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 store that specializes in the sale of frozen desserts and other similar and dissimilar designated food, beverage and merchandise items.

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 available to the customer. The total estimated investment necessary to begin operation of a Yogurtland franchise for a single, interior store ranges from $177,570 to $285,920. For each Store, this includes $21,650 to $29,250 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 $172,070 to $285,920. For each Store, this includes $16,650 to $24,250 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 Development Contracts Manager, 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: April 24, 2020

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit N.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit C includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Yogurtland business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Yogurtland franchisee?	Item 20 or Exhibit N lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **<u>Out-of-State Dispute Resolution</u>.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in California. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in California than in your own state.

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

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

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

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

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

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

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

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

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

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

b. The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

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

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

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

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

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

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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 Phillip Chang, 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, "Withim"), 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, 2019, Withim operated one (1) Yogurtland® store of the type you will operate. The address and phone number of the store is listed in Exhibit N 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, 2019, Higher Ground operated one (1) Yogurtland store of the type you will operate. The address and phone number of the store is listed in Exhibit N 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, 2019, First Vine operated one (1) Yogurtland store of the type you will operate. The address and phone number of the store is listed in Exhibit N 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, 2019, PMC operated two (2) Yogurtland stores of the type you will operate. The address and phone number of the stores are listed in Exhibit N 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, 2019, MCP operated one (1) Yogurtland store of the type you will operate. The address and phone number of the store is listed in Exhibit N 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, 2019, 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 N to this Disclosure Document.

A seventh 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, 2019, 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 N to this Disclosure Document.

An eighth 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, 2019, 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 N to this Disclosure Document.

A ninth 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, 2019, 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 N to this Disclosure Document.

A tenth 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, 2019, 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 N to this Disclosure Document.

An eleventh affiliate of ours, YL Long Beach Inc. (a California corporation formed on October 30, 2017, "YL Long Beach"), opened its first Yogurtland retail store on February 5, 2018. YL Long Beach sells yogurt and related products from its retail store. YL Long Beach shares the same address as us. YL Long Beach is not in any other business and does not offer or sell franchises in any line of business. As of the date of this disclosure document, YL Long Beach operated one (1) Yogurtland store of the type you will operate. The address and phone number of the store is listed in Exhibit N to this Disclosure Document.

The above described affiliates may also provide services to our franchisees for training. 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 marks to sell frozen desserts and other similar and dissimilar designated food, beverage and merchandise items to the general public. Your store is designed to incorporate an upscale shop look featuring indoor seating or take out services, custom designed interiors, furniture, fixtures, specially designed uniforms and wearing apparel that complement the 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. In addition, the Federal government, State governments and local jurisdictions have enacted and may continue to enact various regulations, orders and recommendations addressing the global COVID-19 pandemic, including "shelter in place," "safer at home" and "social distancing" orders, that may apply to the operation of your store. These regulations and orders may, for example, require the temporary closure of what they define as "non-essential" businesses, temporarily restrict the products and services that may be offered from your store, limit seating and/or occupancy, and/or limit hours and scope of operations. You should investigate whether there are regulations, orders or other requirements or recommendations that may apply in the geographic area in which you are interested in locating your store and should consider both their impact and cost of compliance.

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.

Senior Vice President: Sam Yoon

Mr. Yoon was appointed Senior Vice President in February 2019. Prior to that, Mr. Yoon served as our Senior Vice President of Strategy Finance and Administration from October 2017 until February 2019. Prior to joining us, he served as the Managing Director at Higher Ground International in Seoul, Korea from September 2016 until September 2017. Previous to that, he worked as the Chief Financial Officer at BJC Heavy Industries in Thailand from August 2014 to April 2016 and served as the Planning Director with British Petroleum and in other strategy and commercial roles from July 2004 to May 2013. His other roles include commercial and marketing roles with LG and Poongsan as well as consulting roles with the government in Thailand from 1998 to 2003.

Senior Manager of Finance/Accounting: Seongil Yun

Mr. Yun joined us as our Senior Manager of Finance/Accounting in January 2020. Prior to that, he was the Finance Manager for Forever 21 in Los Angeles, California from September 2018 until December 2019. From July 2017 until January 2018, he was the Interim Controller for Bio Creative Lab in Costa Mesa, California and from August 2016 until April 2017, he was the Finance Manager for Innocean Worldwide in Huntington Beach California. From August 2015 until August 2016, he was the Technical Accounting Manager for International Catastrophe Insurance Managers in Broomfield, Colorado and from August 2004 until April 2015, he was the National Accounting Manager for Glovis America, Inc. in Irvine, California.

Senior Marketing Manager: Brittany Knollmiller

Ms. Knollmiller joined us as our Senior Marketing Manager in February 2020. Prior to that, she was the Senior Marketing Manager for El Pollo Loco, Inc. in Costa Mesa, California from March 2018 until February 2020. From July 2015 until March 2018, she was the Marketing Manager for El Pollo Loco, Inc. and from January 2013 until July 2015, she was the Assistant Marketing Manager for El Pollo Loco, Inc.

Director of Franchise Operations: Gary Hunter

Mr. Hunter has been our Director of Franchise Operations since March 2019. Prior to that, he was the Director of Operations for PB Restaurant Group in Los Angeles, California from December 2017 until March 2019. From August 2017 until December 2017, he was the Area Director for John's Incredible Pizza in Rancho Santa Margarita, California and from May 2012 until August 2017 he was the Vice President of Operations for Menchie's Frozen Yogurt in Encino, California.

Development Contracts Manager: Kimberly Bryant

Ms. Bryant has been our Development Contracts Manager since April 2018. Prior to that, she was the Senior Manager of Franchising for Togo's, a restaurant company in San Jose, California from March 2016 until April 2018 and from October 2005 until March 2016, she was a Franchise Manager for Togo's.

Senior Business Development Manager: Sam Kwon

Mr. Kwon has been our Senior Business Development Manager since March 2020. Mr. Kwon was our Franchise Sales Manager from June 2019 through March 2020. Prior to that, Mr. Kwon was the Business Development Manager for CJ Foodville USA, a bakery company in Commerce, California from December, 2017 until May, 2019. From December, 2013 until April, 2017, Mr. Kwon was the Manager for BJJ PA Frog LLC, a frozen yogurt company in Wexford, Pennsylvania.

ITEM 3
LITIGATION

Claim of Steven Mitnick

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.

On July 6, 2018, Mitnick filed a Demand for Arbitration against Yogurtland Franchising, Inc. and its President, Phillip Chang with the American Arbitration Association, Case No. 01-18-0002-6025 (the "Arbitration Proceeding") in which Mitnick asserted the same claims previously pursued in the matter pending in the District of New Jersey. On September 21, 2018, Yogurtland Franchising, Inc. filed a Counter-Demand for Arbitration against Mitnick and the guarantors of Central Jersey, specifically Alisha Haines, John E. Friend and Linda M. Friend, asserting claims for Breach of Contract, Breach of Guaranty and Declaratory Relief. In total, Yogurtland Franchising, Inc. sought damages in excess of $1 million in its Counter-Demand.

In a settlement agreement dated February 6, 2019, the parties settled all of the known and unknown claims among the parties. No payment was required to be made by Yogurtland Franchising, Inc. or Phillip Chang, nor was any payment made on their behalf.

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. On June 4, 2018, the court granted our Motion to Compel Arbitration and dismissed the adversary proceeding without prejudice pending the outcome of the arbitration proceeding. The bankruptcy successor trustee filed a motion for reconsideration, which was denied on August 7, 2018, and then appealed both bankruptcy court orders to the District Court. The successor trustee and Yogurtland Franchising, Inc. each filed appellate briefs.

On July 6, 2018, while the above-described proceedings ensued in the bankruptcy court, Mitnick filed a Demand for Arbitration and Statement of Claim with the American Association of Arbitration ("AAA"). The Statement of Claim alleges that our development of a unit in Mt. Laurel, New Jersey was too close to Central Jersey's units, 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 Statement of Claim 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 is seeking damages in the amount of $4,827,537.24, attorneys' fees and costs related to the arbitration, and other unspecified relief. Franchisor categorically denies all of these allegations.

In a settlement agreement dated February 6, 2019, the parties settled all of the known and unknown claims among the parties. No payment was required to be made by Yogurtland Franchising, Inc. or Phillip Chang, nor was any payment made on their behalf.

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.

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.

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

ITEM 4
BANKRUPTCY

On March 31, 2017, our Franchise Sales Manager, Sam Kwon, filed a Voluntary Petition under Chapter 7 of the U.S. Bankruptcy Code in the Western District of Pennsylvania, Case No. 17-21261-GLT. The case was discharged on August 8, 2017.

No other bankruptcies are required to be disclosed in this Item.

ITEM 5
INITIAL FEES

1. Single Store Travel Plaza Locations. 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.

In addition, you must pay us, before opening your store, a one-time fee of $4,000 for limited construction project management 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 project 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 $900 to $1,500. 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 in this state, 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[2] or $1,000 per month, whichever is higher. . If you fail to pay any royalty payment as and when due, the unpaid royalty fee will be increased to six and one half percent (6.5%) of Gross Sales for the prior month, or One Thousand Two Hundred Dollars ($1,200), whichever is greater.	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. See late charge below if payment is not made when due.
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) [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)

Type of Fee	Amount	Due Date	Remarks
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.
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 (paid prior to Training)	This fee for the transferee and one other individual to attend our ten-day training program.
TRANSFER TRAINING FEE	$5,000	Prior to attending Training	You pay us this fee for you and one other individual to attend our ten-day training program.
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.

Type of Fee	Amount	Due Date	Remarks
RENEWAL FEE Travel Plaza Big Box[6]	 $12,500 $7,500 for 1st initial period (3 years); $7,500 for 1st renewal period (3 years)	 Before renewal is effective Before renewal is effective	 You pay this fee to us to renew your agreement for another term of 5 years. You pay this fee to us to renew your agreement for another term of 3 years each.
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.

