FRANCHISE DISCLOSURE DOCUMENT

ANGELINA FRANCHISING LLC
A New York Limited Liability Company
42 West 28th Street, 4th Floor
New York, New York 10001
(212) 687-7100
www.angelinabakery.com

An Angelina Italian Bakery franchisee will operate an Angelina Italian Bakery Store, which are quick serve bakery businesses specializing in the offer and sale of Italian-influenced baked goods, cake or sandwich items (including, without limitation, croissants, donuts, cheese focaccia, sandwiches and pastries) and related products, services and programs.

The total investment necessary to begin operation of an Angelina Italian Bakery franchised business is from $460,800 to $1,796,000. This includes between $86,000 and $126,000 (not including the opening inventory product delivery fee) that must be paid to the franchisor or its affiliate(s). The total investment necessary to begin operation as an area developer under an Area Development Agreement is from $102,000 to $290,000 (assuming that you agree to develop 3 to 10 Stores, although this is not a maximum), including $100,000 to $275,000 that must be paid to the franchisor or its affiliate(s).

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Cherie Liu at (551) 430-0951 or franchise@angelinabakery.com.

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

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

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

Issuance date: April 29, 2025

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit D.
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 Angelina Italian Bakery franchise 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 an Angelina Italian Bakery franchisee?	Item 20 lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

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

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

3. **Financial Condition**. The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

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

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EXHIBITS

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

The Franchisor, and any Parents, Predecessors, and Affiliates

The Franchisor

The franchisor is Angelina Franchising LLC, referred to in this disclosure document as "we," "us," or "our". We were formed in New York on March 5, 2021, and our principal business address is 42 West 28th Street, 5th Floor, New York, New York 10001. We do business under our corporate name and under the name "Angelina Italian Bakery". We have not conducted business in any other line of business. As of the issuance date, we have not conducted business in this or any other line of business; however, our affiliates have operated businesses of the type franchised under this disclosure document since 2019. Our agents for service of process in the states which require franchise registration are listed in Exhibit F. We offer and sell franchises for stores that do business under the mark "Angelina Italian Bakery". We have never offered franchises in any other line of business, and we are not engaged in any other business activity other than the offer of Angelina Italian Bakery Store franchises.

"You" or "your" means the franchisee that buys a franchise to operate an Angelina Italian Bakery Store (defined below). If the franchisee will operate through a corporation, partnership, limited liability company, or other business entity, "you" or "your" also includes your owners and principals.

Our Parents, Predecessors and Affiliates

We have no parents or predecessors.

Our affiliate, Angelina TM Holdings Inc., a New York corporation formed in August 2019 having its principal business address located at 41 West 35th Street, New York, New York 10001 has licensed us the rights to use the Angelina Italian Bakery System, trademarks, service marks and other intellectual property and to sublicense them to our franchisees.

Our affiliate, 41 HSQ Bakery Corp. ("HSQ Bakery"), a New York corporation incorporated in June 2021 having its principal business address located at 41 West 35th Street, New York, New York 10001 will sell focaccia, pizza dough and laminated dough sheets for croissants and bombolones to franchisees.

Our affiliate, 500 HSQ Bakery LLC ("500 HSQ"), a New Jersey limited liability company formed in October 2024 having its principal business address located at 500-502 Cliff Street, Fairview, New Jersey 07022 will sell focaccia, pizza dough and laminated dough sheets for croissants and bombolones to franchisees located outside of New York City.

The Angelina Bakery Franchise

We and our affiliates have developed a proprietary system (the "System") for opening and operating Angelina Italian Bakery Stores, which are fast casual bakeries specializing in the offer and sale of Italian-influenced baked goods, cakes and sandwich items (including, without limitation, croissants, donuts, cheese focaccia, sandwiches and pastries) and related products, services and programs. The System includes distinctive exterior and interior design, decor, color scheme, and furnishings; uniform standards, specifications, policies and procedures for operations; methods for food preparation; quality and uniformity of the products and services offered; procedures for inventory, management and financial control; training and assistance; and

advertising and promotional programs. The System makes use of the trade name and mark "Angelina Italian Bakery", as well as additional principal service marks, trademarks, trade names, logos, emblems and indicia of origin (collectively, the "Marks"). We may periodically make changes to the System, including changes to the System's menus, methods, standards, signage, equipment, furnishing and fixture requirements.

