store, because one of the most important factors in the success of any Yogurtland store, including the one to be operated by you, are your personal business, marketing, management, judgment and other skills and your willingness to work hard and follow the Yogurtland System. Actual results may vary from store to store, area to area, and market to market.

Written substantiation of the data presented in this financial performance representation will be made available to you upon reasonable request.

Other than the preceding financial performance representation (which pertains only to Company-operated Stores and other Stores operated in traditional locations and does NOT include any Travel Plaza or Big Box Locations), Yogurtland Franchising, Inc. does not make any financial performance representations regarding Travel Plaza or Big Box Locations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Jeff Sweetman, 17801 Cartwright Road, Irvine, CA 92614, Telephone: (949) 265-8000, the Federal Trade Commission, and the appropriate state regulatory agencies.

A. You are likely to achieve results that are different from the results shown above. Many factors, including location, access, occupancy costs, management capabilities, local market conditions and other factors are unique to each store and may significantly impact the financial performance of your store.

B. You are responsible for developing your own business plan for your store, including capital budgets, financial statements, projections and other elements appropriate to your particular circumstances. The expenses identified in this statement are not the only expenses that you may incur in connection with the operation of the store. Additional expenses that you may incur include royalty and marketing fees (see Item 6 of this disclosure document), interest on debt service, insurance, legal and accounting charges, and depreciation/amortization. We encourage you to consult with your own accounting, business, and legal advisors to assist you to identify the expenses you likely will incur in connection with your store, to prepare your budgets, and to assess the likely or potential financial performance of your store. We also encourage you to contact existing store operators to discuss the business.

In developing the business plan for your store, you are cautioned to make necessary allowance for changes in financial results to income, expenses, or both, that may result from operation of your store during periods of, or in geographic areas suffering from, economic downturns, inflation, unemployment, or other negative economic influences.

C. Historical costs do not necessarily correspond to future costs because of factors such as inflation, changes in minimum wage laws, location, financing, construction costs, lease-related costs, and other variables. For example, costs such as rent, CAM charges, taxes, interest, insurance, and utilities vary from store to store. All information should be evaluated in light of current market conditions including such cost and price information as may then be available

D. The store performance results included in this statement relate to 2016 performance results for the specific <u>traditional</u> stores included in this statement and do NOT include any Travel Plaza or Big Box Locations. You also must keep in mind that a newly opened business should not be expected to achieve sales volumes or maintain expenses similar to those of an established business.

ITEM 20: OUTLETS AND FRANCHISEE INFORMATION.

Systemwide Outlet Summary
For Years 2014 to 2016*

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2014	219	245	+26
	2015	245	255	+10
	2016	255	269	+14
Company-Owned	2014	19	19	+0
	2015	19	13	-6
	2016	13	13	+0
Total Outlets	2014	238	264	+26
	2015	264	268	+4
	2016	268	282	+14

*Does not include stores located outside the United States of America, including its territories and possessions. Also, does NOT include any Travel Plaza or Big Box locations.

Transfers of Outlets from Franchisees to New Owners (other than to Franchisor) For Years 2014 to 2016*

State	Year	Number of Transfers
Alaska	2014	0
	2015	0
	2016	0
Arizona	2014	0
	2015	0
	2016	0
California	2014	12
	2015	9
	2016	8
Colorado	2014	0
	2015	0
	2016	0
Florida	2014	1
	2015	0
	2016	1
Georgia	2014	0
	2015	0
	2016	0
Hawaii	2014	0
	2015	0
	2016	0
Illinois	2014	0
	2015	0
	2016	0
Louisiana	2014	0
	2015	0
	2016	0
Missouri	2014	0
	2015	0
	2016	0

* Does not include stores located outside the United States of America, including its territories and possessions. Also, does not include any Travel Plaza or Big Box locations.

State	Year	Number of Transfers
Nevada	2014	0
	2015	1
	2016	1
New Jersey	2014	1
	2015	0
	2016	1
New York	2014	0
	2015	0
	2016	0
Oregon	2014	0
	2015	0
	2016	0
Texas	2014	2
	2015	0
	2016	3
Utah	2014	0
	2015	1
	2016	0
Washington	2014	0
	2015	0
	2016	0
Totals	2014	16
	2015	11
	2016	12

[The remainder of this page is intentionally left blank.]

Status of Franchised Outlets
For Years 2014 to 2016*

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Alaska	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	1	0	0	0	0
Arizona	2014	6	0	0	0	0	0	6
	2015	6	0	0	0	0	0	6
	2016	6	0	0	0	0	1	5
California	2014	134	27**	3	0	0	0	158
	2015	158	15	0	0	0	2	171
	2016	171	22	1	0	0	3	189
Colorado	2014	4	1	0	0	0	0	5
	2015	5	0	0	0	0	0	5
	2016	5	0	0	0	0	1	4
Florida	2014	13	1	0	0	0	0	14
	2015	14	0	0	0	0	1	13
	2016	13	0	0	0	0	0	13
Georgia	2014	2	0	0	0	0	0	2
	2015	2	1	0	0	0	0	3
	2016	3	0	0	0	0	0	3
Hawaii	2014	5	0	2	0	0	0	3
	2015	3	0	0	0	0	0	3
	2016	3	0	1	0	0	0	2
Illinois	2014	5	1	1	0	0	0	5
	2015	5	0	0	0	0	0	5
	2016	5	0	1	0	0	1	3
Louisiana	2014	4	0	0	0	0	0	4
	2015	4	0	0	0	0	0	4
	2016	4	0	0	0	0	0	4
Massa-chusetts	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	1	0
	2016	0	0	0	0	0	0	0
Missouri	2014	1	0	1	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
Nevada	2014	6	1	0	0	0	0	7
	2015	7	2	0	0	0	0	9
	2016	9	1	0	0	0	0	10
New Jersey	2014	4	3**	1	0	0	0	6
	2015	6	0	0	0	0	5	1
	2016	1	1	0	0	0	0	2

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
New Mexico	2014	0	0	0	0	0	0	0
	2015	0	1	0	0	0	0	1
	2016	1	0	1	0	0	0	0
New York	2014	4	1	1	0	0	0	4
	2015	4	0	0	0	0	1	3
	2016	3	0	0	0	0	2	1
North Carolina	2014	1	0	1	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
Oklahoma	2014	0	1	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Oregon	2014	1	0	1	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
Pennsyl-vania	2014	4	0	1	0	0	0	3
	2015	3	0	0	0	0	1	2
	2016	2	0	1	0	0	1	0
Texas	2014	12	2	0	0	0	0	14
	2015	14	2	0	0	0	0	16
	2016	16	0	0	0	0	1	15
Utah	2014	5	0	0	0	0	0	5
	2015	5	1	0	0	0	0	6
	2016	6	0	0	0	0	0	6
Washington	2014	6	1	1	0	0	0	6
	2015	6	0	0	0	0	1	5
	2016	5	0	0	0	0	0	5
Totals	2014	219	39**	13	0	0	0	245
	2015	245	22	0	0	0	12	255
	2016	255	24	6	0	0	10	263

* Does not include stores located outside the United States of America, including its territories and possessions. Also, does not include any Big Box or Travel Plaza locations.

** Includes operating Stores that Franchisor developed and operated, or acquired from a franchisee, and then sold to another franchisee.

Status of Company Owned Outlets
For Years 2014 to 2016*

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Arizona	2014	0	0	0	0	0	0
	2015	0	0	0	0	0	0
	2016	0	0	0	0	0	0
California	2014	12	1	0	0	1	12
	2015	12	0	0	0	1	11
	2016	11	0	0	0	0	11
Hawaii	2014	0	1	0	0	0	1
	2015	1	0	0	0	0	1
	2016	1	0	0	0	0	1
Illinois	2014	1	0	0	0	0	1
	2015	1	0	0	0	0	1
	2016	1	0	0	0	0	1
Massachu-setts	2014	2	0	0	0	0	2
	2015	2	0	0	2	0	0
	2016	0	0	0	0	0	0
New Jersey	2014	1	0	0	0	1	0
	2015	0	0	0	0	0	0
	2016	0	0	0	0	0	0
New York	2014	3	0	0	0	0	3
	2015	3	0	0	3	0	0
	2016	0	0	0	0	0	0
Totals	2014	19	2	0	0	2	19
	2015	19	0	0	5	1	13
	2016	13	0	0	0	0	13

* Does not include any Big Box or Travel Plaza Locations.

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Travel Plaza (TP) and Big Box (BB) Locations Projected Openings as of December 31, 2016

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchise Yogurtland Outlets in the Next Fiscal Year	Projected New Company-Owned Yogurtland Outlets in the Next Fiscal Year
Alaska	0	0	0
Arizona	0	0	0
California	0	2 TP/1 BB	0
Colorado	0	0	0
Florida	0	0	0
Georgia	0	0	0
Hawaii	0	0	0
Illinois	0	0	0
Kentucky	0	0	0
Louisiana	0	0	0
Massachusetts	0	0	0
Mississippi	0	0	0
Missouri	0	0	0
Nevada	0	0	0
New Jersey	0	0	0
New Mexico	0	0	0
New York	0	0	0
North Carolina	0	0	0
Oklahoma	0	0	0
Oregon	0	0	0
Pennsylvania	0	0	0
Puerto Rico	0	0	0
Rhode Island	0	0	0
Texas	2	1 TP/3BB	0
Utah	0	0	0
Virginia	0	0	0
Washington	0	0	0
Totals	0 TP/ 2 BB	3 TP/ 4 BB	0

Attached to this disclosure document as Exhibit N is a list of the names, addresses and phone numbers of our current franchisees as of December 31, 2016, as well as the name, city, state, and current business telephone number (or if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, cancelled, or not renewed, or who otherwise voluntarily or involuntarily ceased to do business under the franchise agreement in the year ending December 31, 2016, or who has not communicated with us in the 10 weeks preceding the disclosure document issuance/application date.

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

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

ITEM 21: FINANCIAL STATEMENTS.

Attached to this Disclosure Document as Exhibit C are audited financial statements with an audit report date of March 10, 2017, consisting of balance sheets and statements of income, stockholder's equity (deficit), and cash flows as of December 31, 2016. Also included as part of Exhibit C are audited financial statements with a separate audit report dated March 23, 2015, consisting of balance sheet, statement of income and retained earnings, and statement of cash flows as of December 31, 2014. The Yogurtland System was formed on November 13, 2006. Our fiscal year end is December 31.

ITEM 22: CONTRACTS.

Attached to this Disclosure Document are the following agreements:

Exhibit E-1 - Franchise Agreement (for all locations, but with E-2 Addendum for Travel Plaza and E-3 for Big Box Locations)
Exhibit E-2 – Addendum to Franchise Agreement for Travel Plaza Locations
Exhibit E-3 – Addendum to Franchise Agreement for Big Box Locations
Exhibit F - Authorization Agreement for Prearranged Payment
Exhibit G - Franchise Owner Photography Release
Exhibit H - Limited Construction Management Agreement
Exhibit I - Personal Guaranty
Exhibit J - Non-competition and Non-disclosure Agreement
Exhibit K - General Release
Exhibit L – Form of Sublease for Big Box Locations
Exhibit M - Area Development Agreement

ITEM 23: RECEIPTS.

The receipt to this Disclosure Document is attached as Exhibit O.

EXHIBIT A to Disclosure Document

LIST OF STATE ADMINISTRATORS AND AGENCIES

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for franchising disclosure/registration laws.

CALIFORNIA Department of Business Oversight Los Angeles 320 West 4th Street, Suite 750 Los Angeles, California 90013-2344 (866) 275-2677 Sacramento 1515 K Street, Suite 200 Sacramento, California 95814-4052 (916) 445-7205 San Diego 1350 Front Street, Room 2034 San Diego, California 92101-3697 (619) 525-4233 San Francisco One Sansome Street, Suite 600 San Francisco, CA 94104-4428 (415) 972-8565	HAWAII Commissioner of Securities Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2727 ILLINOIS Franchise Bureau Office of Attorney General 500 S. Second Street Springfield, Illinois 62706 (217) 782-4465 INDIANA Franchise Section Indiana Securities Division Secretary of State Room E-111 302 West Washington Street Indianapolis, Indiana 46204 (317) 232-6681
MARYLAND Office of Attorney General Division of Securities 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	MICHIGAN Franchise Administrator Consumer Protection Division Antitrust and Franchise Unit 670 Law Building 525 W. Ottawa Street Lansing, Michigan 48913 (517) 373-7117

MINNESOTA Department of Commerce 85 7TH Place East, Suite 500 St. Paul, Minnesota 55101-2198 (651) 296-4026	NEW YORK Assistant Attorney General Bureau of Investor Protection and Securities New York Department of Law 120 Broadway, 23rd Floor New York, New York 10271 (212) 416-8211
NORTH CAROLINA Secretary of State Securities Division 300 North Salisbury Street North Carolina 27603 (919) 807-2156	NORTH DAKOTA North Dakota Securities Department 600 East Boulevard, Fifth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712
RHODE ISLAND Director of the Rhode Island Department of Business Regulation John O Pastore Complex 1511 Pontiac Avenue, Building 69-1 Cranston, Rhode Island 02920 (401) 462-9500	SOUTH DAKOTA Franchise Administrator Department of Labor and Regulation Division of Securities 124 South Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-4823
TEXAS Statutory Document Section Secretary of State P.O. Box 12887 Austin, Texas 78711 (512) 475-1769	UTAH Division of Consumer Protection Utah Department of Commerce 160 East Three Hundred South Salt Lake City, Utah 84145-0804 (801) 530-6601
VIRGINIA State Corporation Commission, Division of Securities and Retail Franchising 1300 E. Main Street, Ninth Floor Richmond, Virginia 23219 (804) 371-9051	WASHINGTON Director Department of Financial Institutions P.O. Box 9033 Olympia, Washington 98507 (360) 902-8760
WISCONSIN Franchise Administrator Securities and Franchise Registration Wisconsin Securities Commission 201 W. Washington Avenue, Suite 300 Madison, Wisconsin 53703 (608) 266-8559	

AGENTS FOR SERVICE OF PROCESS

California Department of Business Oversight 320 West 4th Street, Suite 750 Los Angeles, California 90013	Minnesota Commissioner of Commerce 85 7th Place East, Suite 500 St. Paul, Minnesota 55101-2198
Hawaii Hawaii Commissioner of Securities of the Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, Hawaii 96813	New York Secretary of State of the State of New York 99 Washington Avenue Albany, New York 11231
Illinois Illinois Attorney General 500 South Second Street Springfield, Illinois 62706	North Carolina North Carolina Secretary of State Securities Division 300 North Salisbury Street Raleigh, North Carolina 27603
Indiana Indiana Secretary of State 201 State House 200 West Washing Street Indianapolis, Indiana 46204	North Dakota North Dakota Securities Department 600 East Boulevard Avenue State Capitol, Fifth Floor, Dept 414 Bismarck, North Dakota 58505-0510 (701) 328-4712
Maryland Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020	Rhode Island Director of Rhode Island Division of Securities Div. of Securities Antitrust and Franchise Unit 233 Richmond Street, Suite 232 Providence, Rhode Island 02903
Michigan State of Michigan /Dept. of Attorney General Consumer Protection Agency /Attn: Franchise 670 Law Building 525 West Ottawa Street Lansing, Michigan 48913	South Dakota Department of Labor and Regulation Division of Securities 124 South Euclid, Suite 104 Pierre, South Dakota 57501

Virginia	Wisconsin
Clerk of the State Corporation Commission 1300 East Main Street, First Floor Richmond, Virginia 23219 (804) 371-9733	Franchise Administrator Division of Securities Wisconsin Securities Commission 201 W. Washington Avenue, Suite 300 Madison, Wisconsin 53703
Washington Director Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater, Washington 98501 (360) 902-8760	

EXHIBIT B to Disclosure Document

STATE-SPECIFIC ADDENDA
(DISCLOSURE AND FORMS OF AGREEMENT BY STATE)

ADDENDUM TO THE YOGURTLAND DISCLOSURE DOCUMENT - REQUIRED BY THE STATE OF CALIFORNIA

The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise to be delivered together with the Disclosure Document. The term "Franchise Agreement" as used in this Addendum refers to the Standard Franchise Agreement.

Neither Yogurtland, nor any person or franchise broker in Item 12 of the disclosure document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78A et seq., suspending or expelling these persons from membership in this association or exchange.

The Franchise Agreement requires binding arbitration. The arbitration will occur in Orange County, California, with the costs being borne equally by the disputing parties, except that the arbitrator may award attorneys fees and costs to the prevailing party in such arbitration.

The Franchise Agreement and Development Agreement, as applicable, pertaining to Yogurtland Stores located or to be located in the State of California will be modified by the terms of the applicable addendum included below providing for recovery by the prevailing party of attorneys fees and costs incurred in arbitration or litigation related to this offering, negotiations, or the Franchise Agreement or Development Agreement, as applicable.

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

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

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

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

Section 311125 of the Franchise Investment Law requires us to give to you a disclosure document approved by the Commissioner of Business Oversight before we ask you to consider a material modification of your franchise agreement.

You must sign a general release if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000 through 31516).

Our website www.Yogurt-land.com has not been reviewed or approved by the California Department of Business Oversight. Any complaints concerning the contents of this website may be directed to the California Department of Business Oversight at www.DBO,CA.GOV.

Effective date of this Disclosure Document in California is ________________, 2017.

ADDENDUM TO YOGURTLAND FRANCHISING, INC. FRANCHISE AGREEMENT FOR THE STATE OF CALIFORNIA

The Yogurtland Franchising, Inc. Franchise Agreement between ________________________ ("Franchisee") and Yogurtland Franchising, Inc. ("Franchisor") dated ____________________ (the "Agreement") is hereby amended by the addition of the following language, which shall be considered an integral part of the Agreement:

CALIFORNIA LAW MODIFICATIONS

1. The California Department of Business Oversight requires that certain provisions contained in franchise documents be amended to be consistent with California law, including the California Franchise Investment Law, CAL. CORP CODE Section 31000 et seq., and the California Franchise Relations Act, CAL.BUS. & PROF. CODE Section 20000 et seq. To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are herby amended:

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

b. The Agreement contains a covenant not to compete that extends beyond the termination of the franchise. This provision may not be enforceable under California law.

2. Section 1 of this Addendum shall be effective only to the extent that the jurisdictional requirements of the California law applicable to the provision are met independent of this Addendum. Section 1 of this Addendum shall have no force or effect if such jurisdictional requirements are not met.

3. ATTORNEYS FEES. In any arbitration proceeding arising out of or involving the Agreement, including without limitation disclosure of the related franchise offering, its negotiation, etc., the arbitrator may award attorneys fees and costs to the prevailing party in such arbitration. With respect to any litigation between Franchisor and Franchisee (whether to enforce the arbitration of disputes, other injunctive relief, or otherwise involving the Agreement, including without limitation disclosure of the related franchise offering, its negotiation, etc.), the prevailing party shall be entitled to recover its reasonable attorneys fees and costs incurred in such litigation.

IN WITNESS WHEREOF, Franchisee on behalf of itself and its owners acknowledges that it has read and understands the contents of this Addendum, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Addendum and be bound hereby. The parties have duly entered into and delivered this Addendum on _____________, 20__.

FRANCHISEE:	FRANCHISOR:
____________________________	Yogurtland Franchising, Inc.
a ___________________________	a California corporation
By: __________________________	By: ___________________________
Name: ________________________	Name: _________________________
Title: _________________________	Title: __________________________

ADDENDUM TO THE YOGURTLAND DISCLOSURE DOCUMENT - REQUIRED BY THE STATE OF HAWAII

THESE FRANCHISES HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE AT LEAST SEVEN DAYS PRIOR TO

THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

REGISTERED AGENT IN THE STATE AUTHORIZED TO RECEIVE SERVICE OF PROCESS:

Hawaii Commissioner of Securities of the
Department of Commerce
and Consumer Affairs
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

The Franchise Agreement and Development Agreement, as applicable, pertaining to Yogurtland Stores located or to be located in the State of Hawaii will be modified by the terms of the applicable addendum included below providing for recovery by the prevailing party of attorneys fees and costs incurred in arbitration or litigation related to this offering, negotiations, or the Franchise Agreement or Development Agreement, as applicable. The term "Franchise Agreement" as used in this Addendum refers to the Standard Franchise Agreement.

Effective date of this Disclosure Document in Hawaii is ________________, 2017.

ADDENDUM TO YOGURTLAND FRANCHISING, INC. FRANCHISE AGREEMENT FOR THE STATE OF HAWAII

The Yogurtland Franchising, Inc. Franchise Agreement between ____________________ ("Franchisee") and Yogurtland Franchising, Inc. ("Franchisor") dated ____________________ (the "Agreement") is hereby amended by the addition of the following language, which shall be considered an integral part of the Agreement:

ATTORNEYS FEES. In any arbitration proceeding arising out of or involving the Agreement, including without limitation disclosure of the related franchise offering, its negotiation, etc., the arbitrator may award attorneys fees and costs to the prevailing party in such arbitration. With respect to any litigation between Franchisor and Franchisee (whether to enforce the arbitration of disputes, other injunctive relief, or otherwise involving the Agreement, including without limitation disclosure of the related franchise offering, its negotiation, etc.), the prevailing party shall be entitled to recover its reasonable attorneys fees and costs incurred in such litigation.

IN WITNESS WHEREOF, Franchisee on behalf of itself and its owners acknowledges that it has read and understands the contents of this Addendum, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Addendum and be bound hereby. The parties have duly entered into and delivered this Addendum on _____________, 20__.

FRANCHISEE:	FRANCHISOR:
______________________________	Yogurtland Franchising, Inc.
a _____________________________	a California corporation
By: ___________________________	By: ___________________________
Name: _________________________	Name: _________________________
Title: __________________________	Title: __________________________

DISCLOSURES REQUIRED BY THE STATE OF WASHINGTON

The State of Washington has a statute, RCW 19.100.180, which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal rights of your franchise. There may also be court decisions that supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal by the franchisor.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

The Franchise Agreement and Development Agreement, as applicable, pertaining to Yogurtland Stores located or to be located in the State of Washington will be modified by the terms of the applicable addendum included below providing for recovery by the prevailing party of attorneys fees and costs incurred in arbitration or litigation related to this offering, negotiations, or the Franchise Agreement or Development Agreement, as applicable. The term "Franchise Agreement" as used in this Addendum refers to the Standard Franchise Agreement.

If there is a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

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

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

Effective date of this Disclosure Document in Washington is _______________, 2017.

ADDENDUM TO YOGURTLAND FRANCHISING, INC. FRANCHISE AGREEMENT FOR THE STATE OF WASHINGTON

The Yogurtland Franchising, Inc. Franchise Agreement between _____________________ ("Franchisee") and Yogurtland Franchising, Inc. ("Franchisor") dated ____________________ (the "Agreement") is hereby amended by the addition of the following language, which shall be considered an integral part of the Agreement:

WASHINGTON LAW MODIFICATION

1. The Director of the Washington Department of Financial Institutions requires that certain provisions contained in franchise documents be amended to be consistent with Washington law, including the Washington Franchise Investment Protection Act, WA Rev. Code §§ 19.100.010 to 19.100.940 (1994). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

a. Washington Franchise Investment Protection Act provides rights to developers concerning nonrenewal and termination of the Agreement. If the Agreement contains a provision that is inconsistent with the Act, the Act will control.

b. If Franchisee is required in the Agreement to sign a release of claims, such release shall exclude claims arising under the Washington Franchise Investment Protection Act; except when the release is signed under a negotiated settlement after the Agreement is in effect and where the parties are represented by independent counsel. If there are provisions in the Agreement that unreasonably restrict or limit the statute of limitations period for claims brought under the Act, or other rights or remedies under the Act, those provisions may be unenforceable.

c. If the Agreement requires litigation, arbitration, or mediation to be conducted in a forum other than the State of Washington, the requirement may be unenforceable under Washington Law. Arbitration involving a franchise purchased in the State of Washington must either be held in the State of Washington or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

d. ATTORNEYS FEES. In any arbitration proceeding arising out of or involving the Agreement, including without limitation disclosure of the related franchise offering, its negotiation, etc., the arbitrator may award attorneys fees and costs to the prevailing party in such arbitration. With respect to any litigation between Franchisor and Franchisee (whether to enforce the arbitration of disputes, other injunctive relief, or otherwise involving the Agreement, including without limitation disclosure of the related franchise offering, its negotiation, etc.), the prevailing party shall be entitled to recover its reasonable attorneys fees and costs incurred in such litigation.

e. If the Agreement requires that it be governed by the law of a state other than the State of Washington and there is a conflict between the law and the Washington Franchise Investment Protection Act, the Washington Franchise Investment Protection Act will control.

2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Washington law applicable to the provision are met independent of this Addendum. This Addendum shall have no effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, Franchisee on behalf of itself and its owners acknowledges that it has read and understands the contents of this Addendum, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Addendum and be bound hereby. The parties have duly entered into and delivered this Addendum on ________, 20___.

FRANCHISEE:

____

a ______________________________

By:______________________________

Name:______________________________
Title:______________________________

FRANCHISOR:
Yogurtland Franchising, Inc.
a California corporation

By: ______________________________

Name: ______________________________
Title: ______________________________

EXHIBIT C -- FRANCHISOR'S AUDITED FINANCIALS

YOGURTLAND FRANCHISING, INC. FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016, 2015 AND 2014

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TABLE OF CONTENTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
YOGURTLAND FRANCHISING, INC.
Irvine, California

We have audited the accompanying financial statements of Yogurtland Franchising, Inc. (a California corporation) (the "Company"), which comprise the balance sheets as of December 31, 2016 and 2015, and the related statements of income, stockholder's equity and cash flows for the years then ended, and the related notes to financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS"). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Yogurtland Franchising, Inc. as of December 31, 2016 and 2015, and the results of its operations and its cash flows for the years then ended in accordance with U.S. GAAP.

Other Matter

The financial statements of Yogurtland Franchising, Inc. as of December 31, 2014 were audited by another auditor whose report dated March 23, 2015 expressed an unmodified opinion on those statements.

Armanino LLP

Armanino[LLP]
Los Angeles, California

March 10, 2017

YOGURTLAND FRANCHISING, INC.

BALANCE SHEETS

DECEMBER 31, 2016, 2015 AND 2014

ASSETS

	2016	2015	2014
Current Assets			
Cash	$ 8,513,345	$ 6,739,870	$ 3,474,561
Accounts receivable, net	975,634	632,422	613,132
Due from marketing fund	501,645	401,407	206,162
Other current assets	151,851	160,328	139,818
Total current assets	10,142,475	7,934,027	4,433,673
Property and equipment, net	958,080	1,065,022	1,145,174
Other Assets			
Due from stockholder	-	-	2,503,861
Other assets	6,610	175,492	231,492
Total other assets	6,610	175,492	2,735,353
Total Assets	$ 11,107,165	$ 9,174,541	$ 8,314,200

See accompanying notes to financial statements.

YOGURTLAND FRANCHISING, INC.

BALANCE SHEETS

DECEMBER 31, 2016, 2015 AND 2014

LIABILITIES AND STOCKHOLDER'S EQUITY

	2016	2015	2014
Current Liabilities			
Accounts payable and accrued expenses	$ 1,679,987	$ 608,216	$ 727,757
Gift card liability	6,225,844	4,904,600	3,749,143
Deferred revenue	382,500	765,000	2,014,800
Total current liabilities	8,288,331	6,277,816	6,491,700
Long-Term Liabilities			
Deferred revenue, net of current portion	1,792,500	2,070,000	1,647,500
Other liabilities	75,000	75,000	75,000
Due to stockholder	-	134,636	-
Total long-term liabilities	1,867,500	2,279,636	1,722,500
Total Liabilities	10,155,831	8,557,452	8,214,200
Commitments and Contingencies (Notes 6 and 8)			
Stockholder's Equity			
Common stock, no par value; 12,500,000 shares authorized; 10,000,000 shares issued and outstanding	100,000	100,000	100,000
Retained earnings	851,334	517,089	-
Total Stockholder's Equity	951,334	617,089	100,000
Total Liabilities and Stockholder's Equity	$ 11,107,165	$ 9,174,541	$ 8,314,200

See accompanying notes to financial statements.

YOGURTLAND FRANCHISING, INC.

STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2016, 2015 AND 2014

	2016	2015	2014
Net Revenues	$11,674,117	$12,334,490	$12,381,211
Operating Expenses	10,262,267	8,742,883	10,048,214
Income from Operations	1,411,850	3,591,607	2,332,997
Other Income	119,656	134,689	114,397
Income before Provision for Income Taxes	1,531,506	3,726,296	2,447,394
Provision for Income Taxes	45,799	38,346	36,323
Net Income	$ 1,485,707	$ 3,687,950	$ 2,411,071

See accompanying notes to financial statements.

YOGURTLAND FRANCHISING, INC.

STATEMENTS OF STOCKHOLDER'S EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2016, 2015 AND 2014

	Common Stock		Retained	
	Shares	Amount	Earnings	Total
Balance, December 31, 2013	10,000,000	$ 100,000	$ (122,652)	$ (22,652)
Contributions	-	-	100,000	100,000
Net Income	-	-	2,411,071	2,411,071
Distributions	-	-	(2,388,419)	(2,388,419)
Balance, December 31, 2014	10,000,000	100,000	-	100,000
Net Income	-	-	3,687,950	3,687,950
Distributions	-	-	(3,170,861)	(3,170,861)
Balance, December 31, 2015	10,000,000	100,000	517,089	617,089
Net Income	-	-	1,485,707	1,485,707
Distributions	-	-	(1,151,462)	(1,151,462)
Balance, December 31, 2016	10,000,000	$ 100,000	$ 851,334	$ 951,334

See accompanying notes to financial statements.

YOGURTLAND FRANCHISING, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2016, 2015 AND 2014

	2016	2015	2014
Cash Flows from Operating Activities			
Net income	$ 1,485,707	$ 3,687,950	$ 2,411,071
Adjustments to reconcile net income to net cash provided by operating activities			
Change in allowance for doubtful accounts	(130,922)	105,344	86,000
Depreciation and amortization	181,678	281,619	221,901
Stock-based compensation expense	-	-	(68,652)
(Increase) decrease in operating assets			
Accounts receivable	(212,290)	(124,634)	106,769
Due from marketing fund	(100,238)	(195,245)	(342,282)
Other current assets	8,477	(28,744)	(57,993)
Other assets	-	1,000	14,000
Increase (decrease) in operating liabilities			
Accounts payable and accrued expenses	1,071,771	(119,541)	(764,583)
Gift card liability	1,321,244	1,155,457	889,217
Deferred revenue	(660,000)	(827,300)	87,500
Net Cash Provided by Operating Activities	2,965,427	3,935,906	2,582,948
Cash Flows from Investing Activities			
Purchases of property and equipment	(74,736)	(201,467)	(200,037)
Proceeds from notes receivable	168,882	63,234	56,171
Net Cash Provided by (Used in) Investing Activities	94,146	(138,233)	(143,866)
Cash Flows from Financing Activities			
Decrease (increase) in due from stockholder	(134,636)	2,638,497	118,151
Contributions from stockholder	-	-	100,000
Distributions to stockholder	(1,151,462)	(3,170,861)	(2,388,419)
Net Cash Used in Financing Activities	(1,286,098)	(532,364)	(2,170,268)
Net Increase in Cash	1,773,475	3,265,309	268,814
Cash, beginning of year	6,739,870	3,474,561	3,205,747
Cash, end of year	$ 8,513,345	$ 6,739,870	$ 3,474,561

SUPPLEMENTAL DISCLOSURE

	2016	2015	2014
Cash Paid during the Year for Income Taxes	$ 33,144	$ 31,560	$ -

See accompanying notes to financial statements.

YOGURTLAND FRANCHISING, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2016, 2015 AND 2014

NOTE 1 - NATURE OF OPERATIONS

Yogurtland Franchising, Inc. (the "Company") was incorporated in the State of California in November 2006. As a franchisor, the Company is engaged in franchising its Yogurtland brand to promote its frozen yogurt as well as creating new frozen yogurt flavors through research and development. The Company licenses or franchises locations throughout the United States as well as Australia, Singapore, Thailand, United Arab Emirates and Venezuela. The Company has developed more than 207 regular and promotional flavors of non-fat yogurt and serves 85 dry toppings, 43 cold toppings and more than 20 fruit toppings.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from these estimates.

YOGURTLAND FRANCHISING, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2016, 2015 AND 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Store Franchise Agreements

At December 31, 2016, there were 326 franchise agreements representing opened stores for terms of up to 10 years as follows:

	Stores
At December 31, 2013	266
Stores opened	57
Stores closed	(30)
At December 31, 2014	293
Stores opened	36
Stores closed	(20)
At December 31, 2015	309
Stores opened	35
Stores closed	(18)
At December 31, 2016	326

Additionally, there were 89 franchise agreements representing unopened stores at December 31, 2016.

The Company began selling franchise agreements in 2006. The franchisees pay initial franchise fees to the Company for the right to own and operate a Yogurtland store. The Company is obligated to provide training, an operations manual and other initial and continuing services. The franchise agreements provide for, among other items, required duties of the franchisor and franchisee and also provide remedies for both in case either duty is breached.

Cash Equivalents

The Company considers financial instruments with original maturities of 90 days or less to be cash equivalents. There were no cash equivalents in all years presented.

YOGURTLAND FRANCHISING, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2016, 2015 AND 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Gift Certificates and Gift Cards

Revenue related to the sale of gift certificates and gift cards is deferred until the gift certificate or gift card is redeemed or the redemption is considered unlikely (breakage). The Company has centralized its gift card transaction process in order to simplify handling gift card sale activities across all franchise locations. Thus, instead of each franchisee calculating its own monthly gift card sales and redemption transactions, the Company handles all gift card related transactions on behalf of all franchisees in the centralized account. The cash account holding gift card funds is restricted as to use.

Concentrations

Occasionally the Company's bank balances exceed the FDIC-insured limits. The Company has not experienced and does not anticipate any losses related to these balances.

Accounts Receivable

Accounts receivable represents royalties and training fees receivable from the Company's franchisees. A reserve for doubtful accounts is maintained based on the length of time receivables are past due, the status of a franchisee's financial position, and other credit risk indicators. The allowance for doubtful accounts was $68,136, $199,058 and $93,714 at December 31, 2016, 2015 and 2014, respectively.

Marketing Fund

The Company has centralized the marketing efforts of the franchisees via a centrally-operated marketing fund. The Company collects 2% of gross sales on a monthly basis and uses these funds for marketing efforts. The Company has the right to spend in any fiscal year more or less than the amount of contributions to the fund. Funds not spent in a fiscal year may be applied to future expenses. The marketing fund may borrow from the Company to cover deficits in years where spending exceeds marketing fund collections resulting in a "due from marketing fund" asset.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment is carried at cost. The Company uses straight-line and accelerated methods of depreciation over the estimated useful lives of the respective assets. Leasehold improvements are amortized over the shorter of the estimated useful life of the improvement or the lease term. The estimated useful lives are as follows:

Automobiles	5 years
Computers	5 years
Furniture and fixtures	7 years
Machinery and equipment	5 years

Normal repairs and maintenance are expensed as incurred, whereas significant charges which materially increase values or extend useful lives are capitalized and depreciated or amortized over the estimated useful lives of the related assets.

Impairment of Long-lived Assets

Management reviews each asset or asset group for impairment whenever events or circumstances indicate that the carrying value of an asset or asset group may not be recoverable, but at least annually. No impairment provisions were recorded by the Company in all years presented.

Revenue Recognition

The Company accounts for revenue using the accounting method prescribed under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic *Franchisors*.

Revenue is recognized when all material services or conditions relating to the sale have been substantially performed or satisfied by the Company (usually upon store opening or expiration of franchise agreement). Fees received before this time are deferred. An estimate is made to determine stores that will open in the next 12 months, which are included in current deferred revenue.

Royalty fees are charged up to 6% of gross sales on a monthly basis and recognized as earned.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Advertising

Advertising expense for the years ended December 31, 2016, 2015 and 2014 totaled $523,781, $194,369 and $220,864, respectively.

Income Taxes

The Company has elected to be taxed under the provisions of Subchapter S of the Internal Revenue Code. Under those provisions, the Company does not pay federal corporate income taxes on its taxable income. Instead, the stockholder is taxed individually on the Company's taxable income. California, the Company's most significant tax jurisdiction, recognizes S corporation status and in general follows the same procedures as the federal taxing authorities. However, California imposes an income tax at the corporate level of 1.5% of the Company's taxable income. The Company is also liable for income taxes in various other states. Deferred tax assets and liabilities related to income tax timing differences are not considered material and have not been recorded.