Type of Fee	Amount	Due Date	Remarks
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.
LIQUIDATED DAMAGES/Deviation from standard	$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.
LIQUIDATED DAMAGES/ Termination	The greater of (a) 10% of your gross sales for the last 12 consecutive months or (b) $100,000	Upon demand	Our rights are in addition to any other remedy or rights we may have

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, discounts, 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. As of December 2019, there were no purchasing or advertising cooperatives. Accordingly, company/franchisor owned outlets did not have voting power on any fees imposed by such cooperatives.

(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 Low	High	Method of Payment	When Due	To Whom Payment is to be made
INITIAL FRANCHISE FEE[2]					
Travel Plaza[3]	$12,500	$12,500	Lump Sum	At Signing of Franchise Agreement	Franchisor
Big Box[3]	$7,500	$7,500	Lump Sum	At Signing of Franchise Agreement	Franchisor
TRAINING FEE per person[4] for additional trainees for Travel Plaza and Big Box	$0	$1,000	Cash	One Week Before Training	Franchisor
TRAVEL AND LIVING EXPENSES WHILE TRAINING[5] for Travel Plaza and Big Box	$500	$4,000	Cash	Before Opening, as incurred	Airline, hotel, restaurants

Type of Expenditure	Amount Low	High	Method of Payment	When Due	To Whom Payment is to be made
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]	$0	$5,000	Lump Sum	Before Opening	Utility Companies
Big Box[8]	$500	$3,000	Lump Sum	Before Opening	Utility Companies
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
LEASEHOLD IMPROVEMENTS					
Travel Plaza[10]	$60,000	$80,000	Cash	Before Opening	Third Party Contractors
Big Box[11]	$60,000	$80,000	Cash	Before Opening	Third Party Contractors

Type of Expenditure	Amount Low	High	Method of Payment	When Due	To Whom Payment is to be made
SIGNS (indoor and outdoor) & exterior branding					
Travel Plaza[12]	$5,000	$11,000	Cash	Before Opening	Supplier
Big Box[13]	$4,000	$8,000	Cash	Before Opening	Supplier
FRANCHISOR-SUPPLIED DÉCOR AND OTHER ITEMS[14]					
Travel Plaza	$900	$1,500	Cash	Before Opening	Franchisor
Big Box	$900	$1,500	Cash	Before Opening	Franchisor
EQUIPMENT & FIXTURES[15] for Travel Plaza and Big Box	$54,000	$105,000	May vary	Will vary	Various Suppliers
POS SYSTEM[16] for Travel Plaza and Big Box	$5,320	$6,170	Lump Sum	Before Opening	Supplier
OPENING INVENTORY[17] for Travel Plaza and Big Box	$3,750	$5,250	Cash	Before Opening	Franchisor, our affiliate, and Various Suppliers
BUSINESS LICENSE[18] for Travel Plaza and Big Box	$2,000	$4,000	Cash	Before Opening	Municipality
INSURANCE[19] for Travel Plaza and Big Box	$1,100	$3,000	Cash	Before Opening	Insurance Co.
OPENING ADVERTISING[20] for Travel Plaza and Big Box	$6,000	$6,000	Cash	Before Opening	Various Advertising Vendors

Type of Expenditure	Amount Low	High	Method of Payment	When Due	To Whom Payment is to be made
ARCHITECT, PERMITS[21] for Travel Plaza and Big Box	$10,500	$14,500	Cash	As Needed	Architect
LIMITED CONSTRUCTION PROJECT MANAGEMENT SERVICES FEE[22] for Travel Plaza and Big Box	$4,000	$6,000	Cash	On Demand	Franchisor
ATTORNEY AND OTHER PROFESSIONAL FEES					
Travel Plaza	$500	$3,000	Cash	Before Opening	Your professional advisors
Big Box	$500	$3,000	Cash	Before Opening	Your professional advisors
ADDITIONAL FUNDS- First 3 months of operations[23]					
Travel Plaza	$10,000	$25,000	Cash	As Needed	Various
Big Box	$10,000	$20,000	Cash	As Needed	Various
TOTAL[24]					
Travel Plaza	$177,570	$285,920	Cash	On Demand	Franchisor, Landlord, Suppliers, others
Big Box	$172,070	$285,920	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 three 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, four stores at a travel plaza have been built and opened. 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.

(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) For new stores, 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 or air-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 equipment, furniture, fixtures, and similar items must be purchased from us or from our designated suppliers.

(16) . A Travel Plaza or Big Box Yogurtland POS System has one station. This POS System costs between approximately $5,320 and $6,170 ($4,320 for equipment including shipping and handling and between $1,000 and $1,850 for installation) with recurring monthly fees of $225 payable to the POS System vendor. You must allow your POS System to be configured in such a manner that will allow remote data review by us, and which will allow 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 business grade firewall, along with baseline security checks, best practices, procedures, training, and all other standards as defined by the PCI Security Standards Council

(17) 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.

(18) 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.

(19) 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.

(20) 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.

(21) 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, as well as costs for obtaining permits. 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.

(22) You must pay us a limited construction project management services fee of $4,000 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 project management 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).

(23) 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 principal's eight years' 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.

(24) 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 four stores at a travel plaza has been built and opened (by franchisees), and three Big Box Locations have opened. 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 affiliate Joseph Trading, Inc., 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, 2019, our total revenue was $9,108,277, and our total revenue from all required purchases and leases of products and services was $8,436,213, which represented 92.6% of our revenue. Franchisees are required to make purchases from our affiliate, Joseph Trading, Inc. ("JT"). JT's revenue from products and services sold or leased to franchisees was $25,782,620 for the year ending December 31, 2019. Paramount Dairy, Inc., our affiliate, sells products to JT which are then sold to franchisees. Paramount Dairy does not sell or lease products or services to franchisees.

For the year ending December 31, 2019, 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 $34,218,833 which represents 71.2% of 2019 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 Paramount Dairy, 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, 2019, we received $0.00 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

Obligation	Section in Agreement	Disclosure Document Item
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
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, Section 11	Item 6

Obligation	Section in Agreement	Disclosure Document Item
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 Article 18 Personal Guaranty	Items 11 and 15
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	Item 17
w. Non-competition covenants	Franchise Agmt, §§10.4-10.6 Personal Guaranty, Paragraph 3 Non-compete & Non-disclosure Agrmt, all sections, & Travel Plaza or Big Box Addendum	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) We may, in our sole discretion, extend your deadline to open your store for business by written notice to you.

(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 $4,000 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 project management fee at the time you sign your Franchise Agreement. The fee is for our limited construction project management 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. We may, in our 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, 5.1 B-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 in accordance with the terms of the Franchise Agreement, 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, 2019, we used the Marketing Fund in the following manner: 16% on administrative, 37% on media printing and promotions, 4% on local store marketing promotions and advertising, and 27% on creative, research and development, and agency fees and 16% 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

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) A Travel Plaza or Big Box Yogurtland POS System has one station. This POS System costs between approximately $5,320 and $6,170 ($4,320 for equipment including shipping and handling and between $1,000 and $1,850 for installation) with recurring monthly fees of $225 payable to the POS System vendor. The POS System will collect and maintain sales data and other data, such as configurations of POS software and system, discount usage, labor, and inventory we require. Currently, the POS software and system also collects and checks internet speed as well as information on model numbers and serial numbers of POS related hardware such as weigh scales. The POS System currently also collects information on network technology such as existing hubs, switches, and firewalls, and also tracks new equipment and collects information on faulty or vulnerable security equipment. You must allow your POS System to be accessed by the Yogurtland Franchising Technology Department and only in such a manner that will allow remote data review by us, and which will allow changes to be made remotely as necessary.

We will have direct access to your POS System, when we want, to accomplish tasks such as downloading information logged by the registers. There is no limit on our right to access this information. You may not modify your POS System to impair or block our access to it or to impair your system for sending sales information or other information to a cloud-based or other system. 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 the POS System vendor. 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 maintaining a business grade firewall, along with baseline security checks, best practices, procedures, training, and all other standards as defined by the PCI Security Standards Council. The estimated annual cost of any optional or required maintenance, updating, upgrading or support contracts is $1,800 to $3,600.

Software may also be installed on your computer system to allow temporary remote application monitoring of your POS System. You are expected facilitate this application and not interfere with this software for any reason. This software may be present on your Store's POS System on a temporary basis.

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 M. 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 bi-monthly basis. We anticipate training to take place at one or more of our stores in Los Angeles, Orange or San Diego counties California. 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	4	24	Yogurtland Support Center, in

			Irvine, California
Shift Supervisor	4	10	Location varies, one of certified corporate owned training stores. Potential locations include the Yogurtland Support Center, in Irvine, California and corporate stores in Lakewood, Seal Beach and Fullerton, California.
General Manager / Owner	8	30+	Location varies, one of certified corporate owned training stores. Potential locations include the Yogurtland Support Center, in Irvine, California and corporate stores in Lakewood, Seal Beach and Fullerton, California.
TOTAL TRAINING HOURS	8+*	64+*	

*Our Training Program will require approximate 9 hours of independent study.