Types of Franchises

This disclosure document offers two basic types of franchises for an Angelina Italian Bakery Businesses and Stores:

1. **Unit Franchises**. We offer unit franchises to those who wish to operate a single Angelina Italian Bakery Store (see the Franchise Agreement in Exhibit A to this disclosure document). The Franchise Agreement grants you the right to establish and operate one (1) Angelina Italian Bakery Store at a specified single location (the "Store Location") within a designated area (the "Protected Area") as described on Attachment A to the Franchise Agreement.
2. **Area Development Franchises**. For those who desire to operate a minimum of 3 Angelina Italian Bakery Stores, we also offer qualified applicants (each a "Developer") the right to enter into an area development agreement (the "Area Development Agreement"), the form of which is attached as Exhibit B to this disclosure document, to develop three or more Stores within a specifically described geographic area (the "Development Area"). The Development Area will be determined before executing the Area Development Agreement and will be described in Attachment B to the Area Development Agreement. Under the Area Development Agreement, you must make a commitment to sign separate Franchise Agreements, for and open at least 3 Stores according to a specified development schedule (the "Development Schedule"). If you sign an Area Development Agreement, you and we will mutually agree to the Development Schedule with which you will be required to comply. The form of Franchise Agreement signed for each Store opened under the Area Development Agreement will take our then-current form of Franchise Agreement, which may differ materially from the form disclosed in this disclosure document as Exhibit A.

Market and Competition

The bakery and food service industries are highly competitive and well established with constantly changing market conditions. Angelina Italian Bakery Stores will compete against other bakery stores, cafés, coffee shops, and other beverage and food service establishments. You may also compete with other Angelina Italian Bakery Stores owned by us, our affiliates or other franchisees. Competitors may be locally-owned or large regional or national chains. Some competitors may be larger and have better financial resources. Some competitors may have better name recognition than Angelina Italian Bakery. Some may be privately held or publicly held entities. The ability of each Angelina Italian Bakery Store to compete depends on its location, square footage, hours of operation, ingress and egress, signage, parking, service, employee attitudes, overhead, changing local market and economic conditions, and many other factors both within and outside your control. The bakery, restaurant and food service businesses are also affected by changes in consumer tastes, demographics, traffic patterns and economic conditions. Sales are generally not seasonal.

Industry-Specific Regulation

The food service industry is heavily regulated. Many of the laws, rules and regulations that apply to businesses generally, such as the Americans with Disabilities Act, Federal Wage and Hour Laws and the Occupational Safety and Health Act, also apply to bakeries. However, other laws, rules and regulations have particular applicability to restaurants.

The U.S. Food and Drug Administration, the U.S. Department of Agriculture and state and local health departments administer and enforce laws and regulations that govern food preparation and service and foodservice establishment sanitary conditions. State and local agencies inspect foodservice establishments to ensure that they comply with these laws and regulations. Some state and local authorities have adopted, or are considering adopting, laws or regulations that could affect: the content or make-up of food served in restaurants, such as the level of trans fat contained in a food item; general requirements or restrictions on advertising containing false or misleading claims, or health and nutrient claims on menus or otherwise, such as "low calorie" or "fat free"; the posting of calorie and other nutritional information on menus; and the use of polystyrene in packaging.

The Federal Clean Air Act and various implementing state laws require certain state and local areas to meet national air quality standards limiting emissions of ozone, carbon monoxide and particulate matters, including caps on emissions from commercial food preparation. Some areas have also adopted or are considering proposals that would regulate indoor air quality.

You must comply with all local, state and federal laws and regulations pertaining to the operation of a bakery (including, health, sanitation, food and beverage handling, food preparation, waste disposal, smoking restrictions and advertising and point-of-sale disclosures, such as, statements concerning the nutritional and dietary characteristics of the food served at your Store), as well as all those laws and regulations applicable to businesses in general, including those described above and zoning laws, labor laws, workers' compensation laws, business licensing laws and tax regulations. You are advised to examine all applicable laws and regulations carefully with a qualified advisor before purchasing a franchise from us and should consider these laws and regulations when evaluating your purchase of a franchise.