The Company's federal income tax returns for tax years ended December 31, 2013 and subsequent remain open to examination by the Internal Revenue Service. The returns for California, its most significant state jurisdiction, remain open to examination by state taxing authorities for tax years ended December 31, 2012 and subsequent.

Subsequent Events

The Company has evaluated events subsequent to December 31, 2016, to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through March 10, 2017, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

Reclassifications

Certain 2014 and 2015 balances have been reclassified in order to conform to the 2016 presentation.

YOGURTLAND FRANCHISING, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2016, 2015 AND 2014

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	2016	2015	2014
Automobiles	$ 45,717	$ 45,717	$ 14,287
Computers	79,996	23,005	20,496
Furniture and fixtures	289,405	288,068	284,458
Leasehold improvements	1,223,868	1,223,868	1,215,650
Machinery and equipment	452,640	436,232	280,532
	2,091,626	2,016,890	1,815,423
Accumulated depreciation and amortization	(1,133,546)	(951,868)	(670,249)
	$ 958,080	$ 1,065,022	$ 1,145,174

NOTE 4 - DUE FROM\TO STOCKHOLDER

The amounts due from and to the stockholder represented unsecured and non-interest bearing loans with the sole stockholder of the Company.

NOTE 5 - LINE OF CREDIT

The Company maintains a revolving line of credit with a bank that allows for borrowing up to $4,000,000 and expires in November 2019. Outstanding borrowings incur interest at LIBOR plus 2.5% (3.27% at December 31, 2016). The line of credit is guaranteed by the Company's sole stockholder and a commonly-controlled entity, HarpNBowl, LLC (see Note 8). There was no balance outstanding at December 31, 2016, 2015 or 2014.

YOGURTLAND FRANCHISING, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2016, 2015 AND 2014

NOTE 6 - MANAGEMENT INCENTIVE PLANS

In 2013, the Company established an executive equity-based compensation plan for key employees of the Company (the "Executive Plan") and an employee phantom stock option plan (the "Employee Plan") for the benefit of the Company's employees who are not members of the Company's executive group. The two are collectively referred to as the "Plans". The Plans provide for the award of stock appreciation rights, the value of which is derived from the changes in the Company's stock value over time. The offering of these Plans to selected employees is at the discretion of management and the board of directors. Changes in the value are expensed to the income statement as incurred and a related liability is accrued on the balance sheet. The Company does not award stock in the Company.

In January 2015 the Board of Directors resolved to discontinue offering the Plans to employees and to terminate the Plans after the vesting period of awarded phantom shares expires. The Company will substitute the Plans with another program.

The outstanding awards in the Plans are accounted for as liability instruments. The Company granted 0, 0, and 113,200 awards under the Plans during the years ended December 31, 2016, 2015 and 2014, respectively. The awards generally vest in four years with the vesting period commencing on the grant date. In the event of a termination of employment, all unvested awards will be forfeited and the holder of vested awards will have the option to exercise within 30 days. As of December 31, 2016, no liability has been incurred from the vested and exercisable shares as the fair value of the shares is less than the exercise prices.

NOTE 6 - MANAGEMENT INCENTIVE PLANS (Continued)

The following table summarizes the activity under the Plans:

	Number of Awards	Weighted Average Exercise Price
Balance, December 31, 2013	417,033	$ 5.44
Granted	113,200	5.99
Forfeited	(174,594)	5.49
Balance, December 31, 2014	355,639	5.59
Granted	-	-
Forfeited	(248,289)	5.59
Balance, December 31, 2015	107,350	5.59
Granted	-	-
Forfeited	(53,483)	5.68
Balance, December 31, 2016	53,867	$ 6.37

There were 48,017 vested and exercisable shares with a weighted average exercise price of 6.37 at December 31, 2016.

The Company estimates the fair value of the awards by using a combination of income and market valuation methods. Key assumptions used to estimate the fair value of the awards include future projected cash flows, discount rates and comparable companies. Estimates of fair value are not intended to predict future events or the value ultimately realized by persons who receive equity awards.

The was no share-based compensation expense for the years ended December 31, 2016, 2015 and 2014. As of December 31, 2016, 2015 and 2014, there was no unrecognized share-based compensation liability related to non-vested share-based compensation arrangements granted under the Plans.

YOGURTLAND FRANCHISING, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2016, 2015 AND 2014

NOTE 7 - RETIREMENT PLAN

The Company had an IRC Section 401(k) retirement plan that covered all eligible employees who had attained the age of 21 and completed one year of service. The Company made discretionary matching contributions to the plan totaling approximately $315,000 during the year ended December 31, 2014. The Company terminated the plan in October 2014.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

Operating Leases

The Company leases its corporate office in Irvine, California under a non-cancelable operating agreement through December 31, 2021 with renewal options ranging from five to ten years. The landlord of the facility is HarpNBowl, LLC, which is also fully-owned by the Company's sole stockholder and his spouse. The lease includes land and a building and requires payment of various expenses incidental to the use of the property. Rent expense under this lease was approximately $304,000, $287,000, and $263,000 for the years ended December 31, 2016, 2015 and 2014, respectively.

The Company is party to eighteen lease agreements for facilities located in California, Arizona, Oklahoma and Utah, where the Company and the Company's stockholder have guaranteed the rent of the related franchisees and sublessors. The annual rents of the facilities are approximately $1,270,000, which are set to increase between 0% and 6% annually. The leases expire at various times through 2025. Related to one of these agreements, the Company has collected a $75,000 deposit from the related franchisee which would be forfeited in case of a default on lease payments to the landlord. This deposit is included as a long-term liability.

The Company is party to two lease agreements for facilities where the Company subleases to two franchisees. Monthly rent of approximately $10,000 for each lease is paid by the Company and collected from the sublessors. The rental income and expense offset and there is no impact to the statements of income. These leases end June 2016 and May 2018.

The Company guaranteed six lease agreements for stores that have closed with leases expiring through December 2017. Four of these lease agreements expired or were settled during 2016. For the remaining two leases, the Company is required to pay the rent until the facilities can be subleased or the Company is otherwise released from the obligation.

Rent expense (offset by sublease income) totaled $902,834, $1,003,443 and $443,792 for the years ended December 31, 2016, 2015 and 2014, respectively.

YOGURTLAND FRANCHISING, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2016, 2015 AND 2014

NOTE 8 - COMMITMENTS AND CONTINGENCIES (Continued)

Operating Leases (Continued)

The aggregate future minimum lease payments under non-cancelable operating leases and future minimum sublease collections are approximately:

Year Ending December 31,	Related Party Operating Lease	Guaranteed Operating Lease	Subleases	Total
2017	$ 368,928	$ 1,639,439	$ (126,163)	$ 1,882,204
2018	368,928	1,074,697	(53,139)	1,390,486
2019	368,928	447,461	-	816,389
2020	368,928	385,282	-	754,210
2021	368,928	326,950	-	695,878
Thereafter	-	519,453	-	519,453
	$ 1,844,640	$ 4,393,282	$ (179,302)	$ 6,058,620

Litigation

The Company is involved in various claims and legal actions that arise in the ordinary course of business. Management does not believe that the ultimate resolution of these actions will have a material adverse effect on the Company's financial position, results of operations, liquidity or capital resources.

NOTE 9 - RELATED PARTY TRANSACTIONS

Certain franchisees are related parties to the Company through common ownership. Sales to these related parties totaled approximately $377,000, $336,000, and $728,000 for the years ended December 31, 2016, 2015 and 2014, respectively. Accounts receivable from these related parties totaled approximately $110,000, $107,000, and $409,000 at December 31, 2016, 2015 and 2014, respectively. Accounts payable to these related parties totaled approximately $1,000, $2,000, and $0 at December 31, 2016, 2015 and 2014, respectively. Transactions and balances with affiliates have been included in the accompanying financial statements as they are not owned or controlled by the Company, but rather by the spouse of the Company's stockholder.

There was an unsecured, non-interest bearing note receivable from a related party. This note had no set payment terms associated with it and has been included in other assets in the accompanying financial statements. The related party note receivable balance was $0, $168,882, and $232,116 at December 31, 2016, 2015 and 2014, respectively.

EXHIBT D TO Disclosure Document – FRANCHISE APPLICATION FORM

Franchise Application

Confidential

This application does not obligate either party in any manner.

I submit the following information as my complete and true personal and financial condition as of the date shown below. In accordance with the Privacy Act (5 U.S.C. 552 a), Freedom of Information Act and The Fair Credit Reporting Act, I expressly authorize any past or present employer, any law enforcement agency, federal, state or local, or any person who has personal knowledge of my character, work experience or criminal records to release this information to Yogurtland Franchising, Inc. I understand and acknowledge that, as a condition of being considered for a Yogurtland franchise, I must submit to a credit history check to be performed by a credit reporting agency of Yogurtland's choice. I understand that the credit reporting agency will make the results of the credit history check available to Yogurtland and that Yogurtland may use those results in determining whether I will am eligible to own a Yogurtland franchise. If requested by Yogurtland Franchising, Inc., I agree to supply statements from my professional advisors (i.e., banker, broker, accountant or attorney) verifying the assets stated herein, and I also agree to furnish copies of Federal Income Tax Returns as filed for the last five years. I understand that Yogurtland Franchising, Inc. is relying upon all the above information as material factors in considering my application to become a Yogurtland franchisee, and I therefore agree to promptly notify Yogurtland Franchising, Inc. of any material change in any of the above information or any subsequent information provided to Yogurtland Franchising, Inc. In addition, I release all persons from liability as a result of true, accurate information. I also certify that neither I nor any of my funding sources is or has ever been a terrorist or suspected terrorist, or a person or entity described in Section 1 of U.S. Executive Order 13224, issued September 23, 2001, as such persons and entities are further described at the Internet website www.ustreas.gov/offices/enforcement/ofac. I agree to comply with and/or to assist Yogurtland to the fullest extent possible in Yogurtland's efforts to comply with the above law.

Applicant Name	*Signature*	*Date*

Personal Information

Name (First, MI, Last)

Home Phone | Business Phone

Address | City | State/Zip

Email Address

Spouse's Name (First, MI, Last)

Have you ever been convicted of a felony? If yes, explain.

Have you or your spouse ever declared bankruptcy? If yes, explain.

Of which country are you a citizen?

Education

Name of College/ Postgraduate School | Last Year Completed | Degree

Describe any training in sales, management, or retailing:

Business Experience

Present Occupation | Position | Dates Employed

Company | Address (City, State, Zip)

Describe duties, number of employees supervised, and responsibilities:

Previous Business Experience (List most recent first)

Present Occupation | Position | Dates Employed

Company | Address (City, State, Zip)

Describe duties, number of employees supervised, and responsibilities:

Present Occupation	Position	Dates Employed
Company	Address (City, State, Zip)	

Describe duties, number of employees supervised, and responsibilities:

Have you ever owned you own business or franchise? If yes, explain.
Have you ever had a business failure? If yes, explain.

Personal Financial Statement

INCOME STATEMENT FOR 12 MONTH PERIOD ENDING	
Salary, Wages, Bonuses, and Commissions	$
Dividends and Interest	$
Other Income / Specify source – e.g. Business Profits (Self-Employed), Trust, Spouse, etc.	$
TOTAL	$

ASSETS		LIABILITIES	
Cash on Hand and in Banks	$	Loans and Notes	$
Vested Profit Sharing	$	Accounts Payable	$
Securities, Bonds/Debentures	$	Real Estate Mortgages	$
Notes and Accounts	$	Debts or Obligations	$
Mortgages Receivable	$	Other	$
Real Estate-Market Value	$	**TOTAL LIABILITIES**	$
Net Value of Business Interest	$		
Automobiles	$	TOTAL ASSETS	$
Personal Property	$	(MINUS)	-
Other	$	TOTAL LIABILITIES	$
TOTAL ASSETS	$	**TOTAL NET WORTH**	$

Miscellaneous Information

How much capital can you allocate from the above sources to buy this franchise?
What is the cash down payment you can make for this franchise?

If the required amount were not available, how would the investment be obtained?	
If you own your own home do you plan to sell it? [ ] YES	Equity: $ ______ [ ] NO
Do you plan to convert any of the above assets into cash? [ ] YES [ ] NO	
Do you plan to have a partner? [ ] YES [ ] NO	If yes, will your partner be active? [ ] YES [ ]NO
Do you plan to have investors? [ ] YES [ ] NO	If yes, to what extent?

Thoroughly explain your answers and any other strategies you have for obtaining the required funds:

When do you want to start your franchise operation?

How did you happen to become interested in this particular franchise?

How much time will you devote to the business?

Do you have any particular sites or areas in mind? If yes, where?

State the reasons you believe you will be able to successfully operate one of our franchises:

Are you aware of any disadvantages to owning one of our franchises? Please state and elaborate:

Other

Disclose any other information you feel is relevant to your application that will assist us in reaching a decision.

References

Business

Name (First, MI, Last)	Address (City, State, Zip)	Occupation	Years Known
Name (First, MI, Last)	Address (City, State, Zip)	Occupation	Years Known
Name (First, MI, Last)	Address (City, State, Zip)	Occupation	Years Known

Personal (Other than employers or relatives)

Name (First, MI, Last)	Address (City, State, Zip)	Occupation	Years Known
Name (First, MI, Last)	Address (City, State, Zip)	Occupation	Years Known
Name (First, MI, Last)	Address (City, State, Zip)	Occupation	Years Known

Confidentiality and Non - Disclosure Agreement

Yogurtland Franchising, Inc. agrees to provide to the undersigned pertinent confidential and proprietary documents and information relating to Yogurtland, during his/her application process.

The undersigned agrees that this and any subsequent information received will be held in the strictest confidence and only used for the sole intention of evaluation for the purpose of negotiating a Yogurtland Franchise. The undersigned further agrees this information shall only be made available to his/her financial and legal advisors, and then only under the terms and conditions that are set forth herein.

In the event that it is determined that there is no interest in negotiating the acquisition of a Yogurtland Franchise, all documents and information provided, with the exception of the Franchise Disclosure Document (FDD) shall be returned to Yogurtland.

Applicant Name	*Signature*	*Date*

Street Address	*Apt / Unit / Suite*

City	*State*	*Zip Code*

EXHIBIT E-1 to Disclosure Document

YOGURTLAND FRANCHISING, INC.

FRANCHISE AGREEMENT

This Franchise Agreement ("this Agreement") is entered into and effective on the ____ day of ____________, 20__ (the "Effective Date") by and between Yogurtland Franchising, Inc., a California corporation, with its principal business address at 17801 Cartwright Road, Irvine, California 92614 ("Franchisor"), and the following individuals: ____ ____ _______ (collectively, "Franchisee," and each a "Franchise Owner" or "Owner"), each of which Franchise Owners is domiciled at the respective residential address set out next to his or her signature below, with reference to the following facts:

RECITALS

A. Franchisor is the originator of, and through considerable time and effort has developed, a distinctive business concept, with distinctive format, systems, methods, procedures, designs, layouts, and specifications, for the operation of primarily self-service retail stores specializing in frozen yogurt and related beverage and food items.

B. Franchisor operates and licenses others to operate primarily self-service frozen yogurt stores under the name "Yogurtland®," using valuable trade names, trademarks, and service marks belonging to Franchisor and the distinctive business format, systems, methods, procedures, designs, layouts, specifications, copyrighted manuals, and other materials, trade secrets, know-how, and technology developed by Franchisor (the "Yogurtland System").

C. Franchisor has established, and is continuing to develop and operate, a set or chain of primarily self-service frozen yogurt retail stores that are fundamentally uniform in image, methods of operation, menu items, and food style (the "Yogurtland Chain").

D. Franchisor owns or controls various trademarks, service marks, trade names, logotypes, trade dress, designs (including product package designs), symbols, emblems, logos, insignias, external and internal building designs, and architectural features, copyrights, and combinations of the foregoing, which are used by Franchisor, its franchisees and licensees in offering, selling, and distributing its products and services, all of which, together with those trademarks, service marks, trade names, logotypes, commercial symbols, and copyrights that Franchisor designates from time to time are collectively referred to herein as the "Marks."

E. The Yogurtland Chain enjoys widespread public acceptance due in part to (1) uniform high standards for the ingredients, preparation, presentation, and service of Yogurtland food; (2) an essentially uniform menu, image, appearance, and methods of operation in all stores; (3) uniform use of the System and the valuable and distinctive Trademarks; and (4) the Yogurtland franchisees' and licensees' commitments to maintain and enhance the goodwill and public acceptance of Yogurtland products, services, and

Stores by strict adherence to these uniform standards as they now exist and may be revised from time to time pursuant to this Agreement.

F. Franchisee desires, and has applied for a franchise, to establish and operate a primarily self-service frozen yogurt retail store using the "Yogurtland®" trademarks and the Yogurtland System at a location to be specified, in accordance with the terms of this Agreement (the "Store").

Accordingly, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Franchisor and Franchisee, and intending to be legally bound hereby, the parties agree as follows:

AGREEMENT

Article 1 GRANT OF FRANCHISE

1.1 License Rights. Franchisor grants Franchisee the limited right, during the term of this Agreement (the "Term," as defined below), to use the Yogurtland System in operating a franchised business under the Yogurtland® trademark and the other Marks.

1.2 Single Site and Relocation. Franchisor grants Franchisee the right to operate the business only at a single, Franchisor-approved location. Franchisee shall conduct the business only from the approved location. Franchisee shall not delegate, franchise, or sub-franchise the right to use the Marks or authorize any independent contractor or any other party, including those with whom Franchisee conducts business, to use the Marks. The approved location for the Store is or shall be stated in **Exhibit "A"** to this Agreement. If at execution of this Agreement the approved location is not mutually selected, Franchisor shall designate the geographic area within which Franchisee may seek a location for the Store. Franchisee shall have no right to relocate the Store, and Franchisee shall not relocate the Store without first obtaining Franchisor's prior written consent, which may be withheld in Franchisor's sole discretion.

1.3 Reservation of All Other Rights. Franchisor reserves all rights, except as expressly stated in this Agreement, including but not limited to the right to open additional stores and to offer additional franchises and licenses for additional stores to other parties as Franchisor deems in its best interest. The license granted to the Franchisee under this Agreement to use the Marks is non-exclusive, and the Franchisor, in its sole and absolute discretion, has the right to grant other licenses in, to and under the Marks in addition to those licenses already granted, both within and outside the Store trading area, and to develop and license other names and marks on any such terms and conditions as Franchisor deems appropriate.

Article 2 TRADEMARKS AND COPYRIGHTS

2.1 Use Permission. Franchisor grants to Franchisee the right to use the Marks at the Store and nowhere else, except as expressly approved by Franchisor during the Term (as defined below) for identification, advertising, and promotion of Franchisee's Yogurtland franchise. Franchisee shall adopt and use the Marks only in the manner expressly approved by Franchisor from time to time during the Term (as defined below).

2.2 Ownership of Marks, Additions, Deletions, and Changes. Franchisee acknowledges: that Franchisor owns the Marks; that Franchisee's right to use the Marks is derived solely from this Agreement and is limited to operating the Store in compliance with this Agreement and all Franchisor's standards, specifications, and operating procedures; that all goodwill developed from Franchisee's use of the Marks shall be for Franchisor's exclusive benefit; and, that this Agreement does not confer any goodwill or other interest in the Marks on Franchisee except the limited right to use them in operating one Yogurtland store in compliance with this Agreement. Nothing contained in this Agreement shall be construed to vest in Franchisee any right, title or interest in or to the Marks, the goodwill now or hereafter associated therewith, or any right in the design or any Store building, other than the limited rights and license expressly granted herein. Franchisor shall have the right at any time and from time to time upon notice to Franchisee to make additions to, deletions from, and changes in the Marks, or any of them, all of which additions, deletions and changes shall be as effective as if they were incorporated in this Agreement. Franchisee represents, warrants, and promises that neither during the Term of this Agreement nor after the expiration or other termination hereof, shall the Franchisee directly or indirectly contest or aid in contesting the validity, ownership or use of the Trademarks by the Franchisor or take any action whatsoever in derogation of the rights claimed therein by the Franchisor.

2.3 Restriction on Use. Franchisee shall not use any Mark or Marks as part of any corporate or trade name or with any prefix, suffix, or in any modified form or with other modifying words, terms, designs or symbols, unless specifically approved by Franchisor in writing. Franchisee shall be permitted to identify Franchisee's business using a fictitious business name of Franchisee's Store in a format as the law permits and Franchisor approves or designates, in Franchisor's sole discretion, from time to time, such as "Yogurtland®" of [geographic designation]. Franchisee shall file all fictitious name affidavits required by law in the state and county where Franchisee is located. Franchisee shall not use the Marks in any manner not expressly authorized in writing by Franchisor. Franchisee shall use and display all Marks in the manner Franchisor specifies. Franchisee shall use the encircled R registration symbol "®" with Marks that are registered in the U.S. Patent and Trademark Office and shall give additional notices of trade and service mark registrations as Franchisor specifies. Franchisee shall refrain from any business or marketing practice that might injure Franchisor or the business and goodwill associated with the Marks or the Yogurtland System.

2.4 Trademark Protection. Franchisor shall have no obligation to protect Franchisee against claims of infringement or unfair competition arising out of the use of the Marks or to defend Franchisee in any legal action. However, Franchisor will take such action as Franchisor considers appropriate under the circumstances, provided Franchisee has promptly notified Franchisor in writing of the facts of the claim or challenge and provided further that Franchisee has used the Marks in strict accordance with this Agreement and all Franchisor's rules, regulations, requests, and procedures. Franchisor may assume the defense of the action at any time, even if Franchisor initially declined to take over the defense. If Franchisor chooses to defend Franchisee, then Franchisee shall fully cooperate with Franchisor in that defense.

2.5 Control of Actions and Trademark Usage. Franchisor shall have the sole right to control any legal actions or proceedings including settlements involving claimed trademark infringement or unfair competition against Franchisee or against others using the Marks.

Franchisor may, at Franchisor's sole discretion, prosecute or defend any infringement or unfair competition claim involving the Marks or any other actions or proceedings that Franchisor deems necessary or desirable to protect the Marks.

2.6 Notification of Claims. Franchisee shall immediately notify Franchisor of any apparent infringement of or challenge to Franchisee's use of any Marks or claim by any person of any rights in any Mark. Franchisee shall not communicate with any person other than Franchisor or Franchisor's legal counsel concerning the alleged infringement, challenge, or claim. Franchisee shall execute any instruments and documents, provide assistance, and do those things (including being named as a party) that, in the opinion of Franchisor's legal counsel, may be necessary or advisable to protect and maintain Franchisor's interests in any litigation, or U.S. Patent and Trademark Office, or other proceeding, or otherwise protect and maintain Franchisor's interests in the Marks.

2.7 Stopping or Changing Use of Marks. If it becomes advisable at any time in Franchisor's sole discretion for Franchisor or Franchisee to modify or stop using any Mark(s) or to use one or more additional or substitute trade or service marks, Franchisee shall comply with Franchisor's directions to modify or stop using the Marks or to use one or more additional or substitute trade or service marks within a reasonable time after notice from Franchisor. Franchisor shall have no obligation to pay for or reimburse Franchisee for the expenses to modify or stop using any Mark(s), or in substituting different trade or service marks.

2.8 Copyrights. Franchisor claims copyright rights in the Manual, construction plans, advertising and promotion materials, and in other materials used in the Yogurtland System. Franchisee acknowledges that Franchisor owns such copyright rights regardless of whether the copyrights are at any particular time registered in the Copyright Office of the Library of Congress.

2.9 Franchisor's Rights to Additional Trademarks and Other Marks. Franchisee understands and expressly acknowledges and agrees that the Franchisor has the exclusive, unrestricted right to engage directly and indirectly, through its employees, representatives, licensees, assigns, agents and others, at wholesale, retail and otherwise, within the Store's trading area and elsewhere, in (a) the production, distribution and sale of food products and beverages under the Trademarks licensed hereunder or other marks; and (b) the use, in connection with such production, distribution and sale, of any and all trademarks, trade names, service marks, logos, insignia, slogans, emblems, symbols, designs and other identifying characteristics as may be developed or used from time to time by the Franchisor, whether or not licensed to Franchisee.

2.10 No Pre-Packaged Products. Except as expressly permitted by this Agreement and the Manual, the license granted under this Agreement does not include any right or authority of any kind whatsoever to Franchisee to produce or sell, or license others to produce or sell, pre-packaged food products or beverages under the Marks.

2.11 Use Only in Good Taste. Franchisee shall use and display the Marks only in good taste (per Franchisor's judgment) and shall not use the Marks in connection with any statement or material which may, in the judgment of Franchisor, be in bad taste or inconsistent with Franchisor's public image, or tend to bring disparagement, ridicule or scorn upon Franchisor, the Marks, or the goodwill associated therewith.

Article 3 CONFIDENTIAL BUSINESS OPERATIONS MANUAL

3.1 Confidential Business Operations Manual. Franchisor has created a Confidential Business Operations Manual (the "Manual") which contains policies, specifications, procedures, and instructions developed by Franchisor pertaining to the operation of Yogurtland® stores. During the Term, Franchisor will loan Franchisee one copy of the Manual.

3.2 Ownership. The loaned copy of the Manual and its contents are solely Franchisor's property. Franchisee shall return the loaned copy of the Manual to Franchisor promptly on expiration or termination of this Agreement.

3.3 Confidentiality. Franchisee acknowledges and agrees that the contents of the Manual are confidential and proprietary to Franchisor. Franchisee shall keep the contents of the Manual confidential and shall take any additional steps that Franchisor requests from time to time to protect the confidentiality of the Manual. Franchisee shall make no copy in any format whatsoever of the Manual or any portion of the Manual.

3.4 Additions and Modifications. Franchisor may from time to time add to, delete from, supplement or otherwise modify the contents of the Manual. Franchisee shall promptly insert any revised pages or other forms of supplements into the loaned copy of the Manual. In any dispute about the contents of the Manual, any master copy maintained by Franchisor shall be deemed to be controlling.

3.5 Acknowledgement of Critical Nature of Uniformity within the System. Franchisee acknowledges and agrees that strict conformity with the System, including the standards, specifications, systems, procedures, requirements, and instructions contained in this Agreement and in the Manual, is vitally important to the success not only of Franchisor, but to the collective success of all System franchisees, including Franchisee, by reason of the benefits all franchisees and Franchisor will derive from uniformity in food products, identity, quality, appearance, facilities, payment methods (including gift certificates, gift cards, stored value cards, customer loyalty programs, etc.), social networking, websites, advertising, promotions, and service among all Stores in the Chain. Any failure to adhere to the standards, specifications, requirements, or instructions contained in this Agreement or in the Manual shall constitute a material breach of this Agreement.

The System does not include policies or procedures regarding human resources or security issues. In the event Franchisor elects in the future to communicate any policies or procedures regarding human resources or security issues, Franchisee's adoption or use of them will be completely voluntary and at Franchisee's sole discretion, unless Franchisor unequivocally requires in writing Franchisee to implement them. Franchisee hereby acknowledges and agrees that Franchisor is not responsible for and does not control the policies or procedures of Franchisee regarding the human resource, employment, work environment or the safety of Franchisee's employees, customers or guests.

3.6 Compliance. Franchisee shall operate the Store in compliance with all the contents of the Manual, as modified from time to time by Franchisor, and Franchisee acknowledges and accepts that additional investment and expenditures by Franchisee may be necessary in order to comply with such modifications.

Article 4 TRAINING

4.1 Training Programs. Franchisor will provide an initial training program and may provide other mandatory and optional training programs. All training programs will be conducted at locations and times that Franchisor designates.

4.2 Initial Training. During the thirty (30) days prior to Franchisee's scheduled opening, Franchisor shall provide two management individuals selected by Franchisee (which may be Franchisee and Franchisee's initial Store manager, two managers, or Franchisee and Franchisee's spouse, if both are actively involved in the operation of the Store) with Franchisor's initial training program, which training shall be at Franchisee's expense. The parties acknowledge that the initial training program is anticipated to occupy each trainee on a full time basis and to last ten (10) days. Training shall take place at a location designated by Franchisor, which may be a Franchisor-operated store or Franchisee's Store. Each additional management employee of Franchisee must be trained to the sole, subjective satisfaction of Franchisor, and Franchisee shall pay each additional management training Fee as provided in Section 6.3 below.

4.3 Failure to Complete Initial Training. If Franchisee or the initial store manager fails to complete the initial training program to Franchisor's sole, subjective satisfaction, then Franchisor shall have the right to terminate this Agreement effective on delivery of notice of termination to Franchisee. On termination under this Section, there shall be no refund of any fee or expense, and Franchisor shall keep all initial franchise and other fees paid.

4.4 Additional Mandatory and Optional Training. Franchisor, at Franchisor's discretion, may provide from time to time mandatory or optional training programs on new products, operating procedures, selling techniques, services, preferred suppliers, management skills, and other aspects of business operations that Franchisor believes may be beneficial. Franchisor shall have the right to determine the duration, location, composition, subject matter, whether or not there will be an additional charge for a particular program, the amount of the charge, and all other aspects of these training programs. Franchisee shall attend and complete, and cause Franchisor-described personnel to attend and complete, all training programs that Franchisor specifies as mandatory.

4.5 Training Requested by Franchisee. If Franchisee requests and Franchisor agrees to provide training or assistance at the Store in addition to the initial training, Franchisee shall pay Franchisor's then standard rates for each day of such additional training or assistance and reimburse Franchisor's expenses for these special or additional training programs, including but not limited to compensation and reasonable expenses of instructors.

4.6 Franchise Specific Additional Training. Special or additional training programs may be implemented by Franchisor at Franchisor's sole discretion when Franchisor believes such programs could provide particular value to Franchisee or that Franchisee is in particular need for such training. Franchisee shall pay Franchisor applicable training fees and reimburse Franchisor's expenses for these special or additional training programs, including but not limited to compensation of instructors, payment for facilities, and training manuals.

4.7 Training Expenses. Franchisee is solely responsible for all expenses incurred by Franchisee, Franchisee's designated manager, and other Franchisee employees for all training programs including training fees, cost of travel, lodging, meals, and compensation. There will be no compensation of any kind from Franchisor for work performed or participation in any training program, even if the training involves customer service, food preparation, or other work at or beneficial to a Yogurtland® store owned or operated by Franchisor or another franchisee.

4.8 Proprietary Materials. At the Initial Training Program or other training programs (if any), Franchisor may provide to Franchisee proprietary information, training materials, training curricula, and related materials for use in connection with the training of Franchisee's management and staff. Such items are and will remain the property of Franchisor. Franchisor may also from time to time make available to Franchisee for purchase other materials relevant to the System and Franchisee's Yogurtland business. Franchisee must not, and must not allow its employees or others, to copy, reproduce, disseminate, or otherwise reveal to third parties any of such proprietary information or materials without Franchisor's express, prior, written consent.

4.9 Conventions. From time to time, Franchisor may, but is not obligated to, arrange for meetings or conventions of franchisees and licensees to provide additional exchange of information and ideas, to recognize accomplishments of franchisees, or for other purposes related to the System. Franchisee shall, at Franchisee's expense, attend and participate in all meetings and conventions that Franchisor designates as mandatory.

Article 5 MARKETING

5.1 Marketing Fund.

A. Establishment. Franchisor has established a marketing fund to advertise and promote the Yogurtland System (the "Marketing Fund").

B. Uses. The Marketing Fund collected is mainly used for corporate national marketing purposes, but may also be used for advertising, marketing, public relations, and related purposes that Franchisor deems appropriate, in its sole discretion. By way of illustration and not limitation the Marketing Fund may be used to pay costs of marketing surveys and research; employing public relations firms; developing and maintaining Internet website communications; preparing and producing video, audio and written marketing materials; buying Internet, TV, radio, magazine, billboard, newspaper and other media advertising; employing advertising agencies; providing or selling marketing materials to Yogurtland® Stores; holding conventions and meetings for personnel of Yogurtland® Stores; and paying costs to account for and report on contributions, expenditures, and related activities of the Marketing Fund.

C. Promotion Materials. Franchisor may use the Marketing Fund to develop and market promotional items from time to time. If and when developed, those items will be made available to Franchisee for purchase at Franchisee's sole cost and expense. Franchisee shall maintain a representative inventory of promotional items in accordance with requirements established by Franchisor.

D. Coupons. The Marketing Fund may be used to develop programs that include special offers and coupons. Franchisee shall honor all such special offers and coupons. Franchisor has no obligation to reimburse Franchisee for any cost or discount related to acceptance of coupons or special offers.

E. Franchisee's Contributions. Franchisee shall contribute the amounts stated in Section 6.6 to the Marketing Fund. Franchisee's contributions to the Marketing Fund are non-refundable.

F. Franchisor Contributions. Franchisor, or its affiliates who operate Yogurtland® Stores, may, but shall have no obligation to, make periodic contributions to the Marketing Fund.

G. Contributions from Other Sources. Franchisor shall have the right, but is not obligated, to collect and contribute to the Marketing Fund any advertising or other rebates received from suppliers or others.

H. Maintenance. Contributions to the Marketing Fund may, but need not be maintained in accounts separate from Franchisor's other funds. The Marketing Fund will not be used to defray Franchisor's general operating expenses, except Franchisor may allocate a portion of the Marketing Fund (not to exceed twenty-five percent (25%)) to reimburse it for internal expenses (including an allocation of employee salaries) incurred in the operation of the advertising/marketing department and the administration of the Marketing Fund, which may include costs associated with developing, managing and placing advertisements.

I. Administration. Franchisor shall oversee all programs financed by the Marketing Fund, with sole discretion over their creative concepts, materials, timing, placement, allocation and other aspects. Franchisor has no obligation to cause Marketing Fund expenditures to benefit any particular Franchisee or group of Franchisees or DMA equivalently or proportionately to Franchisee's contributions, or at all, or to ensure that Franchisee or any one or more particular franchisees benefit directly or pro rata from uses of the Marketing Fund.

J. Timing. Franchisor will give consideration to spending contributions to the Marketing Fund during approximately Franchisor's fiscal year when the contributions were made. Franchisor shall have the right to spend in any fiscal year, more or less than the amount of contributions to the Marketing Fund made in that year. Funds not spent in a fiscal year when contributed may be applied and used for Marketing Fund expenses in other years, which could also include payment of expenses from prior years. The Marketing Fund may borrow from Franchisor or others to finance operations and to cover deficits.

K. Accounting. A summary accounting of Marketing Fund contributions and expenditures shall be prepared annually and shall be made available to Franchisee upon written request. Franchisor shall have the right but no obligation to cause accountings to include an independent certified public accountant's audit of Marketing Fund contributions and expenditures. Franchisor shall have the right to cause the Marketing Fund to pay for the preparation of such accounting.

L. Termination. Franchisor shall have the right to terminate or suspend operation of the Marketing Fund at any time, either temporarily or permanently, effective when arrangements have been made for the use or expenditure of monies in the Marketing Fund. Franchisor shall have the right to restart the Marketing Fund after termination or suspension.

5.2 Advertising and Promotion Activities by Franchisee. In addition to any contributions by Franchisee to the Marketing Fund, Franchisee shall advertise and market the Store in amounts described in Section 6.7. Franchisee shall provide Franchisor written verification of Franchisee's local advertising expenditures, as Franchisor requires from time to time. Franchisee shall obtain the prior written approval of Franchisor of all marketing and advertising materials developed by Franchisee, which consent shall be granted or withheld in Franchisor's sole discretion. Franchisee shall be responsible to assure that all advertising, promotion and marketing by Franchisee are clear, truthful and not misleading, and conform to the highest standards of ethical marketing and promotion policies that may be prescribed by Franchisor. Franchisee shall not advertise, solicit business or make sales via the Internet, catalog sales or telemarketing or create or maintain a website without first obtaining Franchisor's written consent, which consent Franchisor may withhold in its sole discretion.

Moreover, as and when instructed by Franchisor, Franchisee shall participate in advertising campaigns, promotions, event marketing, couponing, and all other types of marketing, advertising and promotional activities required by Franchisor; provided, however, Franchisee will not be required to spend in any given calendar year amounts in excess of what is required in aggregate under Sections 6.6, 6.7, and 6.9 below.

5.3 Advertising Submissions. Franchisee shall submit to Franchisor for Franchisor's prior written consent, samples of all advertising and marketing materials not prepared or previously consented to by Franchisor. If Franchisor does not provide a written consent to any advertising or other promotion materials within 10 days from receipt by Franchisor, Franchisor shall be deemed to have withheld consent. Franchisee shall not use any advertising or marketing related material to which Franchisor has not consented.