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 an approved ANSI Food Safety manager, 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). Training is coordinated by Georgina Zirbes, Training Specialist. She is assisted by Cindy Mendoza, Field Training Associate, and Certified Training Managers that vary from location to location. Ms. Zirbes has 27 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

All Franchise Agreements

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.
	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 all ideas, concepts, techniques or materials relating to a Store, 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 an approved ANSI Food Safety 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 I) 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 J. (Franchise Agrmt. Section 10.2)

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 & 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.
c. Requirements to renew or extend	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

Provision	Section in franchise or other agreement	Summary
		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 (ii) Big Box Locations	 N/A Big Box Addendum to Franchise Agreement	 We cannot terminate without cause. 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	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.
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-

Provision	Section in franchise or other agreement	Summary
		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.
i. Franchisee's obligations on termination/non-renewal (all franchise agreements)	Franchise Agrmt §§ 9.7–9.9 Non-compete & Non-disclosure Agrmt, all	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

Provision	Section in franchise or other agreement	Summary
	sections	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.
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,

Provision	Section in franchise or other agreement	Summary
		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 §§10.4-10.5 Non-compete & Non-disclosure Agrmt §§5 & 6	Neither you nor your managers can directly or indirectly operate anywhere a business similar to your franchised business. You or your managers 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, excluding existing Stores for which there are validly existing franchise agreements in place.
r. Non-competition covenants after the franchise is terminated or expires (all franchise agreements)	Franchise Agrmt §§10.4-10.5 Non-competition and non-disclosure agrmt §§ 5-6	For 2 years following termination or expiration, neither you nor your managers can operate or have an interest in a competing business within a fifteen (15) mile straight-line radius from the front door of your Store, 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.
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	Subject to state law, 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).

Provision	Section in franchise or other agreement	Summary
v. Choice of forum (all franchise agreements)	Franchise Agrmt §15.5	Arbitration must be in Orange County, California, subject to state law.
w. Choice of law (all franchise agreements)	Franchise Agrmt §15.1	Subject to state law, 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.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Sam Kwon, 17801 Cartwright Road, Irvine, CA 92614 or (949) 265-8000, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For Years 2017 to 2019*

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2017	1	3	+2
	2018	3	3	0
	2019	3	6	+3
Company-Owned	2017	0	0	0
	2018	0	0	0
	2019	0	0	0
Total Outlets	2017	1	3	+2
	2018	3	3	0
	2019	3	6	+3

*Does not include stores located outside the United States of America, including its territories and possessions. Also, does not include any Traditional or Mall Locations.

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than to Franchisor)
For Years 2017 to 2019*

State	Year	Number of Transfers
Totals	2017	0
	2018	0
	2019	0

* *Does not include stores located outside the United States of America, including its territories and possessions. Also, does not include any Traditional or Mall Locations.

Table No. 3
Status of Franchised Outlets
For Years 2017 to 2019*

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
California	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	2	0	0	0	0	3
Pennsylvania	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	1	0	0	0	0	1
	2017	0	2	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
Texas	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	1	1
Utah	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	1	0	0	0	0	1
Totals	2017	1	2	0	0	0	0	3
	2018	3	0	0	0	0	0	3*
	2019	3	4	0	0	0	1	6

* Does not include stores located outside the United States of America, including its territories and possessions. Also, does not include any Traditional or Mall Locations.

Table No. 4
Status of Company Owned Outlets
For Years 2017 to 2019*

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
Totals	2017	0	0	0	0	0	0
	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0

Table No. 5
Travel Plaza (TP) and Big box (BB) Locations Projected Openings as of December 31, 2019

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
California	6	4	0
Pennsylvania	0	0	0
Utah	1	1	0
Totals	7	5	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, 2019, 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, 2019, 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 April 24, 2020 consisting of balance sheets and statements of income, stockholder's equity (deficit), and cash flows as of December 31, 2019. Also included as part of Exhibit C are audited financial statements with a separate audit report dated April 24, 2020 consisting of balance sheets and statements of income, stockholder's equity (deficit), and cash flows as of December 31, 2019. 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 - Franchise 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 Project 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 O – Lease Rider

ITEM 23
RECEIPTS

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

EXHIBIT A

State Administrators and Agencies/Agents for Service of Process

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 320 West 4th Street, Suite 750 Los Angeles, California 90013-2344 (866) 275-2677	HAWAII Commissioner of Securities Department of Commerce and Consumer Affairs 335 Merchant Street, Room 205 Honolulu, Hawaii 96813 (808) 586-2744
MARYLAND Office of Attorney General Division of Securities 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	ILLINOIS Franchise Bureau Office of Attorney General 500 S. Second Street Springfield, Illinois 62701 (217) 782-4465
MINNESOTA Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1600	INDIANA Franchise Section Indiana Securities Division Secretary of State Room E-111 302 West Washington Street Indianapolis, Indiana 46204 (317) 232-6681
NORTH CAROLINA Secretary of State Securities Division 300 North Salisbury Street North Carolina 27603 (919) 807-2156	MICHIGAN Franchise Administrator Consumer Protection Division Antitrust and Franchise Unit 670 Law Building 525 W. Ottawa Street Lansing, Michigan 48913 (517) 373-7117
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	NEW YORK NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, New York 10005

(401) 462-9500	(212) 416-8000
TEXAS Statutory Document Section Secretary of State P.O. Box 12887 Austin, Texas 78711 (512) 475-1769	NORTH DAKOTA North Dakota Securities Department 600 East Boulevard, Fifth Floor Bismarck, North Dakota 58505-0510 (701) 328-2929
VIRGINIA State Corporation Commission, Division of Securities and Retail Franchising 1300 E. Main Street, Ninth Floor Richmond, Virginia 23219 (804) 371-9051	SOUTH DAKOTA Franchise Administrator Department of Labor and Regulation Division of Insurance – Securities Regulation 124 South Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-5963
WISCONSIN Franchise Administrator Securities and Franchise Registration Wisconsin Securities Commission 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 261-9555	UTAH Division of Consumer Protection Utah Department of Commerce 160 East Three Hundred South Salt Lake City, Utah 84145-0804 (801) 530-6601
	WASHINGTON Director Department of Financial Institutions P.O. Box 9033 Olympia, Washington 98507 (360) 902-8760

AGENTS FOR SERVICE OF PROCESS

California Commissioner of the Department of Business Oversight 1515 K Street, Suite 200 Sacramento, California 95814	Minnesota Commissioner of Commerce State of Minnesota Department of Commerce Registration Division 85 7th Place East Suite 280 Saint Paul, Minnesota 55101
Hawaii Hawaii Commissioner of Securities Business Registration Division 335 Merchant Street, Room 205 Honolulu, Hawaii 96813	New York New York Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, New York 12231-0001
Illinois Illinois Attorney General Office 500 South Second Street Springfield, Illinois 62701	North Carolina North Carolina Secretary of State Securities Division 300 North Salisbury Street Raleigh, North Carolina 27603
Indiana Indiana Securities Division 302 West Washington Street Room E-111 Indianapolis, Indiana 46204	North Dakota North Dakota Securities Department 600 East Boulevard Avenue State Capitol, 5th Floor, Dept. 414 Bismarck, North Dakota 58505-0510
Maryland Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020	Rhode Island Director of Business Regulation 1511 Pontiac Avenue Cranston, Rhode Island 02920
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 Director of Business Regulation 1511 Pontiac Avenue Cranston, Rhode Island 02920
Virginia Clerk, State Corporation Commission 1300 East Main Street, First Floor Richmond, Virginia 23219	Wisconsin Commissioner of Securities Office of the Commissioner of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705

	(608) 261-9555
Washington Administrator of Securities Department of Financial Institutions 150 Israel Rd. SW, Tumwater, WA 98501 98504	

EXHIBIT B

State Specific Addenda

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.

**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

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:

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.

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.

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.

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.

[SIGNATURE PAGE TO FOLLOW]

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.

**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.

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.

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

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

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: ________________________

EXHIBIT C

Financial Statements

Yogurtland Franchising, Inc.

Financial Statements

December 31, 2019, 2018 and 2017

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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, 2019, 2018 and 2017, and the related statements of income, stockholder's equity, and cash flows for the years then ended, and the related notes to the 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; 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. Those standards require that we plan and perform the audit 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 entity'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 entity'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, 2019, 2018, and 2017, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 2 to the financial statements, the Company has changed its method of accounting for revenue from contracts with customers in fiscal year 2019 due to the adoption of the new revenue recognition standard. The Company adopted the new revenue standard using a modified retrospective approach.

Emphasis of Matter

As discussed in Note 2 to the consolidated financial statements, on March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The ultimate financial impact and duration of these events cannot be reasonably estimated at this time. Our opinion is not modified with respect to that matter.

Armanino LLP

Armanino[LLP]
Los Angeles, California

April 20, 2020

Yogurtland Franchising, Inc.
Balance Sheets
December 31, 2019, 2018 and 2017

	2019	2018	2017
ASSETS			
Current assets			
Cash	$ 10,264,845	$ 9,720,875	$ 7,287,340
Accounts receivable, net	934,658	643,824	1,219,737
Due from/to marketing fund	-	471,824	504,939
Unbilled accounts receivable	51,918	-	-
Due from stockholder	3,000	-	600,000
Other current assets	119,176	139,936	302,830
Total current assets	11,373,597	10,976,459	9,914,846
Property and equipment, net	596,341	690,878	833,281
Deferred income tax assets	266,100	-	-
Total assets	$ 12,236,038	$ 11,667,337	$ 10,748,127
LIABILITIES AND STOCKHOLDER'S EQUITY			
Current liabilities			
Accounts payable and accrued expenses	$ 561,851	$ 976,614	$ 1,689,349
Gift card liability	7,354,111	7,220,107	5,869,475
Total current liabilities	7,915,962	8,196,721	7,558,824
Deferred franchise fee revenue	2,412,641	1,882,500	1,945,000
Other liabilities	-	-	75,000
Total liabilities	10,328,603	10,079,221	9,578,824
Commitments and contingencies (Notes 2 and 6)			
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	1,807,435	1,488,116	1,069,303
Total stockholder's equity	1,907,435	1,588,116	1,169,303
Total liabilities and stockholder's equity	$ 12,236,038	$ 11,667,337	$ 10,748,127

The accompanying notes are an integral part of these financial statements.

Yogurtland Franchising, Inc.
Statements of Income
For the Years Ended December 31, 2019, 2018 and 2017

	2019	2018	2017
Net revenues	$ 9,140,271	$ 9,680,908	$ 10,254,506
Operating expenses	8,058,962	8,479,178	8,838,017
Income from operations	1,081,309	1,201,730	1,416,489
Other income	112,535	74,907	6,161
Income before provision for income taxes	1,193,844	1,276,637	1,422,650
Provision for income taxes	161,045	9,824	9,861
Net income	$ 1,032,799	$ 1,266,813	$ 1,412,789

The accompanying notes are an integral part of these financial statements.