ITEM 2
BUSINESS EXPERIENCE

Owner and President: Tony Park

Mr. Park has served as our Owner and President from our inception in March 2018. In addition, Mr. Park has been the President and Chief Executive Officer of Samwon Garden NYC since April 2018 and the Managing Partner of PD Properties LLC since June 2009. Mr. Park primarily performs his role in connection with these entities from New York, New York.

Chief Executive Officer: Alessandro Calemme

Mr. Calemme has served as our Chief Executive Officer since February 2025. Prior to joining us, Mr. Calemme was the Co-Founder of Leonetti Pastry Shop in Long Island, NY from January 2022 – April 2025. Before that., Mr. Calemme served as the Chief Executive Officer of Blackline Coffee Company in Webster, Texas from March 2020 to December 2021.

Co-Chief Executive Officer: Miranda Francis

Ms. Francis has served as our Co-Chief Operating Officer since February 2025. Prior to joining us, Ms. Francise was the Co-Founder and President of Leonetti Pastry Shop in Long Island, NY since form December 2000- April 2025.

Chief Operating Officer: Faidon Kefaleas

Mr. Kefaleas has served as our Chief Operating Officer since February 2025. Prior to being promoted to our Chief Operating Officer, Mr. Kefaleas was our Director of Operations and Multi-Unit Operations Manager from January 2020 – January 2025.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

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

ITEM 5
INITIAL FEES

Initial Franchise Fee

The initial franchise fee for an Angelina Italian Bakery Store is $50,000 (the "Initial Franchise Fee") to be paid to us in one lump sum when you sign the Franchise Agreement for your Store. The Initial Franchise Fee is deemed fully earned when paid and is not refundable under any circumstances. We did not accept any reduced Initial Franchise Fees during our 2024 fiscal year.

Development Fee

If you sign an Area Development Agreement, you must pay a development fee equal to: (i) the Initial Franchise Fee of $50,000 for the first Store to be developed (ii) plus, fifty percent (50%) of the Initial Franchise Fee (i.e. $25,000) for each additional store to be developed (the "Area Development Deposit") in one lump sum when you sign the Area Development Agreement (collectively, the "Development Fee"). The Area Development Deposit will be applied against the Initial Franchise Fee payable for the subject Store then being developed. The balance of the Initial Franchise Fee for each Store to be developed must be paid upon signing of the Franchise Agreement for such Store. The Development Fee is deemed fully earned when paid and is not refundable under any circumstances.

Variations to Initial Franchise Fee

U.S. Military Veteran Discount Program

To support the veterans of the United States military we offer qualified applicants a 15% discount on the Initial Franchise Fee for the first Store. In order to qualify and participate in our United States Military Veteran Program, you must: (i) be a United States military veteran; (ii) have been honorably discharged from any branch thereof; (iii) provide us with a certified copy of your Certificate of Release or Discharge from Active Duty (DD 214 Form) evidencing your honorable discharge; (iv) own a majority interest in the franchised business operating your Store; (v) otherwise meet the requirements of our program; and, (vi) request participation in our program

prior to signing the Franchise Agreement. We may, in our sole discretion, modify or discontinue our United States Military Veteran Discount Program at any time.

Except as described above, we do not currently offer reduced or deferred Initial Franchise Fees.

Architectural Consulting Fee

If you decide to use an unapproved architect in connection with the construction of your Store, you must pay us an architectural consulting fee to compensate us for our review of your proposed adapted architectural design plans and specifications and consulting with your architect ("Architectural Consulting Fee"). The Architectural Consulting Fee is $10,000 and is due upon engagement of your architect. This fee is in addition to any fees and costs that may be charged by the architect to you. The Architectural Consulting Fee is deemed fully earned when paid and is not refundable under any circumstances.