5.4 Telephone Directory. Franchisee shall list the Store's phone numbers in the principal telephone directories distributed in the metropolitan area and communities where the Store is located.

5.5 Franchisor's Advertising. Franchisor shall provide and Franchisee shall be required from time to time to purchase proprietary marketing materials from Franchisor that Franchisor considers suitable for use at local Yogurtland® stores. Franchisor may charge Franchisee at Franchisor's cost to produce these materials, including reasonable allocation of overhead and any shipping, handling and storage charges, payable when the materials are ordered. These payments are not refundable.

5.6 News and Publicity. In order to maintain the high reputation of the Yogurtland Chain and System and for the benefit of all Yogurtland Stores and their respective owners, Franchisee shall report immediately by telephone to Franchisor the occurrence of any incident at or concerning the Store or the business conducted there which is or is likely to become the subject of publicity through the news media or otherwise. Franchisee hereby acknowledges that Franchisor alone is authorized to speak or make statements, public or private, on behalf of the Yogurtland brand or the Yogurtland System, and Franchisee shall in every instance consult and coordinate with Franchisor in advance of communicating with the media or of creating publicity for the brand or System outside the normal course of business.

Article 6 FEES

6.1 Initial Franchise Fee and Deposit. With execution of this Agreement, Franchisee shall pay Franchisor a non-refundable, Initial Franchise Fee of Thirty-Five Thousand Dollars ($35,000) (the "Initial Franchise Fee"); provided, however, in the event Franchisee has previously entered into and paid the full Initial Franchise Fee for two (2) or more other Yogurtland Franchise Agreements and hereby represents to Franchisor that Franchisee is not in default under any of those Franchise Agreements (as indicated here _____ by initials for Franchisee and here _____ by initials for Franchisor), then the Initial Franchise Fee is reduced to Twenty-Five Thousand Dollars ($25,000). Franchisee acknowledges that the Initial Franchise Fee is fully earned by Franchisor at the execution of this Agreement and is not refundable under any circumstances.

In conjunction with Franchisee's payment of the Initial Franchise Fee, Franchisee shall pay to Franchisor the additional sum of Three Thousand Dollars ($3,000) as a deposit (earning no interest) against any amounts Franchisee that become past due to Franchisor at any time. Franchisor may apply some or all, as applicable, of such deposit against any amounts becoming past due from Franchisee to Franchisor or any of Franchisor's affiliates, in which case Franchisor shall notify Franchisee of the application of such amount(s), and Franchisee shall then have ten (10) business days from the date of such notice to replenish the deposit back to the full $3,000 level by transfer of the necessary amount to Franchisor. Franchisor may commingle the deposit with Franchisor's general accounts. Within thirty (30) days of the final day of the Term of this Agreement, Franchisor shall refund to Franchisee the full remaining amount of the deposit.

6.2 Limited Construction Management Services Fee. In accordance with Section 8.2 below, Franchisee shall pay to Franchisor a fee of Four Thousand Five Hundred Dollars ($,500) for limited construction management and information technology staging services.

6.3 Training Fees. Franchisor shall provide initial training to two management persons designated by Franchisee, who will be responsible for the management of the Store, at no additional charge to Franchisee. For each additional person to be trained at any time throughout the Term, Franchisor may charge a reasonable fee and require reimbursement of Franchisor's administrative and out-of-pocket expenses incurred in providing such training, and Franchisee shall pay the then-required amounts to Franchisor prior to commencement of the pertinent training, which amount shall be non-refundable.

6.4 Continuing Royalty. Franchisee shall pay Franchisor a monthly continuing Royalty Fee equal to six percent (6%) of Franchisee's Gross Sales each month or partial month of the Term or One Thousand Dollars ($1,000, but prorated for a partial month) which ever is greater for such month. The Royalty Fee shall commence on the earlier of the Opening Date (as defined in Section 8.2 below) or the date the Store opens for business to the public. The base royalty ($1,000) shall be payable on the 15th of each calendar month for that month. Any balance owing shall be due and payable by the 5th calendar day of the following month based upon actual Gross Sales derived in the prior month. If Franchisee fails to pay any royalty payment as and when due, the unpaid royalty fee shall be increased to six and one half percent (6.5%) of Franchisee's Gross Sales for the prior month, or One Thousand Two Hundred Dollars ($1,200), whichever is greater. Royalty payments shall be accompanied by such reports of Gross Sales in the form specified or approved by Franchisor from time to time.

6.5 Gross Sales Defined. "Gross Sales" is defined to include all sums or things of value received by Franchisee in and from Franchisee's business from all sales or other transactions for goods, services, or anything else whether for cash, check, credit, barter, or otherwise, including sales where orders originated at or were accepted by Franchisee at one location but delivered or performance made from or at any other location. Gross Sales do not include refunds to customers or the amount of any sales taxes separately itemized that are collected from customers for payment to a federal, state, or local taxing authority and actually paid to that authority.

6.6 Franchise Marketing Fund Fee. For each calendar month throughout the Term (and for each partial calendar month, as applicable, at the beginning and end of the Term), Franchisee shall contribute to the Marketing Fund a Marketing Fund Fee in an amount equal to two percent (2%) of Franchisee's Gross Sales from the previous calendar month (or partial month, as applicable). The Marketing Fund Fee based on any given calendar month's Gross Sales shall be payable on the fifth (5th) day of the immediately following calendar month and shall be based on the previous month's Gross Sales. If Franchisee fails to pay the Marketing Fund Fee by the fifth (5th) calendar day of such immediately following month, the Marketing Fund Fee shall then automatically be, and Franchisee shall pay, two and one-half percent (2.5%) of Franchisee's Gross Sales for the prior month. Franchisor shall have the right from time to time to modify the percentage of Gross Sales that Franchisee shall contribute to the Marketing Fund, provided that Franchisor shall not establish a contribution rate greater than five percent (5%) of Franchisee's Gross Sales.

6.7 Local Advertising; Grand Opening Advertising. Franchisee shall spend two percent (2%) of Gross Sales each month on local advertising to enhance the reputation of Franchisee's Store on a local level. Franchisee shall furnish Franchisor a monthly written report together with copies of receipts showing the expenditures made for local advertising in the prior month. For the first six months of operations, Franchisee shall spend at least Two Thousand Dollars ($2,000) per month on grand opening advertising.

6.8 Electronic Withdrawal Authorization. Franchisee shall execute a bank authorization in the form attached as an exhibit to the Franchise Disclosure Document or such other bank authorizations as Franchisor requests to enable Franchisor to automatically initiate debit entries and/or credit correction entries to Franchisee's bank account or credit card account for payments of the monthly royalty and advertising fees, other fees, charges, product purchase payments, or other amounts due to Franchisor or its affiliates under this Agreement, or any other agreement, including interest charges. Franchisee shall make sufficient funds available in its bank account for withdrawal by direct debit of all fees then due no later than each due date.

6.9 Cooperatives. Franchisor shall have the right to establish geographic areas of local or regional cooperative advertising and to require franchisees in the applicable geographic area to actively participate in and contribute such amounts determined by a majority vote of the cooperative members. Franchisee's contributions to any such cooperative shall in no event be less than two percent (2%) or more than five percent (5%) of Franchisee's monthly Gross Sales. Contributions to a cooperative established by Franchisor shall apply as a credit against the amounts that Franchisee is required to spend for local advertising pursuant to Section 6.7. Franchisor may elect to administer the cooperative advertising. At Franchisor's election, Franchisor may require the cooperative to be governed by written governing documents in form approved by Franchisor. If and when created, these documents shall be available to Franchisee for review. The cooperative may elect to prepare annual or periodic financial statements and make them available for review by franchisees. Franchisor shall have the power to form, change, dissolve, or merge cooperative advertising.

6.10 Charges and Interest on Delinquent Payments. All delinquent payments of any sums due Franchisor pursuant to any provision of this Agreement will bear interest at the rate of 18% per annum or the highest rate permitted by law, whichever is lower, and each will be subject to an administrative charge of $100 to partially compensate Franchisor for its additional efforts in accounting for and collecting delinquent sums. This provision does not authorize or excuse late payment.

6.11 Application of Payments; No Offset by Franchisee. Franchisor may apply Franchisee's payments to any amounts then due or overdue from Franchisee to Franchisor or Franchisor's affiliates, whether consistent with Franchisee's instructions or not. Franchisee may not offset or attempt to offset any claim(s) of, or any actual amount(s) owed to, Franchisee from Franchisor, any affiliate of Franchisor, or from any other person, against any amount(s) Franchisee owes Franchisor, any of Franchisor's affiliates, or any other person.

6.12 No Accord or Satisfaction. Franchisor may accept any check or payment in any amount without prejudice to Franchisor's right to recover the balance of the amount due or to pursue any other right or remedy. No endorsement or statement on any check or payment, or in any transmittal documentation enclosing any check or payment, or elsewhere will constitute or be construed as an accord or satisfaction.

6.13 Transfer Fee. As one of the conditions to transferring or assigning this agreement, Franchisee shall pay Franchisor a non-refundable transfer fee equal to Ten Thousand Dollars ($10,000). The transfer fee may be increased by Franchisor from time to time to reflect increases in the national Consumer Price Index since the Effective Date.

6.14 Inspection and Audit of Books and Records. At any time during business hours and without prior notice to Franchisee, Franchisor may inspect and audit the business records, bookkeeping and accounting records, sales and income tax records and returns and other records of the Store, as well as Franchisee's books and records. Franchisee shall fully cooperate with Franchisor's representatives and accountants in any inspection or audit, and shall provide all such materials when, where, and in what form required by Franchisor.

6.15 Audit Charges. If any inspection or audit discloses a deficiency in payments to Franchisor, Franchisee shall immediately pay the deficiency. If the deficiency is two percent (2%) or more for any calendar month, then Franchisee shall also pay the cost of the audit as well as the travel, lodging, meals, compensation, reasonable professional service fees, and other expenses of the inspecting or auditing personnel. If an inspection or audit discloses an overpayment, Franchisor will credit Franchisee for the overpayment, which may apply to amounts due in the future but shall not, under any circumstance, entitle Franchisee to any form of refund.

6.16 Liquidated Damages for Certain Breaches. The parties acknowledge that in view of the nature of the franchise system and the difficulty of precise measurement of damage to Franchisor's trademarks and reputation, determining the precise amount of damage to Franchisor that would result from unauthorized deviation from any of Franchisor's standards, specifications, or requirements would be particularly difficult. Accordingly, to simplify the process of determining damages, the parties agree that for any breach comprised of unauthorized deviation by Franchisee from any of Franchisor's standards, specifications, or requirements, including but not limited to use or sale of unauthorized consumable or non-consumable items, beverage materials, or other non-authorized product, Franchisee shall pay Franchisor liquidated damages in the amount of One Thousand Dollars ($1,000) per breach and One Thousand Dollars ($1,000) for each day that the breach continues for a maximum amount of 30 days or Thirty Thousand Dollars ($30,000). This liquidated damages provision is not an exclusive remedy and does not excuse the breach. Failure to cure the breach immediately after notice shall be grounds for termination of this Agreement. This liquidated damages provision does not apply to breaches other than those described in this Section.

6.17 Renewal Fee. As one of the conditions to entering into a renewal franchise agreement, Franchisee shall pay Franchisor a non-refundable renewal fee of Ten Thousand Dollars ($10,000) for an additional five-year term as provided in Section 9.3.

Article 7 OBLIGATIONS OF FRANCHISEE

7.1 Maintenance of Location. Franchisee shall obtain and then maintain the right to occupy the premises of the Store during the entire Term. Franchisee shall provide Franchisor with a copy of the proposed deed, proposed lease, and other proposed instruments pertaining to Franchisee's ownership or right to occupy the Store premises at least 10 calendar days before executing or agreeing to any such instrument. Franchisee shall not execute or agree to any such instrument without first obtaining Franchisor's written consent.

7.2 Store Lease, Construction, and Lien Waivers. Franchisee must secure an approved site and execute a lease for the store within six (6) months from the date of execution of this Agreement. Franchisee shall hire an architect and general contractor from a list of Franchisor-approved architects and general contractors. (Franchisee may request Franchisor's approval of another architect ("Franchisee's Architect"), and, subject to Franchisor's approval of Franchisee's Architect and Franchisee's payment to Franchisor of Five Thousand Dollars ($5,000) to compensate Franchisor for the work of Franchisor's staff with Franchisee's Architect to ensure that he or she fully understands and implements the brand image and identity into the plans, Franchisee may use Franchisee's Architect.) Franchisee shall cause the Store to be constructed at the Franchisor-approved location in accordance with the Franchisor-approved plans and specifications and in accordance with all applicable laws and regulations. Within sixty (60) days of the completion of construction, Franchisee shall have obtained lien waivers from the general contractor, all subcontractors and all suppliers of materials for the construction of the Store.

7.3 Opening Date. Franchisee shall open the Store for business to the public ("Opening Date") within ninety (90) days after the landlord delivers the premises or Franchisee accepts possession of the premises ("Delivery Date"). Franchisor may, in its sole discretion, extend the Opening Date by written notice to Franchisee. If Franchisee fails to open the Store on or before the "opening date," Franchisee shall pay the Franchisor One Thousand Four Hundred Dollars ($1400) per month (prorated for partial months) from the original Opening Date (as defined above) until such time that the Store actually opens for business. Each payment shall be due and payable in arrears on the first day of the first month immediately following the original Opening Date as defined above.

7.4 Franchisee Services. Franchisee shall offer for sale only products that Franchisor approves from time to time for sale at franchised Yogurtland® stores. Franchisor may from time to time add to, delete, or modify products authorized for sale. Franchisee shall offer continuously all products that Franchisor authorizes Franchisee to sell from time to time. Franchisee shall maintain high professional and ethical standards, observe preferred suppliers program requirements, if any, established by Franchisor, and shall conduct no other business under Franchisor's Marks without Franchisor's prior written consent, which may be withheld in Franchisor's sole discretion. Franchisee shall only sell finished Yogurtland® products that have been approved for sale at the Store and only to retail customers. Franchisee shall not sell any Yogurtland® products, whether finished or unfinished, to any person or entity for resale.

7.5 Full Time Effort. In addition to Franchisee's other obligations in this Agreement, Franchisee shall at all times devote Franchisee's best efforts to operating the Store so as to maximize sales and revenues in compliance with this Agreement and the Manual and applicable law. Franchisee, or a manager identified by Franchisee and consented to by Franchisor in writing, shall be devoted on a full-time basis to active management of the franchised business. If Franchisee is a business organization, then Franchisee shall designate an individual on whom Franchisor may rely for the personal active management of the franchised business pursuant to this Section 7.5. Franchisee shall ensure that at least one fully trained employee shall operate the Store during operating hours.

7.6 Franchisee's Engagement and Staffing. Franchisee shall serve as (or else employ) the General Manager and shall devote himself or herself on a full time, exclusive basis to the successful development, management, operation, and promotion of the franchised business. Without limiting the generality of the foregoing responsibilities, throughout the Term Franchisee shall also:

a) staff and operate the Store in a clean, safe and orderly manner, providing courteous, first-class service to the public seven days each week for at least the hours directed in the Manual (unless different hours or specific closure days have been expressly approved in writing by Franchisor);

b) order and maintain an adequate level of supplies and inventory to properly operate the Store as specified in the Manual;

c) diligently promote and make every reasonable effort to increase the revenues and enhance the goodwill of the Store and of the System;

d) Advertise the business of the Store by the use of the Marks and such other insignia, slogans, emblems, symbols, designs, and other identifying characteristics as may be developed or established from time to time by Franchisor and included in the Manual;

e) Prevent the use of the Store for any immoral or illegal purpose, or for any other purpose, business activity, use, or function that is not expressly authorized herein or in the Manual; and

f) Display at the Store brochures supplied from time to time by Franchisor describing the availability of the Yogurtland franchise opportunity.

At all times from the date the Store first opens for business to the end of the Term, Franchisee shall cause there to be not less than two (2) individuals who have completed the initial training course to Franchisor's satisfaction (each a "Trained Manager") available to manage the Store on a full-time basis and at least one of the Trained Managers shall serve as the general manager of the Store. The individuals serving as Trained Managers may be Franchise Owners or full-time employees of the franchise business. In the event that at any time after the Store first opens for business, Franchisee fails to have a Trained Manager serving on a full-time basis as the Store's general manager, then Franchisee shall have five (5) business days to notify Franchisor in writing of such vacancy and shall have ninety (90) days from the first day without a Trained Manager serving as the general manager of the Store on a full-time basis to fill such general manager vacancy with a Trained Manager on a full-time basis.

7.7 Hours of Operation. Franchisee shall operate the Store continuously during hours that Franchisor specifies from time to time, which may require Franchisee to open for business as early as 7 a.m. and require Franchisee to stay open until as late as midnight or later, and to be open as many as seven (7) days per week, and up to 365 days per year (366 days in a leap year). Franchisee acknowledges that Franchisee may be required to be open more or longer or otherwise different hours than Franchisor requires of other franchisees or Franchisor owned stores.

7.8 Test Markets. At the request of Franchisor, Franchisee shall cooperate and participate in the test marketing of products or services that Franchisor has deemed of potential value to the System. The timing, terms, procedures, advertising, promoting, and all other aspects of the test marketing shall be determined by Franchisor in its good faith discretion. Franchisee shall be fully responsible for purchasing ingredients, packaging, etc. required for such test marketing, and Franchisor shall be responsible for providing Franchisee with the use of any additional equipment required for the test. Any and all effects on the performance of the franchised business shall be solely the responsibility of Franchisee.

7.9 Employees. Franchisee shall assure that Franchisee's personnel are qualified, properly trained, and competent to perform the services required of them. At least one member of Franchisee's staff at the Store shall be certified by local authorities as a ServSafe operator during all shifts. Franchisee shall, at Franchisee's expense, cause all replacement store managers to satisfactorily complete Franchisor's training program prior to commencing employment.

7.10 Quality Control and Inspection. Franchisee shall operate the Store in accordance with Franchisor's standards of quality, production, appearance, cleanliness, and service as prescribed by Franchisor and the Manual. At any time during business hours and without prior notice to Franchisee, Franchisor shall have the right inspect the Store premises and operation to ensure compliance with these requirements, including but not limited to the customer area, kitchen, offices, and any other part of the Store premises. Franchisee hereby consents to the video, audio and other recording of such inspections as Franchisor may determine in its sole discretion to be helpful. Franchisor shall have the right to require Franchisee to install and monitor security cameras at the Store and to provide copies of tape recordings to Franchisor upon request. Franchisee shall comply with all applicable privacy laws in connection with the installation and monitoring of such security systems.

7.11 Solving Customer Complaints. Franchisee shall provide prompt attention and response to any customer complaint and shall use its best efforts to resolve such complaint to customer's satisfaction. Franchisee shall inform Franchisor of any complaint that Franchisee fails to resolve to the customer's satisfaction within seven (7) days. Franchisor shall have the right, but no obligation, to elect to assist or elect to mandate a resolution to the customer complaint. Franchisee shall, at Franchisee's sole expense, implement any resolution that Franchisor directs.

7.12 Permits and Licenses. Franchisee shall obtain and maintain all permits and licenses required for the operation of the franchised business.

7.13 Financial Statements. For each full and partial calendar year throughout the Term, Franchisee shall provide Franchisor with Franchisee's then most recent, detailed, annual income, profit and loss statement, and balance sheet. Franchisee shall submit these to Franchisor no later than the thirtieth (30th) day after the end of each fiscal year of Franchisee, using those forms that Franchisor prescribes and accurately reflecting all sales and other financial data requested by Franchisor, together with a copy of Franchisee's corresponding federal tax return, and certifying the accuracy and completeness of each such submission to Franchisor. Upon request from Franchisor, Franchisee shall also provide Franchisor with quarterly financials statements and other data and information regarding financial and operational results of the franchised business in the frequency, format and medium that Franchisor specifies from time to time.

7.14 Records and Reports. Franchisee shall submit to Franchisor weekly and monthly sales reports, as well as other intervals or periods requested by Franchisor, on such forms prescribed by Franchisor. Franchisee shall maintain copies of all records and reports concerning the franchised business that Franchisee files with federal, state, and local government agencies for at least seven (7) years and shall provide copies of those reports to Franchisor when filed.

7.15 Restricted Purchasing. Franchisee shall purchase all food ingredients, construction and packaging materials, supplies, equipment, stationery, and other items or services from Franchisor or third party sources designated or approved in writing by Franchisor from time to time. Franchisee acknowledges that Franchisor may elect to be the sole authorized source for various items and services. Franchisor reserves the right to require that Franchisee purchase and use specific brand items and services in operating the Store. Franchisor shall have the right to the benefit of all discounts, volume rebates, administration fees, commissions, advertising allowances, or other advantages which Franchisor and its affiliates may obtain from any person supplying products or services to Franchisee or other Yogurtland franchisees. Such food ingredients, materials, supplies, equipment, stationery, other items, and services include all signage, décor materials, lighting and plumbing fixtures, flooring, furnishings, food production equipment, point-of-sale and communications equipment, food and beverage ingredients, packaging, paper goods, cleaning supplies, etc. Franchisee shall not have any claim or action against Franchisor in connection with any non-delivery, delayed delivery, or non-conforming delivery of or by any supplier or distributor whether or not approved by Franchisor.

7.16 Alternative Suppliers. If Franchisee wants to purchase required ingredients, materials, equipment, furniture, or items or services from a source other than Franchisor or Franchisor's approved suppliers, Franchisee shall first submit information to Franchisor concerning the proposed supplier and pay Franchisor's then current supplier evaluation fee. The submitted information shall include a complete description of the history and credit rating of the proposed supplier, description of what goods or services Franchisee wants to purchase from the proposed supplier, information relevant to the proposed supplier's ability to satisfy Franchisor's standards, ability to provide reliable service, references, and other information that Franchisor may request or designate from time to time. Franchisee shall arrange for the proposed supplier to cooperate in testing or analysis in a manner that Franchisor designates, and at the expense of Franchisee or the supplier, to enable Franchisor, in its sole discretion, to ascertain whether the supplier and proposed goods or services to be purchased are of satisfactory quality, reliability, and other characteristics. Franchisor will endeavor to notify Franchisee in writing whether Franchisor approves or disapproves the proposed supplier and proposed goods or services and the reasons for any disapproval, all within fifteen (15) business days after Franchisor's receipt of all information that Franchisor deems necessary to make its decision.

7.17 Franchisor as Supplier or Distributor. Franchisor also reserves the right to open Franchisor-owned commissaries or other facilities to supply the Chain, including Franchisee. At any time or from time to time, Franchisor may also, at its sole option, work with third parties to obtain, supply, store, or distribute inventory to Franchisee certain products or services approved by Franchisor for use by Franchisee in the franchised business. In such event, Franchisor shall be entitled to recover the reasonable cost to Franchisor of administering the inventory and distribution of any such products or services directly from Franchisee or as part of the fees charged Franchisee by any such supplier or distributor.

7.18 Point of Sale System, Independent Access. Franchisee shall purchase from Franchisor or other entity designated by Franchisor point of sale electronic cash register(s) or computer systems ("POS System") meeting specifications designated by Franchisor. Franchisor shall have the right to require that the POS System connect electronically with and provide electronic access from equipment of Franchisor. Franchisee shall execute any and all necessary agreements and pay reasonable acquisition, service, maintenance, upgrade, and other, related fees and charges for the installation, set-up, maintenance, servicing, use, and other aspects of the POS System. Franchisee shall arrange to provide Franchisor with independent, direct access to all information and data in or generated by Franchisee and Franchisee's Point of Sale System and store management system. Franchise shall not modify any POS function in any manner that would block or in any way impair Franchisor's access to Franchisee's computer systems, including the POS System.

7.19 Surveys. Franchisee shall present to customers of the Store, evaluation and survey forms that Franchisor requests from time to time, and Franchisee shall participate in and ask customers to participate in any evaluations and surveys performed by Franchisor or on

Franchisor's behalf, including providing promotional rewards to customers at Franchisee's expense, in exchange for such participation.

7.20 Standards. Franchisor shall have the right to establish standards, specifications, and procedures for any or all aspects of the Store, including size, construction materials, floor plan, exterior treatment, interior treatment, signage, lighting and fixtures, equipment, flooring, furniture, heating ventilation and air conditioning system, security system, communication system, etc. Franchisee shall comply with all such standards, specifications, and procedures imposed by Franchisor. Franchisee shall subscribe to, install, and use any equipment and services required by Franchisor, including but not limited to a water filtration system and any other products or services required from time to time by Franchisor.

7.21 Modifications. Franchisor shall have the right, but no obligation, from time to time to modify selected or all elements of the Yogurtland System. Franchisee acknowledges that modifications may result in additional expenses to Franchisee and may require Franchisee to invest additional capital in the Store. Franchisee shall timely implement modifications when requested by Franchisor. Such modifications shall be deemed to have taken place pursuant to the terms of this Agreement, and do and will not constitute modifications of this Agreement.

7.22 Signage. Franchisee shall display at the Store all and only those interior and exterior signs, menu boards, point of sale materials, and displays that Franchisor has supplied or approved in writing from time to time.

7.23 Construction Permits. Franchisee shall obtain all permits and licenses required to construct, occupy, and operate the Store in compliance with plans and specifications furnished to Franchisee by Franchisor, or otherwise approved by Franchisor; provided, however, Franchisee shall be fully responsible for review, modification (if applicable), and approval by a duly licensed architect to ensure that the Store as built (and, as applicable, as modified) complies fully with all applicable laws, regulations, and guidelines, including but not limited to the Americans with Disabilities Act.

7.24 Store Remodeling. Not sooner than the fourth (4th) anniversary of the Operations Commencement Date (as defined below in Section 9.1), Franchisor may require Franchisee, at Franchisee's expense, to remodel the Store to the then current Yogurtland standards, format, design and image, pursuant to plans and specifications designated by Franchisor, and Franchisee shall complete such remodel not later than one hundred eighty (180) days after written notice from Franchisor. Franchisee shall not be required to undertake such remodeling more than once during the Term, except as a condition for grant of a renewal term.

7.25 Equipping. Franchisee shall purchase and install all fixtures, furnishing, equipment, and signs required to operate and shall operate the Store strictly according to the Manual.

7.26 Inventory. Franchisee shall purchase an opening inventory of Yogurtland® products, other inventory, and supplies according to the requirements in the Manual.

7.27 Quality. All goods and services that Franchisee offers to the public shall satisfy high quality standards that Franchisor establishes in the Manual and elsewhere, which may be updated from time to time.

7.28 Prices. Except as provided below, Franchisee shall determine all pricing to Franchisee's customers. Franchisor may from time to time suggest prices. There is no representation that adherence to Franchisor's suggested pricing will increase or maximize revenues. Notwithstanding the above, when and where permitted by law, Franchisor may require Franchisee to adhere to reasonable minimum or maximum pricing requirements or restrictions.

7.29 Vending Machines, Phones, Video Game Equipment, Etc. Franchisee shall not install or operate in the Store any ATM machine, public telephone, jukebox, vending machine, lottery ticket terminal, video game, or any other game or machine without Franchisor's prior written consent, which consent may be withheld or granted within Franchisor's sole discretion. Franchisee shall not make any addition to or change in the physical appearance, decor, characteristics, or style of the Store without the prior written consent of Franchisor, which consent may be withheld or granted within Franchisor's sole discretion. Franchisor shall have the right to remove any unauthorized material at Franchisee's expense.

7.30 Photography Release. Franchisee hereby consents to the periodic taking by Franchisor of photographs of himself or herself (or if Franchisee is a business organization, its owners) and the use of such photographs by Franchisor for any purpose in connection with the Yogurtland System. At execution of this Agreement, Franchisee shall execute and deliver to Franchisor a Photography Release in the form attached to the Franchise Disclosure Document as an exhibit.

7.31 Franchisee's Payment Obligations; Stored Value Card Program. Franchisee shall pay promptly when due all obligations incurred directly or indirectly in connection with the franchised business, the Store, or its operation, including all taxes and assessments that may be assessed against the Store land, building, other improvements, equipment, fixtures, signs, furnishings, or other property, and all liens and encumbrances of every kind and character created or placed upon or against any of said property, and all accounts and other indebtedness of every kind and character incurred by or on behalf of Franchisee in the conduct of the franchised business.

The System utilizes a stored value card program that includes the offering, sale, acceptance and redemption of Yogurtland stored value cards (including gift cards). In order to ensure payment to Yogurtland operators for their redemption of Yogurtland stored value cards, Franchisee is and shall be required to participate in the program, which includes the centralization and deposit into a central account of System revenues from the sale of Yogurtland stored value cards at or from franchised and Franchisor's affiliates-operated Yogurtland Stores in the USA. The administration, distribution and accounting of the funds in the centralized account (which may be held in the name of Franchisor) is and shall be performed by Franchisor, and the first priority for use of the funds in the centralized account is payment to the Store operators for their redemption of Yogurtland stored value cards. As a component of the Yogurtland System, the program is subject to addition, modification and deletion in accordance with Section 7.21 above and otherwise.

7.32 Taxes. Franchisee shall be solely responsible and shall pay, and Franchisor shall have no liability for, any sales, use, service, occupation, excise, gross receipts, income, property, or other tax, whether levied on Franchisee or Franchisee's assets or on Franchisor, arising from or in connection with Franchisee's sales or the business conducted by Franchisee, except for taxes that Franchisor is required by law to collect from Franchisee with regard to purchases from Franchisor and except for Franchisor's own income taxes. In the event any governmental entity would impose a tax (other than income tax) on Franchisor's receipt of royalties, then the royalty rate shall be automatically adjusted up to a new rate that would provide Franchisor with the same net royalty as prior to imposition of such tax.

7.33 Compliance with Laws. Franchisee shall operate the franchised business in compliance with all applicable laws, rules, regulations and orders of all governmental authorities with jurisdiction over Franchisee or the franchised business, including those regarding wage and hour, employment, Americans with Disabilities Act, food safety and service, and public accommodations. Franchisee shall obtain and at all times maintain all necessary permits, certificates and licenses necessary to conduct the franchised business in the locality within which the Store is situated. Franchisee shall promptly notify Franchisor of any inspection or other regulatory reports or charges, litigation, arbitration, disciplinary action, criminal proceeding, or any other legal proceeding or action brought against or involving the franchised business, Franchisee, or any entity affiliated with Franchisee, or any Franchise Owner, which notification shall include a complete copy of the documentation received from the governmental agency or other opponent in the matter, plus any additional materials or information reasonably requested by Franchisor from time to time.

Article 8 OBLIGATIONS OF FRANCHISOR

8.1 Site Assistance. Franchisee acknowledges and agrees that Franchisee is responsible to select, acquire (by purchase or lease), and develop the premises and the Store. Franchisee shall not commence any construction of the Store without first obtaining Franchisor's written consent to the proposed location. In determining whether to consent, Franchisor may consider any factors relevant in Franchisor's sole determination, which may include, but are not limited to size, appearance, other physical characteristics of the premises, and demographic characteristics, traffic patterns, competition from other businesses in the area, and other commercial characteristics. Franchisee acknowledges that consent by Franchisor is not any form of assurance or recommendation regarding suitability or any particular results of the location. If the premises are to be leased, Franchisee shall provide Franchisor a complete copy of the fully executed lease within five (5) business days of execution. Franchisee shall use its best efforts to cause the provisions contained in the Lease Rider attached as **Exhibit "B"** hereto to be included in the lease. If Franchisor and Franchisee do not agree on a location for the Store within one hundred fifty (150) days from the Effective Date, either party shall have the right to terminate this Agreement. On termination under this Section, there shall be no refunds and Franchisor shall retain the Initial Franchise Fee and all other fees paid.

8.2 Layout and Interior Design Plans. Franchisee shall hire at Franchisee's expense a Franchisor-approved, licensed architect or general contractor to conduct a site survey of the premises and to prepare as-built drawings for the job site after the lease for the Store is signed and the foundation and exterior walls have been put in place. Franchisee's architect shall also submit to Franchisor a preliminary design and layout of the Store's interior and exterior for review and approval by Franchisor. In accordance with Section 6.2 above, Franchisee shall pay Franchisor a Limited Construction Management and Information Technology Staging Services Fee in the amount of Five Thousand Dollars ($5,000) within ten (10) days of Franchisor's approval of the location for the Store in conjunction with Franchisee's entering into with Franchisor a Limited Construction Management Services Agreement in the form of an exhibit attached to the Franchise Disclosure Document. This fee is fully earned by Franchisor when paid and is not refundable under any circumstances. Subject to Franchisor's approval of Franchisee's preliminary design and layout, Franchisee's architect shall produce, at Franchisee's expense, full plans for the Store, which shall be subject to Franchisor's written acceptance. Franchisor shall review and either accept or provide comments on the plans and specifications. Franchisee shall not modify any plans or specifications accepted by Franchisor without first obtaining Franchisor's written consent to the modification. Franchisee shall not start construction of the Store until final plans and specifications have been accepted in writing by Franchisor. Franchisee shall submit to Franchisor a complete set of final plans and specifications before starting construction of the Store.

Franchisee is solely responsible to construct and develop the Store and to obtain any financing needed to do so. Franchisee shall retain only Franchisor-approved, licensed contractors to perform construction as specified in this Section 8. Franchisee acknowledges and agrees that nothing in this Section or elsewhere in this Agreement shall be construed to obligate or make Franchisor liable to Franchisee or any third party for any failure of the Store or related premises to comply with all laws, regulations, and guidelines, including the Americans with Disabilities Act.

8.3 Limited Construction Management Support. Franchisor shall provide Franchisee with limited construction management and information technology staging services, including store build-up process assistance, including providing a build-out handbook, interior and exterior prototype designs, equipment specifications, among other things. Franchisor shall not be responsible for any delays caused during the build-out process.

8.4 Opening Assistance. Franchisor shall provide Franchisee with on-site opening assistance of 40 hours, if this Agreement pertains to Franchisee's first Yogurtland Store; of 24 hours, if this Agreement pertains to Franchisee's second Yogurtland Store; and, 16 hours, if this Agreement pertains to Franchisee's third Yogurtland Store. Franchisee shall pay all costs and expenses incurred by Franchisor's staff in providing such opening assistance, including but not limited to, airfare, travel, lodging, and meal expenses.

8.5 Supplies and Supplier Information. Franchisor shall provide Franchisee information that Franchisor deems appropriate concerning sources of fixtures, furnishings, equipment, signs, inventory, and supplies for use in operating the Store.

Article 9 TERM, RENEWAL, AND TERMINATION

9.1 Initial Term. The initial term of this Agreement (the "Term") starts on the Effective Date and automatically expires at the close of business on the day immediately before the tenth (10^{th}) anniversary of the Operations Commencement Date, which date is defined as the earlier of: a) the 180^{th} day immediately following the Effective Date, or b) the date the Store first opens for business. The date that the Store first opens for business shall be confirmed by written notice from Franchisee to Franchisor within five (5) days of the date the Store first opens for business.

9.2 Renewal. Subject to Franchisee's timely fulfillment of each of the conditions set forth in Section 9.3 below, Franchisee shall have the right to renew this Agreement for one (1) additional term of five (5) years.

9.3 Renewal Conditions. To qualify for a renewal term as provided in Section 9.2 above, Franchisee shall fulfill each and all of the following conditions: (a) Franchisee shall have fully complied with this Agreement continuously throughout the Term; (b) Franchisee shall deliver written notice of Franchisee's intent to renew at least one hundred eighty (180) days but no more than three hundred sixty-five (365) days before expiration of the Term; (c) Franchisee shall be in full compliance with this Agreement at the time of requesting renewal and at the end of the Term; (d) the notice of intent to renew shall be accompanied by Franchisee's payment of a renewal fee described in Section 6.17; (e) not less than ten (10) business days prior to expiration of the Term, Franchisee shall execute Franchisor's then current form of Franchise Agreement to cover the 5-year renewal term, which may include new and different terms, new and higher fees, and other differences from this Agreement; (f) before the start of the renewal term Franchisee shall sign a general release of all known and unknown claims against Franchisor, including a waiver of rights under Section 1542 of the California Civil Code; (g) not more than twelve (12) months prior to the expiration of the Term, Franchisee shall have remodeled, redecorated, renovated, and upgraded the Store to Franchisor's then current standards for Yogurtland® Stores; and, (h) Franchisee shall have paid and shall be current on all amounts due to Franchisor and affiliates of Franchisor and third party creditors. Failure of any of these conditions precedent shall constitute an election by Franchisee not to renew this Agreement.