Yogurtland Franchising, Inc.
Statements of Stockholder's Equity
For the Years Ended December 31, 2019, 2018 and 2017

	Common Stock		Retained	
	Shares	Amount	Earnings	Total
Balance, January 1, 2017	100,000	$ 100,000	$ 851,334	$ 951,334
Net income	-	-	1,412,789	1,412,789
Distributions	-	-	(1,194,820)	(1,194,820)
Balance, December 31, 2017	100,000	100,000	1,069,303	1,169,303
Net income	-	-	1,266,813	1,266,813
Distributions	-	-	(848,000)	(848,000)
Balance, December 31, 2018	100,000	100,000	1,488,116	1,588,116
Impact of ASC 606 adoption (Note 2)	-	-	(713,480)	(713,480)
Restated, December 31, 2018	100,000	100,000	774,636	874,636
Net income	-	-	1,032,799	1,032,799
Balance, December 31, 2019	200,000	$ 200,000	$ 1,807,435	$ 1,907,435

The accompanying notes are an integral part of these financial statements.

Yogurtland Franchising, Inc.
Statements of Cash Flows
For the Years Ended December 31, 2019, 2018 and 2017

	2019	2018	2017
Cash flows from operating activities			
Net income	$ 1,032,799	$ 1,266,813	$ 1,412,789
Adjustments to reconcile net income to net cash provided by operating activities			
Change in allowance for doubtful accounts	6,702	(92,440)	32,877
Depreciation and amortization	185,217	185,699	192,545
Deferred income taxes	38,280	-	-
Changes in operating assets and liabilities			
Accounts receivable	(297,536)	668,353	(276,980)
Due from marketing fund	-	33,115	(3,294)
Unbilled accounts receivable	(51,918)	-	6,610
Other current assets	20,760	162,894	(150,979)
Accounts payable and accrued expenses	(414,763)	(712,735)	9,362
Gift card liability	134,004	1,350,632	(356,369)
Deferred revenue	(15,895)	(62,500)	(230,000)
Other liabilities	-	(75,000)	-
Net cash provided by operating activities	637,650	2,724,831	636,561
Cash flows from investing activities			
Purchases of property and equipment	(90,680)	(43,296)	(67,746)
Net cash used in investing activities	(90,680)	(43,296)	(67,746)
Cash flows from financing activities			
Net decrease (increase) in due from stockholder	(3,000)	600,000	(600,000)
Distributions to stockholder	-	(848,000)	(1,194,820)
Net cash used in financing activities	(3,000)	(248,000)	(1,794,820)
Net increase (decrease) in cash	543,970	2,433,535	(1,226,005)
Cash, beginning of year	9,720,875	7,287,340	8,513,345
Cash, end of year	$ 10,264,845	$ 9,720,875	$ 7,287,340

Supplemental disclosure of cash flow information

	2019	2018	2017
Cash paid during the year for income taxes	$ 132,947	$ 9,824	$ 9,861

The accompanying notes are an integral part of these financial statements.

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, Myanmar, Oman, United Arab Emirates and Venezuela. The Company has developed more than 300 yogurt, sorbet, gelato and ice-cream flavors and serves a variety of dry, cold and fruit toppings. The Company launched shakes in 2019 and is also developing other new product platforms.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Change in accounting principle

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers (Topic 606) (codified as ASC 606), which, along with subsequent amendments issued after May 2014, replaced substantially all of the relevant U.S. GAAP revenue recognition guidance. ASC 606, as amended, is based on the principle that revenue is recognized to depict the contractual transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services utilizing a new five-step revenue recognition model, which steps include (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the entity satisfies a performance obligation.

On January 1, 2019, the Company adopted ASC 606, as amended, to all contracts that had not been completed as of January 1, 2019 using the modified retrospective method. Accordingly, results for the reporting period beginning after January 1, 2019 are presented in accordance with ASC 606, while prior period amounts have not been adjusted and continue to be reported under the accounting standards that were in effect for the prior periods.

The cumulative effect of adopting ASC 606 resulted in a one-time adjustment of $1,017,860 to the opening balance of retained earnings which is reflected in the accompanying statements of stockholder's equity for the year ended December 31, 2019. The cumulative effect adjustment relates to the recognition of revenue and related costs for customer contracts that transfer goods or services over time. Under ASC 606, the timing of the recognition of revenue and the related cost of revenue associated with goods or services provided to customers with no alternative use are recognized over time utilizing an input method that compares the cost of cumulative work-in-process to date to the most current estimates for the entire cost of the performance obligation. By contrast, in the prior periods, revenue and the related costs were recognized upon completion of the performance obligation in accordance with accounting standards that were in effect in the prior periods. Under these customer contracts the customer retains control of the product as it is being created or enhanced by the Company's services and/or are entitled to compensation for progress to date that includes an element of profit margin.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Change in accounting principle (continued)

Restatement consisted of the following:

Retained earnings, December 31, 2018, as previously reported	$ 1,488,116
Deferred revenue ASC 606 impact	(546,036)
Deferred marketing ASC 606 impact	(471,824)
Deferred tax asset ASC 606 impact	304,380
Impact of ASC 606 restatement	(713,480)
Retained earnings, as restated	$ 774,636

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.

Store franchise agreements

Franchise agreement activity is as follows:

	2019	2018	2017
Balance, beginning of year	317	332	326
Stores opened	18	16	24
Stores closed	(27)	(31)	(18)
Balance, end of year	308	317	332

Additionally, there were 91, 90 and 83 franchise agreements representing unopened stores at December 31, 2019, 2018 and 2017, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Store franchise agreements (continued)

The Company began selling franchises 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 fails to perform a required duty.

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.

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. An allowance 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 $15,275, $8,573 and $101,013 at December 31, 2019, 2018 and 2017, 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and equipment

Property and equipment is carried at cost. The Company uses the straight-line method 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.

Depreciation of property and equipment is computed using the straight-line method over the following estimated useful lives:

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

Franchise fees for renewals and resales are recognized ratably over the term of the franchise agreement, which is typically 10 years, starting upon the signing of the resale or renewal agreement. As allowed under ASC 606 (see Note 2) initial franchise fees are recognized upon the shorter of store opening or 180 days after the franchise agreement date. Royalty fees are recognized and charged at a percentage (up to 6%) of sales on a monthly basis.

Advertising

Advertising expense for the years ended December 31, 2019, 2018 and 2017 totaled $89,778, $239,364 and $982,600, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

The Company had 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, 2016 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, 2015 and subsequent.

During 2018, the Company revoked its status to be treated as an S-Corporation and has elected to be taxed under the provisions with the approval from the Federal Internal Revenue Service. Effective October 1, 2018, the Company is taxed under the provisions of Subchapter C of the Internal Revenue Code. Management has determined that the effect of this change is immaterial to the financial statements.

Subsequent events

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses and shelter in place orders. While the business disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings and shelter in place orders and the ultimate impact of the CARES Act and other governmental initiatives. In response, the U.S. Government enacted the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which includes significant provisions to provide relief and assistance to affected organizations. We have increased in-store safety measures, shifted the focus of our operations to take-out/pick-up/delivery services, enhanced our communication and support to our franchisees. Moreover, we have implemented a royalty and fee relief and deferral programs for our franchisees. Because our operations are directly impacted by these events, it is probable that this matter will negatively impact the Company. However, the ultimate financial impact and duration cannot be reasonably estimated at this time.

The Company has evaluated events subsequent to December 31, 2019, to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through April 20, 2020, the date the financial statements were available to be issued. Other than the matter described above, it was determined that no other subsequent events occurred that require additional recognition or disclosure in the financial statements.

3. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	2019	2018	2017
Automobiles	$ 45,717	$ 45,717	$ 45,717
Computers	170,986	142,875	128,301
Furniture and fixtures	292,266	291,260	290,483
Leasehold improvements	1,248,949	1,232,707	1,225,931
Machinery and equipment	492,182	490,109	468,940
Construction-in-progress	43,248	-	-
	2,293,348	2,202,668	2,159,372
Accumulated depreciation and amortization	(1,697,007)	(1,511,790)	(1,326,091)
	$ 596,341	$ 690,878	$ 833,281

4. LINE OF CREDIT

The Company maintains a revolving line of credit with a bank that allows for borrowing up to $2,500,000 and expires in June 2020. Outstanding borrowings incur interest at LIBOR plus 2.5% (4.3% at December 31, 2019). The line of credit is guaranteed by the Company's sole stockholder and a commonly-controlled entity, HarpNBowl, LLC (see Note 7). There was no balance outstanding at December 31, 2019, 2018 or 2017. The line of credit is collateralized by the property in Irvine, California fully owned by the Company's sole stockholder and his spouse (see Note 6).

5. 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 sheets. The Company does not award stock in the Company.

On January 3, 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 expire. The Company will substitute the Plans with another program.

5. MANAGEMENT INCENTIVE PLANS (continued)

The Company did not grant any awards under the Plans during the years ended December 31, 2019, 2018 and 2017, 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, 2019, no liability has been incurred from the vested and exercisable shares as the fair value of the shares is less than the exercise prices.

Option activity

The following table summarizes the activity under the Plans:

	Number of Awards	Weighted Average Exercise Price
Balance, January 1, 2017	53,867	$ 6.37
Granted	-	-
Forfeited	(9,800)	5.77
Exercised	-	-
Balance, December 31, 2017	44,067	5.66
Granted	-	-
Forfeited	(7,800)	5.65
Exercised	-	-
Balance, December 31, 2018	36,267	5.66
Granted	-	-
Forfeited	-	-
Exercised	-	-
Balance, December 31, 2019	36,267	$ 5.66

There were 36,267 vested and exercisable shares with a weighted average exercise price of $5.66 at December 31, 2019.