Construction Consulting Fee and Expenses

If you decide to use an unapproved general contractor, you must pay us a construction consulting fee to compensate us for reviewing and approving your construction schematics and proposal and consulting with your general contractor ("Construction Consulting Fee"). The Construction Consulting Fee is $10,000 and is due upon engagement of your general contractor. This fee is in addition to any fees and costs that may be charged by the general contractor to you. You must also pay our travel and out-of-pocket expenses in connection with our inspections and consultation during the construction of your Store as we incur them. The Construction Consulting Fee is deemed fully earned when paid and is not refundable under any circumstances.

Design Services Fee

You may use the services of our designated design vendor to prepare the design plans for the interior layout of your Store based on our prototype plans for a typical Angelina Italian Bakery Store. To retain the services of our design vendor you must pay us a design services fee ("Design Services Fee") in the amount of $25,000. The Design Services Fee is deemed fully earned when paid and is not refundable under any circumstances. If you elect not to use our approved design vendor, then you must pay us a $10,000 design consulting fee ("Design Consulting Fee") to review and approve the design plans for the interior design and construction of your Store.

Initial Inventory

You must purchase an initial inventory of croissants, croissant fillings, specialty breads, pizza, focaccia, cake sheets, gelato, desserts, cookies, meats, condiments, and merchandise from us and/or our affiliates in connection with the establishment and opening of your Store. We estimate that the initial inventory you will be required to purchase from us and/or our affiliates will range between $10,000 and $15,000, plus a delivery fee ("Product Delivery Fee") that will range between $4.00 per mile and $5.00 per mile depending on the distance between your Store and our commissary kitchen, except if your Store is located in New York City. If your Store is located within the five boroughs of New York City (i.e., Manhattan, the Bronx, Brooklyn, Queens or Staten Island), then you will pay a flat Product Delivery Fee of $75 for each delivery. For Stores located outside of New York City, the Product Delivery Fee will be calculated as follows:

- If your Store is located 100 miles or less from our nearest commissary kitchen, then we will charge you a Product Delivery Fee equal to $5.00 per mile; and

- If your Store is located between 101 or more miles from our nearest commissary kitchen, then we will charge you a Product Delivery Fee equal to $4.00 per mile.

Initial Training Fee; Personnel Training Fee

You (if franchisee is an individual) or your Operating Principal (if franchisee is a business entity) and your Store Manager must attend and successfully complete (to our satisfaction) our 7 week initial training program (the "Initial Training Program") prior to your Store's opening. Your front of house operations personnel and food production/back of house personnel (as we designate) must attend and successfully complete (to our satisfaction) our operations and food production training program (the "Personnel Training Program") prior to your Store's opening. The costs of the Initial Training Program and the Personnel Training Program are not included in the Initial Franchise Fee. You must pay an Initial Training Fee of $8,000 for our Initial Training Program and a Personnel Training Fee of $2,000 per week for 4 weeks, for a total of $8,000.

There are no other payments to or purchases you must make to us or our affiliates before your Store opens.

ITEM 6
OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty Fee	5% of weekly Gross Sales for the first full year of operation	The Wednesday following each week for the Monday through Sunday of the preceding week.	We require you to pay the Royalty Fee on a weekly basis by electronic funds transfer through Automated Clearing House (ACH) or other electronic method(s) we designate. See Note 1. See Note 2 for a definition of "Gross Sales".
Marketing Fund Contribution	2% of your weekly Gross Sales	Payable weekly at the same time and in the same manner as the weekly Royalty Fee.	We require you to pay the Marketing Fund Contribution by electronic funds transfer through Automated Clearing House (ACH) or other electronic method(s) we designate. The Marketing Fund Contribution percentage will not change during the Initial Term of your Franchise Agreement. See Note 1 and Note 3.
Local Marketing Requirement	Currently 1% of your Store's monthly Gross Sales.	Payable monthly at the same time and in the same manner as the first weekly	See Note 3.