9.4 Termination by Franchisee. Franchisee shall have the right to terminate this Agreement if Franchisor materially breaches this Agreement and fails to cure the breach, provided that before any such termination, Franchisee shall have delivered written notice of the breach to Franchisor stating the details of the breach and providing Franchisor thirty (30) days to cure or, for a breach that cannot be cured in that period, thirty (30) days to start efforts to cure and to complete the cure when practical for Franchisor.

9.5 Franchisor's Termination Rights After Franchisee's Failure to Cure. Except as stated in Section 9.6 (where immediate termination shall be appropriate), Franchisor shall have the right to terminate this Agreement effective on Franchisee's failure to cure a breach of this Agreement or of any other agreement with Franchisor or any affiliate of Franchisor, within thirty (30) days after delivery of written notice of the breach; provided, however, that if the nature of Franchisee's default is such that more than thirty (30) days is reasonably required for its cure, then Franchisee shall not be deemed to be in default if Franchisee commences the cure within this time and thereafter diligently prosecutes the cure to completion; provided however, in no event shall Franchisee have more than ninety (90) days after the notice of breach to fully cure such default.

9.6 Franchisor's Termination Rights Without Opportunity to Cure. Franchisor shall have the right to terminate this Agreement immediately, without permitting Franchisee any opportunity to cure, in any of the following events:

i. Franchisee fails to secure a Franchisor-approved location and execute an appropriate lease for that location within six (6) months of the Effective Date;

ii. Franchisor reasonably determines that continued operation of the franchise by Franchisee would present an imminent danger to public health or safety;

iii. Conduct of the franchised business in a manner that in Franchisor's good faith, reasonable judgment materially and adversely affects the goodwill or reputation of the Yogurtland® brand;

iv. Franchisee fails for a period of ten (10) days after notification of noncompliance, to comply with any federal, state, or local law or regulation whether or not the conduct or noncompliance is later corrected;

v. Franchisee abandons the franchise by failing to operate the franchised business for three (3) or more consecutive days when Franchisee is required to operate the franchised business so that it is reasonable for Franchisor to conclude that Franchisee does not intend to continue to operate the franchised business, unless that failure is due to fire, flood, earthquake, or other, similarly catastrophic event;

vi. Any purported assignment, transfer, or sublicense of this Agreement or of rights in this Agreement without the prior written consent of Franchisor;

vii. Franchisee becomes insolvent or makes a general assignment for the benefit of creditors, or an admission of Franchisee's inability to pay Franchisee's obligations as they become due, or Franchisee files a voluntary petition in bankruptcy or initiates any composition, adjustment, liquidation, dissolution, or similar relief under any law, or Franchisee admits or fails to contest the material allegations of any pleading filed against Franchisee seeking such relief, or Franchisee is adjudicated bankrupt or insolvent, or a receiver is appointed for a substantial part of Franchisee's assets or the Store;

viii. The franchised business or Store premises are seized, taken over, or foreclosed by a government official exercising his or her duties, or seized, taken over, or foreclosed by a creditor, lien holder, or lessor;

ix. A final judgment against Franchisee remains unsatisfied for thirty (30) days (unless a *supersedeas* or other appeal bond has been filed); or a levy of execution has been made on the franchise or franchised business and is not discharged within five (5) days; or the attachment of an involuntary lien in the amount of $1,000 or more on any of Franchisee's business assets or property, which lien is not removed promptly and in any event, within fifteen (15) days;

x. Franchisee, or any officer or director, or any person owning an interest in Franchisee, is convicted of any criminal misconduct that is relevant to the operation of the Store or reputation of the Marks or Yogurtland System, or of any felony;

xi. Franchisee (or if Franchisee is a business organization, any owner, officer or director of Franchisee) makes or is discovered to have made any material misrepresentation relating to the acquisition or operation of the franchise or the franchised business or engages or is found to have engaged in conduct which reflects materially and unfavorably on the Marks, or on the operation or reputation of the Store or the Yogurtland System;

xii. Franchisee commits a fraud on Franchisor by submitting false sales reports that understate Gross Sales by two percent (2%) or more for the period of the reports;

xiii. Franchisee fails to pay fees or other amounts due to Franchisor or Franchisor's affiliate or fails to maintain or to obtain all of the insurance coverage as required under Section 12.1 of this Agreement within five (5) days after receiving written notice that the amount is past due;

xiv. Franchisee, after curing any breach, default, or other failure, engages within a three hundred sixty-five (365) day period in the same or similar conduct or noncompliance or suffers a recurrence of the breach, failure, or default, whether or not the conduct, noncompliance, or recurrence is corrected after notice; or

xv. Franchisee fails on three (3) separate occasions within a six (6) month period to comply with one or more requirements of this Agreement, whether or not corrected after notice.

9.7 Obligations After Termination. Following termination of this Agreement for any reason:

i. All renewal rights under Section 9.2 or otherwise shall be deemed to be void and of no further effect;

ii. Franchisee shall immediately cease to operate the Store and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a Yogurtland® Store or otherwise affiliated with the Yogurtland® brand;

iii. Franchisee shall immediately stop all use of the Marks, the Manual, and all elements of the Yogurtland® System, including all recipes, formulas, methods of operation, methods of preparation, and service of yogurt and beverage items, know-how, and trade secrets;

iv. As then requested by Franchisor, Franchisee shall immediately deliver to Franchisor all confidential materials, signs, sign-faces, sign-cabinets, marketing materials, forms, invoices, and other materials containing any Marks or otherwise identifying or relating to any Yogurtland® Store, business, or operation that are in Franchisee's possession, custody or control. If Franchisee fails to deliver any such materials within seven (7) calendar days after demand by Franchisor, then Franchisor shall have the right to enter the premises of the Store to retrieve such materials as are located there;

v. Franchisee shall immediately pay all amounts due to Franchisor and its subsidiaries and affiliates. In the event of termination for any default, such sums shall include all damages, costs and expenses, including reasonable attorney's fees, incurred by Franchisor as a result of the default, which shall remain until paid in full, a lien in favor of Franchisor against any and all of the personal property, fixtures, equipment, and inventory of the Store at the time of default;

vi. Unless Franchisor instructs otherwise in writing at the time of termination, Franchisee shall immediately in writing notify all telephone companies and telephone directory publishers that Franchisee's rights under this Agreement have ended and that Franchisee intends to execute, and Franchisee shall execute, all instruments needed to assign and transfer to Franchisor, the right to use the phone numbers and to conduct the directory advertising used and conducted by Franchisee at or concerning the Store. If Franchisee fails to do so within seven (7) calendar days after demand by Franchisor, then Franchisee is deemed to have irrevocably appointed Franchisor as Franchisee's attorney in fact to execute such instruments on Franchisee's behalf;

vii. If Franchisor does not purchase the Store as provided in Section 9.9, then Franchisee shall immediately remove all signs and designs containing Franchisor's Marks from both the exterior and interior of the Store, change the exterior and interior appearance of the Store sufficiently in Franchisor's judgment to de-identify it as a Yogurtland® store and in other respects as Franchisor requests;

viii. Franchisee shall comply with Sections 10.4 and 10.5; and,

ix. Franchisee shall cancel any and each of its assumed name or equivalent registrations that contains the Yogurtland® trademark or any other Marks of Franchisor. Franchisee shall provide Franchisor with such evidence as Franchisor requests to verify Franchisee's compliance with this obligation within twenty (20) calendar days after termination or expiration of this Agreement.

9.8 Continuance of Business Relations. Any continuance of business relations between Franchisor and Franchisee after termination of this Agreement will NOT be construed as a renewal, extension, or continuation of this Agreement.

9.9 Franchisor's Purchase Option Following Termination or Expiration.

(a) Following termination or expiration of this Agreement other than due to Franchisor's uncured breach, Franchisor (or Franchisor's assignee, if applicable) shall have the option, exercisable by delivering written notice to Franchisee within sixty (60) calendar days from the date of the termination or expiration, to acquire from Franchisee, any or all of the Store's physical assets (including equipment, fixtures, inventory, products, materials, and supplies) as selected by Franchisor (collectively, as selected by Franchisor, the "Assets");

(b) Franchisor shall have the unrestricted right to assign the option in Section 9.9(a);

(c) Franchisor shall be entitled to receive from Franchisee such representations and warranties satisfactory to Franchisor concerning Franchisee's ownership of the Assets, condition of and title to the Assets, and absence of any liens and encumbrances on the Assets, except as Franchisor in good faith deems acceptable in its judgment;

(d) The purchase price for the Assets shall be fair market value of the Assets (except actual cost for useable, unopened inventory and supplies); Franchisor shall have the right to set off from the purchase price all amounts due from Franchisee to Franchisor under this Agreement as well as any other amounts due to Franchisor's affiliates; in the event Franchisor and Franchisee do not agree on the fair market value of the Assets within three (3) business days of Franchisor's written offer to

Franchisee, they shall each appoint (within ten (10) business days of Franchisor's initial offer) an appraiser experienced in used foodservice equipment transactions to appraise the Assets within one week of appointment, both appraisals shall be provided to Franchisor and to Franchisee to further attempt to agree on the fair market value; if Franchisor and Franchisee are unable to agree on fair market value of the Assets within two (2) business days of such discussion, then Franchisor shall have the option of either: a) paying the average of the two appraisals and proceeding with the purchase (leaving Franchisee the option to bring a claim in arbitration for any difference between fair market value as determined by the arbitrator and what Franchisor has then paid for the Assets, which might result in the arbitrator determining that Franchisor paid more than fair market value and would be entitled to a partial refund); or b) canceling the exercise of Franchisor's purchase of the Assets;

(e) Franchisor shall pay Franchisee the purchase price (by corporate check, or offset, or a combination, as applicable) at closing of the purchase; the closing shall take place at a time and place designated by Franchisor within ninety (90) calendar days after Franchisee receives Franchisor's notice of exercise of the purchase option; at closing, Franchisee shall deliver to Franchisor an assignment (and other documentation as Franchisor deems appropriate) transferring good and marketable title to the assets selected by Franchisor, free of liens and encumbrances, with all sales and other transfer taxes paid by Franchisee;

(f) If Franchisor elects, then the parties shall comply with applicable Bulk Sales provisions of the Uniform Commercial Code in the state where the Store is located, and Franchisor shall have the right to delay the closing until such compliance is completed; and

(g) At Franchisor's election, as part of the purchase Franchisee shall deliver to Franchisor an assignment of the lease for the premises (or, if assignment is prohibited, a sublease for the full remaining term and on the same terms as Franchisee's lease); if Franchisee owns the premises, Franchisee shall lease the premises to Franchisor pursuant to the terms of a form lease reasonably designated by Franchisor, for a term selected by Franchisor up to 5 years with two successive 5-year renewal options at fair market rental during the initial and renewal terms.

9.10 Interim Management.

(a) If either (i) Franchisor exercises the option to purchase the Store's assets, then pending closing of Franchisor's purchase, or (ii) at any other time when Franchisor is concerned that continued operation by Franchisee may cause harm to the Marks or Yogurtland System or may endanger public health or safety, whether due to Franchisee's illness, death, or otherwise, then Franchisor shall have the right, but not the obligation, to elect to appoint a manager to maintain operation of the Store, or, at Franchisor's option, require Franchisee to close the Store without removing any assets.

(b) Franchisor's right in Section 9.9(a) does not establish any obligation to implement that right, whether as a lesser remedy to a breach or threatened breach by Franchisee or for any other reason. Franchisor may assume operation of the Store under Section 9.10(a) for ninety (90) calendar days (the "Management Period") upon written notice to Franchisee. Franchisee shall cooperate fully with the transition of operations management to Franchisor or Franchisor's designated representative. The Management Period may be extended by Franchisor, in its reasonable discretion, for a period of up to twelve (12) consecutive months.

(c) If Franchisor appoints a manager to manage the Store pending closing of the purchase, or for another period of time or circumstances, then all funds from operation of the Store during the period of management by the appointed manager will be paid into a separate fund (the "Interim Management Fund"), and all expenses of the Store, including compensation, travel and living expenses of the manager, will be charged to and paid from that fund. In addition, as compensation for the management services, Franchisor shall be paid each month from the Interim Management Fund the greater of Five Thousand Dollars ($5,000) or ten percent (10%) of Gross Sales during such month, in each case prorated for partial months.

(d) Operation of the Store during the period of management shall be on Franchisee's behalf, with Franchisor having a duty only to use Franchisor's good faith effort to manage the Store and without liability to Franchisee for debts or obligations incurred by, at or through operation of the Store or to any of Franchisee's creditors for any goods or services purchased by or for the Store during the period of management by a manager appointed by Franchisor. During this period of management, Franchisee shall cooperate with Franchisor to ensure smooth operations of the Store and shall maintain in force for the Store all insurance policies required by this Agreement.

Article 10. Protection of Intangible Property

10.1 Acknowledgment. Franchisor may disclose certain confidential information to Franchisee in the Manual, training, guidance, instruction, and other communications with and to Franchisee. Such confidential information may include site selection criteria and methodology, market development plans or strategies; store layouts, designs and specifications; equipment standards and specifications; marketing research, strategies, methods, techniques, specifications, standards, systems, procedures, sales techniques, customer solicitation and retention programs; customer data; recipes, food preparation methods; standards, specifications and procedures for ordering materials, equipment, ingredients and supplies; operating and financial results of specific Stores or groups of Stores within the Yogurtland Chain; and, any and all other information that is specified by Franchisor as confidential or is generally understood by business operators to be confidential. Franchisee acknowledges that the confidential information is proprietary to and includes trade secrets of Franchisor, and that Franchisee acquires no interest in the confidential information, other than the right to use the confidential information in operating the Store as provided herein.

10.2 Confidentiality. Franchisee shall keep strictly confidential Franchisor's marketing and operation plans and programs, suggested pricing, proprietary materials, and contents of the Manual, in addition to all other information and materials that Franchisor designates as "Confidential." If requested by Franchisor, Franchisee shall require Franchisee's directors, managers, officers, and employees to execute written agreements for the benefit of Franchisor in which they also agree to protect the confidentiality of all such confidential materials.

10.3 Concepts Developed by Franchisee. Franchisee shall fully and promptly disclose to Franchisor, all ideas, concepts, formulas, recipes, methods, techniques, and other possible improvements (each an "Improvement") relating to the development or operation of a quick service yogurt, snack food or drink business conceived or developed by Franchisee or Franchisee's employees during the Term. Any and all of such Improvements will automatically be deemed to be Franchisor's sole and exclusive property and works made-for-hire; provided, however, for any such Improvements that do not qualify as work made-for-hire for Franchisor, Franchisee hereby assigns ownership of that or those Improvements to Franchisor and covenants to execute whatever assignment or other documentation Franchisor requests in order to evidence such assignment and to assist Franchisor in securing intellectual property rights in the Improvement. Franchisee may not test, offer, or sell any new products without Franchisor's prior written consent, which may be withheld in Franchisor's sole discretion.

10.4 Agreement Not to Compete.

(a) The phrase "Covered Person" shall include (i) Franchisee and, collectively and individually all directors, officers, and holders of any direct or indirect beneficial interest of five percent (5%) or more of the securities or other equity interests of Franchisee; (ii) any corporation, limited liability company, partnership, or other form of business organization affiliated with or directly or indirectly controlling Franchisee, (iii) as to each Covered Person who is an individual, the spouse, and each relative living in the same household as each such person, and (iv) each person put in charge of the Store in the capacity of manager. To the extent that a Covered Person is a party to a valid and enforceable Non-Competition and Non-Disclosure Agreement (a "Non-Compete Agreement") with Franchisor, that Non-Compete Agreement shall control over the terms of this Section 10.4.

(b) The phrase "Competitive Business" means (a) any store, manufacturer, seller, reseller, distributor, or similar business specializing or in any way emphasizing yogurt, drinks, desserts, snacks, or similar foods located anywhere, or (b) any entity that is granting franchises or licenses to others to operate one or more stores specializing in or emphasizing yogurt, drinks, desserts, snacks, or similar foods.

(c) To assist Franchisor in protecting the confidential information against intentional or inadvertent misuse, during the Term and for three (3) years after it expires without renewal or terminates, neither Franchisee nor any Covered Person shall have any interest as an owner, investor, partner, lender, director, officer, manager, employee, consultant, representative, agent, or in any other capacity in any Competitive Business. Franchisee shall take all steps necessary to assure compliance with this provision by all Covered Persons. Any violation of this Section 10.4(c) by any Covered Person shall constitute a material breach of this Agreement by Franchisee.

(d) Franchisee and each Covered Person acknowledges that the scope of the restriction in Section 10.4(c) is narrow, and does not restrict anyone from engaging in the food service business outside of the narrow scope of Section 10.4(c) or from engaging in an entire trade or profession, and that Franchisee and each Covered Person has other considerable skills, experience, and education which afford Franchisee and each Covered Person the opportunity to derive income from other endeavors and therefore the covenants in this Section 10.4 will not impose any undue hardship on Franchisee or any Covered Person.

(e) The restrictions in this Section 10.4 shall not apply to ownership of (a) securities listed on a stock exchange or traded on the over-the-counter market that represent ten percent (10%) or less of the number of shares of the class of securities issued and outstanding or (b) other Yogurtland® stores operated pursuant to franchise agreements with Franchisor.

(f) Each of the covenants in this Section 10.4, and each portion of them, shall be construed as independent of any other covenant or provision. If all or any portion of a covenant is unenforceable due to its scope in terms of geography, duration, or activity covered or otherwise, but could be enforced if reduced in scope, then the parties shall be bound by any lesser covenant subsumed within the terms of the covenant imposing the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 10.4.

10.5 Hiring. During the term of this Agreement and for a period of two (2) years after its termination or expiration without renewal, Franchisee shall not recruit, hire or employ any person who is at that time, or was within the immediately preceding 6-month period, employed by Franchisor or by any franchisee of Franchisor, without first: a) obtaining the written consent of the applicable employer or former employer, or b) compensating such employer or former employer in an amount equal to the employee's aggregate compensation for the then most recent three months' of actual employment by such employer or former employer.

10.6 Employee Manager Covenants. Before permitting any manager to start employment, Franchisee shall obtain and provide to Franchisor a written agreement from that manager substantially in the form prescribed by Franchisor agreeing to be bound by the terms of this Article 10 as a Covered Person.

Article 11 TRANSFER

11.1 Assignment by Franchisor. Franchisor shall have the right to assign Franchisor's rights under this Agreement, in whole or in part, on one or more occasions, without Franchisee's consent or prior approval. This Agreement and the Franchisor's rights, interests and obligations hereunder shall inure to the benefit of any entity that succeeds to the business of the Franchisor and assumes the obligations of the Franchisor hereunder. Any such assignment by Franchisor shall constitute a release of Franchisor from obligations arising under this Agreement after the date of such transfer, and the transferee shall be liable to Franchisee as if the transferee had been an original party to this Agreement.

11.2 Franchisee Ownership; Restrictions on Franchisee Transfer. Franchisee's rights and obligations in this Agreement are personal to Franchisee. Franchisor has entered into this Agreement with Franchisee in reliance on Franchisor's perception of Franchisee Owner's individual, or as applicable Franchisee's Owners' collective, character, skill, aptitude, attitude, business ability, and financial capacity, including the relative interests and titles of Franchisee's owners and officers as set forth on **Exhibit "C"** attached hereto. Accordingly, Franchisee shall have no right to, and shall not attempt or purport to sell, assign, encumber, or transfer (all of which are hereinafter included within the term "transfer"), in whole or in part, any of Franchisee's interest in this Agreement, the franchised business licensed by this Agreement, the assets of the Store, or any ownership interest in Franchisee without first obtaining Franchisor's written consent which consent shall not be unreasonably withheld or delayed, so long as Franchisee meets all of the applicable conditions set forth below for the proposed transfer. Neither this Agreement nor any of the rights or interests conferred on Franchisee hereunder shall be retained by Franchisee as security for the payment of any obligation that may arise by reason of any such transfer. Except as expressly provided for herein, any attempt by Franchisee to transfer any of its rights or interests under this Agreement shall constitute a material breach of this Agreement and Franchisor shall have the right to terminate this Agreement upon written notice to the Franchisee. Franchisor shall not be bound by any attempted sale, assignment, transfer, conveyance or encumbrance in any manner whatsoever, by law or otherwise, of any of Franchisee's rights or interests under this Agreement.

11.3 Conditions to Transfer Consent. Among the conditions that Franchisor shall have the right to impose before granting consent to a proposed transfer by Franchisee are that (a) Franchisee or the proposed transferee pay Franchisor the transfer fee described in Section 6.13; (b) Franchisee and each Covered Person sign a general release of all known and unknown claims against Franchisor, including a waiver of rights under Section 1542 of the California Civil Code; (c) Franchisee pay all amounts owed to Franchisor, affiliates of Franchisor, and third-party creditors; (d) Franchisee provide Franchisor with a complete copy of all agreements and proposed agreements concerning the proposed transfer together with certified financial statements of the prospective transferee; (e) Franchisee and the proposed transferee make any changes to the terms of the transfer, which may include changes to the substantive terms, requirements for subordination of debt repayment, and other changes, sufficient to satisfy Franchisor with regard to financial viability of the business and the transferee after the transfer; (f) the proposed transferee provide Franchisor with a completed application and complete to Franchisor's satisfaction all Franchisor's requirements applicable to a new franchisee; (g) Franchisor is satisfied with, and the proposed transferee provides information to assist Franchisor to determine if Franchisor is satisfied with, the proposed transferee's character, business experience, aptitude, financial stability, and solvency; (h) the transferee enters into Franchisor's then current form of Franchise Agreement, which may contain fees and other terms that materially differ from the terms of this Agreement, but which shall be modified to provide for a term equal in duration to the remainder of the term under this Agreement; (i) the proposed transferee shall agree to upgrade, remodel, and refurbish the Store to Franchisor's then current standards; (j) prior to the completion of the transfer, the proposed transferee shall have attended and satisfactorily completed the Yogurtland two-week training program and paid the $5,000 training fee, (k) Franchisee and the proposed transferee obtain in writing, at Franchisee's expense, any required consent of the landlord of the premises of the Store, (l) the proposed transferee and each owner, as applicable, shall have fulfilled all other conditions and executes all other documentation (including personal guarantees) as then required by Franchisor, and (m) Franchisee or the prospective transferee pays Franchisor the Transfer Fee of $10,000, or such other amount as increased from time to time by Franchisor by an amount not to exceed the national Consumer Price Index over the period starting with the Effective Date up to the date of transfer.

After a transfer is approved and consummated, Franchisor will provide up to 32 hours of in-store operations guidance to the transferee's manager, if the Store is the first Yogurtland Store operated by the transferee; up to 24 hours, if the Store is the second Yogurtland Store operated by the transferee; and, up to 16 hours, if the Store is the third Yogurtland Store operated by the transferee.

11.4 Franchisor's Right of First Refusal. Franchisor shall have an absolute, unimpaired right of first refusal itself to accept the terms of any proposed transfer of any interest in this Agreement, the assets of the Store, the franchised business licensed by this Agreement, or in Franchisee, offered by Franchisee or by any one or more owners of Franchisee or offered to and proposed to be accepted by any of them, whether voluntarily, by operation of law or otherwise. If Franchisor exercises the right of first refusal, then Franchisor will also have the right but no obligation to substitute the reasonable equivalent in cash for any other form of payment proposed in the offer, and will have thirty (30) calendar days after notifying Franchisee of Franchisor's election to exercise the right of first refusal to prepare for closing. Franchisor shall also have the unfettered right to assign this right of first refusal to any of its affiliates or any other third party, as Franchisor elects. If a proposed transfer or series of transfers covering less than twenty-five (25) months, would either: a) involve more than fifteen percent (15%) of the outstanding stock or other ownership interest (whether direct or indirect) of Franchisee, or b) would effect a change in control of Franchisee, as defined below, then Franchisor will also have the right but no obligation to purchase not only the interest involved but also all the remaining interests, to acquire up to 100% of the outstanding interests in Franchisee, at a price proportionate to the price of the interests initially involved. For purposes of this Agreement, "change in control" shall mean any modification by transfer or otherwise the result of which is that either: a) the voting ownership interests of any Franchise Owner is reduced from greater than fifty percent (50%) to fifty percent (50%) or less, or b) the voting ownership interests in aggregate of all pre-modification or pre-transfer (whichever is applicable) Franchise Owners is reduced from one hundred percent (100%) of voting ownership interests to less than seventy-five (75%) of all outstanding voting ownership interests in Franchisee. If Franchisor exercises the right of first refusal, then at Franchisor's request, Franchisee shall also take all action necessary to cause the lease for the location and any other agreements designated by Franchisor, to be assigned to Franchisor. Nothing contained in this Subsection 11.4, Subsection 11.5, Subsection 11.6, or elsewhere shall in any way be deemed to impair Franchisor's discretion in considering, approving or disapproving any request to transfer any interest under this Agreement.

11.5 Exercise of First Refusal. To provide Franchisor the opportunity to exercise the right of first refusal, Franchisee shall deliver to Franchisor: a) a written notice stating all the material terms of the proposed transfer covered by the right of first refusal, b) complete and accurate copies of the purchase and sale agreement and every other agreement pertaining to the proposed transfer, and c) any additional information that Franchisor requests regarding the proposed transferee and the proposed transfer. All documentation described in the immediately preceding sentence is referred to as the "Transfer Documentation." Franchisee shall require its owners to provide Franchisee sufficient information to enable Franchisee to comply with this obligation with regard to a transaction proposed by any of the owners of Franchisee. Within fifteen (15) business days after Franchisor receives the notice and the last item of documentation to make the Transfer Documentation provided to Franchisor complete, Franchisor will notify Franchisee whether Franchisor exercises or waives its right of first refusal.

11.6 Non-Exercise of First Refusal. If Franchisor does not exercise the right of first refusal, Franchisor shall proceed to determine whether to consent or deny consent to the proposed transfer to the proposed transferee. Franchisor will notify Franchisee of Franchisor's decision, including the conditions of any consent, within a reasonable time after Franchisee and the proposed transferee have provided to Franchisor all of the information, documentation, interviews, and other items requested by Franchisor in its review of the proposed transfer and transferee. If the proposed transfer is not completed within 180 days after delivery of the offer to Franchisor, or if there is any material change in the terms of the transfer, then Franchisee shall again provide Franchisor notice of the purchase right provided for in Sections 11.4 and 11.5 and Franchisor's right of first refusal shall be reinstated. Franchisee shall provide to Franchisor a copy of the final purchase agreement covering the transfer, each amendment thereof (in each case within five business days of its execution), and the transfer's closing statement within five business days of consummation of the transfer.

11.7 Death or Disability. If Franchisee, or any owner of a Franchisee that is a business organization, dies or becomes permanently disabled, then the legal representative of the estate or conservator or equivalent for Franchisee or of the deceased or disabled principal owner shall have the right, during the one hundred eighty (180) days immediately following such death or disability, to: a) demonstrate to Franchisor that person's capability to satisfactorily continue to operate the franchise, or b) transfer the franchise or the deceased or disabled person's interest in the franchise or in Franchisee, to a transferee acceptable to Franchisor. This transfer shall be subject to Franchisor's right of first refusal under Sections 11.4 and 11.5, and to Franchisor's right to consent or deny consent under this Section 11. Failure to demonstrate ability to qualify as a Yogurtland franchisee or to dispose of the interest within the specified time shall constitute a breach of this Agreement. For this Agreement, a "permanent disability" means a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent Franchisee or an owner of Franchisee from supervising the operation of the Store for a period of six (6) or more months from the start of the disability, impairment, or condition.

11.8 Effect of Consent to Transfer. Franchisor's consent to a transfer shall not constitute a waiver of any claims Franchisor may have against Franchisee or the particular transferor, nor a waiver of Franchisor's right to demand full compliance by the transferee with the terms of this Agreement.

11.9 Franchisee as Business Organization. If Franchisee desires to conduct business through a corporation or other business organization, the Franchisor will consent to the assignment of this Agreement to a corporation approved by Franchisor, provided that Franchisee complies with the provisions hereinafter specified and any other condition which Franchisor may require, including restrictions on the number, identity, and legal status of stockholders of the assignee corporation. Such assignee corporation shall be closely held and shall not engage in any business activity other than that directly related to the operation of Yogurtland Stores franchised by Franchisor.

If Franchisee's rights are assigned to a business organization, the individual Franchisee named herein or otherwise expressly designated in writing by Franchisor shall at all times be the legal and beneficial owner of at least 51% of the stock of the assignee corporation, and shall act as such corporation's principal officer; provided, however, subject to the express prior written consent of Franchisor, such stock may be held in trust by a trustee under a trust indenture, with each trustee and beneficiary of such trust personally guaranteeing all of the obligations of Franchisee hereunder. Any issuance or transfer of stock in such corporation shall be treated for the purposes of this Agreement as a transfer of Franchisee's rights under this Agreement requiring Franchisor's consent as provided herein. Franchisee must prior to any issuance or transfer of any stock furnish Franchisor with a written notice containing the details of such proposed issuance or transfer in advance thereof. The Articles of Incorporation and the By-Laws of the assignee corporation shall reflect that the issuance and transfer of shares of stock are restricted, and all stock certificates shall bear the following legend, which shall be printed legibly and conspicuously on the face of each stock certificate:

> "The transfer of this stock is subject to the terms and conditions of a franchise agreement with Yogurtland Franchising, Inc. Reference is made to said franchise agreement and to restrictive provisions of the charter and by-laws of this corporation."

Franchisee acknowledges that the purpose of the aforesaid restriction is to protect Franchisor's trademarks, service marks, trade secrets and operating procedures as well as Franchisor's general, high reputation and image, and is for the mutual benefit of Franchisor, Franchisee and other franchisees of Franchisor. Franchisor shall not unreasonably restrict the issuance or transfer of shares of stock, provided that in no event shall any share of stock of such assignee corporation be sold, transferred or assigned to a business competitor of Franchisor.

11.10 Designated Successor Agent. Franchisee shall at all times throughout the term of this Agreement have on file with Franchisor the name of a designated successor agent, approved by Franchisor, and authorized by Franchisee to make, subject to and immediately upon the death or legal incapacity of Franchisee (or if Franchisee is not an individual, its designated agent), all operating decisions with respect to the Store business (including but not limited to hiring and severance of employment, voting in the Local Association, purchasing, maintenance, etc.). Not less often than once each calendar year, Franchisee shall confirm or change in writing such designated successor agent.

Article 12 INSURANCE AND INDEMNIFICATION

12.1 Insurance.

A. Franchisee shall procure before commencement of hiring of Store employees and shall maintain in effect thereafter throughout the Term at its sole cost and expense: (1) broad form comprehensive general liability coverage (which shall include products liability coverage), and broad form contractual liability and advertising injury coverage of at least Two Million Dollars ($2,000,000) aggregate and with any deductible or self-insured retention of no more than Ten Thousand Dollars ($10,000); (2) worker's compensation for Franchisee's employees per statutory requirements; (3) unemployment insurance covering Franchisee's employees per statutory requirements; (4) employer's liability insurance coverage of at least Two Million Dollars ($2,000,000) per occurrence; (5) fire and extended coverage insurance on the Store and Franchisee's property adequate to replace it in the event of an insured loss; (6) not less than six months' business interruption insurance in sufficient amounts to cover rental of the Store location, previous profit margins, payment of all continuing fees to Franchisor, maintenance of competent personnel and other fixed expenses; (7) state disability insurance for Franchisee's employees per statutory requirements; and (8) any other insurance required by law. For purposes of this Section A, "Franchisee's employees" shall include all individuals involved in the operation of the Store whether or not expressly employed by Franchisee.

B. Coverage Details. The coverages in Section 12.1.A shall (a) be in forms and amounts and with companies satisfactory to Franchisor but not less than the amounts stated; (b) include coverage for Franchisor and Franchisor's principals as additional insureds and provide that coverage applies separately to each additional insured against whom a claim is brought as if a separate policy had been issued to each additional insured; (c) by primary with respect to insurance maintained by Franchisor and shall not be limited in any way by reason of any insurance maintained by Franchisor; (d) provide indemnity for all obligations assumed by Franchisee in this Agreement and all other matters for which Franchisee is required to indemnify Franchisor under this Agreement; and (e) provide that Franchisor is entitled to receive at least thirty (30) days prior written notice of any intent to reduce coverage or policy limits, cancel, or otherwise amend the policy. Maintenance of such insurance and performance by Franchisee of its obligations under this Section shall not relieve Franchisee of any liability under the indemnity provisions of this Agreement or limit such liability.

C. Revisions. Franchisor shall have the right from time to time to revise minimum coverages, coverage amounts, and covered risks that Franchisee is required to obtain and maintain. Promptly after delivery of written notice to Franchisee of such revisions, Franchisee shall obtain and thereafter maintain insurance conforming to the revised requirements.

D. Proof. Franchisee shall promptly provide Franchisor with certificates of insurance evidencing the coverage required by this Agreement no later than ten (10) calendar days before the Store starts operating. Franchisee shall deliver to Franchisor a complete copy of Franchisee's then current policies of insurance within five (5) days after delivery of the certificates of insurance to Franchisee. Immediately on renewal or the purchase of replacement insurance Franchisee shall deliver to Franchisor a certificate of insurance for the new or renewal policy. Franchisor shall have the right at any time to require Franchisee to provide Franchisor full copies of any or all Franchisee's insurance policies and certificates of insurance.

E. Failure to Maintain Insurance. If Franchisee fails to purchase and maintain insurance required by Sections 12.1.A through 12.1.D. above, then Franchisor shall have the right, but no obligation, to obtain the insurance through agents and insurers Franchisor chooses, or such other insurance as Franchisor is able to obtain for such purpose. Franchisee shall, at Franchisor's election, immediately upon notice from Franchisor pay all premiums for such insurance or reimburse Franchisor for all premium payments made by Franchisor.

F. Disclaimer. Franchisor shall have no obligation to obtain or maintain any insurance for or on behalf of Franchisee. Nothing in this Agreement is an undertaking or representation that the insurance Franchisee is required to obtain and maintain will be a sufficient amount or scope of insurance for any purpose.

12.2 Indemnity. To the fullest extent permitted by law, Franchisee shall defend, indemnify and hold harmless Franchisor and Franchisor's affiliated entities, and their respective members, shareholders, managers, partners, directors, officers, employees, agents, representatives, and other personnel (the "Indemnified Parties") from and against all claims, losses, liabilities, demands, actions, damages, and expenses including attorney's fees incurred in connection with or arising from or relating to (a) any breach of this

Agreement by Franchisee, (b) any damages or injury to any customer, employee, or other person allegedly or actually suffered or incurred on or about the Store at any time; (c) product liability claims; (d) defective preparation by Franchisee of food or other products; (e) any acts or omissions by Franchisee or any of Franchisee's owners, directors, officers, employees, agents, or contractors; or (f) other activities or omissions of or relating to Franchisee's business, the premises of the Store, or Franchisee's performance of this Agreement. Franchisee's obligations in this Section 12.2 shall include actual, consequential, and incidental damages, and costs incurred in defense of any claim against any of the Indemnified Parties (including reasonable attorneys' fees and other, reasonable expenses of defending the Indemnified Parties).

In the event of any claim, legal action, or potential claim or legal action, against or naming as a defendant any of the Indemnified Parties, Franchisee shall notify Franchisor immediately (and in no event later than three [3] business days after Franchisee's becoming aware of such actual or potential claim or legal action), and Franchisee shall forward to Franchisor with such notice copies of all documentation (including correspondence and pleadings) relating to such claim or legal action. Franchisee's obligations under this Article 12 shall in no way be limited by any insurance coverage available to or maintained by any of the Indemnified Parties. Franchisor shall have the right to defend any such claim against Franchisor at Franchisee's expense. Franchisee's obligations in this Section 12.2 shall continue in full force and effect regardless of termination or expiration of this Agreement.