5. MANAGEMENT INCENTIVE PLANS (continued)

Option activity (continued)

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. The Company's management believes that the valuation techniques and the approach utilized to develop the underlying assumptions are appropriate in calculating the fair value of the Company's awards. 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, 2019, 2018 and 2017. As of December 31, 2019, 2018 and 2017, there was no unrecognized share-based compensation liability related to non-vested share-based compensation arrangements granted under the Plans.

6. COMMITMENTS AND CONTINGENCIES

Operating leases

The Company leases its corporate office in Irvine, California under a non-cancelable operating lease agreement through December 31, 2021 with renewal options ranging from five to ten years. As of December 31, 2019, management intends to renew for an additional five 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 $476,000, $369,000 and $304,000 for the years ended December 31, 2019, 2018 and 2017, respectively.

The Company is party to six lease agreements for facilities located in California and Arizona, 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 $512,000, which are set to increase between 0% and 6% annually. The leases expire at various times through 2023.

Rent expense totaled $476,160, $537,582 and $664,864 for the years ended December 31, 2019, 2018 and 2017, respectively.

6. COMMITMENTS AND CONTINGENCIES (continued)

Operating leases (continued)

The scheduled minimum lease payments under the lease terms are as follows:

Year Ending December 31,	Related Party Operating Leases	Third Party Operating Leases	Total
2020	$ 476,160	$ 502,942	$ 979,102
2021	476,160	309,678	785,838
2022	476,160	147,037	623,197
2023	476,160	68,436	544,596
2024	476,160	-	476,160
Thereafter	952,320	-	952,320
	$ 3,333,120	$ 1,028,093	$ 4,361,213

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.

7. RELATED PARTY TRANSACTIONS

Certain franchisees are related parties to the Company through common ownership. Sales of various supplies and marketing materials to these related parties totaled approximately $67,000, $88,000 and $293,000 for the years ended December 31, 2019, 2018 and 2017, respectively. Accounts receivable from these related parties totaled approximately $32,000, $29,000 and $264,000 at December 31, 2019, 2018 and 2017, respectively. Accounts payable to these related parties totaled approximately $7,000, $26,000 and $3,000 at December 31, 2019, 2018 and 2017, 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.

8. 401(K) PLAN

The Company’s employees are eligible to participate in the Company’s voluntary retirement plan under Section 401(k) of the Internal Revenue Code. The plan covers all employees within one year of employment with the Company and provides annual matching contributions of 4%. The expense for matching contributions to the voluntary retirement plan were approximately $83,000, $-0- and $-0- in 2019, 2018 and 2017, respectively.

9. INCOME TAXES

The provision for income taxes, all of which is current, consisted of the following:

	2019	2018	2017
Federal	$ 30,281	$ (3,606)	$ -
State and county	130,764	13,430	9,861
	$ 161,045	$ 9,824	$ 9,861

EXHIBIT D

Franchise Application Form

EXHIBIT 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 a current credit report.. I understand that Yogurtland may use that credit report in determining whether I 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 if requested. 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)

Occupation	Position	Dates Employed
______________________	____________	____________

Company __________________________ Address (City, State, Zip) ___________________

____

Describe duties, number of employees supervised, and responsibilities:___________________

____

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

Describe duties, number of employees supervised, and responsibilities: ____________

Have you ever owned your own business or franchise? If yes, explain. ____________

Have you ever had a business failure? If yes, explain. ____________

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? Equity: [ ] YES $ ____________ [ ] 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

Franchise Agreement (For All Locations, But With E-2 Addendum for Travel Plaza Locations and E-3 Addendum for Big Box Locations)

Store #____

FRANCHISE AGREEMENT

This **FRANCHISE AGREEMENT** is entered into and effective on _________________________ (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 ____ _________________ ("**Franchisee**"), its principal business address at ________________________, and _________________ _______________ (each a "**Franchise Owner**" and collectively the "**Franchise Owners**"), each of which Franchise Owners is domiciled at the respective residential address set out next to his or her signature below:

This Franchise Agreement includes the Contract Data Schedule, Recitals and General Terms and Conditions (collectively designated as "**Agreement**").

CONTRACT DATA SCHEDULE

A. Accepted Location of the Franchised Restaurant:

____

(number) (street) (city or town) (state) (zip code)

B. Term Expiration Date: The "**Expiration Date**" of this Agreement shall be the date that is the day immediately before the tenth (10th) anniversary of the Operations Commencement Date (as defined herein) or, in the case that this Agreement is signed in connection with the transfer or renewal of an existing Store, _______________.

C. Initial Franchise Fee: The "**Initial Franchise Fee**" is __________________ dollars ($)

E. Royalty Fee Rate: The "**Royalty Fee Rate**" is six percent (6%). Refer to Articles 6.4 and 6.5 for complete details, including the minimum monthly Royalty Fee.

F. Marketing Fee Rate: The "**Marketing Fee Rate**" is two percent (2%). Refer to Articles 6.5 and 6.6 for complete details.

G. Remodel Date: ____

H. Notices:
If to Franchisor:

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

If to Franchisee:

____

J. Designated Manager (Section 7.6):___________________________________

RECITALS

A. Franchisor has developed and continues to develop a System (as defined below) for the operation of retail stores that specialize in the offer and sale of frozen desserts, and, if required or permitted by Franchisor, beverages and other similar and dissimilar items of food, beverage and merchandise under the Marks (as defined below), using valuable trade names, trademarks and service marks belonging to Franchisor and which system features distinctive business formats, systems, copyrights, methods, recipes, procedures, designs, layouts and specifications and various Trade Secrets and other Confidential Information, and in some cases, includes architectural designs, trade dress, uniforms, equipment specifications, layout plans, inventory, record-keeping and marketing techniques developed and owned by Franchisor.

B. Franchisor and/or its Affiliates may operate, and Franchisor licenses and franchises others to operate stores that utilize Franchisor's business operating methods for a store, including interior and exterior store design; other items of trade dress; specifications for equipment, fixtures, and uniforms; formats; systems; copyrights; Manuals; methods; procedures; designs and layouts; specifications; defined product offerings, recipes and preparation methods; Trade Secrets and other Confidential Information; standard operating and administrative procedures; management and technical training programs; inventory procedures; marketing and public relations programs; and other materials, trade secrets, know-how, and technology, all as the same may exist today or as they may change from time to time, as specified in the Manual or as otherwise directed by Franchisor from time to time (the "**System**").

C. 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 (including substitutions and modifications) from time to time are collectively referred to herein as the "**Marks**."

D. The retail stores that Franchisor and its Affiliates operate under the Marks and using the System and that Franchisor license and franchise third parties to operate under the Marks and System enjoy widespread public acceptance due in part to (1) high standards for the ingredients, preparation, presentation, and service of Yogurtland food; (2) the menu, image, appearance, and methods of operation of the stores; (3) use of the System and the valuable and distinctive Marks; and (4) Franchisor's franchisees' and licensees' commitments to maintain and enhance the goodwill and public acceptance of authorized products, services, and stores by adherence to these Franchisor's standards as they now exist and may be revised from time to time.

E. Franchisee desires, and has applied for a franchise, to establish and operate and retail store that specializes in the offer and sale of frozen desserts, and, if required or permitted by Franchisor, beverages and other similar and dissimilar items of food, beverage and merchandise under the Marks and using the System (the "**Store**") at a location to be specified and accepted by Franchisor, in accordance with the terms of this Agreement.

NOW, THEREFORE, 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:

GENERAL TERMS and CONDITIONS

Article 1 GRANT OF FRANCHISE

1.1 License Rights. Franchisor licenses Franchisee the limited right and license and Franchisee hereby accepts the right and license, during the Term, to use the System in operating a franchised business under the Marks.

1.2 Single Site and Relocation. Franchisor grants Franchisee the right to operate a Store only at a single, Franchisor-accepted physical location. Franchisee shall conduct the business only from the accepted location. Franchisee shall not delegate, franchise, or sub-franchise the right to use the Marks or authorize (whether by management agreement or otherwise) any independent contractor or any other party, including those with whom Franchisee conducts business, to use the Marks. The accepted location for the Licensed Store is or shall be stated in **Item A** of the Contract Data Schedule of this Agreement. If at execution of this Agreement the accepted location is not mutually selected and state in Item A, Franchisor shall designate the geographic area within which Franchisee may seek a location for the Licensed Store. Franchisee shall have no right to relocate the Store, and Franchisee shall not relocate the Licensed Store without first obtaining Franchisor's prior written consent, which may be withheld in Franchisor's sole discretion. The Store to be developed, developed and operated hereunder may sometimes be referred to herein as the "**Licensed Store**."

1.3 Reservation of All Other Rights. Franchisee acknowledges that it is not granted any territorial rights or protection. The license granted to the Franchisee under this Agreement to use the Marks is non-exclusive and 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 and in its sole and absolute discretion, including under the Marks 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 and license to use the Marks at the Licensed 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 Licensed 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 approved 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 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 bring and 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 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 Licensed 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 (including in advertising and social media) 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 Stores. During the Term, Franchisor will loan, or make available (if in electronic format) to, 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. The Manual and all amendments to the Manuals (and copies thereof) are copyrighted and remain Franchisor's property. The Manuals are highly confidential documents which contain certain Confidential Information of Company. Franchisee shall not make, or cause or allow to be made, any copies, reproductions or excerpts of all or any portion of the Manuals without Franchisor's express prior written consent.