Type of Fee	Amount	Due Date	Remarks
		Royalty Fee of each calendar month.	
Grand Opening Advertising	$20,000 minimum.	As incurred.	For a period of four (4) consecutive months, beginning one (1) month before your Store is scheduled to open and continuing for three (3) months following the opening of your Store, you must spend a minimum total of $20,000 on advertising and marketing the opening of your Store. See Note 3 and Item 11.
Advertising Cooperative	When formed: 1% - 2% of Gross Sales	Established by cooperative	We may form an advertising cooperative for your area and establish fees payable to the cooperative. (See Item 11) A company-owned Business will have a vote if it joins. Percentage may change within 1%-2% range and may only be more than 2% if the Cooperative changes the maximum under its By-Laws.
Additional Site Evaluation Fee	$300 per day, plus the cost of our travel, lodging and meal expenses.	On demand.	We provide 2 on-site visits in connection with the opening of each Store without charge (except that you must pay our lodging, travel and meal expenses). If we provide any additional on-site visits, then you will pay us our Additional Site Evaluation Fee in Column 2. You must also reimburse us for our costs and expenses including travel, meals and lodging.

Type of Fee	Amount	Due Date	Remarks
Approved Products and Services	See Note 4.	When you place orders for products.	You must buy certain Approved Products from us, our affiliate or designee. These products include croissants, croissant fillings, specialty breads, pizza, focaccia, cake sheets, gelato, desserts, cookies, meats, condiments, and merchandise . See Item 8.
Product Delivery Fee	$4.00 per mile - $5.00 per mile; or a $75 flat Product Delivery Fee if your Store is located in New York City	As incurred.	You must purchase certain Approved Products and Services from us, including, without limitation croissants, croissant fillings, specialty breads, pizza, focaccia, cake sheets, gelato, desserts, cookies, meats, condiments, and merchandise . You will be required to pay us the cost for delivering such products, which will cover our freight, labor and fuel expenses. The costs of such deliveries will vary depending on the distance your Store is located, except if your Store is located in New York City, in which case you will pay a flat Product Delivery Fee. See Item 8.
Uniforms	Apron - $15 - $25 each Hat - $15 - $25 each Shirt - $15 - $25 each	When you place your uniform order.	You must purchase an initial inventory of uniforms for your employees, which comprise of logoed shirts, hats and aprons. See Item 5. During the term of your Franchise Agreement, you will likely need to purchase additional employee shirts, hats and aprons. The cost per item appears in Column 2.
Merchandise Cost	As invoiced by us or 3rd party vendor	Upon receiving invoice	We may provide certain merchandising materials to you such as menu panels, point of purchase advertising materials, System memorabilia and other

Type of Fee	Amount	Due Date	Remarks
			brand-relevant merchandise. We or our third-party vendor will invoice you for reasonable costs for such materials, plus the cost of shipping and insurance. Upon reasonable request, we will furnish you with documentation of those costs.
Software Fee	$350.	Payable each month at the same time and in the same manner that the first Royalty Fee in each month is due.	This fee is not included in the cost of the 2 POS systems that you are required to purchase. See Note 1.
Software Maintenance Fee	$100.	Payable annually.	This fee is not included in the cost of the 2 POS systems that you are required to purchase.
Technology Fee	Currently none, but if we develop technology then you will be required to pay our then-current technology fee, not to exceed 1% of your Store's prior week's Gross Sales.	As Incurred.	We may, in the future, develop certain web based or technology-based programs including, but not limited to, a franchisee portal or helpdesk. We may also make improvements to existing technology, including our website and the POS System required. We may charge a fee associated with the implementation and ongoing support of these types of programs.
Interest	Lesser of (i) 18% per annum or (ii) the maximum lawful rate.	On demand.	We may charge interest without notice on all overdue amounts. Interest accrues from the original due date until the amount outstanding is paid in full.
Insufficient Funds Fee	$50 for the first occurrence and $100 per occurrence thereafter.	On demand.	For all returned checks or insufficient funds in any electronic funds transfer account, we may charge you a $50 fee for the first occurrence, then $100 fee per occurrence thereafter.