Article 13 RELATIONSHIP

13.1 Independent Contractors; Relationship of Parties. The parties intend to and shall be arms' length, independent contractors. Nothing in this Agreement is intended to establish any principal-agency, parent-subsidiary, joint venture, fiduciary, partnership, employer-employee, or other relationship, except where this Agreement expressly authorizes Franchisor to act as attorney-in-fact for Franchisee in specified circumstances. The parties intend by this Agreement to establish between Franchisor and Franchisee the relationship of franchisor and franchisee. Franchisee has no authority to create or assume in Franchisor's name or on behalf of Franchisor, any obligation, express or implied, or to act or purport to act as agent or representative on behalf of Franchisor for any purpose whatsoever. Neither Franchisor nor Franchisee is the employer, employee, agent, partner, fiduciary, or joint venturer of or with the other, each being independent of the other. Franchisee shall not hold itself out as the agent, employee, partner, or joint venturer of Franchisor, or the owner of the Marks. All employees or agents hired or engaged by or working for Franchisee will be the employees or agents of Franchisee only and will not for any purpose be deemed employees or agents of Franchisor, or the owner of the Marks, or subject to Franchisor's control. In particular, Franchisor shall have no authority to exercise control over the hiring or termination of such employees, independent contractors, or others who work for Franchisee, their compensation, working hours, or conditions, or the day-to-day activities of such persons, except to the extent necessary to protect the Marks. Each of Franchisee and Franchisor shall file its own tax, regulatory, and payroll reports with respect to its respective enterprise, operations, employees, or agents.

13.2 Principal Operator. Unless Franchisee is comprised of only one individual, Franchisee shall appoint one of the Franchise Owners with not less than twenty-five percent (25%) of the outstanding voting equity of Franchisee as the Principal Operator of the franchised business with full authority to manage and direct all operational, marketing, and staffing decisions and on all matters between Franchisee and Franchisor, the effectiveness of which appointment shall be subject to prior written acceptance by Franchisor of such Franchise Owner as Principal Operator. The authority of the Principal Operator shall remain unchanged until a successor Principal Operator is accepted by Franchisor, which acceptance shall not be unreasonably withheld.

Article 14 NOTICE

(a) All notices which the parties may be required or may desire to give under or in connection with this Agreement must be in writing and must be personally delivered, or sent either by certified mail, return receipt requested, postage prepaid, or reliable overnight delivery service, addressed as follows:

If to Franchisor:

PRESIDENT
Yogurtland Franchising, Inc.
17801 Cartwright Road
Irvine, CA 92614

If to Franchisee:

ATTN: PRINCIPAL OPERATOR
____
____
____

(b) The addresses herein given for notices may be changed at any time by either party by written notice given to the other party as herein provided. Notices will be deemed effective at the earlier of actual delivery or when first tendered at the appropriate address during normal business hours for the locale of the addressee.

(c) Notwithstanding the above, Franchisor may elect to utilize email or similar communications to Franchisee for the purpose of communicating System modifications, operations, marketing and other bulletins, menu changes, product or equipment safety or recall alerts, or any other message Franchisor determines, and Franchisee hereby acknowledges that such communications will constitute actionable communication under this Agreement and shall ensure that Franchisee's communications system includes the capability, and is set or programmed, to receive such communications from Franchisor on a continual basis throughout the Term. Franchisee must never opt out or refuse to accept any of such Franchisor communications at any time during the Term.

ARTICLE 15 CHOICE OF LAW, JURISDICTION, VENUE, AND DISPUTE RESOLUTION

15.1 Applicable Law. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 <u>et. seq.</u>), the Federal Arbitration Act (as provided above), or other federal law, the law of the State of California (without regard to principles of conflicts of law) shall govern all arbitration proceedings, lawsuits and other court proceedings arising out of this Agreement, breach, enforceability or validity, each a "Covered Matter"; provided, however, if the laws of the state where the Store is or is to be located require terms other than those or in addition to those in this Agreement or prohibit any terms in this Agreement, then this Agreement shall be deemed modified to comply with the applicable state laws, but only to the extent needed to prevent invalidity or illegality of this Agreement; provided further, no state law regulating the offer or sale of franchises, business opportunities or similar interests or governing the relationship between Franchisor and Franchisee will apply unless its jurisdictional requirements are met independently without reference to this Section 15.1. To the extent permitted by applicable law, Franchisee waives any provision of law that would otherwise render any provision of this Agreement prohibited or unenforceable in any respect.

15.2 Mediation. Except as expressly provided below to the contrary, in the event of any dispute between Franchisor and any other party hereto (including the Franchise Owners) arising out of or otherwise related to this Agreement, its alleged breach, enforceability, or validity (each a "Dispute") that is not resolved through direct negotiations within a reasonable time, each party shall next attempt to resolve such Dispute through mediation before a mediator (i) appointed by the International Institute for Conflict Prevention and Resolution ("CPR") and approved by the mediating parties in accordance with CPR's Mediation Guidelines, or (ii) a different mediator that all of the disputing parties agree to not later than fifteen (15) days after a party first gives notice of the Dispute and intent to mediate. Mediation will be conducted in Orange County, California, and will be conducted and completed within forty-five (45) days following the date either party first gives notice of mediation. The fees, charges, and reimbursements of the mediator shall be shared equally by the disputing parties.

15.3 Arbitration.

(a) Except as expressly provided below, any Dispute between (i) Franchisor, and (ii) Franchisee or any Franchise Owner(s), arising out of or relating to the relationship of Franchisor and Franchisee, or to this Agreement or to any other agreement between Franchisor and Franchisee or any Franchise Owner(s), or to the actual or alleged breach, scope, enforceability, or validity of this Agreement or of any of such other agreements, or of any provision of any of them (including the scope, enforceability, and validity of this Section 15.3) that is not resolved through direct negotiations or mediation will be resolved through binding arbitration, which may be commenced by either party before CPR, JAMS or ADR Services as the arbitration service, utilizing the chosen service's arbitration commencement procedures. The arbitration shall be conducted by and before a neutral, former judge chosen by agreement of the parties or, if not agreed within ten (10) business days of commencement of the arbitration, then in accordance with the neutral selection process of the chosen service. For purposes of avoiding any ambiguity, the issue of whether or not a particular dispute is to be resolved by a court or an arbitrator shall be determined by an arbitrator pursuant to this Section 15.3.

The arbitration shall be so scheduled by the arbitrator that the last hearing date of the evidentiary proceedings shall occur no later than the 275th day after the date the arbitration proceeding is commenced, and each party shall be responsible to ensure that all of its representatives, witnesses and counsel are available for not less than three full weeks (in each case, Monday through Friday) during the five full weeks immediately preceding such 275th day. The fees, charges, and reimbursements of the arbitrator and arbitration proceeding shall be shared equally by the disputing parties. No arbitration of any dispute involving this Agreement or the franchise relationship among the parties hereto may be commenced except in accordance with this Section 15.3.

(b) All hearings and other proceedings will take place in Orange County, California, or other county where Franchisor's headquarters is then located. Discovery will be governed by the California Code of Civil Procedure or as the parties agree otherwise. The arbitrator's decision shall be in writing and shall set forth the arbitrator's finding of facts and legal analysis. Except as provided below, the arbitrator's decision will be final and binding on the parties, and judgment thereon may be entered in any federal or state court having jurisdiction. Aside from any other bases for overturning an arbitrator's decision under then current, applicable law, the arbitrator's finding of facts shall not be subject to appeal, while the arbitrator's legal analysis shall be appealable and subject to being overturned on the basis of materially incorrect legal analysis and result.

[Franchisor's Initials: _____] [Franchisee's Initials: _____]
[Franchise Owners' Initials: _____ _____ _____ _____ _____]

15.4 Injunctive Relief and Intellectual Property. Notwithstanding Subsections 15.2 and 15.3 above, each party shall have the right to seek relief from a court of competent jurisdiction with respect to issues: a) requiring temporary or permanent injunctive relief, or b) involving ownership or alleged infringement of any of Franchisor's Marks or other Intellectual Property. Franchisee acknowledges that it is one of a number of franchisees using the Marks and that failure on its part to comply fully with any of the terms of this Agreement pertaining to the Marks, or other Intellectual Property, or any aspect (including quality, cleanliness, source of ingredients, etc.) of the public image of the System or Chain could cause irreparable damage to other franchisees, the Marks, the System, or the Franchisor, and that to prevent such damage Franchisor shall be entitled to injunctive relief without any requirement that a bond be posted as a condition to such relief.

15.5 Jurisdiction, Venue, Waiver of Jury. With respect to any court proceeding between Franchisee and Franchisor concerning the enforcement, construction, alleged breach, or termination of this Agreement, Franchisee hereby submits to the personal jurisdiction and venue of the federal and state courts located in Orange County, California, for all such matters, and promises not to commence against Franchisor any court proceeding concerning such matters in any other court. FRANCHISOR AND FRANCHISEE AND EACH FRANCHISE OWNER HEREBY IRREVOCABLY WAIVE TRIAL BY JURY FOR ANY AND ALL OF SUCH PROCEEDINGS AND COUNTERCLAIMS. This Section 15.5 is subject to and shall not be construed to supersede or control Section 15.2 or Section 15.3 above.

15.6 No Class Actions or Consolidated Proceedings. Any and all arbitration proceedings, lawsuits and other court proceedings arising out of any Covered Matter shall be conducted on an individual, not a class-wide, basis; only Franchisor (and its affiliates and Franchisor's and their respective owners, officers, directors, managers, agents and employees, as applicable, all collectively including Franchisor, "Franchisor Persons") and Franchisee (and Franchisee's affiliates and Franchisee's and their respective owners, officers, directors, managers, agents and employees, as applicable, all collectively including Franchisee, "Franchisee Persons") may be the parties to any such lawsuit or other court proceeding; and, no such lawsuit or other proceeding shall be consolidated with any other lawsuit or other proceeding involving any of Franchisor Persons or any of Franchisee Persons.

15.7 Limitation of Remedies; Cumulative Remedies. Except as expressly provided below in this Section 15.7 and Section 15.8, neither party to this Agreement shall be entitled to recover punitive, exemplary or consequential damages from any other party to this Agreement. Except as provided in the immediately preceding sentence, all rights and remedies of Franchisor shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies provided for herein or which may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement. The rights and remedies of Franchisor shall be continuing and not exhausted by any one or more uses thereof, and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration or earlier termination of this Agreement shall not discharge or release Franchisee from any liability or obligation then accrued or any liability or obligation continuing beyond or arising out of the expiration or earlier termination of this Agreement

15.8 Liquidated Damages. If this Agreement is terminated as a result of repudiation, anticipatory breach, default, or other action or omission by Franchisee without material breach hereof by Franchisor, Franchisee shall pay to Franchisor in lump sum as liquidated damages in lieu of Franchisor's lost profits (and in addition to any other remedy or right Franchisor may have for other categories of damages or other relief) the amount of a) ten percent (10%) times the Franchisee's Gross Sales for the last twelve consecutive months of the Store's full time operation prior to termination of this Agreement, or b) $100,000.00, whichever is greater. After careful consideration, the parties hereby acknowledge and agree that the precise amount of Franchisor's actual lost profits in such event would be extremely difficult to ascertain and that the foregoing sum represents a reasonable estimate of such actual damages, based in part upon the approximate time and expense it would take Franchisor to open another retail outlet in the same vicinity operated under the Marks. Such liquidated damages shall not apply if either Franchisor or another, authorized franchisee of the System commences operation of a retail outlet operated under the Marks in the same vicinity within sixty (60) days of termination of this Agreement.

[Franchisor's Initials: _____] [Franchisee's Initials: ______]

[Franchise Owners' Initials: _____ _____ _____ ____ _____]

15.9 Limitations of Actions. Franchisor and Franchisee shall be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or this Agreement whichever period expires first. In any arbitration proceeding, each must submit or file any claim that would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. No claim or cause of action arising out of this Agreement, its negotiations, or any aspect of the relationship or dealings between Franchisor and Franchisee (or any of their owners or affiliates) shall be submitted to arbitration or filed as a lawsuit or other proceeding more than two years after its occurrence or one year after its discovery by the injured party, whichever is earlier. Any claim not submitted or filed by the date required is forever barred.

15.10 Survival. The terms of this Article 15 shall survive termination, expiration, or cancellation of this Agreement.

ARTICLE 16 MISCELLANEOUS

16.1 **PERSONAL GUARANTIES.** In conjunction with Franchisee's execution of this Agreement, each and every Franchise Owner shall provide a personal guaranty of Franchisee's full and timely performance of all of Franchisee's obligations under this Agreement. Each such guaranty shall be substantially in the form attached as an exhibit to the Franchise Disclosure Document or otherwise acceptable to Franchisor.

16.2 **Disclosure.** In all dealings with third parties including customers, employees, suppliers, and others, Franchisee shall disclose, in the manner that Franchisor specifies from time to time, that Franchisee is an entity independent from Franchisor.

16.3 **No Binding Other Party.** A party to this Agreement shall have no authority to create or assume any obligation, express or implied, or to act or purport to act as agent or representative of the other party for any purpose, except for any express authorization in this Agreement for Franchisor to act for and on behalf of Franchisee in specified circumstances.

16.4 **Offset.** Franchisor shall have the right to retain any monies coming into Franchisor's possession of or relating to Franchisee or on Franchisee's behalf, to offset amounts owed by Franchisee to Franchisor.

16.5 **Failure to Enforce.** Failure of a party to enforce any provision of this Agreement shall not constitute a waiver of the right subsequently to enforce the provision or to enforce other provisions of this Agreement.

16.6 **Waiver.** The waiver by Franchisor of any breach or default, or series of breaches or defaults, of any term, covenant or condition herein or of any same or similar term, covenant or condition in any other agreement between Franchisor and any franchisee or licensee, shall not be deemed a waiver of any subsequent or continuing breach or default of the same or any other term, covenant or condition contained in this Agreement, or in any other agreement between Franchisor and any franchisee or licensee.

16.7 **Modification.** Except as provided in Section 16.23 below ("Severability"), this Agreement cannot be modified or changed other than by written instrument signed by Franchisor and Franchisee.

16.8 **System Modification.** As provided above, Franchisor shall have the right to modify the Manual and elements or all of the Yogurtland System as Franchisor deems appropriate from time to time. Each of these modifications shall be deemed to occur in the performance of and pursuant to this Agreement and will not constitute solicitations to modify, or modifications of, this Agreement.

16.9 Further Actions. Franchisee shall execute such other documents and perform such further acts as Franchisor deems to be needed or desirable to carry out the purposes of this Agreement.

16.10 Successors and Assigns. Subject to the terms and provisions of Article 11 above, this Agreement will be binding upon and inure to the benefit of the successors and assigns of Franchisor and will be binding upon and inure to the benefit of Franchisee and its or their respective heirs, executors, administrators, successors and assigns.

16.11 Force Majeure. Neither party will be liable for failure or temporary delay in performance of this Agreement, other than payment of money due to Franchisor, for the length of time such performance is prevented by strike, terrorism, war, embargo, fire, flood, other natural disaster, act of God, compliance with binding government order, or other force majeure; provided, however, in the event performance is so delayed by more than six (6) months, then either party may terminate this Agreement effective upon ninety (90) days notice to the other party, unless full performance by the excused party is commenced during such notice period and thereafter continues. No such delay shall extend the Term.

16.12 Business Judgment. The parties hereto recognize, and any mediator or arbitrator is affirmatively advised, that certain provisions of this Agreement describe or imply Franchisor's right to take (or refrain from taking) certain actions (including modification of specifications and procedures, selection of marketing plans, addition of new products, deletion of products, changes to any and all System standards, the granting or denying of Franchisor's approval or consent, etc.) in the exercise of Franchisor's business judgment. Where such business judgment has been exercised in good faith, no mediator or arbitrator may substitute his or her own business judgment for that exercised by Franchisor.

16.13 Lease of Land and Building. In the event that the parties have executed a lease of land or building relating to the premises described in Subsection 1.2 above (the "Lease"), such Lease is hereby incorporated into this Agreement by reference, and any failure on the part of Franchisee (lessee therein) to perform, fulfill or observe any of the covenants, conditions or agreements contained therein shall constitute a material breach of this Agreement. It is expressly understood, acknowledged and agreed by Franchisee that any termination of the Lease resulting in Franchisee's loss of possession of the Store shall result in immediate termination of this Agreement without further notice, and automatically trigger Franchisor's option rights under Subsection 9.9 above to assume Franchisee's position as lessee under the Lease.

16.14 Cost of Living Index. Each amount payable under this Agreement that is denoted in dollars (e.g., $100.00 late charge under Subsection 6.10) shall be adjusted automatically (applicable to such payments due thereafter until the next adjustment) on the first and every subsequent anniversary date of this Agreement by the increase, if any, in the Consumer Price Index for the Los Angeles area from the date of this Agreement to such anniversary date.

16.15 No Third Party Beneficiaries. This Agreement is not intended to benefit any other person or entity except the named parties hereto and no other person or entity will be entitled to any rights hereunder whether claiming third party beneficiary rights or otherwise.

16.16 Joint and Several Liability. If Franchisee consists of, or is owned by, more than one person or entity, or a combination thereof, the obligations and liabilities to Franchisor of each such person or entity are joint and several.

16.17 Survival of Covenants. The covenants contained in this Agreement that by their terms contemplate performance by the parties after the expiration or termination of this Agreement will be enforceable notwithstanding the expiration or termination of this Agreement for any reason whatsoever.

16.18 Exhibits. Each Exhibit expressly referred to in the body of this Agreement is hereby incorporated in its entirety into this Agreement

16.19 Construction. Headings, table of contents, gender, and language usages in this Agreement are for convenience only and shall not be used to construe the terms of this Agreement. As used in this Agreement, the male gender shall include the female and neuter genders; the singular shall include the plural, and vice versa.

16.20 Time. Time is of the essence of this Agreement.

16.21 Include. Each and every use and version of the word "include" in this Agreement shall be construed as without limitation (unless expressly modified by the word "only").

16.22 Hereby. Except where expressly or by context clearly indicated otherwise, the use in this Agreement of verbs such as "acknowledges" or "agrees" (regardless of number or tense) shall be understood to include by implication the word "hereby."

16.23 Severability. If any provision of this Agreement is invalid, prohibited, or unenforceable under applicable law, the provision will be deemed amended to conform to the applicable law while maintaining to the maximum extent possible the original intent of the provision.

16.24 Multiple Originals. This Agreement may be executed in multiple originals, each of which will be deemed to be an original, and all of which together will be deemed to be one and the same instrument.

16.25 Other Franchise Agreements. As an integral part of the consideration to enter into this Agreement, Franchisee promises to amend each of Franchisee's other existing franchise agreements with Franchisor (collectively, the "Other Agreements"), if any, so that all of the Other Agreements will have as of the day immediately after the Effective Date the same terms and provisions as this Agreement, except that there will be no change to the current expiration dates of the Other Agreements or to the percentage rates of their Royalty Fees (or franchise fees) and Franchisor will acknowledge that the Initial Franchise Fee and other amounts due from Franchisee in developing and opening the Store have been satisfied already.

16.26 Entire Agreement. This Agreement contains all of the terms and conditions agreed upon by the parties hereto with reference to the subject matter hereof. No other agreements oral or otherwise will be deemed to exist or to bind any of the parties hereto, and any and all prior negotiations, commitments, undertakings, representations, agreements, and understandings are merged into and superseded hereby. No officer or employee or agent of

Franchisor has any authority to make any representation or promise not contained in this Agreement or the Franchise Disclosure Document. Franchisee hereby represents and warrants that Franchisee has executed this Agreement without reliance upon any such unauthorized representation or promise of Franchisor or any representative of Franchisor. Nothing in this Agreement or in any related agreement, however, is intended to disclaim the representations contained in the Franchise Disclosure Document provided by Franchisor to Franchise Owners.

Article 17 ACKNOWLEDGEMENTS AND REPRESENTATIONS OF FRANCHISEE

17.1 Franchisee's and Franchise Owners' Representations and Warranties. Franchisee and each and all of the Owners represent and warrant that the following statements are true and accurate:

(a) Each of the individuals executing this Agreement on behalf of Franchisee received Franchisor's Franchise Disclosure Document (together with all exhibits to the Franchise Disclosure Document) at least 14 days before executing this Agreement;

[Franchisee's Initials: ______, and Owners' Initials: _____ _____ _____ _____ _____]

(b) None of the Franchise Owners or Franchisee seeks to obtain the franchise granted herein for speculative purposes, and none has any present intention to sell or transfer or attempt to sell or transfer the franchised business or the franchise granted herein;

[Franchisee's Initials: ______, and Owners' Initials: _____ _____ _____ _____ _____]

(c) If Franchisee is a Business Organization, Franchisee is duly organized and qualified to do business in the state and any other applicable jurisdiction within which the Store is located;

[Franchisee's Initials: ______, and Owners' Initials: _____ _____ _____ _____ _____]

(d) The execution of this Agreement by Franchisee and the Franchise Owners will not constitute or violate any other agreement or commitment to which Franchisee or any Franchise Owner is a party;

[Franchisee's Initials: ______, and Owners' Initials: _____ _____ _____ _____ _____]

(e) Each individual executing this Agreement on behalf of Franchisee is duly authorized to do so, and this Agreement constitutes a valid and binding obligation of Franchisee and each Franchise Owner;

[Franchisee's Initials: ______, and Owners' Initials: _____ _____ _____ _____ _____]

(f) Franchisee and each of the Franchise Owners have entered into this Agreement in reliance on information in this Agreement, the Franchise Disclosure Document, their own investigations and nothing else whatsoever;

[Franchisee's Initials: ______, and Owners' Initials: _____ _____ _____ _____ _____]

[g] In entering into this Agreement, none of Franchisee or any of the Franchise Owners has relied on any promise, representation, statement, or undertaking made by Franchisor or any Franchisor representative that is not included in this Agreement, or in the Franchise Disclosure Document;

[Franchisee's Initials: ______, and Owners' Initials: _____ _____ _____ _____ _____]

[h] In entering into this Agreement, none of Franchisee or any of the Franchise Owners has relied on any promise, representation, statement, or undertaking made by Franchisor or any Franchisor representative that is in conflict with, or modifies, or supersedes any statement or representation in this Agreement or the Franchise Disclosure Document;

[Franchisee's Initials: ______, and Owners' Initials: _____ _____ _____ _____ _____]

[i] Neither Franchisee nor any of the Franchise Owners has received or relied on any data, representation, projection, forecast, estimate, warranty, assurance, or other communication, expressed or implied, as to actual or potential sales volume, profit, or success of the Store;

[Franchisee's Initials: ______, and Owners' Initials: _____ _____ _____ _____ _____]

(j) Franchisee and each Franchise Owner understand and acknowledge the value to the Yogurtland System of uniform and ethical standards of quality, consistency, appearance, and service described in and required by the Manual and the necessity of operating the franchised business under the standards set forth in the Manual; and, Franchisee has the capabilities, professionally, financially and otherwise, to comply with those standards;

[Franchisee's Initials: ______, and Owners' Initials: _____ _____ _____ _____ _____]

(k) Franchisee and each of the Franchise Owners have carefully read this Agreement and all other related documents to be executed by them concurrently or in conjunction with the execution hereof, each has obtained, or had the opportunity to obtain, the advice of legal, financial, and business advisors in connection with the execution and delivery of this Agreement, each understands the nature of this Agreement and the considerable effort to be expended on the part of Franchisee and Principal Operator in order to satisfactorily perform their respective obligations hereunder, and each of Franchisee and the Franchise Owners intends to comply herewith and be bound thereby; and

[Franchisee's Initials: ______, and Owners' Initials: _____ _____ _____ _____ _____]

(l) Franchisee and each of the Franchise Owners acknowledge and fully appreciate that the business contemplated by this Agreement involves significant risks and that any particular results depend largely on Franchisee's business abilities and efforts as well as external economic forces outside Franchisor's control; and, Franchisee and each of the Franchise Owners acknowledge and fully appreciate that neither Franchisor nor any other person can assure any particular results.

[Franchisee's Initials: ______, and Owners' Initials: _____ _____ _____ _____ _____]

17.2 Additional Information Respecting Franchisee and Franchise Owners. Incorporated herein by this reference is all of the additional information provided by Franchisee or the Franchise Owners to Franchisor as part of the application process pertinent to the grant of franchise evidenced by this Agreement. Franchisee and each of the Franchise Owners acknowledge that Franchisor has relied on each item of such information in granting this franchise.

ARTICLE 18 ANTI-TERRORISM LAW

18.1 Anti-Terrorism Laws. Franchisee and the Franchise Owners certify that none of Franchisee, Franchise Owners, employees, or anyone associated with Franchisee is listed in the Annex to Executive Order 13224. Franchisee promises not to hire or have any dealings with a person listed in the Annex. Franchisee certifies that it has no knowledge or information that, if generally known, would result in Franchisee, Franchise Owners, employees, or anyone associated with Franchisee being listed in the Annex to Executive Order 13224. Franchisee and Franchise Owners promise to comply with and assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with the Anti-Terrorism Laws (as defined below). In connection with such compliance, Franchisee and Franchise Owners certify, represent, and warrant that none of its property or interests is subject to being "blocked" under any of the Anti-Terrorism Laws, and that Franchisee and Franchise Owners are not otherwise in violation of any of the Anti-Terrorism Laws. Franchisee is solely responsible for ascertaining what actions must be taken by Franchisee to comply with all such Anti-Terrorism Laws, Franchisee specifically acknowledges and agrees that Franchisee's indemnification responsibilities as provided in this Agreement pertain to Franchisee's obligations under this Section. Any misrepresentation by Franchisee under this Section or any violation of the Anti-Terrorism Laws by Franchisee, Franchise Owners, or employees shall constitute grounds for immediate termination of this Agreement and any other agreement Franchisee has entered into with Franchisor or one of Franchisor's Affiliates. "Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations) the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any Governmental Authority (including the United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war.

[The next page is the signature page of this Agreement.]

[This is the signature page of the Franchise Agreement.]

IN WITNESS WHEREOF, the parties through their duly authorized signatories have caused this Agreement to be executed as of the Effective Date and accepted by Franchisor in Irvine, California.

FRANCHISOR: YOGURTLAND FRANCHISING, INC., a California Corporation

By: ______________________________
Name: ______________________________
Title: ______________________________

FRANCHISEE: ______________________________ (Name of Business Organization)
a ______________________________

By: ______________________________
Name: ______________________________
Title: ______________________________

By: ______________________________
Name: ______________________________
Title: ______________________________

FRANCHISE OWNERS:
(All Franchise Owners must sign and date, and by signing hereunder each of them agrees to be individually, jointly and severally bound by all of the terms and conditions this Agreement.)

Date: __________, 20___ **Sign:** ______________________________
Print Name: ______________________________
Franchise Owner
Address: ______________________________
____

Date: __________, 20___ **Sign:** ______________________________
Print Name: ______________________________
Franchise Owner
Address: ______________________________
____

Date: __________, 20___ **Sign:** ______________________________
Print Name: ______________________________
Franchise Owner
Address: ______________________________
____

EXHIBIT A to Franchise Agreement

LOCATION

The location of the Store as defined in Section 1.2 shall be:

____

____

____

EXHIBIT B to Franchise Agreement

LEASE RIDER

THIS LEASE RIDER is made and entered into __________, 20__ by and among ______ ___________________________, a ______________________________________, whose principal place of business is __________________________________ ("**Landlord**"), ______ ____________________, a ______________________________, whose principal place of business is ____ ("**Tenant**"), and Yogurtland Franchising, Inc., a California corporation, whose principal place of business is 17801 Cartwright Road, Irvine, California 90614 ("**Yogurtland**").

RECITALS

A. This Lease Rider supplements and forms part of the attached Lease Agreement between Landlord and Tenant dated __________ (the "**Lease**") for the premises situated at ____________ ____________________ (the "**Premises**") to be used by Tenant as a Yogurtland® Restaurant.

B. This Lease Rider is entered into in connection with Yogurtland's approval of the location of the Premises as a Yogurtland Restaurant and the grant of a franchise to Tenant pursuant to a Franchise Agreement dated __________, 20__ (the "**Franchise Agreement**").

C. This Lease Rider is intended to provide Yogurtland the opportunity to reserve the Premises as a Yogurtland Restaurant under the circumstances set out below.

D. Landlord is willing to grant Yogurtland the right but not the obligation to assume the Lease of the Premises on the terms, covenants and conditions contained in this Lease Rider.

Therefore, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, all of the parties hereby agree that the terms and provisions of the Lease are amended and, to the extent they are contrary, superseded as follows:

1. <u>UPON DEFAULT OF TENANT UNDER THE LEASE</u>

Landlord shall send to Yogurtland copies of each and any notice of default under the Lease provided to Tenant concurrently with the provision of such notice(s) to Tenant. If Tenant fails to cure any default(s) within the period specified within the notice, Landlord shall promptly provide to Yogurtland further written notice (a "second notice") specifying the default(s) that Tenant has failed to cure. Yogurtland shall have ten (10) business days following receipt of the second written notice to exercise its right to assume Tenant's rights and obligations under the Lease and begin paying rent concurrent with Landlord's delivery of possession of the Premises to Yogurtland, which delivery Landlord shall make every commercially reasonable effort to promptly accomplish. If Landlord is unable to deliver possession of the Premises to Yogurtland within sixty (60) days following the date of Yogurtland's exercise, Yogurtland shall thereafter have the right, at any time, until the Landlord delivers possession of the Premises to Yogurtland, to rescind the option exercise and Lease assumption by written notice to Landlord.

Tenant shall remain liable to Landlord for all payment and other obligations accrued under the Lease prior to Landlord's delivery of possession to Yogurtland.

2. UPON NON-RENEWAL OF THE LEASE TERM

If the Lease contains term renewal or extension right(s) and if Tenant does not timely exercise such right(s), Landlord promptly shall give Yogurtland written notice to such effect and Yogurtland shall have the option for fifteen (15) days following receipt of such notice to exercise Tenant's renewal or extension right(s) on the same terms and conditions as are contained in the Lease. If Yogurtland elects to exercise such right(s) it shall notify Landlord in writing whereupon Landlord and Yogurtland shall promptly execute and exchange an agreement whereby Yogurtland assumes the Lease for the renewal or extension term as applicable effective at the later of the date of expiration of the Lease or the end of any holding over period by Tenant to the effect that such extension or renewal term shall have subtracted from its beginning the number of days constituting any such holding over period. If Landlord is unable to deliver possession of the Premises to Yogurtland within sixty (60) days following the date of expiration of the Lease (which delivery Landlord shall make every commercially reasonable effort to promptly accomplish), Yogurtland shall thereafter have the right, at any time, until the Landlord delivers possession of the Premises to Yogurtland, to rescind the option exercise and assumption of Lease by written notice to Landlord.

3. UPON TERMINATION OF THE FRANCHISE AGREEMENT

Termination of the Franchise Agreement for any reason shall constitute a default of Tenant under the Lease. If the Franchise Agreement is terminated for any reason during the term of the Lease or any extension or renewal of the Lease, and if Yogurtland shall desire and commitment to assume the Lease, Yogurtland shall provide Landlord written notice to such effect within five (5) business days of the effective date of termination of the Franchise Agreement, which commitment shall be subject to Landlord's timely delivery of possession to Yogurtland (which delivery Landlord shall make every commercially reasonable effort to promptly accomplish). If Landlord is unable to deliver possession of the Premises to Yogurtland within sixty (60) days following the date of Yogurtland's written confirmation, Yogurtland shall thereafter have the right, at any time, until the Landlord delivers possession of the Premises to Yogurtland, to rescind the assumption of the Lease by written notice to Landlord.

4. ADDITIONAL PROVISIONS

4.1 Yogurtland, upon taking possession of the Premises under any of Sections 1, 2 or 3 above shall execute and deliver to Landlord Yogurtland's assumption of Tenant's rights and obligations under the Lease starting from the day of delivery of possession to Yogurtland. Yogurtland shall pay, perform and be bound by all of the duties and obligations of the Lease applicable to Tenant; provided, however, Yogurtland may elect not to be bound by the terms of any amendment to the Lease executed by Tenant without Yogurtland's prior written approval, which approval shall not be unreasonably withheld or delayed.

4.2 Notwithstanding any assignment of the Lease to Yogurtland, Tenant shall be and remain liable to Landlord for all of its obligations under the Lease. Yogurtland shall be entitled to recover from Tenant all amounts Yogurtland pays to Landlord to cure Tenant's defaults under the Lease including interest thereon and Yogurtland's reasonable collection costs.

4.3 In the event Yogurtland assumes Tenant's interest under the Lease, Yogurtland may at any time sublet the Premises to a Yogurtland franchisee without having to obtain the prior written consent of Landlord.

4.4 In the event Yogurtland assumes Tenant's interest under the Lease, Yogurtland may at any time assign its interest under the Lease to a qualified third party subject to the prior written consent of Landlord in accordance with the applicable provisions of the Lease, or to a Yogurtland franchisee. Upon receipt by Landlord of an assignment agreement pursuant to which the assignee agrees to assume the Lease and to observe the terms, conditions and agreements on the part of tenant to be performed under the Lease, Yogurtland shall be released from all liability as tenant under the Lease from and after the date of assignment, without any need of a written acknowledgment of such release by Landlord, subject to fulfillment of any one of the following conditions: a) the assignee (or any owner of assignee providing a guaranty of assignee's obligations under the Lease) has a net worth of not less than $250,000, as certified to Landlord in writing by an officer of the assignee or the guarantying owner, as applicable, OR b) assignee performs its obligations under the Lease without material default for the twelve (12) consecutive months immediately following assignee's taking of possession of the Premises, OR c) the assignee is a Yogurtland franchisee.

In the event Yogurtland enters into an assignment or sub-letting as contemplated above, it will make commercially reasonable efforts to procure, if the assignee is a business organization (other than a listed public company), a guaranty in customary form approved or prepared by Landlord from the principals of the assignee.

4.5 If the Lease or Franchise Agreement is terminated and Yogurtland fails to exercise timely its applicable option as described above, Tenant shall, upon written demand by Yogurtland to de-identify the Premises as a Yogurtland store, promptly remove all signs, decor and other items that Yogurtland requests be removed as being distinctive and indicative of a Yogurtland store. Yogurtland may enter upon the Premises without being guilty of trespass or tort to effect de-identification if Tenant fails to complete such de-identification within five (5) business days after receipt of written demand from Yogurtland. Tenant shall pay Yogurtland for Yogurtland's reasonable costs and expenses in effecting the de-identification. Tenant acknowledges and agrees that its obligations to Landlord in respect to the provisions of the Lease concerning the removal of signage, additions and alterations at the termination of the Lease shall remain in full effect notwithstanding the right made available to Yogurtland pursuant to this provision.

4.6 Yogurtland may from time to time make reasonable request for certain information or reports from Landlord regarding the Lease, including with respect to rental, CAM and other charges to Tenant, rental, CAM reimbursement, and other payments from Tenant, performance of Tenant, etc. Landlord shall provide the requested information and reports to Yogurtland within a reasonable time not to exceed twenty (20) days, and Tenant hereby consents to Landlord's provision of any and all such information and reports to Yogurtland.

4.7 The Premises may be used for any lawful commercial retail purpose that does not breach any exclusivity of use commitment granted by Landlord to a third party prior to notice from Tenant to Landlord of Tenant's then intended use.

4.8 Landlord shall not permit or suffer any other occupant of the center within which the Premises are located to operate a business featuring frozen dessert items or smoothies, including without limitation frozen yogurt, ice cream, frozen custard, shaved ice, shaved snow, etc.

4.9 Throughout the term of the Lease, for the use and convenience of Lessee's customers, without additional charge, Landlord shall allow Tenant to provide legally compliant seating, tables, mobile umbrellas, etc. in the common area immediately outside the Premises with a width of approximately twelve (12) feet and running the length of the Store's frontage. Tenant shall maintain such area at its expense.

4.10 All notices pursuant to this Lease Rider shall be in writing and shall be personally delivered, sent by registered mail or reputable overnight delivery service or by other means which afford the sender evidence of delivery or rejected delivery to the addresses described above or to such other address as any party to this Lease Rider may, by written notice, instruct that notices be given.

4.11 By executing this Lease Rider, Yogurtland does not assume any liability with respect to the Premises or any obligation as tenant or otherwise under the Lease unless and until Yogurtland expressly assumes in writing such liability or obligation as described above.