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, shall take all commercially reasonable steps to maintain the confidentiality of the Manual, 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. Franchisor has the right to develop, operate and change the policies, specifications, procedures, and instructions in any manner and Franchisor shall have the right to modify the Manual at any time and from time to time; provided, that no such modification shall alter Franchisee's fundamental status and rights under this Agreement. Modifications in the Manual shall become effective upon delivery of written or electronic notice thereof to Franchisee unless a longer period is specified in such written notice or unless a longer period is set forth in this Agreement. Franchisee agrees that Franchisor reserves the right and privilege, in its discretion to vary the Manual and the policies, specifications, procedures and instructions set forth therein for any franchisee or group of franchisees based on the peculiarities of any condition or factors that Franchisor considers important. Franchisee has no right to require Franchisor to grant a similar variation or accommodation. The Manual, as modified from time to time, shall be an integral part of this Agreement and reference made in this Agreement, or in any amendments, exhibits or schedules hereto, to the Manual shall be deemed to mean the Manual kept current by amendments from time to time.

3.5 Acknowledgement of Critical Nature of Uniformity within the System. Subject to variation permitted by Franchisor, 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 the System, 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 Stores. 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 Licensed 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 Licensed 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 the Licensed 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.

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 Licensed 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 of Franchisee's 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 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 deemed Confidential Information 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 System (the "**Marketing Fund**").

B. Uses. The Marketing Fund collected is mainly used for international, national, regional or local 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 and social media communications; preparing and producing video, audio and written marketing materials; buying Internet, social media, TV, radio, satellite, podcast, magazine, billboard, newspaper and other media advertising; employing advertising agencies; providing or selling marketing materials to Stores; holding conventions and meetings for personnel of 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 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 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 retained and 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 unaudited statement of Marketing Fund contributions and expenditures shall be prepared annually and shall be made available to Franchisee upon written request, which request must have been made during the succeeding calendar year. Franchisor shall have the right but no obligation to cause statements 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 or reimburse Franchisor for the cost incurred in connection with the preparation of such statements.

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 Licensed 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 Licensed Store's phone numbers in the principal telephone directories distributed in the metropolitan area and communities where the Licensed Store is located. Franchisee shall list the Licensed Store's phone numbers in such internet directories as Franchisor shall designate or approve.

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 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 Stores and System and for the benefit of Stores and their respective owners, Franchisee shall report immediately by telephone to Franchisor the occurrence of any incident at or concerning the Licensed 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 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 the Initial Franchise Fee (as stated in Item C of the Contract Data Schedule of this Agreement). The Initial Franchise Fee is fully earned upon execution hereof and is not refundable.

6.2 Limited Construction Project Management Services Fee. In accordance with Section 8.2, Franchisee shall pay to Franchisor a fee of Four Thousand Dollars ($4,000) for limited construction supervisory project management 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 Licensed 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 the Royalty Fee Rate (as stated in Item E of the Contract Data Schedule of this Agreement) multiplied by 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) whichever is greater for such month (the "**Royalty Fee**"). The Royalty Fee shall commence on the earlier of the Opening Date (as defined in Section 8.2) or the date the Licenses 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 discounts or 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 the Marketing Fee Rate (as stated in Item F of the Contract Data Schedule of this Agreement) multiplied by Franchisee's Gross Sales from the previous calendar month (or partial month, as applicable) (the "**Marketing Fund Fee**"). 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 the Licensed 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 three 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 accepted 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, prior to the transfer or assignment, 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 Consumer Price Index, as provided in Section 16.14, since the Effective Date or the last time such fee was increased pursuant to this sentence.

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 Licensed 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 (on Franchisor's then-current form of 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 Licensed 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 Licensed 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 Licensed Store Lease, Construction, and Lien Waivers. Franchisee must secure an accepted site and execute a lease for the Licensed 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 Licensed Store to be constructed at the Franchisor-accepted location in accordance with the Franchisor-accepted 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 Licensed Store.

7.3 Opening Date. Franchisee shall open the Licensed 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 ($1,400) per month (prorated for partial months) from the original Opening Date 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 the Licensed Store. 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 agrees that Franchisor reserves the right and privilege, in its discretion to vary selection and type of products and services that Franchisee, or any other franchisee or group of franchisees is authorized to offer and based on the peculiarities of any condition or factors that Franchisor considers important. Franchisee has no right to require Company to grant a similar variation or accommodation. 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 the Marks without Franchisor's prior written consent, which may be withheld in Franchisor's sole discretion. Franchisee shall only sell finished goods and products that have been approved for sale at the Licensed Store and only to retail customers. Franchisee shall not sell any goods or 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 operate the Licensed 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 Licensed 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 and Licensed Store (the "**Designated Manager**"). Without limiting the generality of the foregoing responsibilities, throughout the Term Franchisee shall also:

(a) staff and operate the Licensed 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 accepted 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 Licensed 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 Licensed 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 Licensed Store brochures supplied from time to time by Franchisor describing the availability of the Yogurtland franchise opportunity.

At all times from the date the Licensed 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 Licensed Store on a full-time basis and at least one of the Trained Managers shall serve as the general manager of the Licensed 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 Licensed Store first opens for business, Franchisee fails to have a Trained Manager serving on a full-time basis as the Licensed 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 Licensed 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 Licensed 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 Licensed Store shall be certified by local authorities as an approved ANSI Food Safety manager 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 Licensed 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 Licensed 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 Licensed 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 Licensed 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 Licensed Store.

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 for each of Franchisee and the Licensed Store. Franchisee shall submit these to Franchisor no later than the thirtieth (30th) day after the end of each fiscal and calendar 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 monthly financial 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 from Franchisor or third party sources designated or accepted in writing by Franchisor from time to time, all food ingredients, construction and packaging materials, supplies, equipment, stationery, and other items or services, including, 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, and other goods and services. Franchisee acknowledges that Franchisor may elect to be the sole authorized source (or may designate an affiliate of Franchisor as 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 Licensed Store. Franchisor and its affiliates 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. 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 accepted 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 or designated 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 accepts or rejects 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 franchisees operating under the System and Marks, including Franchisee, at prices and on terms it may establish and modify from time to time.. 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 and other products or services accepted by Franchisor for use by Franchisee in the Licensed Store, which 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. Franchisee 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 Licensed 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 Licensed 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 System. Franchisee acknowledges that modifications may result in additional expenses to Franchisee and may require Franchisee to invest additional capital in the Licensed 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 Licensed 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 Licensed 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 Licensed 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 fifth (5th) anniversary of the Operations Commencement Date (as defined below in Section 9.1), Franchisor may require Franchisee, at Franchisee’s expense, to remodel the Licensed Store to Franchisor’s then-current 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 acknowledges that Franchisor expects to require Franchisee to commence and complete such remodel between the fifth (5^{th}) and sixth (6^{th}) anniversary of the Operations Commencement Date. 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. The remodeling required pursuant to this Section shall not limit Franchisee's obligations to maintain, refurbish and upgrade the Licensed Store and the furniture, fixtures and equipment therein.

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

7.26 Inventory. Franchisee shall purchase an opening inventory of 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 Licensed 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 Licensed 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, the Franchise Owners) and the use of such photographs by Franchisor for any purpose in connection with the 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 Licensed Store, or its operation, including all taxes and assessments that may be assessed against the Licensed 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 affiliate-operated 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 Store operators for their redemption of Yogurtland stored value cards. As a component of the System, the program is subject to addition, modification and deletion in accordance with Section 7.21 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 classification, employment, Americans with Disabilities Act, menu labeling, 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 Licensed 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.

7.34 Franchisee's Independence. Franchisee acknowledges and agrees that:

A. Franchisee is the only party that employs Franchisee's employees (although Franchisor may provide Franchisee with advice, guidance, and training regarding the operation of the Licensed Store).

B. Franchisor is not the employer of any of Franchisee's employees, and Franchisor will not play any role in decisions regarding their employment (including matters such as recruitment, hiring, compensation, scheduling, supervision, employee relations, labor matters, review, discipline, and/or dismissal of any individual or groups of specific employees).

C. The guidance that Franchisor provides and requirements under which Franchisee will operate, including the Manuals, are intended to promote and protect the value of the System and the Marks.

D. In making the decision to begin and operate a business, Franchisee has independently chosen to acquire a franchise from Franchisor and therefore adopt and implement the System and Marks for Franchisee's business instead of developing and implementing Franchisee's own standards (or those of another party).

E. Franchisee has made (and will remain responsible at all times for) all of the organizational and decisions about establishing and forming Franchisee's business entity, operating its business (including adopting and agreeing to follow Franchisor's System as Franchisee's operating standards and methodology), and hiring employees and employment matters employment (including matters such as recruitment, hiring, compensation, scheduling, supervision, employee relations, labor matters, review, discipline, and/or dismissal) engaging professional advisors, and other facets of Franchisee's business operations.

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 Licensed Store. Franchisee shall not commence any construction of the Licensed 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 Franchisor's then-current lease rider to be included in the lease. If Franchisor and Franchisee do not agree on a location for the Licensed 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. Franchisor may in its sole discretion, extend Franchisee's deadline to open the Licensed Store for business by written notice to Franchisee.

8.2 Layout and Interior Design Plans. Franchisee shall hire at Franchisee's expense a Franchisor- accepted, 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 Licensed 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 Licensed Store's interior and exterior for review and approval by Franchisor. In accordance with Section above, Franchisee shall pay Franchisor a Limited Construction Project Management Services Fee in the amount of Four Thousand Dollars ($4,000) in conjunction with Franchisee's entering into with Franchisor a Limited Construction Project 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 Licensed 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 Licensed 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 Licensed Store.

Franchisee is solely responsible to construct and develop the Licensed Store and to obtain any financing needed to do so. Franchisee shall retain only Franchisor-accepted, licensed contractors to perform construction as specified in this Article 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 Licensed Store or related premises to comply with all laws, regulations, and guidelines, including the Americans with Disabilities Act.

8.3 Limited Construction Project Management Support. Franchisor shall provide Franchisee with limited construction project management including store build-up process assistance, 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 Store; of 24 hours, if this Agreement pertains to Franchisee's second Store; and, 16 hours, if this Agreement pertains to Franchisee's third 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 Licensed 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 on the Expiration Date (as stated in Item B of the Contract Data Schedule of this Agreement). The "**Operations Commencement Date**" is the earlier of (a) the 180th day immediately following the Effective Date, or (b) the date the Licensed Store first opens for business. The date that the Licensed Store first opens for business shall be confirmed by written notice from Franchisee to Franchisor within five (5) days of the date the Licensed 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, 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, 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) Franchisee shall have paid the renewal fee described in Section 6.17 not later than immediately prior to the execution of the renewal franchise agreement; (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 Licensed Store to Franchisor's then current standards for 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.