Type of Fee	Amount	Due Date	Remarks
Initial Training Fee and Expenses	$8,000, plus all transportation, lodging and meal expenses of all of your attendees.	As incurred.	The cost of the Initial Training Program is not included in the Initial Franchise Fee. The Initial Training Fee covers the cost for you (if franchisee is an individual), your original Operating Principal (if franchisee is an entity) and your Store Manager to attend and successfully complete (to our satisfaction) our 7 week Initial Training Program. In addition to paying the Initial Training Fee, you must pay all travel, lodging and meal expenses for the attendees. The amounts are unknown and may vary depending upon factors such as the third-party supplier selected and your distance from training. The Initial Training Program is mandatory for you, your Operating Principal and your Store Manager. If you replace your Operating Principal and/or Store Manager, your new Operating Principal and/or your Store Manager must attend and successfully complete (to our satisfaction) our Initial Training Program at a cost of $2,000/week for 4 weeks. Additionally, you are responsible for paying all transportation, lodging and meal expenses for your replacement attendees.
Personnel Training Fee and Expenses	$2,000/week, plus all transportation, lodging and meal expenses of all trainees.	As incurred.	A designated number of your front of house operations personnel and food production/back of house personnel (as determined by us depending on the size of your Store and operations) must attend and successfully complete (to our

Type of Fee	Amount	Due Date	Remarks
			satisfaction) Personnel Training before they can commence their employment. Additionally, you must pay all transportation, lodging and meal expenses of your attendees. The amounts are unknown and may vary depending upon factors such as the third-party supplier selected and your attendees' distance from training. All replacement operations personnel and food production personnel will be required to attend specialized Personnel Training at a cost of $2,000/week. Additionally, you are responsible for paying all transportation, lodging and meal expenses for your replacement attendees.
Additional On-The-Job Training for Personnel	$2,000 per week, plus all transportation, lodging and meal expenses of all trainees.	As incurred.	The amounts of your trainees' transportation, lodging and meal expenses are unknown and may vary depending upon factors such as the third-party supplier selected and your attendees' distance from training.
Additional On-Site/Off -Site Assistance and Remedial Training	$1,500 per week if we provide additional assistance and/or remedial training to your or your personnel at our training facility; or $2,000 per week, if we provide additional assistance and/or remedial training to your or your personnel at our training facility. In addition to paying the above applicable Additional Training Fee, you must also cover all living, transportation and meal costs and expenses incurred by: (i) our personnel for providing on-site training	On demand.	In addition to the on-site training that we provide when you open your Store, you can request and/or if we believe it is appropriate or necessary in our sole discretion. We may (subject to availability) provide the support services, supervision and/or assistance through on-site visits, on-site remedial training, off-site sessions, telephonic, electronic or other communication modes. If we conduct on-site visits or remedial training, such visits or training will take place at your Store or at our training facility and you will be required to pay us the per diem fee in Column 2 for

Type of Fee	Amount	Due Date	Remarks
	at your Store; and (ii) your personnel who attend training at our training facility.		such on-site visit or remedial training, plus reimburse us for the expenses incurred by our personnel and your attendees (including, their respective costs of travel, lodging and meals). You may also be required to attend remedial training at our training facility if you fail a quality control inspection, in which case, you must pay the fee in Column 2.
Ongoing Training	Our then-current training fee, plus the cost of your attendees' lodging, transportation and meal expenses.	As incurred.	You (if franchisee is an individual), your Operating Principal, Store Manager and/or operations personnel and/or food production personnel must attend our ongoing training programs at our then-current training fee. In addition to paying our then-current ongoing training fee, you must cover your attendees' lodging, transportation and meal expenses.
Annual Meeting and Conferences	Our then-current registration fee, plus your expenses.	On demand.	We do not currently hold an annual conference or meeting, but we may do so in the future. If we do, then you are responsible for the registration fee and all travel, food, and lodging expenses that you and eligible personnel incur in attending the annual meeting or conference.
Transfer Fee (Franchise Agreement)	If the transfer is to a third party, then fifty percent (50%) of our then-current Initial Franchise Fee. If the transfer is to an existing franchisee in good standing, then twenty-five percent (25%) of our then-current Initial Franchise Fee. You must also pay our costs and	With transfer request.	There is no fee if the transfer is due to one of your principal's death or permanent disability, but you must pay our costs and expenses, including the use of an escrow service for transfers.