EXECUTED by the parties as follows:

Landlord: ______________________
By ______________________
Name ______________________
Title ______________________

Tenant: ______________________
By ______________________
Name ______________________
Title ______________________

Yogurtland: ______________________
By ______________________
Name ______________________
Title ______________________

EXHIBIT C to Franchise Agreement

REPRESENTATIONS AND WARRANTIES REGARDING OWNERS, OWNERSHIP INTERESTS AND OFFICERS OF FRANCHISEEE

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, and with the full understanding that Franchisor named below is relying on these representations in entering into the Franchise Agreement between ________ ________________________________, a ________________________________, as Franchisee (and herein "Franchisee"), and Yogurtland Franchising, Inc., a California corporation, as Franchisor (and herein, "Franchisor"), to which this document is attached (the "Franchise Agreement"), each of the undersigned individuals hereby represents and warrants to Franchisor as follows:

1. Ownership: Set forth immediately below is a complete list of each and every owner of any financial or equity interest in Franchisee and an accurate description of the interest in Franchisee of each of the owners:

Name of Owner: ______________________________
Description of Ownership Interest: ______________________________
Percent of this Interest in Franchisee:__________%

Name of Owner: ______________________________
Description of Ownership Interest: ______________________________
Percent of this Interest in Franchisee:__________%

Name of Owner: ______________________________
Description of Ownership Interest: ______________________________
Percent of this Interest in Franchisee:__________%

Name of Owner: ______________________________
Description of Ownership Interest: ______________________________
Percent of this Interest in Franchisee:__________%

Name of Owner: ______________________________
Description of Ownership Interest: ______________________________
Percent of this Interest in Franchisee:__________%

Total of all Interests should equal 100%.

2. Officers: Set forth immediately below is a complete list of each and every officer of Franchisee and that person's title.

Name: ______________________________
Title: ______________________________

Name: ______________________________
Title: ______________________________

[Continuation and Signature Page of Representations and Warranties]

Name: ______________________________
Title: ______________________________

Name: ______________________________
Title: ______________________________

Name: ______________________________
Title: ______________________________

IN WITNESS WHEREOF, each of the undersigned individuals has executed these Representations and Warranties as of this ____ day of ___________, 20___.

Sign: ___________________________________
Print Name: ______________________________
Address: ________________________________
____

Sign: ___________________________________
Print Name: ______________________________
Address: ________________________________
____

Sign: ___________________________________
Print Name: ______________________________
Address: ________________________________
____

Sign: ___________________________________
Print Name: ______________________________
Address: ________________________________
____

EXHIBIT E-2 to Disclosure Document (Form of Addendum to Franchise Agreement for Travel Plaza Location)

ADDENDUM TO YOGURTLAND FRANCHISING, INC.
FRANCHISE AGREEMENT
(TRAVEL PLAZA LOCATIONS)

This Addendum ("this Addendum") is made and entered into as of ___________, 20__, by and between Yogurtland Franchising, Inc., a California corporation, located at 17801 Cartwright Road, Irvine, CA 928614 ("Franchisor"), and ________________________________ _______, a ____________________________, whose principal address is ______________ ____ ("Franchisee").

RECITALS

WHEREAS Franchisor and Franchisee entered into a Franchise Agreement as of ______ ____________, 20___ (the "Franchise Agreement"), pertaining to a Yogurtland Store (the "Store") to be constructed and operated on certain premises within a larger retail facility operating as a travel plaza under the trade name _____________ and located at _____________ ____(the "Travel Plaza Facility"), as such premises are more particularly described in the Franchise Agreement.

WHEREAS, the location of the Store within a Travel Plaza Facility, with no direct access to the exterior, and the term and other conditions of the Attachment A are inconsistent with the terms of a standard form of Yogurtland Franchising, Inc. Franchise Agreement (collectively, the "Standard Terms");

WHEREAS, subject to modification of the Standard Terms as provided below, Franchisee and Franchisor mutually desire to enter into a Franchise Agreement for operation by Franchisee of a Yogurtland® retail foodservice operation at the Store's premises within the Travel Plaza Facility.

NOW, THEREFORE, in consideration of the mutual promises below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Initial Franchise Fee. Section 6.1 of the Franchise Agreement is hereby deleted in its entirety and replaced with the following:

> "With execution of this Agreement, Franchisee shall pay Franchisor a non-refundable, Initial Franchise Fee of Twelve Thousand Five Hundred Dollars ($12,500)."

2. Limited Construction Management Services Fee. Section 6.2 of the Franchise Agreement is hereby deleted in its entirety and replaced with the following:

> "In accordance with Section 8.2 below, Franchisee shall pay to Franchisor a fee of Four Thousand Five Hundred Dollars ($4,500) for limited construction management and information technology staging services."

3. Renewal Fee. Section 6.17 of the Franchise Agreement is hereby deleted in its entirety and replaced with the following:

"As one of the conditions to entering into a renewal franchise agreement, Franchisee shall pay Franchisor a non-refundable renewal fee of Twelve Thousand Five Hundred Dollars ($12,500) for an additional five (5)-year term as provided in Section 9.3 below."

4. No Requirement to Participate in Advertising Cooperative. Section 6.9 of the Franchise Agreement is hereby deleted in its entirety and replaced with the following:

"Franchisee shall not be obligated to join or pay into any local or regional cooperative, however, Franchisee shall be obligated to contribute to the Marketing Fund as provided in Section 6.6 above."

5. Operations and Marketing. Notwithstanding anything to the contrary in Article 3 or elsewhere in the Franchise Agreement, Franchisee hereby acknowledges and agrees that Franchisee may be required by Franchisor to comply with different specifications, standards and instructions than Yogurtland Stores not located in travel plaza facilities, in each case as Franchisor determines in its sole discretion from time to time throughout the Term and communicates to Franchisee (including without limitation as to Store opening hours, number of yogurt machines, staffing, procedures, promotions, availability of flavors and toppings, etc.).

6. Initial Term. Section 9.1 of the Franchise Agreement is hereby deleted in its entirety and replaced with the following:

"The initial term of this Agreement (the "Term") starts on the Effective Date and automatically expires at the close of business on the day immediately before the fifth (5th) anniversary of the Operations Commencement Date, which date is defined as the earlier of: a) the 180th day immediately following the Effective Date, or b) the date the Store first opens for business. The date that the Store first opens for business shall be confirmed by written notice from Franchisee to Franchisor within five (5) days of the date the Store first opens for business."

7. Renewal. Section 9.2 of the Franchise Agreement is hereby deleted in its entirety and replaced with the following:

"Subject to Franchisee's timely fulfillment of each of the conditions set forth in Section 9.3 below, Franchisee shall have the right to renew this Agreement for one (1) additional term of five (5) years."

8. Renewal Conditions. Section 9.3 of the Franchise Agreement is hereby deleted in its entirety and replaced with the following:

"To qualify for the first renewal term as provided in Section 9.2 above, Franchisee shall fulfill each and all of the following conditions: (a) Franchisee shall have fully complied with this Agreement continuously throughout the Term; (b) Franchisee shall deliver written notice of Franchisee's intent to renew at least one hundred ninety-five (195) days but no more than three hundred (300) days before expiration of the Term; (c) Franchisee shall be in full compliance with this Agreement at the time of requesting renewal and at the end of the Term; (d) the notice of intent to renew shall be accompanied by Franchisee's payment of a renewal fee described in Section 6.17; (e) not less than thirty (30) days prior to expiration of the Term, Franchisee shall execute Franchisor's then current form of

Franchise Agreement to cover the 5-year renewal term, which may include new and different terms, new and higher fees, and other differences from this Agreement; (f) before the start of the renewal term Franchisee shall sign a general release of all known and unknown claims against Franchisor, including a waiver of rights under Section 1542 of the California Civil Code; (g) not later than the last day of the then current term, Franchisee shall have substantially completed all image upgrades then reasonably required by Franchisor; and (h) Franchisee shall have paid and shall be current on all amounts due to Franchisor and affiliates of Franchisor and third party creditors. Failure of any of these conditions precedent shall constitute an election by Franchisee not to renew this Agreement.

Except as expressly modified above, the Franchise Agreement remains in effect as written.

IN WITNESS WHEREOF, the parties hereto have duly signed and executed this Addendum as of the day and year first above written.

FRANCHISOR:

YOGURTLAND FRANCHISING, INC.
a California corporation

By: ______________________
Name: ______________________
Title: ______________________

FRANCHISEE:

____
a ______________________

By: ______________________
Name: ______________________
Title: ______________________

By: ______________________
Name: ______________________

Title: ______________________

EXHIBIT E-3 to Disclosure Document (Form of Addendum to Franchise Agreement for Big Box Location)

ADDENDUM TO YOGURTLAND FRANCHISING, INC.
FRANCHISE AGREEMENT
(BIG BOX LOCATIONS)

This Addendum ("this Addendum") is made and entered into as of ___________, 20__, by and between Yogurtland Franchising, Inc., a California corporation, located at 17801 Cartwright Road, Irvine, CA 928614 ("Franchisor"), and ________________________________ _______, a ____________________________, whose principal address is ______________ ____ ("Franchisee").

RECITALS

WHEREAS Franchisor and Franchisee entered into a Franchise Agreement as of ______ ____________, 20___ (the "Franchise Agreement"), pertaining to a Yogurtland Store (the "Store") to be constructed and operated within a larger retail facility operating under the trade name ______________ and located at ____ _________________________(the "Host Facility"), as are more particularly described in the Franchise Agreement.

WHEREAS, the premises of the Store are leased by Franchisor from the operators of the Host Facility pursuant to a Master Lease and premises-specific Attachment A to the Master Lease (the "Master Lease" and "Attachment A," respectively) and are subleased by Franchisor to Franchisee pursuant to the Sublease (as defined below) effective as of the same date as the Franchise Agreement;

WHEREAS, the location of the Store within a host facility, with no direct access to the exterior, and the term and other conditions of the Attachment A are inconsistent with the terms of a standard form of Yogurtland Franchising, Inc. Franchise Agreement (collectively, the "Standard Terms");

WHEREAS, subject to modification of the Standard Terms as provided below, Franchisee and Franchisor mutually desire to enter into a Franchise Agreement for operation by Franchisee of a Yogurtland® retail foodservice operation at the Store's premises within the Host Facility.

NOW, THEREFORE, in consideration of the mutual promises below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Initial Franchise Fee. Section 6.1 of the Franchise Agreement is hereby deleted in its entirety and replaced with the following:

> "With execution of this Agreement, Franchisee shall pay Franchisor a non-refundable, Initial Franchise Fee of Seven Thousand Five Hundred Dollars ($7,500)."

2. Limited Construction Management Services Fee. Section 6.2 of the Franchise Agreement is hereby deleted in its entirety and replaced with the following:

"In accordance with Section 8.2 below, Franchisee shall pay to Franchisor a fee of Four Thousand Five Hundred Dollars ($4,500) for limited construction management and information technology staging services."

3. Renewal Fee. Section 6.17 of the Franchise Agreement is hereby deleted in its entirety and replaced with the following:

"As one of the conditions to entering into a renewal franchise agreement, Franchisee shall pay Franchisor a non-refundable renewal fee of Seven Thousand Five Hundred Dollars ($7,500) for an additional three-year term as provided in Section 9.3 below."

4. No Requirement to Participate in Advertising Cooperative. Section 6.9 of the Franchise Agreement is hereby deleted in its entirety and replaced with the following:

"Franchisee shall not be obligated to join or pay into any local or regional cooperative, however, Franchisee shall be obligated to contribute to the Marketing Fund as provided in Section 6.6 above."

5. Operations and Marketing. Notwithstanding anything to the contrary in Article 3 or elsewhere in the Franchise Agreement, Franchisee hereby acknowledges and agrees that Franchisee may be required by Franchisor to comply with different specifications, standards and instructions than Yogurtland Stores not located in host facilities, in each case as Franchisor determines in its sole discretion from time to time throughout the Term and communicates to Franchisee (including without limitation as to Store opening hours, number of yogurt machines, staffing, procedures, promotions, availability of flavors and toppings, etc.).

6. Site Selection. The last four (4) sentences in Section 8.1 of the Franchise Agreement (commencing with that sentence beginnning "If the premises are to be leased...") are hereby deleted in their entirety (along with Exhibit B in its entirety) and replaced with the following:

"Franchisor and Franchisee have agreed that the Store shall be located within the Host Facility as described in this Agreement and that Franchisee shall sublease the Store's premises from Franchisor in accordance with the terms of that certain Sublease executed by the parties in conjunction with execution of this Agreement (the "Sublease"). Franchisee shall cause the Store to be lawfully constructed, open for business and operating not later than Rent Commencement Date in the Sublease and hereby acknowledges and agrees that Franchisee's failure to do so will constitute a material breach of Franchisee's obligations herein."

7. Initial Term. Section 9.1 of the Franchise Agreement is hereby deleted in its entirety and replaced with the following:

"The initial term of this Agreement (the "Term") starts on the Effective Date and automatically expires at the close of business on the day immediately before the third (3rd) anniversary of the Rent Commencement Date in the Sublease."

8. Renewal. Section 9.2 of the Franchise Agreement is hereby deleted in its entirety and replaced with the following:

"Subject to Franchisee's timely fulfillment of each of the conditions set forth in Section 9.3 below, Franchisee shall have the right to renew this Agreement for up to two (2) additional terms of three (3) years each."

9. Renewal Conditions. Section 9.3 of the Franchise Agreement is hereby deleted in its entirety and replaced with the following:

"To qualify for the first renewal term as provided in Section 9.2 above, Franchisee shall fulfill each and all of the following conditions: (a) Franchisee shall have fully complied with this Agreement continuously throughout the Term; (b) Franchisee shall deliver written notice of Franchisee's intent to renew at least one hundred ninety-five (195) days but no more than three hundred (300) days before expiration of the Term; (c) Franchisee shall be in full compliance with this Agreement at the time of requesting renewal and at the end of the Term; (d) the notice of intent to renew shall be accompanied by Franchisee's payment of a renewal fee described in Section 6.17; (e) not less than thirty (30) days prior to expiration of the Term, Franchisee shall execute Franchisor's then current form of Franchise Agreement to cover the 3-year renewal term, which may include new and different terms, new and higher fees, and other differences from this Agreement; (f) before the start of the renewal term Franchisee shall sign a general release of all known and unknown claims against Franchisor, including a waiver of rights under Section 1542 of the California Civil Code; (g) not later than the last day of the then current term, Franchisee shall have substantially completed all image upgrades then reasonably required by Franchisor; and (h) Franchisee shall have paid and shall be current on all amounts due to Franchisor and affiliates of Franchisor and third party creditors. Failure of any of these conditions precedent shall constitute an election by Franchisee not to renew this Agreement.

"To qualify for a second renewal term as provided in Section 9.2 above, Franchisee shall have renewed the Franchise Agreement for the initial renewal term and shall fulfill each and all of conditions (a) through (h) in the immediately preceding grammatical paragraph. In the event Franchisee does not timely enter into an initial renewal term as provided above, Franchisee shall not be eligible for any other renewal term."

10. Master Lease Cancellation as to Store's Premises. Franchisee hereby acknowledges that under the terms of Attachment A to the Master Lease, the Landlord has the right to terminate at any time and without cause the Master Lease and Attachment A applicable to the Store's premises, and that in such event, Franchisee would be obligated to cease operations and vacate the Store's premises prior to expiration of the then current term of this Agreement. Franchisee hereby acknowledges that Landlord's exercise of Landlord's right to terminate the Master Lease and Attachment A will result in the early termination of both the Sublease and this Agreement. Moreover, Franchisee hereby agrees that Franchisor is not and shall not be responsible for Landlord's exercise of such right to terminate the Sublease and this Agreement which would prevent Franchisee from operating the Store for the full initial term (or other term, as applicable) of this Agreement, and that Franchisor is not and shall not be responsible for any financial or other consequences to Franchisee of such termination, including without limitation any injury or monetary loss incurred by Franchisee from such early termination.

Franchisee further acknowledges that in the event such a termination occurs within the first three (3) years of the initial term of Attachment A, then an Early Termination Fee may be payable by

Landlord to Franchisor in accordance with the terms and conditions of Attachment A. In the event Landlord does pay Franchisor an Early Termination Fee pursuant to the terms of the Store-specific Attachment A to the Master Lease, then Franchisor will pay such Fee to Franchisee upon, and subject to, Franchisee's delivery to Franchisor, not later than thirty (30) days immediately following cessation of Franchisee's Yogurtland operations at the Store, of a general release in form and substance acceptable to Franchisor and Franchisee's not then being in default of any of its obligations under this Agreement or the Sublease.

11. Breach of Sublease. Franchisee hereby acknowledges that the breach of any of Franchisee's obligations under the Sublease shall automatically constitute a breach of this Agreement resulting in Franchisor's right to terminate this Agreement (unless timely cured), in accordance with Section 9.5 of this Agreement.

Except as expressly modified above, the Franchise Agreement remains in effect as written.

IN WITNESS WHEREOF, the parties hereto have duly signed and executed this Addendum as of the day and year first above written.

FRANCHISOR:	**FRANCHISEE:**
YOGURTLAND FRANCHISING, INC. a California corporation	______________________________ a ______________________________
By: ______________________ Name: ______________________ Title: ______________________	By: ______________________ Name: ______________________ Title: ______________________
	By: ______________________ Name: ______________________ Title: ______________________

EXHIBIT F TO DISCLOSURE DOCUMENT

AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENT

(DIRECT DEBITS)

The undersigned depositor ("Depositor") authorizes Yogurtland Franchising, Inc. ("Yogurtland") to request debit entries and/or credit correction entries to the Depositor's checking and/or savings account(s) indicated below and the depository ("Depository") to debit the account according to Yogurtland's instructions.

______________________	______________________
Depository	Branch
____	
Street Address, City, State, Zip Code	
______________________	______________________
Bank Transit / ABA Number	Account Number

This authorization is to remain in full force and effect until Depository has received joint written notification from Yogurtland and Depositor of the Depositor's termination of the authorization in a time and manner that will give Depository a reasonable opportunity to act on it. In spite of the foregoing, Depository will give Yogurtland and Depositor thirty (30) days' prior written notice of the termination of this authorization. If an erroneous debit entry is made to Depositor's account, Depositor will have the right to have the amount of the entry credited to the account by Depository, if within fifteen (15) calendar days following the date on which Depository sent to Depositor a statement of account or a written notice pertaining to the entry or forty five (45) days after posting, whichever occurs first, Depositor has sent Depository a written notice identifying the entry, stating that the entry was in error, and requesting Depository to credit the amount of it to the account. These rights are in addition to any rights Depositor may have under federal and state banking laws.

______________________	______________________
Depositor	Depository
______________________	______________________
By	By
______________________	______________________
Title	Title
______________________	______________________
Date	Date

EXHIBIT G TO DISCLOSURE DOCUMENT

FRANCHISE OWNER PHOTOGRAPHY RELEASE

FRANCHISE OWNER PHOTOGRAPHY RELEASE

I, ________________________________, the undersigned, hereby sells, assigns and grants YOGURTLAND FRANCHISING, INC. ("Yogurtland") and its assigns and their affiliates and successors (collectively hereinafter "Assigns") all right, title and interest to and permission to copyright, use, publish and republish photographs of me and negatives and reproductions thereof, in any form, whether in whole, part or composite form, electronic, digital or conventional; blurred, altered or distorted; in color or black and white; video or otherwise for art, trade, internal distribution or any other lawful purpose in any lawful manner anywhere in the world and/or on the worldwide web. I hereby waive any right to inspect or approve any final product of my photographs. I hereby release and discharge Yogurtland Franchising, Inc. and the Assigns and their employees, directors and officers from all actions, claims, and demands of any nature which I, my heirs, executor, administrator, assigns or agents may have at any time now or in the future arising out of or related to the rights granted above or the photographs taken of me on or about the date noted above or any time throughout the term of the Franchise Agreement.

I hereby warrant that I am at least 18 years of age and have full right and capacity to contract in my own name with respect to the above.

I have read and understand the above and consent to the foregoing.

Franchise Owner's Signature: ________________________________

Print Name: ____

Date:________________

EXHIBIT H TO DISCLOSURE DOCUMENT

LIMITED CONSTRUCTION MANAGEMENT AGREEMENT FOR: STORE NAME

This agreement is entered between YOGURTLAND FRANCHISING, INC., a California Corporation, 17801 Cartwright Rd., Irvine, CA 92614 (YOGURTLAND), and **FRANCHISEE NAME** (Franchisee) effective from the date signed at the end of this agreement.

Location: **Store Address**

1. Lease and Guarantee. FRANCHISEE is the contractual party for the Lease Contract of the location and agrees to provide all the necessary guarantees.

2. Construction. YOGURTLAND shall support and guide contractor, throughout the entire construction phase, on behalf of FRANCHISEE. YOGURTLAND will report construction progress and/or issues related with construction within a reasonable time, to FRANCHISEE.

3. Total Budget. Franchisee agrees to pay the total budget of **Four Thousand Five Hundred Dollars ($4,500.00)** for a YOGURTLAND Support Build-up. Support cost is based on a YOGURTLAND approved Contractor build out, subjected to change if a Non-Approved Contactor is selected. The total budget shall include the following jobs to effect operation of the store specified as below:

- **a.** Supervising Fee **($4,000)**
  - i. Provide & guide thru store build-up process
  - ii. Provide & guide thru build-up process milestone/time schedule
  - iii. Revise and Approve Floor Layout for Architectural plans
  - iv. Provide list of approved General Contractor
  - v. Provide ALL required Equipment information (Micros, Taylor 791 Machines, US Foods, etc)
  - vi. Provide ALL vendor contact information and Contracts
  - vii. Order the following equipment:
    1. Glycol system information
    2. Walk-in Cooler Information
    3. Interior/Exterior Graphics
    4. Kitchen Equipment & Smallwares
    5. Cabinetry, Stainless Steel Frames, Yogurtland Provided Items, etc.
  - viii. Assist with Delivery of Equipment
  - ix. Assist Opening Team with Employee training prior to grand opening, if needed
  - x. Provide up to, two site visits (Travel cost by Franchisee):

    First visit will be scheduled during the third week of constructing – if needed.

    Second visit will be scheduled at the end of construction. "General Punchlist" must be 95% complete. Any punchlist items must be addressed/completed, prior to store opening.

    Additional visits will be $750.00 per day, plus expenses.
- **b.** Micros POS Server Staging Fee **($500)**
- c. Following items shall be the Franchisee's responsibility:
  - i. Alarm System (Burglar Alarm)
  - ii. Security System (Security Cameras)
  - iii. Muzak System (Audio System)

iv. Low Voltage (Installation of Computer/phone lines, speakers, amplifier, etc.)
v. Office Supplies
vi. Employee Uniforms and any other YLLSM.com items
vii. Marketing
viii. Cleaning/Chemical Supplies
ix. Have General Contractor send weekly construction progress photos sent to your Yogurtland Project Manager. These pictures are due every Friday at 12:00pm. If GC does not send weekly photos the Yogurtland Project Manager will travel to site and take progress pictures at franchisees expense of up to $750 per day plus expenses.

4. Terms of Payment. FRANCHISEE shall pay 100% of the total contract amount when the contract is signed

5. Travel. FRANCHISEE shall retain the cost of lodging, transportation, meals, incidentals, outside of a radius of 100 miles from corporate office.

6. Micros POS Server Staging. YOGURTLAND IT Department shall prepare and configure the site's Micros POS Server based on the provided site survey. This process ensures that the FRANCHISEE has the latest version of the YOGURTLAND database and system software. Third party software such as Microsoft Office and Antivirus shall be the FRANCHISEE's responsibility. Server, Merchant IDs, key codes, and MyMicros installation shall be ORACLE's responsibility.

7. Opening /Training. FRANCHISEE shall send two staff members to Corporate Training prior to store opening. Once site is turned over to the Opening Team by the Construction Team, YOGURTLAND shall assist FRANCHISEE with the training of all employees.

8. Vendors and Utility. YOGURTLAND shall assist FRANCHISEE in ordering equipment and scheduling vendors throughout building process. Utilities such as telephone, electricity, gas, water, etc., shall be the FRANCHISEE's responsibility. FRANCHISEE shall sign all Contracts, submit paperwork to all vendors, and will be responsible for all billing.

9. Waiver or Modification. Any waiver, modification or amendment of any provision of this Agreement shall be effective only if in writing in a document that specifically refers to this Agreement, and such document is signed by the party against whom enforcement thereof is sought.

10. Notices. All notices or other communications required or permitted hereunder shall be in writing, shall be personally delivered, or faxed with subsequently mailed confirmation to the addresses set forth in this Agreement.

11. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of California.

12. Complete Understanding. This Agreement hereto constitutes the full and complete understanding and agreement of the parties hereto with respect to the specific subject matter covered herein and supersedes all prior understandings and agreements with respect thereto.

[The remainder of this page is intentionally left blank.]

13. Attorney Fee Provision. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs and necessary disbursements in addition to any other relief to which the party may be entitled. This provision shall be construed as applicable to the entire contract.

Signed and executed at 17801 Cartwright Road, Irvine, CA 92614

Development & Construction Yogurtland Franchising, Inc.	Date	Franchisee	Date

EXHIBIT I to DISCLOSURE DOCUMENT

PERSONAL GUARANTY OF FRANCHISEE'S UNDERTAKINGS

In consideration of, and to induce, the agreement by Yogurtland Franchising Inc., a California corporation ("Yogurtland"), to the terms of that certain Franchise Agreement dated as of ___________, 201___ (the "Franchise Agreement"), with ________________________________ __________________________ ("Franchisee"), each of the undersigned (collectively, "Guarantors," and each individually, "Guarantor") unconditionally guarantees to Yogurtland that Franchisee will fully perform and satisfy on time, each and every term, covenant, condition, payment, indebtedness, agreement, undertaking, and obligation of Franchisee in the Franchise Agreement in accordance with the terms and conditions below.

Each of the undersigned Guarantors hereby represents to Yogurtland that: a) they constitute all of the owners of all of the outstanding equity of Franchisee and their respective spouses; and b) they will not permit any transfer of any ownership interest in Franchisee without first obtaining Yogurtland's written consent in accordance with the terms of the Franchise Agreement.

This Guaranty is absolute and shall be continuing and irrevocable throughout the term of the Franchise Agreement and any extension or renewal and thereafter until all obligations of Franchisee to Yogurtland have been satisfied. This Guaranty is directly enforceable against each of the undersigned guarantors without first resorting to or exhausting remedies against Franchisee. No indulgence, forbearance or extension of time for performance will in any way release any of the undersigned from any liability or obligation under this Guaranty.

The Guaranty is a guaranty of performance, not merely of collection. Yogurtland and its successors and assigns may, from time to time without notice to Guarantors and without diminishing Guarantors' obligations: (a) resort to any of the Guarantors for payment of any of Franchisee's liabilities, whether or not Yogurtland or its successors resorted to any property that secures the liabilities or proceeded against any other Guarantor(s) or against Franchisee on any of the liabilities; (b) release or compromise liability of any Guarantor or any liability of any parties primarily or secondarily liable on any of the liabilities; and (c) extend, renew, or credit any of the liabilities for any period (whether or not longer than the original period).

Guarantors hereby covenant to comply with and abide by the restrictive covenants and non-disclosure provisions in the Franchise Agreement to the same extent and for the same period of time as Franchisee is required to comply with and abide by those covenants.

Guarantors' obligations shall survive termination, expiration, non-renewal, or transfer of the Franchise Agreement. Until all obligations of Franchisee to Yogurtland have been satisfied, Guarantors' obligations shall remain in full force and effect without regard to, and shall not be released, discharged, or modified or affected by, any circumstance or condition (whether or not Guarantors have any knowledge or notice), including without limitation Franchisee's bankruptcy, insolvency, reorganization, composition, liquidation, or similar proceeding or condition. The remedies in this Guaranty shall be nonexclusive and cumulative of all other rights, power, and remedies provided under the Franchise Agreement or by law or in equity.

Guarantors waive presentment, demand, notice of dishonor, protest, nonpayment, notice of acceptance hereof, notice of all contracts and commitments, notice of the existence or creation of any liabilities under the Franchise Agreement or the amount and terms thereof, notice of defaults, disputes, or controversies resulting from the Franchise Agreement or otherwise, and the settlement, compromise, or adjustment thereof, as well as all other notices.

Guarantors shall pay all reasonable expenses incurred by Yogurtland in attempting to enforce the Franchise Agreement or this Guaranty, including without limitation reasonable attorneys' fees, out-of-pocket expenses, and costs. Any waiver, extension of time, acceptance of partial payment, or other indulgence, if any, granted from time to time by Yogurtland, its agents, successors, or assigns shall in no way modify or amend this Guaranty, which shall be continuing, absolute, unconditional, and irrevocable. No delay or failure of Yogurtland in the exercise of any right, power, or remedy, or the exercise of any other right, power, or remedy shall be deemed a waiver of any right, power, or remedy. Guarantors intend that each of them shall remain liable hereunder as a principal until all obligations have been satisfied, regardless of any fact, act, event, or occurrence that might otherwise operate as a legal or equitable discharge of Guarantors.

The liability of each Guarantor shall be joint and several and primary. No Guarantor shall attempt to assign or delegate this Guaranty without the prior written consent of Yogurtland, which consent may be withheld in the sole discretion of Yogurtland, and no such attempt shall be effective except with such prior written consent.

This Guaranty shall be governed by and construed in accordance with the laws of the State of California. Each Guarantor hereby consents to the jurisdiction and venue of the federal and state courts located within the State of California and covenants to initiate no litigation or arbitration proceeding pertaining to this Guaranty in any venue outside the State of California.

This Guaranty is signed by each Guarantor (and each respective spouse in consent of the pertinent Guarantor's entry into this Guaranty) on the date stated next to that Guarantor's name, and the Guaranty is effective for each Guarantor as of the earliest of such dates.

This Guaranty constitutes the full and complete understanding and agreement of the parties hereto with respect to its specific subject matter and supersedes all prior understandings and agreements with respect thereto. Nothing in this Guaranty or any related agreement, however, is intended to disclaim the representations of Yogurtland contained in the Franchise Disclosure Document previously furnished by Yogurtland to any Guarantor or Guarantor's spouse.

______________________________	______________________________
Guarantor	(**Witness** to Signature at Left)
Print Name ______________________	Print Name:__________________
Date ______________________	
______________________________	______________________________
Spouse of Guarantor	(**Witness** to Signature at Left)
Print Name: ______________________	Print Name:__________________
Date ______________________	

EXHIBIT J TO DISCLOSURE DOCUMENT

NON-COMPETITION AND NON-DISCLOSURE AGREEMENT

This Non-Competition and Non-Disclosure Agreement (this "Agreement") is made and entered into on _______________, 20__, by and between Yogurtland Franchising, Inc., a California corporation . ("Yogurtland"), and ___________________________________ ("Franchise Owner"), an individual residing at ________________________________, with reference to the following facts.

RECITALS

Franchise Owner is intending to acquire an ownership interest in an existing Yogurtland franchisee entity ("Franchisee"). Franchise Owner acknowledges that the experience, training, and assistance offered by Yogurtland and Franchise Owner's access as an owner of a Yogurtland franchisee entity to confidential and proprietary information could enable Franchise Owner to take unfair advantage of Yogurtland by competing against part or all of the Yogurtland System during or after Franchise Owner's period of ownership. To protect this information, Franchise Owner's signing and delivery of this Agreement are conditions for Yogurtland to authorize the disclosure of certain information to Franchise Owner. Accordingly, the parties hereby agree as follows:

AGREEMENT

1. <u>Non-Disclosure</u>. Franchise Owner shall hold in confidence all Confidential Information (as defined below) and shall not disclose, communicate, publish, or make use of all or any part of any Confidential Information, without prior written consent of an officer of Yogurtland, which consent may be withheld in Yogurtland's sole discretion.

2. <u>Definition.</u> "Confidential Information" shall mean all disclosures and communications of information made to Franchise Owner by or at the direction of Franchisee or Yogurtland containing information not available to the general public. Confidential Information includes without limitation all recipes, formulas, and methods for preparation of Yogurtland products, product specifications, systems, procedures, techniques for food preparation, sales and marketing, development and operational procedures of Yogurtland stores, confidential marketing programs for Yogurtland stores, and confidential information on Yogurtland products, materials, suppliers, equipment, operating results, and financial performance of Yogurtland stores, other trade secret information, and all portions of Yogurtland's Confidential Operation Manual.

3. <u>Other Protections under Applicable Law.</u> The restrictions from disclosure in Section 1 are additional to and not in lieu of protections afforded to trade secrets and proprietary confidential information under applicable laws. Nothing in this Agreement is intended to or shall be interpreted as diminishing or otherwise limiting Yogurtland's rights under applicable laws to protect trade secrets and proprietary confidential information.

4. <u>Return of Materials.</u> On Yogurtland's request, Franchise Owner shall immediately deliver to Yogurtland all memos, notes, records, manuals, drawings and other documents (including, but not limited to, written instruments, voice or data recordings, computer tapes, disks and files of any nature), and all copies of these materials and all documents prepared or produced

in connection with the foregoing, containing Confidential Information regarding Yogurtland or its business, whether made or compiled by Franchise Owner or furnished to Franchise Owner due to Franchise Owner's relationship with Yogurtland or Franchisee or otherwise obtained by Franchise Owner.

5(a). In-Term Non-Competition Covenant. Franchise Owner covenants that during that period of her or his ownership (direct or indirect) of any financial, beneficial, or equity interest in Franchisee while the Franchise Agreement is in effect, Franchise Owner shall not in any way, directly or indirectly, perform any services for, engage in, or hold any financial, beneficial or equity interest in, any Competitive Business to that of a Yogurtland® Store. For purposes of this Section 5(a), such a "Competitive Business" means (a) any store, manufacturer, seller, reseller, distributor, or similar business specializing or in any way emphasizing yogurt, desserts, snacks, or similar foods located anywhere, or (b) any entity that is granting franchises or licenses to others to operate one or more stores specializing in or emphasizing yogurt, desserts, snacks, or similar foods, or (c) a business that operates or licenses others to operate retail businesses in which aggregate sales of yogurt, yogurt-like products or frozen desserts, in aggregate, from any individual facility of such business constitute or would likely constitute more than ten percent (10%) of operating revenues annually from such individual facility.

5(b). Post-Term Non-Competition Covenant. Franchise Owner covenants that for the twenty-four (24) month period immediately following the earlier of: a) the complete transfer of any and all of his or her ownership (direct or indirect) of any financial, beneficial, or equity interest(s) in Franchisee, or b) the expiration or termination of Franchisee's franchise agreement, Franchise Owner shall not in any way, directly or indirectly, perform any services for, engage in, or hold any financial, beneficial or equity interest in, any Competitive Business to that of a Yogurtland® Store. For purposes of this Section 5(b), a "Competitive Business" means (a) any store, manufacturer, seller, reseller, distributor, or similar business specializing or in any way emphasizing yogurt, desserts, snacks, or similar foods located within the same county as then is or was the Yogurtland® Store which was or is then the subject of the Franchise Agreement or the same county as any other Yogurtland® Store then operating or under construction, or (b) any entity that is granting franchises or licenses to others to operate one or more stores specializing in or emphasizing yogurt, desserts, snacks, or similar foods, or (c) a business that operates or licenses others to operate retail businesses in which aggregate sales of yogurt, yogurt-like products or frozen desserts, in aggregate, from any individual facility of such business constitute or would likely constitute more than ten percent (10%) of operating revenues annually from such individual facility.

6. Severability. If a judicial or arbitral determination is made that any provision of this Agreement is an unreasonable or otherwise unenforceable restriction against Franchise Owner, that provision shall be deemed to be amended to comprise the maximum, enforceable scope of protection in that jurisdiction of the Confidential Information, the Yogurtland System, and each Yogurtland Store, as applicable. Any judicial or arbitral authority construing this Agreement shall be empowered to sever any prohibited business activity, time period, or geographic area from the coverage of this Agreement and to apply the provisions of this Agreement to the remaining business activities, remaining geographic area and remaining time period not so severed by that authority. The time period during which the prohibitions in this Agreement shall apply shall be tolled and suspended for a period equal to the aggregate amount of time during which Franchise Owner violates those prohibitions in any way. This tolling is not intended to waive or excuse any breach and is in addition to and not in lieu of available remedies for the breach.

7. Injunctive Relief. Franchise Owner acknowledges and agrees that any remedy at law for breach of Sections 1, 4 or 5 would be inadequate and that Yogurtland shall be entitled to injunctive relief in addition to any other remedy Yogurtland may have under this Agreement.