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-accepted 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 (or such shorter time period specified in the applicable notice), 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 or such shorter time period after which it is not unreasonable 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 beyond Franchisee's control;

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 Licensed Store;

viii. The franchised business or Licensed 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 supersedes 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 Licensed Store or reputation of the Marks or System, or of any felony;

xi. Franchisee (or if Franchisee is a business organization, any Franchise Owner) 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 Licensed Store or the 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 Licensed Store and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a Store or otherwise affiliated with the Marks or System;

iii. Franchisee shall immediately stop all use of the Marks, the Manual, and all elements of the 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 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 Licensed 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 attorneys' 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 Licensed 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 Licensed 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 Licensed Store as provided in Section 9.9, then Franchisee shall immediately remove all signs and designs containing Marks from both the exterior and interior of the Store, change the exterior and interior appearance of the Licensed Store sufficiently in Franchisor's judgment to de-identify it as a Store and in other respects as Franchisor requests;

viii. Franchisee shall comply with Sections 10.4; and,

ix. Franchisee shall cancel any and each of its assumed name or equivalent registrations that contains the any of the Marks. 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 Licensed 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 Licensed 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 Licensed 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 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 Licensed Store, or, at Franchisor's option, require Franchisee to close the Licensed 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 Licensed 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 Licensed Store pending closing of the purchase, or for another period of time or circumstances, then all funds from operation of the Licensed 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 Licensed 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 Licensed 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 operating under the System; 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 Licensed 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 Licensed 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, in each case excluding a Store operated pursuant to a validly subsisting franchise agreement with Franchisor.

(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 within a fifteen (15) mile straight-line radius from the front door of the Licensed Store. 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 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. Franchisor may at any time unilaterally reduce the scope of any part of the above covenants, and Franchisee shall comply with any such reduced covenant upon receipt of written notice. The provisions of this Article shall be in addition to and not in lieu of any other confidentiality obligation of Franchisee, or any other person, whether pursuant to another agreement or pursuant to applicable law.

10.5 Certain Covenants. As and when requested by Franchisor from time to time, 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. Without limiting the foregoing, Franchisor may (i) assign any or all of its rights under this Agreement to a subsidiary or affiliate; (ii) sell its assets, the Marks, or the System outright to a third party; (iii) go public; (iv) engage in a private placement of some or all of its securities; (v) merge, acquire another entity, or be acquired by another entity; or (vi) undertake a refinancing, recapitalization, leveraged buy-out, or other economic or financial restructuring. 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 each Franchise Owner's individual, or as applicable the Franchise Owners' collective, character, skill, aptitude, attitude, business ability, and financial capacity, including the relative interests and titles of the Franchise Owners and officers as set forth on **Exhibit "A"** attached hereto. Accordingly, Franchisee (which for purposes of this sentence includes the Franchise Owners) 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 Licensed Store, the assets of the Licensed 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 Franchisee or the proposed transferee shall agree to upgrade, remodel, and refurbish the Licensed 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 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 Licensed Store is the first Store operated by the transferee; up to 24 hours, if the Licensed Store is the second Store operated by the transferee; and, up to 16 hours, if the Licensed Store is the third 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 Licensed Store, the franchised business licensed by this Agreement, or in Franchisee, offered by Franchisee or by any one or more Franchise Owners 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) owners of Franchisee 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 Section 11.4, Section 11.5, Section 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 Article 11. Failure to demonstrate ability to qualify as a 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 a Franchise Owner from supervising the operation of the Licensed 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 or other entity accepted 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 the owners of the assignee entity. Such assignee entity shall be closely held and shall not engage in any business activity other than that directly related to the operation of Stores.

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 equity interests of the assignee entity, and shall act as such entities principal officer; provided, however, subject to the express prior written consent of Franchisor, such equity interests 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 equity in such entity 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 equity interests of Franchisee furnish Franchisor with a written notice containing the details of such proposed issuance or transfer in advance thereof. The Articles of Incorporation, By-Laws, operating agreement or similar governing documents of the assignee entity shall reflect that the issuance and transfer of securities are restricted, and all certificated securities shall bear substantially the following legend, which shall be printed legibly and conspicuously on the face of each certificate:

> ''The transfer of these securities 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 entity.''

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.

In no event shall any stock, membership interest or other equity security or interest in Franchisee 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, accepted 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 Licensed Store (including but not limited to hiring and severance of employment, voting a cooperative, 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 Licensed 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 Licensed 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 Licensed 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 12.A, "Franchisee's employees" shall include all individuals involved in the operation of the Licensed Store whether or not expressly employed by Franchisee.

B. Coverage Details. The coverages in Section 12.1A 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 Licensed 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 12.1A through 12.1D. 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 attorneys' 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 Licensed 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 Licensed 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, to the addresses identified in Item H of the Contract Data Schedule.

(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 et. seq.), 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 Licensed 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, arbitrability, 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 Sections 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 Licensed 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 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 acts of God (such as tornadoes, earthquakes, hurricanes, floods, fire or other natural catastrophe); strikes, lockouts or other industrial disturbances; war, terrorist acts, riot, or other civil disturbance; epidemics; or other similar forces which Franchisee could not by the exercise of reasonable diligence have avoided. 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. In the event of the occurrence of an event which Franchisee claims to constitute force majeure, Franchise shall provide written notice to Company within 5 days following commencement of the alleged event of force majeure which notice shall include the words "force majeure" and explicitly describe the specific nature and extent of the force majeure, and how it has impacted Franchisee's performance hereunder.

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 Section 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 premises of the Licensed Store shall, at Franchisor's option, result in immediate termination of this Agreement without further notice, and automatically trigger Franchisor's option rights under Section 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 Section 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 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 Licensed 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 Licensed Store;

[Franchisee's Initials: ____ , and Owners' Initials: ____ ____ ____ ____]

(j) Franchisee and each Franchise Owner understand and acknowledge the value to the 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:

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: _________	**Sign:** **Print Name:** **Franchise Owner** **Address:**
Date: _________	**Sign:** **Print Name:** **Franchise Owner** **Address:**
Date: _________	**Sign:** **Print Name:** **Franchise Owner** **Address:**

EXHIBIT A to Franchise Agreement

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

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 ___________________.

Sign:
Print Name:
Address:

Sign:
Print Name:
Address:

Sign:
Print Name:
Address:

Sign:
Print Name:
Address:

EXHIBIT E-2

Addendum to Franchise Agreement for Travel Plaza Locations

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, _________________, 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 ___________________ (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 Dollars ($4,000) for limited construction management 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:	**FRANCHISEE:**
YOGURTLAND FRANCHISING, INC.	______________________________
a California corporation	a ______________________________
By: ____________________________	By: ____________________________
Name: __________________________	Name: __________________________
Title: ___________________________	Title: ___________________________
	By: ____________________________
	Name: __________________________
	Title: ___________________________

EXHIBIT E-3

Addendum to Franchise Agreement for Big Box Locations

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, _____________, 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 ______________ (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 Dollars ($4,000) for limited construction management 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 beginning "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. <u>Breach of Sublease</u>. 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:

YOGURTLAND FRANCHISING, INC.
a California corporation

By: ______________________________
Name: ____________________________
Title: _____________________________

FRANCHISEE:

____
a _________________________________

By: ______________________________
Name: ____________________________
Title: _____________________________

By: ______________________________
Name: ____________________________

Title: _____________________________

EXHIBIT F

Authorization for Prearranged Payment

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

____

By

____

Title

____

Date

EXHIBIT G

Franchise Owner Photography Release

EXHIBIT G TO DISCLOSURE DOCUMENT

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

Limited Construction Project Management Agreement

EXHIBIT H TO DISCLOSURE DOCUMENT

LIMITED CONSTRUCTION PROJECT MANAGEMENT AGREEMENT

This agreement is entered between YOGURTLAND FRANCHISING, INC., a California Corporation, 17801 Cartwright Rd., Irvine, CA 92614 (YOGURTLAND), and **FRANCHISEE NAME** (Franchisee) and is 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 Dollars ($4,000.00)** for a YOGURTLAND Support Build-up. Support cost is based on a YOGURTLAND approved Contractor builds 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 (Bypass, Taylor 791 Machines, -Distribution, Equipment, etc.)

      vi. Provide ALL vendor contact information and Contracts

      vii. Assist in ordering 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 Punch List" must be 95% complete. Any punch list items must be addressed/completed, prior to store opening.

Additional visits will be $750.00 per day, plus expenses.

b. Assist in ordering POS System

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. Proforma related operational supplies

viii. Marketing

ix. Cleaning/Chemical Supplies

x. Have General Contractor send weekly construction progress photos & recap sent to your Yogurtland Project Manager. These pictures are due every Friday at 12:00 pm. 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. POS System. YOGURTLAND will assist with the ordering of the POS system. Third party software such as Microsoft Office and Antivirus shall be FRANCHISEE's responsibility. Server, Merchant IDs, key codes, and installation shall be FRANCHISEE's or the vendor's responsibility, as applicable

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 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.

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:

Development & Construction	Date	Franchise	Date

536108776.4

EXHIBIT I

Personal Guaranty

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 **_______________** (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.

This 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 this 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

Non-competition and Non-disclosure Agreement

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 ____________________________, 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 a Yogurtland franchise or 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. Non-Disclosure. 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. Definition. "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. Other Protections under Applicable Law. 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. Return of Materials. 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 a Yogurtland franchise 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 a Yogurtland franchise, or b) the expiration or termination of the applicable 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 ________________, 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.