Type of Fee	Amount	Due Date	Remarks
	expenses associated with the transfer including training costs, legal and accounting fees.		
Transfer Fee (Area Development Agreement)	If the transfer is to a third-party, then fifty percent (50%) of our then-current Initial Franchise Fee, plus your must pay our costs and expenses associated with the transfer including training costs, legal and accounting fees.		
Securities Offering Fee	$3,000 plus our reasonable costs and expenses associated with reviewing the proposed offering documents.	Prior to the offering.	You must submit all offering documents related to any proposed public or private sale of securities. Our review is limited to the franchisor and franchisee relationship and information about the System. We may disapprove the offering in our reasonable discretion and the fee will not be refundable.
Successor Term Fee	50% of our then-current Initial Franchise Fee.	Signing of successor franchise agreement.	There are additional conditions for entering a successor term. See Item 17.
Relocation Fee	Twenty-Five Percent (25%) of our then-current Initial Franchise Fee, plus our costs and expenses associated with the relocation.	As incurred.	The Relocation Fee is paid to us. In addition to the Relocation Fee and any other costs and expenses you must reimburse us for, you must also pay the Architectural Consulting and/or Construction Consulting Fees to us if you use an architect and/or general contractor not approved by us. See Note 5.
Management Fee	10% of your weekly Gross Sales, plus our travel, lodging and meal expenses.	Payable weekly out of the Store proceeds.	We have the right to step in and operate your Store in certain circumstances, including your death, disability or prolonged absence. If we elect to exercise our step-in rights, you must pay the Management Fee in Column

Type of Fee	Amount	Due Date	Remarks
			2, plus reimburse us for our travel, lodging and meal expenses.
Product or Supplier Evaluation Costs	$500.	On demand.	You may request to use an alternate supplier or product from the Approved Supplier we designate. You will be required to pay us the amount set forth in Column 2 to evaluate your proposed supplier, test the supplier's products and inspect its facilities.
Mystery Shopper Fee	Our then-current per Store visit fee.	Within 7 days of invoicing.	You must participate in any Mystery Shopper Program described in our Manual.
Indemnification of Us		On demand.	You must indemnify us from certain losses and expenses – See Section 7(O) of the Franchise Agreement.
Audit Fee	Cost of audit (including legal and accounting fees) and understated amounts, plus interest.	When billed.	See Note 6.
Insurance	Will vary.	As insurance carrier requires.	The insurance company sets the premiums and you pay the insurance company; except that if you fail to maintain the required insurance, we have the right, but not the obligation, to procure insurance on your behalf and you must reimburse us the premium payment plus our costs, fees and expenses. Premiums may vary depending upon factors such as the insurance company selected and your claims experience. See Note 7.
Enforcement Costs	Will vary.	As incurred.	You must pay our costs of enforcement (including attorney's fees and expenses) if you do not comply with the Franchise Agreement.

Type of Fee	Amount	Due Date	Remarks
Reimbursement of Costs and Expenses for Curing Your Default	Will vary.	As incurred.	See Note 8.
Liquidated Damages	If we terminate your Franchise Agreement for cause, you agree to pay us liquidated damages equal to the average Royalty Fees owed to us during the 12 months of operation preceding the effective date of termination or abandonment multiplied by (a) 24 (being the number of months in two full years) or (b) the number of months remaining in the term of the Franchise Agreement had it not being terminated, whichever is less. If your Angelina Italian Bakery Store has not been open for a full 12 months, you will pay based on annualized sales.	Within 15 days after the effective date of termination.	If the Franchise Agreement is terminated due to your default or abandonment, you must pay us liquidated damages based on the formula set forth in column 2. Liquidated damages are paid to us.
Financial Statement/Tax Return Late Charge	$50 per month	As incurred.	If you do not timely furnish to us any of the financial statements or tax returns required under the Franchise Agreement, then you must pay a large charge in the amount set forth in Column 2 for each overdue financial statement or tax return. See Item 11.
Taxes	Varies.	Promptly when due	You must pay us all taxes we pay except for our corporate income taxes due to goods or services we furnish to you, the Initial Franchise Fee and Royalty Fees.
Attorneys' and Experts' Fees, Court Costs	The amount of these fees and costs are unknown and may vary depending upon factors such as the attorneys and	When we request.	Note 9.

Type of Fee	Amount	Due Date	Remarks
	experts selected and the court costs.		
Advances		When we request.	You must pay us all amounts we advance to third parties for you.
Application of Funds			We can apply your payments to the oldest obligation due.