8. Miscellaneous

a. No Hardship. Franchise Owner acknowledges, represents and warrants that the restrictions in this Agreement do not restrict Franchise Owner from engaging in any trade or profession, and that Franchise Owner has skills and talents sufficient to enable Franchise Owner to earn a living, so that compliance with the restrictions in this Agreement is not and will not be a hardship to Franchise Owner.

b. Binding effect. This Agreement shall be binding on, and shall benefit Yogurtland and its successors and assigns, and Franchise Owner and his heirs, representatives and assigns.

c. Governing Law. This Agreement is entered into in conjunction with a Franchise Agreement dated ________, 20___, between Yogurtland and an entity wholly or partially owned by Franchise Owner (the "Franchise Agreement") pertaining to a Yogurtland Store to be operated in the state of ______________________ (the "Franchisee State"), this Agreement shall be governed by and construed in accordance with the laws of the Franchisee State without regard to the conflicts of law principles thereof.

d. Headings. Section and paragraph headings in this Agreement are for reference only and shall not affect the meaning or interpretation of this Agreement.

e. Counterparts. This Agreement may be signed in two or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

f. Waiver of Conditions. Any party may, at its option, waive in writing any or all of the conditions in this Agreement to which its obligations are subject. No waiver of any provision of this Agreement shall constitute a waiver of any other provision (whether or not similar), nor shall any waiver on one occasion constitute a continuing waiver unless otherwise expressly provided.

g. Entire Agreement. This Agreement is intended by the parties to be the final expression of their agreement regarding its subject matter and is the complete and exclusive statement of the terms thereof, regardless of any representations, statement or agreements to the contrary. Only a written instrument signed by all of the parties may modify this Agreement. Nothing in this or any related agreement, however, is intended to disclaim the representations contained in the Franchise Disclosure Document previously furnished by Yogurtland to Franchise Owner.

Entered into as of the date first above written.

YOGURTLAND FRANCHISING, INC.	**FRANCHISE OWNER**
By: ______________________________	______________________________ Individually
Name: ____________________________	Print Name: ____________________
Title: _____________________________	

EXHIBIT K TO DISCLOSURE DOCUMENT

GENERAL RELEASE

This GENERAL RELEASE is made on _______, 20__, by the undersigned ("Releasing Party").

For good and valuable consideration to Releasing Party (the receipt and sufficiency of which are hereby acknowledged), Releasing Party hereby waives, releases, and forever discharges Yogurtland Franchising, Inc., a California corporation, each and all of its shareholders, affiliates, subsidiaries, officers, directors, employees, agents, attorneys, and representatives, Phillip Chang, an individual, and Michelle Chang, an individual (all collectively, the "Released Parties") from any and all claims, demands, liabilities, or causes of action in law or in equity of whatsoever nature arising prior to and including the date hereof that the Releasing Party now has or may hereafter have by reason of any act, omission, event, deed, or course of action having taken place, or having been omitted, including without limitation any that is on account of, or arising out of any franchise agreement, lease or sublease agreement, or any other agreement between Releasing Party and any of the Released Parties, occurring prior to the date of this Release, except as may be prohibited by law.

Releasing Party hereby expressly acknowledges that any and all rights granted Releasing Party or anyone else under Section 1542 of the California Civil Code are hereby expressly waived. Such statute reads as follows:

> **"Section 1542.**
>
> **A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected the settlement with the debtor."**

Releasing Party hereby promises to defend, indemnify, and hold harmless from any claims, demands, liabilities, or causes of action in law or equity brought against any of the Released Parties by any of Releasing Party's owners, parents, affiliates, directors, officers, or employees that is or are based on any acts or omissions of any of the Released Parties occurring prior to the date of this Release.

In addition, Releasing Party hereby warrants and represents to the Released Parties that Releasing Party has never assigned to anyone any claim of Releasing Party against any of the Released Parties.

In Witness Whereof, Releasing Party through its duly authorized signatory signs and delivers this Release effective as of the first date above.

RELEASING PARTY: ______________________________
a ______________________________________

By ___________________________
Title _________________________

EXHIBIT L TO DISCLOSURE DOCUMENT – Form of Sublease for Big Box Location

SUBLEASE

This Sublease (the "Sublease") is made and entered into this ____ day of ______, 20__, by and between Yogurtland Franchising, Inc., a California corporation ("Sublessor" or "Yogurtland") and ___________________________ ("Sublessee"), with reference to the following:

A. According to the terms of that certain Lease, dated ___________, by and between _______________________________________, as lessor ("Landlord") and Sublessor, as tenant (the "Master Lease"), Sublessor leased certain improved real property located at, and commonly identified as _____________________________ ____ (the "Premises," as further described on Attachment A defined below).

B. On or about ____________, Yogurtland and Sublessee entered into that certain Franchise Agreement (the "Franchise Agreement") for Sublessee's (as franchisee) operation of a Yogurtland® store at the Premises.

C. A true and correct of the Premises-specific Attachment A to the Master Lease is attached to this Sublease as Exhibit A and incorporated herein by this reference ("Attachment A").

D. Sublessor and Sublessee desire to enter into this Sublease to enable Sublessee to occupy the Premises, to perform the obligations of the Tenant under Attachment A and to provide Sublessor the ability to reenter the Premises in the event of default by Sublessee under the Franchise Agreement or the Sublease.

Accordingly, for good and valuable consideration the receipt and sufficiency of which are hereby mutually acknowledged and intending to be legally bound hereby, the parties hereby agree as follows:

AGREEMENT

1. Sublease. Sublessor hereby subleases the Premises to Sublessee, and Sublessee accepts such sublease, on the terms and conditions in this Sublease.

2. Term. The term of this Sublease starts as of the date of this Sublease first written above and shall remain in full force and effect until the earliest of (i) of one day prior to the third (3rd) anniversary of the Rent Commencement Date as provided in Attachment A, (ii) the expiration or earlier termination of the Franchise Agreement, or (iii) the expiration of the Master Lease (the "Term"). Subject to renewal by Sublessee of the term of the

Franchise Agreement (in accordance with and subject to its terms and conditions) and to the terms and conditions of Attachment A, the Sublease term may be extended by Sublessee for up to two extension terms of three (3) years each; provided, however, failure to extend for an initial extension term shall automatically cancel any and all other rights to extend the term.

3. Obligations Under Lease. Sublessee hereby assumes all responsibilities and promises to perform all duties of Sublessor under Attachment A. In addition to its rights and remedies herein, Sublessor shall have all rights and remedies of the lessor under the Master Lease for a failure by Sublessee to fulfill its obligations under this Sublease. Sublessee shall pay rent to Sublessor. TIME IS OF THE ESSENCE OF THIS SUBLEASE AND EACH PROVISION HEREOF.

4. Premises.

(a) Use of Premises. Sublessee shall use the Premises only for the purpose(s) permitted by both Attachment A and the Franchise Agreement. Sublessee shall, at Sublessee's expense, comply promptly with all statutes, ordinances, rules, regulations, orders, and requirements of any government authority relating to use of the Premises. Sublessee hereby accepts the Premises in their condition existing on the date of this Sublease, subject to all municipal, county, state and other laws and regulations affecting the use of the Premises. In any and all provisions of the Master Lease requiring the approval or consent of the Landlord, Sublessee shall be required to obtain the approval or consent of both Landlord and Sublessor.

(b) Landlord Obligations. Sublessee acknowledges and agrees that Sublessor is not in a position to render any of the services or to perform any of the obligations required of the Landlord under the Master Lease. Therefore, notwithstanding anything to the contrary in this Sublease or the Master Lease, Sublessor shall have no obligation to perform any of the terms, covenants and conditions contained in the Master Lease to be performed by the Landlord, and Sublessor shall not be liable to Sublessee for any default of Landlord under the Master Lease. Sublessee shall not have any claim against Sublessor by reason of Landlord's failure or refusal to comply with any provisions of the Master Lease. Without limiting the foregoing, Sublessor shall have no obligation to provide any or all of the services, utilities, parking, work alterations, repairs, or maintenance to be provided by Landlord under the Master Lease, and Sublessor shall in no way be liable to Sublessee for any failure of Landlord to provide such services, utilities, parking, work, alterations, repairs, or maintenance. Notwithstanding the foregoing, if Landlord fails to provide any services, utilities, parking, work, alterations, repairs, or maintenance required under the Master Lease, Sublessor shall, upon the written request of Sublessee, give Landlord notice of such failure and seek in good faith to cause Landlord to cure the failure (but without any requirement for Sublessor to expend its own funds).

(c) Condition of Premises. Sublessor makes no warranties or representations of any kind concerning the condition of the Premises. Sublessee acknowledges that Sublessee has had an opportunity to inspect the Premises and hereby accepts same "AS

IS" and "WITH ALL FAULTS" in its present condition and without any warranty of Sublessor whatsoever, express or implied, in fact or by law.

5. Additional Duties of Sublessee With Respect to Lease. If Sublessor is required to sign or deliver any documents or perform any acts under the Master Lease, Sublessee shall sign and deliver any such documents and perform any acts that Sublessor may require and that Sublessor deems to be reasonably necessary to enable Sublessor to comply with its obligations under the Master Lease.

6. Security Deposits.

(a) Master Lease Security Deposit Disclaimer. Sublessee acknowledges that on expiration of this Sublease, any security deposit presently on deposit with Landlord shall belong to Sublessor and Sublessee shall have no right to such deposit.

(b) Sublease Security Deposit. On Sublessee's signing of this Sublease, Sublessee shall pay Sublessor the sum of Five Thousand US Dollars ($5,000.00) as a security deposit for the full and prompt performance of the obligations of Sublessee hereunder. Said security deposit may be commingled with other funds of Sublessor, and no fiduciary relationship shall be created with respect to such deposit, nor shall Sublessor be liable to Sublessee for interest thereon. If Sublessee shall fail to perform any of its obligations under this Sublease, Sublessor may, but shall not be obligated, to apply the security deposit to the extent necessary to cure the default, and Sublessee shall be obliged to reinstate such security deposit to the original amount thereof upon demand. Not later than thirty (30) days after the expiration or sooner termination of the Term, the security deposit, to the extent not applied, shall be returned to Sublessee without interest.

7. Eminent Domain. If the Premises are taken in whole or part by condemnation proceedings or eminent domain, or are conveyed in avoidance or settlement of such proceedings or under the threat thereof, Sublessor may elect, without incurring any liability to Sublessee, to terminate this Sublease on the date the condemning authority takes title or possession or on any such conveyance. Sublessee shall be entitled to receive only that portion, if any, of the condemnation award, sale price or settlement amount which is expressly allocated by the condemning authority or by the terms of the sale or settlement to losses caused by the interruption or relocation of Sublessee's business.

8. Assignment and Subletting. Except as otherwise provided in this Sublease, Sublessee shall not voluntarily or by operation of law assign, transfer, mortgage, sublet, or otherwise transfer or encumber all or any part of Sublessee's interest in this Sublease or in the Premises without Sublessor's prior written consent, which consent Sublessor shall have no obligation to give and may withhold in Sublessor's absolute and unfettered discretion. Sublessor disclaims any restriction on withholding such consent. By way of illustration, Sublessor may withhold consent to a proposed assignment or transfer that does not also include an assignment and transfer of the Franchise Agreement or that Yogurtland would not approve as an assignment of the Franchise Agreement. Any attempted assignment, transfer, mortgage, subletting, or encumbrance without Yogurtland's and Sublessor's prior written consent shall be void and shall constitute a

material breach of this Sublease. The consent of Yogurtland and Sublessor to any one assignment, transfer, mortgage, subletting, or encumbrance shall not be deemed to be a consent to any subsequent assignment, transfer, mortgage, subletting, or encumbrance. Regardless of Yogurtland's and Sublessor's consent, no subletting or assignment shall be permitted that could potentially alter the primary liability of Sublessee to pay rent or release Sublessee of Sublessee's obligation to perform all other obligations to be performed by Sublessee under this Sublease unless Sublessor's written consent shall specifically so provide.

9. Master Lease or Attachment A Termination. In the event the Master Lease expires or terminates, this Sublease shall likewise expire or terminate immediately and Sublessor and Sublessee shall be released from all obligations under this Sublease that would have otherwise arisen after such termination. Sublessee hereby acknowledges that Attachment A includes an option for Landlord to terminate Attachment A prior to its natural expiration. In the event Landlord exercises such option, then this Sublease shall automatically terminate simultaneously with the term of Attachment A. In addition, with respect to any Early Termination Fee paid by Landlord in conjunction with such an early termination, Sublessor shall pay to Sublessee any Early Termination Fee so received from Landlord, expressly subject to Sublessee's timely cessation of its operations at and occupancy of the Premises and Sublessee's prompt delivery of a full and general release of any and all claims of Sublessee against Sublessor and Landlord in form and content satisfactory to Sublessor.

10. Repairs And Maintenance; Liens.

(a) Repairs and Maintenance. Sublessee shall, at its own cost and expense, keep and maintain in good condition and repair the Premises including, without limitation, the interior of the building, windows and other glass, and all other portions required to be maintained by tenant under the Master Lease, at all times during the Term. Should the Master Lease provide for operation, decoration, maintenance, repair or refurbishment of any or all of the Premises, common areas, or the parking area by the Landlord (which maintenance may include, but need not be limited to, taxes, snow removal, lighting, insurance and other facilities) at Sublessor's cost, Sublessee shall pay, as additional rent, the amounts required by the Master Lease at least three (3) business days prior to the date such amounts are due to Landlord under the Master Lease.

If at any time during the Term it shall be required by any governmental agency that certain improvements be made to the Premises or fixtures or equipment be furnished or replaced as may be prescribed by such agency, Sublessee shall bear the cost of making the improvements and furnishing or replacing such equipment without reimbursement from Sublessor. Landlord, Sublessor, and their respective agents may at any time enter and inspect the Premises to determine the manner in which they are being used, maintained, and repaired.

Should the Sublessee at any time during the Term fail to maintain or repair the Premises as required in this Sublease, or should Sublessee fail to pay any amounts required by this Sublease, Sublessor may, at its sole option, perform the repairs or pay such amounts and demand reimbursement thereof from Sublessee within seven (7) days after Sublessee has been notified in writing of the nature and amount of such expenditure by Sublessor.

Upon expiration or earlier termination of this Sublease, Sublessee shall promptly return the Premises to Sublessor in as good condition as when received, reasonable wear and tear excepted.

(b) Liens. If, at any time during the Term, the Premises become subject to a lien for labor or materials furnished to Sublessee, then within ten (10) days after Sublessee's receipt of written notice informing Sublessee of the lien, Sublessee shall cause the lien to be bonded or discharged, and shall otherwise save Sublessor and Landlord harmless on account thereof.

11. Insurance.

(a) Liability Insurance. Upon request by Sublessor, in addition to any other requirement in the Franchise Agreement, Sublessee shall obtain and maintain throughout the Term, for the mutual benefit of Landlord, Sublessor, and Sublessee, commercial general liability insurance covering the Premises from a reputable insurance company authorized to do business in the state in which the Premises are located in the minimum amounts required under the Master Lease. Such insurance shall provide coverage of at least Two Million Dollars ($2,000,000) combined single limit for death or injury to one or more persons and property damage and shall name Landlord and Sublessor as additional insureds.

(b) Property Insurance. Upon request by Sublessor, in addition to any other requirement in the Franchise Agreement, Sublessee shall obtain and maintain, for the mutual benefit of Landlord, Sublessor, Sublessee, and Landlord's mortgagee, if any, so-called "All Risk" property insurance with a code upgrade endorsement covering the Premises from a reputable insurance company authorized to do business in the state in which the Premises are located in an amount equal to at least one hundred percent (100%) of the full replacement cost thereof, excluding foundation and excavation costs. In all events, such insurance shall comply with the requirements of the Master Lease.

(c) Business Interruption Insurance. Notwithstanding any damage or destruction of the Premises, all rent, taxes, additional rent, and other charges payable hereunder shall not abate even though the Premises may be closed for restoration. In order to assure the payment of all rent, taxes, additional rent, and other charges payable hereunder, Sublessee shall obtain and maintain business interruption insurance coverage naming Sublessor as a co-insured and loss payee, in an amount sufficient to cover all of Sublessee's continuing obligations including but not limited to the rent, taxes, additional rent, and other charges payable hereunder for twelve (12) months running from the date of the insured event. In connection therewith, Sublessee hereby assigns to Sublessor the proceeds of any proof of loss under such business interruption policy to the extent of the rent, taxes, additional rent, and other charges payable hereunder for the period of the loss, together with any and all arrearages hereunder at any time.

(d) Other Insurance; Higher Coverage. In addition to the insurance required hereunder, Sublessee shall obtain and maintain, at its sole cost and expense, such other insurance or higher coverage amounts as may be required by the Master Lease, Franchise Agreement, or by Sublessor including, without limitation, higher amounts of coverage for the liability, property, business interruption, earthquake, or flood insurance.

(e) Policy Standards. All insurance required hereunder shall (a) be maintained in full force and effect during the entire Term at Sublessee's sole cost and expense; (b) be carried and maintained with insurance companies satisfactory to and approved by Sublessor; and (c) be cancelable only upon not less than ten (10) days' prior written notice by the insurance carrier to Sublessor. Sublessee shall provide evidence of coverage required hereunder (in each case in the form of certificates of insurance naming Sublessor, Landlord and, as applicable, Landlord's mortgagee, as additional insureds) to Sublessor annually and at any other time as Sublessor may request. Sublessee may, at its option, bring its insurance obligations within the coverage of a "blanket" policy of insurance which it may now or hereafter carry, by appropriate amendment, rider, endorsement, or otherwise; provided, however, that the interest of Landlord (and its mortgagee, if any) and Sublessor shall thereby be as fully protected as if Sublessee obtained individual policies of insurance.

12. Brokers and Finders. Each of Sublessor and Sublessee hereby represents to the other that entry into this Sublease was not induced or procured through any person or company acting as a broker or finder. Each party shall hold the other harmless from any loss, damage, or expense resulting from any claim by any third party that such third party acted as a broker or finder in connection with this transaction on behalf of that party.

13. Indemnification. Sublessee shall defend, indemnify, and hold Sublessor harmless from and against any claim, action, liability, loss, damage, cost, and expense (including attorneys' fees) of any nature whatsoever which Sublessor may incur under the Master Lease, this Sublease, or otherwise by reason of any acts or omissions of Sublessee or any failure by Sublessee to timely and fully perform Sublessee's obligations hereunder.

14. Notices. All notices required, permitted, or desired to be given hereunder shall be in writing and shall be deemed effective at the earlier of first tendering or delivery in person or by reputable private delivery service during normal business hours for the locale of the addressee addressed as follows:

To Sublessor: Yogurtland Franchising, Inc.
Real Estate Department
17801 Cartrwright Road
Irvine, CA 92614
Attn: VP of Franchise Development

To Sublessee: ________________________
____
____
____

The address to which notices shall be sent may be changed by either party from time to time by notice to the other party given in accordance with this paragraph.

15. Exemption of Sublessor from Liability. Sublessor shall not be liable for any damage or injury to Sublessee's business or any loss of income therefrom, or to any goods, wares, merchandise, equipment or other property of Sublessee, or to any of Sublessee's employees, agents, contractors, invitees, customers, or any other person in or about the Premises, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water, rain, or from the breakage, leakage, obstruction, or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning, lighting fixtures, or from any other cause, whether said damage or injury results from conditions arising on the Premises or on other portions of the building of which the Premises are a part, or from other sources or places and regardless of whether the cause of such damage or injury or the means of repairing the same is inaccessible to Sublessee.

16. Default by Sublessee. The occurrence of any one or more of the following events shall constitute a material default and breach of this Sublease by Sublessee entitling Sublessor to terminate this Sublease:

(a) Vacating or abandonment of the Premises by Sublessee.

(b) Failure by Sublessee to make any payment of rent or any other payment required to be made by Sublessee under this Sublease to Sublessor or Landlord, as and when due, where such failure shall continue for a period of five (5) calendar days after Sublessor provides written notice to Sublessee of such failure. Sublessee hereby waives any other notice period required by any statute or law now or subsequently in force.

(c) Failure by Sublessee to observe or perform any of the terms of this Sublease to be observed or performed by Sublessee other than described in paragraph (b) above, where the failure continues for a period of five (5) calendar days after written notice of the failure to Sublessee; provided, however, that if the nature of Sublessee's default is such that more than five (5) calendar days are reasonably required for its cure, then Sublessee shall not be deemed to be in default if Sublessee notifies Sublessor of Sublessee's commitment and plan to cure, commences the cure within the 5-calendar day period, and thereafter diligently prosecutes such cure to completion.

(d) Sublessee becomes insolvent or makes a general assignment for the benefit of creditors, or admits its inability to pay its obligations as they become due, or files a voluntary petition in bankruptcy, or initiates any composition, adjustment, liquidation, dissolution, or similar relief under any law, or admits or fails to contest the material allegations of any pleading filed against Sublessee seeking such relief, or is adjudicated bankrupt or insolvent, or a receiver is appointed for a substantial part of Sublessee's assets or the YogurtlandStore at the Premises, or a final judgment or involuntary lien remains on record, unsatisfied for thirty (30) days or longer; provided, however, in the event that any provision of this paragraph 16(d) is contrary to any applicable law, such provision shall be of no force or effect.

17. <u>Cross Violation.</u> A breach of any agreement between Sublessee and Yogurtland, including but not limited to the Franchise Agreement, shall also constitute a breach of this Sublease.

18. <u>Remedies of Sublessor in the Event of Default</u>. In the event of any breach by Sublessee of this Sublease or the Franchise Agreement, then Sublessor, in addition to any other rights or remedies it may have at law or in equity, may:

(a) Reenter the Premises with or without process of law and take possession of the same and of all equipment and fixtures of Sublessee in or on the Premises, and expel or remove Sublessee and all other parties occupying the Premises, using such force as may be reasonably necessary to do so, without being liable for any prosecution for such reentry or for the use of such force, and without terminating this Sublease, may at any time and from time to time relet the Premises or any part thereof for the account of Sublessee, for such term, upon such conditions and at such rental as Sublessor may deem proper. In such event Sublessor may receive and collect the rent from such reletting and apply it against any amounts due from Sublessee hereunder (including, without limitation, such expenses as Sublessor may have incurred in recovering possession of the Premises, placing the same in good order and condition, altering or repairing the same for reletting, and all other expenses, commissions, and charges, including attorneys' fees, which Sublessor may have paid or incurred in connection with such repossession and reletting, including without limitation any payments to Landlord or expenses in bringing the condition of the Premises to standards acceptable to Landlord for either reletting of the Premises under Attachment A or in conjunction with cancellation of Attachment A). Sublessor may enter into any sublease made in accordance with this Sublease in Sublessor's name or in the name of Sublessee, as Sublessor may see fit, and the Sublessee thereunder shall be under no obligation to see to the application by Sublessor of any rent collected by Sublessor, nor shall Sublessee have any right to collect any rent thereunder. Whether or not the Premises are relet, Sublessee shall pay Sublessor all amounts required to be paid by Sublessee up to the date of Sublessor's reentry, and thereafter Sublessee shall pay Sublessor, until the end of the Term hereof, the amount of all rent and other charges required to be paid by Sublessee hereunder, less the proceeds of such reletting during the Term hereof, if any, after payment of Sublessor's expenses as provided above. Such payments by Sublessee shall be due at such times as are provided elsewhere in this Sublease, and Sublessor need not wait until the termination of this Sublease to recover them by legal action or otherwise. Sublessor shall not, by any reentry or other act, be deemed to have terminated this Sublease or the liability of Sublessee for the total rent hereunder unless Sublessor shall give Sublessee written notice of Sublessor's election to terminate this Sublease.

(b) Give written notice to Sublessee of Sublessor's election to terminate this Sublease, reenter the Premises with or without process of law and take possession of the same and of all equipment and fixtures in the Premises, and expel or remove Sublessee and all other parties occupying the Premises, using such force as may be reasonably necessary to do so, without being liable for any prosecution for such reentry or for the use of such force. In such event, Sublessor shall thereupon be entitled to recover from Sublessee:

(1) the amount at the time of award of any unpaid rent which had been earned at the time of such termination; plus

(2) the amount at the time of award by which (a) the unpaid rent which would have been earned after termination until the time of award exceeds (b) the amount of such rental loss that Sublessee proves could have been reasonably avoided; plus

(3) the amount at the time of award by which (a) the unpaid rent for the balance of the Term after the time of award exceeds (b) the amount of such rental loss that Sublessee proves could be reasonably avoided; plus

(4) any other amount necessary to compensate Sublessor for all the detriment proximately caused by Sublessee's failure to perform its obligations under this Sublease or which, in the ordinary course of things, would be likely to result therefrom.

As used in subsections (1) and (2) above, the "amount" (or worth at the time of award) is computed by allowing interest at the rate of ten percent (10%) per annum. As used in subsection (3) above, the "amount" is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award, plus one percent (1%).

The remedies stated in this Sublease shall not be deemed exclusive, but are cumulative of and in addition to all other remedies Sublessor may have at law or in equity hereunder, under Attachment A, or under any other agreement between Sublessee and Sublessor or any affiliate of Sublessor.

19. Subordination. This Sublease and the rights of Sublessee hereunder are expressly subordinate and subject to the Master Lease, Attachment A and the lien of any mortgage, deed of trust, or other voluntary hypothecation now or hereafter encumbering the Premises or any land, building, or improvements included in the Premises, or of which the Premises are a part, or any portions thereof. Sublessee hereby covenants and agrees without the necessity of any further action whatsoever to subordinate in writing all of its beneficial and legal right, title, and interest in and to this Sublease to any deed of trust or mortgage encumbrance at any time now or in the future in any way affecting the Premises or any portion thereof; provided, however, that the beneficiary or mortgagee agrees in writing delivered to Sublessor to recognize all of Sublessor's beneficial and legal right, title, and interest in and under the Master Lease, Attachment A and this Sublease, so long as Sublessor performs and complies with each and all of its covenants, agreements, terms and conditions of the Master Lease. Sublessee shall sign and deliver to Sublessor such documents and take such further action as Sublessor in its sole and absolute discretion deems necessary or advisable to effect or maintain such subordination within ten (10) days after written request of Sublessor or such beneficiary or mortgagee to do so. Upon Sublessee's failure to deliver any such signed documents, at Sublessor's request, Sublessor shall be, and hereby is, appointed Sublessee's attorney-in-fact to do so.

This power of attorney granted by Sublessee is a special power of attorney coupled with an interest and is irrevocable and shall survive the death or disability of Sublessee.

20. Attorney's Fees. If either party brings an action to enforce or construe any term of this Sublease, the prevailing party shall be entitled to its reasonable attorneys' fees, expenses, and costs incurred, to be paid by the other party as fixed by the court.

21. Governing Law. This Sublease shall be governed by and construed according to the laws of the state where the Premises are located. If any provision of this Sublease is held to be unenforceable or invalid, the remaining provisions shall nevertheless be unaffected.

22. Waiver. All rights of the parties are separate and cumulative, and none of them, whether exercised or not, shall be deemed to be to the exclusion of any other rights, or limit or prejudice any other legal or equitable rights or remedies the parties may have. No party shall be deemed to have waived any of its rights or remedies under this Sublease unless such waiver is in writing and signed by such party. No delay or omission on the part of either party in exercising any right shall operate as a waiver of such right or any other right. A waiver on any one occasion shall not be construed as a bar to or waiver of any right on any other occasion.

23. Titles. The paragraph titles of this Sublease are for convenience only, are not a part of this Sublease, and do not in any way interpret, limit, or amplify the scope, extent, or intent of this Sublease.

24. Binding Effect. This Sublease shall be binding on the parties to this Sublease and their respective permitted successors, assigns, and legal and personal representatives.

25. Construction of Sublease. The provisions of this Sublease shall be interpreted according to their fair meanings and not strictly for or against either party.

26. Yogurtland's Right to Cure Any Default by Sublessee. If at any time Sublessor under this Sublease is any person or entity other than Yogurtland and Sublessee fails to cure any default within the period specified in the Sublease, Yogurtland shall have thirty (30) days from and after receipt of the default notice sent concurrently to Sublessee and Yogurtland to exercise by written notice to Sublessor and Sublessee Yogurtland's right to assume the Sublease. In such event, Sublessor shall deliver possession of the Premises to Yogurtland on the date that (i) Yogurtland has provided written notice of its election to assume the Sublease, (ii) all defaults have been cured, and (iii) all outstanding rent has been paid to Landlord or Sublessor, as applicable, under this Sublease (the "Cure Date"). If Sublessor fails to deliver the Premises to Yogurtland within forty-five (45) days after the Cure Date (the "Possession Date"), then Sublessor shall continue to pursue delivery of the Premises to Yogurtland, unless and until Yogurtland shall have exercised its right granted by this provision to terminate its assumption of this Sublease by written notice to Sublessor at any time until Sublessor delivers possession of the Premises to Yogurtland.

27. Yogurtland's Right to Assume Sublease upon Termination of Franchise Agreement. If at any time Sublessor under this Sublease is any person or entity other than Yogurtland

and the Franchise Agreement is terminated for any reason during the Term of the Sublease or any extension thereof, Yogurtland may give Sublessor written notice of such termination within thirty (30) days after such termination. Within ten (10) days after Sublessor's receipt of such notice, Sublessor shall give Yogurtland written notice specifying any defaults of Sublessee under the Sublease. If Yogurtland desires to assume the Sublease, Yogurtland shall give Sublessor written notice thereof within fifteen (15) days after Yogurtland 's receipt of Sublessor's notice of Sublessee's defaults, and Yogurtland and Sublessor shall within thirty (30) days sign and deliver appropriate documentation providing for Yogurtland's assumption of Sublessee's rights and obligations under the Sublease.

28. Yogurtland's Right to Assign or Sublet Sublease. If Yogurtland assumes Sublessee's interests under the Sublease, Yogurtland may at any time assign such interests or sublet the Premises to any Yogurtland franchisee meeting Yogurtland's then-current standards and requirements for franchisees. Upon Sublessor's receipt of an assumption agreement according to which the assignee assumes this Sublease and agrees to observe the terms, conditions, and agreements on the part of Sublessee to be performed under this Sublease, Yogurtland shall be released automatically from all liability as Sublessee under this Sublease from and after the date of assignment.

29. Entire Agreement. This Sublease is the entire agreement between the parties with regard to Sublessee's interest in the Premises. This Sublease supersedes all previous representations, arrangements, agreements, and understandings, written or oral, express or implied, if any, by and between the parties and their respective representatives with regard to the Premises. This Sublease may not be amended or modified except by a writing duly signed by both of the parties.

Entered into as of the date and year first above written.

SUBLESSOR:	SUBLESSEE:
______________________________	______________________________
a ____________________________	a ____________________________
By: __________________________	By: __________________________
Print Name: ___________________	Print Name: ___________________
Title: ________________________	Title: ________________________

MASTER LESSOR'S CONSENT TO SUBLEASE

The undersigned Mastger Lessor hereby consents to the foregoing Sublease entered or to be entered into between Tenant, on the one hand, and ______________________________ _______, Sublessee, on the other hand.

Dated as of __________, 201_.

MASTER LESSOR: ______________________________

a ____

By: ______________________________________

Name: ____________________________________

Title: _____________________________________

Exhibit A

LOCATION ATTACHMENT A TO MASTER LEASE

EXHIBIT M TO DISCLOSURE DOCUMENT

SUMMARY TABLE OF CONTENTS
CONFIDENTIAL OPERATIONS MANUAL

11. Cash Management – 11 pages
    a. STORE OPERATING PROCEDURES – 11 pages
12. HR and Hiring – 42 pages
    a. JOB DESCRIPTIONS – 8 pages
    b. HIRING & INTERVIEWING – 4 pages
    c. NEW HIRES – 17pages
    d. Employee Documentation – 9 pages
    e. HARRASSEMENT & HOSTILE WORK ENVIRONMENT – 4 pages
13. OSHA – 47 pages
    a. OSHA COMUNICATION – 10 pages
    b. WORKER'S COMPENSATION – 3 pages
    c. IIPP AND MATERIAL SAFETY DATA SHEETS – 22 pages
    d. TEAM MEMBER SAFETY SHEETS – 12 pages
14. YL Insurance – 5 pages
    a. Introduction – 5 pages

EXHIBIT N TO DISCLOSURE DOCUMENT

LIST OF OPERATING FRANCHISED OWNED OUTLETS AS OF DECEMBER 31, 2016*

* includes no Big Box or Travel Plaza locations.