FRANCHISE OWNER

____
Individually

Print Name:___________________________

YOGURTLAND FRANCHISING, INC.

By: ______________________________
Name: ______________________________
Title: ______________________________

EXHIBIT K

General Release

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 that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."

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

Form of Sublease for Big Box Locations

SUBLEASE

This Sublease (the "Sublease") is made and entered into ___________________, by and between Yogurtland Franchising, Inc., a California corporation ("Sublessor" or "Yogurtland") and ____________________________ ("Sublessee"), with reference to the following:

R E C I T A L S

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 ______________ [**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 ________ extension terms of ___________ years each; provided, however, failure to extend for an initial extension term shall automatically cancel any and all other rights to extend the term**.][**At the expiration of the Term, Sublessor is not required to exercise any right to renew or extend the term of the Master Lease or enter into a new lease with Landlord for the Premises. Sublessee acknowledges and agrees that it will be its sole responsibility to**

obtain and secure a right to occupy the Premises after the expiration of the Term and Sublessor has no obligation to do so for Sublessee's benefit. Sublessee further acknowledges and agrees that the terms of any subsequent lease with Landlord may vary from the terms of the Master Lease, if Landlord is willing to enter into a lease with Sublessee. Sublessee further acknowledges and agrees that if it is unable to obtain a the right to occupy the Premises after the Term, it may result in a breach of the terms of the Franchise Agreement or Sublessee may be required to obtain Yogurtland's consent to relocate the business at the Premises to a new location, which consent shall only be granted or withheld in accordance with the terms of the Franchise Agreement.]

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 ___________________________ ($________.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.

(c) 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.

(d) 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.

(e) 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.

(f) 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.

(g) 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.

(h) 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.

(i) 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 Cartwright Road
Irvine, CA 92614
Attn: Director of Franchise Development

To Sublessee: XXXXXXXXXXXXXXX
____
____
____

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:

(j) Vacating or abandonment of the Premises by Sublessee.

(k) 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.

(l) 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.

(m) 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 Yogurtland Store 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. Cross Violation. 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. Remedies of Sublessor in the Event of Default. 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:

(n) 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.

(o) 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:
YOGURTLAND FRANCHISING, INC.	**XXXXXXXXXX**
a California Corporation	as XXXXXX
By: ______________________	By: ______________________
Print Name: ______________________	Print Name: ______________________
Title: ______________________	Title: ______________________
	By: ______________________
	Print Name: ______________________
	Title: ______________________

MASTER LESSOR'S CONSENT TO SUBLEASE

The undersigned 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 ______________, 20___.

LESSOR: _____________________________

a ____________________________________

By: _________________________________

Name: _______________________________

Title: ________________________________

Exhibit A

LOCATION ATTACHMENT A TO MASTER LEASE

EXHIBIT M

Table of Contents of Confidential Operation Manual

Table of Contents

Chapter 1: Welcome

Chapter 2: Guest Service

Chapter 3: Food Safety

Chapter 4: Products and Nutrition

Chapter 5: Equipment

Chapter 6: Cash Handling

Chapter 7: Computer Systems

Chapter 8: Ordering and Inventory

Chapter 9: Shift Management

Chapter 10: Crisis Management

EXHIBIT N

List of Franchised and Company Owned Locations as of December 31, 2019, and 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, 2019

EXHIBIT N TO DISCLOSURE DOCUMENT

LIST OF OPERATING FRANCHISED OWNED OUTLETS AS OF DECEMBER 31, 2019

Franchisee	Street Address	City	State / Province	Zip / Postal Code	Center Phone
Rsg Foods Inc.	72922 Baker Blvd	Baker	California	92309	(760) 733-1048
Rsg Foods Inc.	250 Wildcat Drive	Brawley	California	92227	(760) 351-8904
Salton City Petroleum Inc.	2084 S. Marina Dr.	Salton City	California	92274	(310) 748-1348
Sandhoos, Inc.	169 Route 14	Trout Run	Pennsylvania	17771	(570) 220-8522
Yl Investment Fund 1, L.P.	3851 Airport Fwy	Fort Worth	Texas	76111	(817) 349-0884
HSE1, LLC	595 North Main Street	Panguitch	Utah	84759	(435) 676-8899

LIST OF FRANCHISEES WHO SIGNED AGREEMENTS WITH US AS OF DECEMBER 31, 2019 BUT WHOSE OUTLET HAS NOT YET OPENED

Owner	City / State	Phone
Happy Highway Inc.	Baker, California	(310) 748-1348
Bakersfield Travel Plaza, Inc.	Bakersfield, California	(310) 748-1348
Rosedale Travel Plaza Inc.	Bakersfield, California	(310) 748-1348
Happy Avenue 7, L.P.	Madera, California	(310) 800-0148
Lohgarh, Inc.	Newberry Springs, California	(818) 518-8648
Baba Investments, Inc.	Pixley, California	(559) 307-0306
Hse4, Llc	Heber City, Utah	(707) 277-1658

COMPANY AFFILIATED LOCATIONS AS OF DECEMBER 31, 2019*

* includes no Big Box or Travel Plaza locations.

Affiliate	Street Address	City	State / Province	Zip / Postal Code	Center Phone
First Vine Partners, LLC	1 E. VALLEY BLVD	ALHAMBRA	California	91801	(626) 289-3420
YL Downey, Inc.	8250 FIRESTONE BLVD.	DOWNEY	California	90241	(562) 869-6300
Withim Corporation	501 N. STATE COLLEGE BLVD	FULLERTON	California	92831	(714) 525-2912
YL Edinger Plaza, Inc.	7598 EDINGER AVENUE	HUNTINGTON BEACH	California	92647	(714) 842-2483
Higher Ground Development Corp.	4187 CAMPUS DR	IRVINE	California	92612	(949) 854-4580
PMC Enterprises, Inc.	5017 LAKEWOOD BLVD	LAKEWOOD	California	90712	(562) 634-4272
YL Long Beach Inc.	5710 E. 7TH ST.	LONG BEACH	California	90803	(562) 494-9984
PMC Enterprises, Inc.	3335 S. FIGUEROA	LOS ANGELES	California	90007	(213) 742-1774
YL Genesee Plaza, Inc.	5650 BALBOA AVENUE	SAN DIEGO	California	92111	(858) 292-1966
MCP Enterprise, Inc.	12357 SEAL BEACH BLVD	SEAL BEACH	California	90740	(562) 596-8400
YL Southgate Inc.	4783 FIRESTONE BLVD.	SOUTH GATE	California	90280	(323) 569-1180
YL Hawaii Kai Inc.	2435 Kaanapali Parkway	Lahaina	Hawaii	96761	(808) 661-9834

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, 2019

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

Entity Name	Street Address	City	State / Province	Zip / Postal Code	Center Phone
YL Investment Fund 1, L.P.	9500 Clifford Street	Fort Worth	Texas	76108	(682)708-8114

Exhibit O

Lease Rider

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 92614 ("**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. UPON DEFAULT OF TENANT UNDER THE LEASE

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

State Effective Dates

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

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

State	Effective Date
California	Pending
Hawaii	Pending
Illinois	Not Registered
Indiana	Not Registered
Maryland	Not Registered
Michigan	Not Registered
Minnesota	Not Registered
New York	Not Registered
North Dakota	Not Registered
Rhode Island	Not Registered
South Dakota	Not Registered
Virginia	Not Registered
Washington	Pending
Wisconsin	Not Registered

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT P 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.

SEVERAL STATES INCLUDING MICHIGAN 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: Sam Kwon, 17801 Cartwright Road, Irvine, CA 92614; 949-265-8000.

Issuance Date: April 24, 2020

YOGURTLAND authorizes Phillip Chang, 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 April 24, 2020, that included the following Exhibits:

A.	State Administrators and Agencies and Agents for Service of Process	I.	Personal Guaranty
B.	State Specific Addenda	J.	Non-competition and Non-disclosure Agreement
C.	Financial Statements	K.	General Release
D.	Franchise Application Form	L.	Form of Sublease for Big Box Locations

E.-1	Franchise Agreement	M.	Table of Contents of Confidential Operation Manual
E.-2	Travel Plaza Addendum to Franchise Agreement	N.	List of Franchised and Company Owned Locations as of 12-31-19, and List of Franchisees Who Were Terminated, Cancelled or Not Renewed or Who Otherwise Voluntarily or Involuntarily Ceased to do Business in Year Ending 12-31-19
E.-3	Big Box Addendum to Franchise Agreement		
F.	Authorization for Prearranged Payment		
G.	Franchise Owner Photography Release	O.	Lease Rider
H.	Limited Construction Project Management Agreement	P.	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.

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.

SEVERAL STATES INCLUDING MICHIGAN 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: Sam Kwon, 17801 Cartwright Road, Irvine, CA 92614; 949-265-8000.

Issuance Date: April 24, 2020

YOGURTLAND authorizes Phillip Chang, 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 April 24, 2020, that included the following Exhibits:

A.	State Administrators and Agencies and Agents for Service of Process	I.	Personal Guaranty
B.	State Specific Addenda	J.	Non-competition and Non-disclosure Agreement
C.	Financial Statements	K.	General Release
D.	Franchise Application Form	L.	Form of Sublease for Big Box Locations
E.-1	Franchise Agreement	M.	Table of Contents of Confidential Operation Manual

E.-2	Travel Plaza Addendum to Franchise Agreement	N.	List of Franchised and Company Owned Locations as of 12-31-19, and List of Franchisees Who Were Terminated, Cancelled or Not Renewed or Who Otherwise Voluntarily or Involuntarily Ceased to do Business in Year Ending 12-31-19
E.-3	Big Box Addendum to Franchise Agreement		
F.	Authorization for Prearranged Payment		
G.	Franchise Owner Photography Release	O.	Lease Rider
H.	Limited Construction Project Management Agreement	P.	Receipts

Date: ________________ ______________________________
PROSPECTIVE FRANCHISEE

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(Print Name) **Return this copy to us.**