Owner Name	Address	Store Number
ARIZONA		
JERRY COLANGELO	10220 W. MCDOWELL ROAD SUITE 140 AVONDALE AZ 85392	623-936-6900
CHARLIE YANG	3355 W. CHANDLER BLVD CHANDLER AZ 85226	480-857-2515
JERRY COLANGELO	3440 E. BASELINE ROAD 102 MESA AZ 85204	480-584-6223
TAMMY PFEIFER	4513 N. SCOTTSDALE RD #118 SCOTTSDALE AZ 85251	480-459-5656
PANDA	2800 NORTH CAMPBELL AVENUE TUCSON AZ 85719	520-319-8866
CALIFORNIA		
SIGMUNDO BAUTISTA	2640 FIFTH ST. STE B ALAMEDA CA 94501	510-749-4885
MAGED MOTAWEH	683 N EUCLID ST ANAHEIM CA 92801	714-956-0400
SONYA CHUNG	5761-B SANTA ANA CANYON RD ANAHEIM CA 92807	714-637-0600
MINSIK CHOI	633 W DUARTE RD ARCADIA CA 91007	626-821-8723
HYUN S LEE	18170 PIONEER BLVD ARTESIA CA 90701	562-402-7870
MAGED MOTAWEH	922 E. ALOSTA AVENUE AZUSA CA 91702	626-334-4329
RAVINDER GREWAL	72922 BAKER BLVD BAKER CA 92309	760-733-1048
MICHAEL BURSTEIN	10930 STOCKDALE HIGHWAY BAKERSFIELD CA 93311	661-381-7565
HUONG VU	2516 BANCROFT WAY BERKELEY CA 94704	510-849-8800
PETER KIM & MINSIK CHOI	3476 WHITTIER BLVD., 108, BOYLE HEIGHTS CA 90023	323-943-9003
SANG JUN LEE	730 E. IMPERIAL HWY BREA CA 92821	714-255-8370
JOSH SITEA	5972 ORANGETHORPE AVENUE BUENA PARK CA 90623	714-739-9700
PETER KIM	304 N. SAN FERNANDO BLVD BURBANK CA 91502	818-972-9980
CG YOGURT LLC	2400 W. VICTORY BLVD. BURBANK CA 91506	818-972-2135
DANA MACKAY	225 PRIMROSE ROAD BURLINGAME CA 94010	650-548-1866
MIRZA ALIKHAN	660 E VENTURA BLVD. #200 CAMARILLO CA 93010	805-987-7876
NATHAN NG	1790 S. BASCOM AVENUE SUITE 100 CAMPBELL CA 95008	408-377-9868
KEVIN DUECK	1955 41ST AVENUE SUITE A4 CAPITOLA CA 95010	831-462-3100
PETER KIM	20700 AVALON BLVD. 506 CARSON CA 90746	310-516-2042
SUNNY WANG	430 LOS CERRITOS CENTER CERRITOS CA 90703	562-860-2878
CG YOGURT LLC	20790 W. NORDHOFF ST 3 CHATSWORTH CA 91311	818-678-9106
BRADLEY MICHAELS	12073 CENTRAL AVE. CHINO CA 91710	909-548-7700
HYUN "JON" HONG	4505 CHINO HILLS PARKWAY STE D CHINO HILLS CA 91709	909-597-4949
JOON KIM	101 N. INDIANA HILL BLVD. SUITE 103 CLAREMONT CA 91711	909-482-0500
PETER KIM	255 E COMPTON BLVD. COMPTON CA 90220	424-381-4003
KWANG HO	135 E. ONTARIO AVENUE #102 CORONA CA 92879	951-280-9929
LMAOK, LLC	420 N. MCKINLEY STREET 108 CORONA CA 92879	915-520-2682
CINDY CHANG	1450 BAKER STREET STE A-2 COSTA MESA CA 92626	714-557-1273
MIN CHUNG SON	277 E 17TH ST COSTA MESA CA 92627	949-642-3151
JAMES LEE	3817 OVERLAND AVE CULVER CITY CA 90232	310-202-7900
SONY	10202 W. WASHINGTON BLVD CULVER CITY CA 90232	310-244-8868
YOUNG KIM	19700 STEVENS CREEK BLVD. CUPERTINO CA 95014	408-996-1776
BETSY PERLMAN	6958 KATELLA AVE CYPRESS CA 90630	714-253-3070
SUNG OK	32585 GOLDEN LANTERN STE B DANA POINT CA 92629	949-234-0360

Owner Name	Address	Store Number
PR CHIDAMBARAM	2600 VIA DE LA VALLE G-103 DEL MAR CA 92014	858-350-9500
IWANA INC.	6851 AMADOR PLAZA RD #102 DUBLIN CA 94568	925-833-8238
SOCAL FROZEN TREATS, LLC	5045 EAGLE ROCK BLVD EAGLE ROCK CA 90041	323-550-1490
NITIN PAUL CHOPRA	12530 LIMONITE AVENUE SUITE 101 EASTVALE CA 91752	951-520-9300
RAGHU, ROHIT AND RAVINDER MARWAHA	225 JAMACHA RD. 104 EL CAJON CA 92101	619-334-5678
KEN LEE	260 N. EL CAMINO REAL A ENCINITAS CA 92024	760-633-2947
CG YOGURT LLC	17200 VENTURA BLVD UNIT 225 ENCINO CA 91316	818-305-2720
ANDREW TAKEDA	1284-A AUTO PARKWAY ESCONDIDO CA 92029	760-489-0400
MICHAEL BURSTEIN	5335 SUNRISE BLVD. FAIR OAKS CA 95628	916-962-9985
NITIN PAUL CHOPRA	9844 SIERRA AVE, STE A FONTANA CA 92335	909-574-2990
BRADLEY MICHAELS	15270 SUMMIT AVENUE 500 FONTANA CA 92336	909-463-3343
HOJIN AHN	4069 MOWRY AVENUE FREMONT CA 94538	510-795-7359
KEVIN KLEINBERG, AJAYPAUL HIRA, JONATHAN CHOE AND CHRISTOPHER LEE	3060 E CAMPUS POINTE DR FRESNO CA 93710	559-322-1393
KEVIN KLEINBERG	170 E. PASEO DEL CENTRO FRESNO CA 93720	559-431-1171
JENNIFER HAHN	122 W ORANGETHORPE AVE FULLERTON CA 92832	714-738-9900
SHAUKAT AND NOREEN CHAUDHRY; IRFAN SABIR; AHMAD SADIQ	9755 - B CHAPMAN AVE GARDEN GROVE CA 92841	714-530-0018
MAGED AND EMAN MOTAWEH	13920 BROOKHURST STREET SUITE A GARDEN GROVE CA 92843	(714)823-9273
DANA MACKAY	1753 WEST ARTESIA BLVD. GARDENA CA 90248	310-217-9008
EUI OH	5880 CALLE REAL SUITE C GOLETA CA 93117	805-964-4402
HOJIN AHN & UNG CHAN AHN	30162 INDUSTRIAL PARKWAY SW HAYWARD CA 94544	510-828-7368
NITIN PAUL CHOPRA & GAURAV CHOPRA	13325 MAIN ST 107 HESPERIA CA 92344	818-416-9300
KEVIN LOC PHAN	9961 ADAMS AVE HUNTINGTON BEACH CA 92646	714-968-8212
MARIA THERESA BUENAVENTURA AND MARIA CECILIA KAW	18525 MAIN ST HUNTINGTON BEACH CA 92648	714-841-8285
CG YOGURT LLC	6021 PACIFIC BLVD 101 HUNTINGTON PARK CA 90255	323-553-9898
RAMANJIT BRAR	42250-C JACKSON ST #102 INDIO CA 92230	760-347-9231
PETER KIM	3561 W. CENTURY BLVD. A INGLEWOOD CA 90303	310-695-9912
SUNG OK	81 FORTUNE DRIVE, NO. 115 IRVINE CA 92618	949-536-5303
RYAN FARMAN	4970 IRVINE BLVD #110 IRVINE CA 92620	714-389-1222
PEARL HUI	13260 JAMBOREE RD IRVINE CA 92602	714 731 1615
JENNIFER KANG	14775 JEFFERY ROAD STE J IRVINE CA 92618	949-857-0884
MYUNG HAN	1350 S. BEACH BLVD SUITE B LA HABRA CA 90631	562-697-7777
BACHITTAR SINGH	79174 HIGHWAY 111 #103 LA QUINTA CA 92253	760-564-1650
JIGNESH PATEL	2105 FOOTHILL BLVD. A LA VERNE CA 91750	909-596-5072
SIMON AVUNJIAN	25381 ALICIA PARKWAY STE A LAGUNA HILLS CA 92653	949-583-9945
SELENA CHWEH	23886 ALISO CREEK ROAD B-9 LAGUNA NIGUEL CA 92677	949-389-9123
AYMAN MIKA	18285 COLLIER AVENUE K LAKE ELSINORE CA 92530	951-674-2400
MUYLY SITEA	23626 EL TORO ROAD LAKE FOREST CA 92630	949-455-9800
NITIN PAUL CHOPRA	43535 10TH ST WEST LANCASTER CA 93534	661-723-2030
YOUNG JIN YUM	4816 E 2ND ST LONG BEACH CA 90803	562-439-2500

Owner Name	Address	Store Number
YOUNG JIN YUM	5710 E. 7TH ST #B2 LONG BEACH CA 90803	562-986-7546
MOHAMMED EKRAM	4406 ATLANTIC BLVD. B LONG BEACH CA 90807	562-422-1001
MOHAMMED EKRAM	6422 E. SPRING ST. LONG BEACH CA 90815	562-354-6988
PETER KIM	5375 B W. CENTINELA AVENUE LOS ANGELES CA 90045	310-337-4725
KUAN JIN YEE	10911 LINDBROOK DR LOS ANGELES CA 90024	310-208-2888
SOCAL FROZEN TREATS, LLC	1132 N. VERMONT AVENUE LOS ANGELES CA 90029	323-668-9122
HAE-YOUNG NOH	130 S. CENTRAL AVE LOS ANGELES CA 90012	213-687-0733
JUN ISHII	11706 SAN VICENTE BLVD LOS ANGELES CA 90049	310-207-8778
NOUREDIN SHAHHOSSEINI	10250 SANTA MONICA BLVD 1260 LOS ANGELES CA 90067	310-556-5690
PETER KIM	310 SOUTH LA BREA LOS ANGELES CA 90036	323-936-5428
SANG JUN LEE	5541 SUNSET BLVD LOS ANGELES CA 90028	323-461-0091
SOCAL FROZEN TREATS, LLC	JUANITA TATE MARKETPLACE 5857 S. CENTRAL AVE 120 LOS ANGELES CA 90011	323-325-7044
CG YOGURT LLC	12050 VENTURA BLVD. C105 LOS ANGELES CA 91604	818-358-4816
SOCAL FROZEN TREATS, LLC	1607 WILSHIRE BLVD. LOS ANGELES CA 90017	213-568-3055
JAMES LEE	4733 W. VENICE BLVD LOS ANGELES CA 90019	323-935-5810
SOCAL FROZEN TREATS, LLC	3183 WILSHIRE BLVD LOS ANGELES CA 90010	213-736-1815
JAMES LEE	11215 LONG BEACH BLVD. 1007 LYNWOOD CA 90262	310-639-1465
DANA MACKAY	1570 ROSECRANS AVENUE STE M MANHATTAN BEACH CA 90266	310-536-9562
DANA MACKAY	4371 GLENCOE AVENUE B-9A MARINA DEL REY CA 90292	310-577-9572
BYOUNG YEOB SUK	752 E. CALAVERAS BLVD MILPITAS CA 95035	408-935-9500
SELENA CHWEH	27741 CROWN VALLEY PKWY #209 MISSION VIEJO CA 92691	949-582-8885
SELENA CHWEH	25108 MARGUERITE PARKWAY B MISSION VIEJO CA 92692	949-768-3000
SUNG OK	27855 SANTA MARGARITA PKWAY B MISSION VIEJO CA 92691	949-588-9800
MARCUS CHAN	104 S. MYRTLE AVENUE MONROVIA CA 91016	626-256-3337
NOUREDIN SHAHHOSSEINI	2134 MONTEBELLO TOWN CENTER MONTEBELLO CA 90640	323-825-2367
CHIA LIN YANG	2102 S. ATLANTIC BLVD MONTEREY PARK CA 91754	323-722-8525
DOLLY PATEL	12515 FREDERICK STREET B MORENO VALLEY CA 92553	951-656-3456
KEVIN DUECK	775 COCHRANE ROAD 120 MORGAN HILL CA 95037	408-782-6200
NATHAN NG	1035 B EL MONTE AVE MOUNTAIN VIEW CA 94040	650-605-8235
EDGARDO MANALASTAS	40444 MURRIETA HOT SPRINGS ROAD MURRIETA CA 92563	951-461-9262
CG YOGURT LLC	10936 MAGNOLIA BLVD. NORTH HOLLYWOOD CA 91601	818-853-7272
CG YOGURT LLC	9225 RESEDA BLVD NORTHRIDGE CA 91324	818-341-9917
CHARLIE YANG	13933 PIONEER BLVD. NORWALK CA 90650	562-868-2000
3 STARS INVESTMENTS INC	USMC CAMP PENDLETON 2010 VANDEGRIFT BLVD. OCEANSIDE CA 92055	760-430-7785
RAGHU MARWAHA	4121 OCEANSIDE BLVD. 204 OCEANSIDE CA 92056	760-940-1803
CHARLIE YANG	1337 N MOUNTAIN AVE ONTARIO CA 91762	909-988-0000
CHARLIE YANG	2318 N. TUSTIN AVENUE SUITE B ORANGE CA 92865	714-283-4600
MIRZA ALIKHAN	1670 EAST GONZALEZ ROAD OXNARD CA 93030	805-485-6805
NITIN PAUL CHOPRA	748 W RANCHO VISTA BLVD. SUITE #B PALMDALE CA 93551	661-575-0575
MICHAEL SARRETT	494 UNIVERSITY AVENUE PALO ALTO CA 94301	650-326-3264
BEHZAD COHAN	14502 NORDHOFF BLVD. PANORAMA CITY CA 91402	818-810-5222
ABRAHAM KOBI	16289-E PARAMOUNT BLVD. PARAMOUNT CA 90723	424-381-4088
STEVEN CHAN	415 S. LAKE AVENUE C107 PASADENA CA 91101	626-356-4868
MINSIK CHOI	30 W. COLORADO BLVD. PASADENA CA 91105	626-304-0808
BRIAN BURKE	401 KENILWORTH DRIVE 540 PETALUMA CA 94952	707-769-9977
CHARLIE YANG	8756 WASHINGTON BLVD PICO RIVERA CA 90660	562-949-6100

Owner Name	Address	Store Number
CHRISTINA CURRINGTON	2700 PINOLE VALLEY ROAD PINOLE CA 94564	510-758-9000
ROSA PRIYA	2390 MONUMENT BLVD STE C PLEASANT HILL CA 94523	925.689.8929
CHARLIE YANG	785 RIO RANCHO ROAD 310 POMONA CA 91766	909-623-1517
JAY YUN	13303 POWAY ROAD POWAY CA 92064	858-486-4666
MARCUS CHAN	10798 FOOTHILL BLVD. 110 RANCHO CUCAMONGA CA 91730	909-941-3337
RICHARD LEE	22361 ANTONIO PKWY #E115 RANCHO SANTA MARGARITA CA 92688	949-888-4499
TOBIAS MILLER	631 ORANGE STREET REDLANDS CA 92374	909-793-1155
RAKESH AND PREETI SOHAL	27511 SAN BERNARDINO AVE 120 REDLANDS CA 92374	562-912-5434
DANA MACKAY	271 AVENIDA DEL NORTE REDONDO BEACH CA 90277	310-944-9572
CG YOGURT LLC	6400 N. TAMPA AVENUE RESEDA CA 91335	818-774-0130
NITIN PAUL CHOPRA & GAURAV CHOPRA	3510 TYLER ST. 104 RIVERSIDE CA 92503	951-772-0229
SANG JUN LEE	1242 UNIVERSITY AVENUE SUITE A RIVERSIDE CA 92507	951-683-1950
SAEEDEH MIRSHAHI	18253 COLIMA RD #103 ROWLAND HEIGHTS CA 91748	626-964-3405
CHARANJIT KHOKHAR	19755 COLIMA RD ROWLAND HEIGHTS CA 91748	909-859-8758
MICHAEL BURSTEIN	2381 FAIR OAKS BLVD. SACRAMENTO CA 95825	916-974-7317
JERRY COLANGELO	1744 N. MAIN STREET SALINAS CA 93906	831-443-3777
TOBIAS MILLER	4235 N. UNIVERSITY PKWY STE 103 SAN BERNARDINO CA 92407	909-887-0700
SELENA CHWEH	638 CAMINO DE LOS MARES H-160 SAN CLEMENTE CA 92673	949-429-1171
KEN LEE	6165 EL CAJON BLVD STE N SAN DIEGO CA 92115	619-287-9888
K & M PIRACHA LLC	8750 GENESEE AVENUE 256-258 SAN DIEGO CA 92122	858-554-0154
JOANNE HWANG	7610 HAZARD CENTER DRIVE SAN DIEGO CA 92108	619-260-1150
PAUL KIM	1670 INDIA ST SAN DIEGO CA 92101	619-544-1818
GLENDY KANG	8220 MIRA MESA BLVD SUITE F SAN DIEGO CA 92126	858-566-6100
RAGHU, ROHIT AND RAVINDER MARWAHA	2850 NATIONAL AVE 101 SAN DIEGO CA 92113	619-255-1864
RAGHU MARWAHA	8872 NAVAJO ROAD UNIT 20 SAN DIEGO CA 92119	619-464-1339
ABRAHAM KOBI	468 N. LONE HILL AVENUE D SAN DIMAS CA 91773	909-305-1818
SARMINDER GILL	1106 TRUMAN ST. SAN FERNANDO CA 91340	818-330-1499
TAE GUEN CHOI	927 E. LAS TUNAS DRIVE D SAN GABRIEL CA 91776	626-281-2500
HYJC, INC.	2742 ABORN RD SAN JOSE CA 95121	408-531-0200
NATHAN NG	5011 ALMADEN EXPRESSWAY SAN JOSE CA 95118	408-978-9868
KYOUNG LEE	2031 CAMDEN AVENUE SAN JOSE CA 95124	408-559-3503
MICHAEL BORBET	5638 COTTLE ROAD 10 SAN JOSE CA 95123	408-225-2950
BHARAT ZAVERI	1055 E. BROKAW ROAD 60 SAN JOSE CA 95131	408-573-7515
DALJIT BHELE	125 EAST SAN CARLOS STREET SAN JOSE CA 95112	408-753-3170
NATHAN NG	5395 PROSPECT RD SAN JOSE CA 95129	408-777-9868
PANDA	1110 SOUTH KING ROAD SUITE 35 SAN JOSE CA 95122	408-926-7609
NITIN PAUL CHOPRA	956 HIGUERA ST. SAN LUIS OBISPO CA 93401	805-752-1082
DANA MACKAY	1000 N. WESTERN AVENUE 102 SAN PEDRO CA 90732	310-548-9572
NATHAN NG	152 SUNSET DR SAN RAMON CA 94583	925-830-8600
JOSH SITEA	2278 EAST 17TH STREET SANTA ANA CA 92705	714-547-1100
HYUN "JON" HONG	3930 S. BRISTOL ST. #110 SANTA ANA CA 92704	714-277-4113
SUNG OK	2800 N. MAIN STREET 1028 SANTA ANA CA 92705	714-550-9322
EUI OH	621 STATE STREET SANTA BARBARA CA 93101	805 564 8680
KEVIN DUECK	ALMAR CENTER 2117 MISSION STREET SANTA CRUZ CA 95060	831-421-9306
CHRISTOPHER & CARI HONG	1902 LINCOLN BLVD C SANTA MONICA CA 90405	310-314-0232

Owner Name	Address	Store Number
ALEX SOOFER	304 SANTA MONICA BLVD. B SANTA MONICA CA 90401	310-587-2555
CG YOGURT LLC	4954 VAN NUYS BLVD #101 SHERMAN OAKS CA 91403	818-990-0886
CG YOGURT LLC	2679 TAPO CANYON RD UNIT B SIMI VALLEY CA 93063	805-578-6580
MICHAEL BURSTEIN	5765 PACIFIC AVENUE C120 STOCKTON CA 95207	209-477-5764
BINOY KOTHARI	32068 TEMECULA PARKWAY SUITE 1A TEMECULA CA 92592	951-303-9330
AMER ABUMOGHLI	40820 WINCHESTER ROAD SUITE 2460 TEMECULA CA 92591	951-719-3791
DANA MACKAY	24631 CRENSHAW BLVD SUITE C TORRANCE CA 90505	310-534-9572
DANA MACKAY	21213 HAWTHORNE BLVD SUITE A TORRANCE CA 90503	310-543-0391
MICHAEL NGUYEN	13842 NEWPORT AVE TUSTIN CA 92780	714-731-2966
CG YOGURT LLC	24266 VALENCIA BLVD. VALENCIA CA 91355	661-291-6530
MIRZA ALIKHAN	4960 TELEPHONE ROAD 104 VENTURA CA 93003	805-639-9587
MICHAEL BURSTEIN	2045 S. MOONEY BLVD VISALIA CA 93277	559-624-0811
BRYAN NAING, RYAN LEE, ANGELA CHONG	21710-B VALLEY BLVD WALNUT CA 91789	909-468-2020
ROSA PRIYA	1247 S. CALIFORNIA BLVD WALNUT CREEK CA 94596	925-939-3885
KEVIN DUECK	1487 MAIN STREET SUITE 102 WATSONVILLE CA 95076	831-761-1500
CHARLIE YANG	2500 S AZUSA AVE WEST COVINA CA 91785	626-810-2195
CHARLIE YANG	1000 WEST COVINA PARKWAY WEST COVINA CA 91790	626-337-4800
CG YOGURT LLC	111 S. WESTLAKE BLVD #B5 WEST LAKE VILLAGE CA 91362	805-497-9763
HYUN S LEE	8752 S. SEPULVEDA BLVD. WESTCHESTER CA 90045	310-649-5600
JIA YOU ENTERPRISE LLC	13582-A WHITTIER BLVD WHITTIER CA 90605	562-698-1909
CG YOGURT LLC	6344 N TOPANGA CANYON BLVD. #1075 WOODLAND HILLS CA 91367	818-704-1090
CG YOGURT LLC	22635 VENTURA BLVD. A WOODLAND HILLS CA 91364	818-223-9004
BETSY PERLMAN	17486 YORBA LINDA BLVD. YORBA LINDA CA 92886	714-528-1900
AARON GEYER	33694 YUCAIPA BLVD. #2 YUCAIPA CA 92399	909-797-5550
COLORADO		
JOHN HUGHES	7947 WADSWORTH BLVD ARVADA CO 80003	303-463-3063
JOHN HUGHES	7535 S. UNIVERSITY CENTENNIAL CO 80122	303-798-5644
Owner Name	**Address**	**Store Number**
JOHN HUGHES	550 GRANT STREET #5 DENVER CO 80203	303-777-1656
JASON MOUNTS	1350 S. COLORADO BLVD. STE 121 DENVER CO 80222	720-645-1483
JOHN HUGHES	9910 WEST BELLEVIEW AVENUE LITTLETON CO 80122	303-932-0909
FLORIDA		
ENRIQUE ALTAMIRANO	1760 N. CONGRESS AVENUE SUITE 100 BOYNTON BEACH FL 33426	561-740-2584
ENRIQUE ALTAMIRANO	2806 UNIVERSITY DRIVE CORAL SPRINGS FL 33065	954-340-0611
ENRIQUE ALTAMIRANO	9715 NW 41ST STREET DORAL FL 33178	305-559-9620
RAUL FADEL	800 SILKS RUN HALLANDALE FL 33009	954-458-8311
ENRIQUE ALTAMIRANO	3359A SHERIDAN STREET HOLLYWOOD FL 33021	954-987-3412
PAOLO RAPIZZI	10500 ULMERTON ROAD SUITE 366 LARGO FL 33771	727-754-7854
ENRIQUE ALTAMIRANO	12502 NORTH KENDALL DRIVE MIAMI FL 33186	305-279-3478
ENRIQUE ALTAMIRANO	13274 BISCAYNE BLVD. NORTH MIAMI FL 33181	786-518-2823
ENRIQUE ALTAMIRANO	15820 PINES BLVD PEMBROKE PINES FL 33027	954-404-9228
ENRIQUE ALTAMIRANO	9455 S. DIXIE HIGHWAY PINECREST FL 33156	305-668-3241
ENRIQUE ALTAMIRANO	801 SOUTH UNIVERSITY DRIVE #104 PLANTATION FL 33324	754-223-3811
ENRIQUE ALTAMIRANO	1713 MAIN STREET WESTON FL 33326	954-385-6800
HENRIQUE HEEMSEN	415 N. ORLANDO AVENUE SUITE 103 WINTER PARK FL 32789	407-629-6300

Owner Name	Address	Store Number
GEORGIA		
RICHARD EVANS	804 TOWN BOULEVARD #A1050 ATLANTA GA 30319	404-343-2658
RICHARD EVANS	1264 WEST PACES FERRY RD NW ATLANTA GA 30327	404-500-2547
RICHARD EVANS	4880 PEACHTREE PARKWAY #1120A NORCROSS GA 30092	770-416-1005
GUAM		
JOHN LEE	AGANA SHOPPING CTR 302 S LOCAL NO. 1 COLONIA JUAREZ 96910	671-475-9595
JOHN LEE	267 CHALAN SAN ANTONIO TAMUNING 96913	671-648-9595
HAWAII		
DK KODAMA	111 EAST PUAINAKO STREET SPACE 105A HILO HI 96720	808-959-1000
DK KODAMA	2435 KAANAPALI PKWY LAHAINA HI 96761	808-661-9834
ILLINOIS		
JENNA MOON	2468 N. CLARK STREET CHICAGO IL 60614	773-661-2453
JOHN OH	2523 W. SCHAUMBURG ROAD SCHAUMBURG IL 60194	847-985-1000
JOHN OH	1568 WEST LAKE COOK ROAD WHEELING IL 60090	847-229-3882
LOUISIANA		
CHRISTOPHER PUCKETT	4250 BURBANK DRIVE BATON ROUGE LA 70809	225-366-6718
CHRISTOPHER PUCKETT	7474 CORPORATE BLVD SUITE 104 BATON ROUGE LA 70809	225-636-5551
CHRISTOPHER PUCKETT	104 E. KALISTE SALOOM ROAD UNIT 100 LAFAYETTE LA 70508	337-456-3511
CHRISTOPHER PUCKETT	4903 PRYTANIA STREET NEW ORLEANS LA 70115	504-333-6809
NEW JERSEY		
KARIM FARAG	3056 STATE ROUTE 10 WEST DENVILLE NJ 07834	973-366-5125
SHAUKAT AND NOREEN CHAUDHRY; IRFAN SABIR; AHMAD SADIQ	141 MARKETPLACE BLVD HAMILTON NJ 08691	609-585-6000
NEVADA		
ROBERT BIGELOW	509D N. STEPHANIE STREET HENDERSON NV 89014	702-565-2900
CHAD SMITH	5635 CENTENNIAL CENTER BLVD STE 120 LAS VEGAS NV 89149	702-735-9920
CHAD SMITH	6587 LAS VEGAS BLVD SOUTH #M-B 188 LAS VEGAS NV 89119	702-822-1000
CHAD SMITH	6050 N. DECATUR, SUITE 101 LAS VEGAS NV 89031	702-778-6885
Owner Name	**Address**	**Store Number**
CHAD SMITH	9055 S. EASTERN AVE #1A LAS VEGAS NV 89123	702-361-1307
JOHN BALELO	3850 S. LAS VEGAS BLVD. LAS VEGAS NV 89119	702-597-7690
YI (ANGELA) WU	2272 S. NELLIS BLVD. #4 LAS VEGAS NV 89104	702-431-2314
CHAD SMITH	9516 W. FLAMINGO RD SUITE 105 LAS VEGAS NV 89147	702-243-1774
CHAD SMITH	7290 W. LAKE MEAD LAS VEGAS NV 89128	702-233-6721
NEW YORK		
PETER NGUYEN	1275 1ST AVENUE NEW YORK NY 10065	646-837-6969
OKLAHOMA		
VICTOR FRINT	14221 N. PENNSYLVANIA AVE. OKLAHOMA CITY OK 73134	405-254-3996
TEXAS		
GLENDY KANG	2525 W. ANDERSON LANE AUSTIN TX 78757	512-452-7300
JAY H CHOE	2625 OLD DENTON RD #316 CARROLLTON TX 75007	214-483-3553
BURKE REES	1800 S. TEXAS AVENUE COLLEGE STATION TX 77840	979-693-1500
SUNG OK	13350 DALLAS PARKWAY LEVEL R #925 DALLAS TX 975240	214-579-9359
JE MYUNG LEE	4520 FRANKFORD ROAD SUITE 1000 DALLAS TX 75287	972-250-3555
BRYCE WALLACH	7700 W. NORTHWEST HIGHWAY SUITE 220 DALLAS TX 75225	214-750-9950
SUNG OK	2450 CROSS TIMBERS RD. #130 FLOWER MOUND TX 75028	972-539-2322

Owner Name	Address	Store Number
EDDIE YANG	2600 W. 7TH STREET SUITE 130 FORT WORTH TX 76107	817-870-4689
DEOK GEUN (JOSEPH) KWON	4170 LAVON DRIVE SUITE 176 GARLAND TX 75040	972-675-5970
ZOEB MOMIN	303 MEMORIAL CITY MALL STE 247 HOUSTON TX 77024	713-465-8886
MATTHEW PHU	5901 WESTHEIMER ROAD SUITE V HOUSTON TX 77057	713-952-8880
MATTHEW PHU	2055 WESTHEIMER ROAD SUITE 115A HOUSTON TX 77098	713-529-3332
CHIA LIN YANG	1318 W. PINELINE ROAD HURST TX 76053	817-590-8031
SUNG OK	1401 E. DEBBIE LANE SUITE 105 MANSFIELD TX 76063	682-518-3125
DEOK GEUN (JOSEPH) KWON	1251 E. SOUTHLAKE BLVD #327 SOUTHLAKE TX 76092	817-310-6390
UTAH		
JOSHUA FELLER	234 SOUTH 500 WEST SUITE 107 BOUNTIFUL UT 84010	801-335-7252
IRVIN MADDOX	1007 NORTH MAIN ST. #120 LOGAN UT 84341	435-752-2822
DANIEL ALGER	534 E. UNIVERSITY PARKWAY UNIT 101B OREM UT 84097	801-225-5440
JOSHUA FELLER	2121 SOUTH MCCLELLAND STREET 107 SALT LAKE CITY UT 84106	385-222-7123
HEINZ KIRCHHAUSEN	15 SOUTH RIVER ROAD #340 ST. GEORGE UT 84790	435-673-5250
JED FELLER	3754 CENTER VIEW WAY STE 110 WEST JORDAN UT 84084	801-280-1235
WASHINGTON		
GREGG BENNETT	233 BELLEVUE WAY NE BELLEVUE WA 98004	425-637-2900
GREGG BENNETT	10216SE 256TH STREET SUITE 106 KENT WA 98030	253-850-4335
GREGG BENNETT	19620 HIGHWAY 99 SUITE 103 LYNNWOOD WA 98036	425-412-3554
GREGG BENNETT	17250 REDMOND WAY REDMOND WA 98052	425-558-7722
RAHIM KARMALI	600 228TH AVENUE NE SAMMAMISH WA 98074	425-898-1200

LIST OF FRANCHISEES WHO SIGNED AGREEMENTS WITH US AS OF DECEMBER 31, 2016 BUT WHOSE OUTLET HAS NOT YET OPENED

(includes no Travel Plaza or Big Box locations)

Owner	City/State	Phone
Abraham Kobi	Paramount CA	818-970-7237
Ajay Beri	AZ	714-863-8900
Anna Pak	WA	425-286-5800
Ayman Mika	Perris CA	619-729-2553
Brad Michaels	Rialto CA	949-281-9911
Brian Lee	CA	323-273-8467
CG YOGURT LLC	Los Angeles CA	213-675-1654
Charlie Yang	CA	714-745-9638
Christina Currington	Brentwood CA	510-499-6825
Deb Chiou	CA	626-379-7827
Edgardo Manalastas	CA	909-525-2617
Gaurav Sasspal	Anaheim CA	714-271-7648
Gurbinder Singh	CA	714-548-7535
Jacob Zakaria	CA	213-542-8262
Jaime Garcia	CA	716-465-3131

Owner	City State	Phone
Jignesh Patel	Barstow CA	310-391-1311
Josh Sitea	Tustin CA	949-715-6867
Karen Kung	Redwood City CA	n/a
Kevin Dueck	CA	831-566-9922
LIBERTY WEALTH SOLUTIONS, LLC	Las Vegas NV	702.682.2668
MICHAEL BURSTEIN	CA	310-391-1311
Nitin Paul Chopra	BUENA PARK, CA	818-416-9300
Peter Kim	Los Angeles CA	323-936-7026
Ravinder Marwaha	CA	714-478-5296
Ripsy Brar	Hemet CA	951-892-5020
Robert Bruner	Cypress TX	281-851-9407
Roly Simangunsong	TX	713-966-0687
Sang Jun Lee	CA	714-393-5542
Shezy Khan	Dallas TX	310-869-6090
SOCAL FROZEN TREATS LLC	Los Angeles CA	213-675-1654
Sung Ok	San Juan Capistrano CA	714-604-6882
U TIN WIN	CA	213-915-1177
XINLING OUYANG	CA	626-348-8148

COMPANY AFFILIATED LOCATIONS AS OF DECEMBER 31, 2016

(includes no Travel Plaza or Big Box locations)

Address	Store Number
CALIFORNIA	
1 E. Valley Blvd. Alhambra, CA 91801	626-289-3420
8250 Firestone Blvd., Downey, CA 90241	562-326-5048
501 N. State College Blvd. Ste C Fullerton CA 92831	714-525-2912
7598 Edinger Avenue, Huntington Beach, CA 92647	714-842-2483
4187 Campus Dr,Suite # M-172, Irvine, CA 92612	949-854-4580
5017 Lakewood Blvd., Lakewood, CA 90712	562-634-4272
8495 W. 3rd St. #B, Los Angeles, CA 90048	310-652-2161
3335 S. Figueroa, Unit K, Los Angeles, CA 90007	213-742-1774
5650 Balboa Avenue, Suite 104, San Diego, CA 92111	858-292-1966
12357 Seal Beach Blvd., Suite 2, Seal Beach, CA 90740	562-596-8400
4783 Firestone Blvd., Southgate, CA 90280	323-569-1180
Hawaii	
333 Keahole St. #2B4, Honolulu, HI 96825	808-396-3482
ILLINOIS	
1 W. Division, Chicago, IL 60610	312-573-9063

LIST OF FRANCHISEES WHO WERE TERMINATED, CANCELLED OR NOT RENEWED OR WHO OTHERWISE VOLUNTARILY OR INVOLUNTARILY CEASED TO DO BUSINESS IN THE YEAR ENDING DECEMBER 31, 2016
(includes no Travel Plaza or Big Box franchises)

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

Owner Name	Address	Phone Number
BRYNER CHEN	5000 W. International Airport Rd Anchorage AK 99502	907.929.3128
JERRY COLANGELO, MANDIE & DICK ADAMS	555 N. Scottsdale Rd 101 Tempe AZ 85281	602.300.7867
MICHAEL BURSTEIN	5602 Dennis McCarthy Drive Suite A Lebec CA 93243	661.858.1128
ZHENYI (SEAN) XU & XINLING OUYANG	1000 Universal City Plaza V112 Universal City CA 91608	818.505.0059
CG YOGURT LLC	6344 N Topanga Canyon Blvd #1075 Woodland Hills CA 91367	818.704.1090
JASON & ANNE MOUNTS	1350 S. Colorado Blvd Ste 121 Denver CO 80222	720.645.1483
WON PAK	2490 Kalakaua Avenue Honolulu HI 96815	808.922.2626
FRANCES MARTINO	432 S Randall Rd Algonquin IL 60102	847.951.4418
JOHN OH	76 South Arlington Heights Rd Arlington Heights IL 60005	847.253.1111
BRETT KINSLER & JOSH WEINSTEIN	740 S. Meadow Street Ithaca NY 14850	585.419.5436
DAN & JACOB PLITMAN	795 Columbus Avenue New York, NY 10025	212.222.8629
BRIAN & ANDREW LEE	350 NM 528 NW 104-A Albuquerque NM 87114	505.899.0479
MICHAEL & ALISHA HAINES, JOHN & LINDA FRIEND	2500 Moreland Road Suite 3076 Willow Grove PA 19090	215.659.3026
DAI HOANG & THAO HOANG	1540 Main Street Warrington PA 18976	215.491.1415
THEODORE NWANNE	106 Fry Street Denton TX 76201	214.315.9646

EXHIBIT O TO DISCLOSURE DOCUMENT

RECEIPT

(Franchisee's Copy)

THIS DISCLOSURE DOCUMENT SUMMARIZES PROVISIONS OF THE FRANCHISE AGREEMENT AND OTHER INFORMATION IN PLAIN LANGUAGE. READ THIS DISCLOSURE DOCUMENT AND ALL AGREEMENTS CAREFULLY.

IF WE OFFER YOU A FRANCHISE, WE MUST PROVIDE THIS DISCLOSURE DOCUMENT TO YOU 14 CALENDAR DAYS BEFORE YOU SIGN A BINDING AGREEMENT WITH, OR MAKE A PAYMENT TO US OR AN AFFILIATE OF OURS.

NEW YORK REQUIRES THAT WE GIVE YOU THIS DISCLOSURE DOCUMENT AT THE EARLIER OF THE FIRST PERSONAL MEETING OR 10 BUSINESS DAYS BEFORE THE EXECUTION OF THE FRANCHISE OR OTHER AGREEMENT OR THE PAYMENT OF ANY CONSIDERATION THAT RELATES TO THE FRANCHISE RELATIONSHIP.

MICHIGAN AND OREGON REQUIRE THAT WE GIVE YOU THIS DISCLOSURE DOCUMENT AT LEAST 10 BUSINESS DAYS BEFORE EXECUTION OF ANY BINDING FRANCHISE OR OTHER AGREEMENT OR PAYMENT OF ANY CONSIDERATION, WHICHEVER OCCURS FIRST.

IF WE DO NOT DELIVER THIS DISCLOSURE DOCUMENT ON TIME OR IF IT CONTAINS A FALSE OR MISLEADING STATEMENT, OR A MATERIAL OMISSION, A VIOLATION OF FEDERAL AND STATE LAW MAY HAVE OCCURRED AND SHOULD BE REPORTED TO THE FEDERAL TRADE COMMISSION, WASHINGTON, D.C. 20580 AND THE STATE ADMINISTRATOR LISTED IN EXHIBIT A TO THE DISCLOSURE DOCUMENT.

We authorize the following person to act as our franchise seller: Jeff Sweetman, 17801 Cartwright Road, Irvine, CA 92614; 949-265-8000.

Issuance Date: September 12, 2017

YOGURTLAND authorizes Ronald Cheung, whose address is 17801 Cartwright Road, Irvine, CA 92614, to receive service of process for us; or see Exhibit A, if you are located outside California.

I received a Disclosure Document dated September 12, 2017, that included the following Exhibits:

A.	State Administrators and Agencies and Agents for Service of Process	H.	Limited Construction Management Agreement
B.	State Specific Addenda	I.	Personal Guaranty
C.	Financial Statements	J.	Non-competition and Non-disclosure Agreement
D.	Franchise Application Form	K.	General Release
E-1.	Franchise Agreement	L.	Area Development Agreement
E-2	Travel Plaza Addendum to Franchise Agreement	M.	Table of Contents of Confidential Operation Manual
E-3	Big Box Addendum to Franchise Agreement	N.	List of Franchised and Company Owned Locations as of 12-31-16, and List of Franchisees Who Were Terminated, Cancelled or Not Renewed or Who Otherwise Voluntarily or Involuntarily Ceased to do Business in Year Ending 12-31-16
F.	Authorization for Prearranged Payment		
G.	Franchise Owner Photography Release	O.	Receipts

Date: ________________

____
PROSPECTIVE FRANCHISEE

____
(Print Name)

Keep this copy for your records.

RECEIPT
(Franchisor's Copy)

THIS DISCLOSURE DOCUMENT SUMMARIZES PROVISIONS OF THE FRANCHISE AGREEMENT AND OTHER INFORMATION IN PLAIN LANGUAGE. READ THIS DISCLOSURE DOCUMENT AND ALL AGREEMENTS CAREFULLY.

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F.	Authorization for Prearranged Payment		
G.	Franchise Owner Photography Release	O.	Receipts

Date: _______________

____
PROSPECTIVE FRANCHISEE

____
(Print Name)

Return this copy to us.