Notes:

Except as otherwise indicated in this Item 6, all fees on the table above are nonrefundable and the fees and formulas are uniformly imposed.

(1) **Debit of Fees Owed to Us**. We will automatically deduct the Royalty Fees, Marketing Fund Contributions and any additional fees or amounts owed to us from your bank account according to the terms of the Franchise Agreement. You must sign the forms we, our bank and/or your bank require to set up electronic funds transfer, and you must make sure that there is a sufficient balance in your account to make payments of Royalty Fees, Marketing Fund Contributions and other continuing and other fees payable to us and/or our affiliates.

(2) **Definition of Gross Sales**. "Gross Sales" means the total selling price of all services and products and all income of every other kind and nature related to the Store (including, without limitation, income generated from deliveries, catering, online ordering and/or special events to the extent that you are authorized to conduct such services), whether received in cash, in services, in kind, from barter and/or exchange or credit (treated as a sale when the charge is made and regardless of collection in the case of credit), sales in kind from barter and/or exchange (valued at the full retail value of the goods or services received), as well as business interruption insurance proceeds. The following are included within the definition of Gross Sales except as otherwise noted: (a) the full value of beverages and food items furnished to Franchisee's Personnel except for any discounts Franchisee extends to its Personnel; and (b) the retail value of all products sold in connection with the redemption of coupons, gift certificates, gift cards or vouchers; provided, that at the time such coupons, gift certificates, gift cards or vouchers are purchased, the retail price thereof may be excluded from Gross Sales for the purpose of determining the amount of Gross Sales upon which fees are due. Gross Sales does not include (i) sales taxes or similar taxes Franchisee legally collects from customers of the Store if Franchisee adds the taxes when Franchisee charges the customers; if the taxes are actually transmitted to the appropriate taxing authority when due; furnish to Franchisor within 30 days of payment an official receipt for payment of the taxes or any other evidence that Franchisor reasonably considers acceptable; and, state in Franchisee's weekly Gross Sales Report (as required by Section 5(F) of the Franchise Agreement) the amount of all these taxes and payment to which they relate; and (ii) tips or gratuities paid directly to Franchisee's Personnel by customers of the Store or paid to Franchisee and turned over by Franchisee to its Personnel in lieu of direct tips or gratuities.

(3) **Marketing Assessment**. We require you to collectively spend an amount not to exceed 3% of Gross Sales on advertising and marketing (the "Marketing Assessment"). Currently you

must spend 1% of Gross Sales on local advertising, marketing and promotional programs (the "Local Marketing Requirement"), to be paid to third parties. We also require you to contribute 2% of your weekly Gross Sales (the "Marketing Fund Contribution") to the Marketing Fund as further described in Item 11 (the "Marketing Fund"). We may change the amounts we require you to pay to the Marketing Fund (not to exceed the percentages described in the chart above) and as part of your Local Marketing Requirement, but the fees will not collectively exceed the 3% Marketing Assessment.

(4) **Approved Products and Services**. You must purchase certain Approved Products and Services (as that term is defined in Item 8 below) from us, our affiliate or designee. We (or our affiliates or designees) will sell you certain designated products under terms we develop and advise you of periodically. We may earn a profit on the sale of certain designated products to you.

(5) **Relocation**. If you relocate your Store, you will be required to pay us a fee equal to 25% of the then-current Initial Franchise Fee or 25% of the last Initial Franchise Fee if we no longer offer franchises at the time of relocation. You must also pay any costs and expenses we incur in assisting you to relocate your Store including, but not limited to, expenses incurred for labor, salary and travel expenses, professional fees, demographic reports and other costs and our then current Architectural Consulting Fee and Construction Consulting Fee.

(6) **Audit Costs**. If we audit your Angelina Italian Bakery Store and the audit reveals that you understated the Gross Sales by greater than 2% but less than 5% for any month or for the entire period, then you must immediately pay us the cost of the audit and the additional amounts owing, plus interest at the highest legal rate or, if there is no maximum legal rate, then 1.5%. If you understated your Gross Sales by 2% or more, three times within any 36 month period or 5% or more during any reporting period, we can terminate the Franchise Agreement and you must pay the amount due, plus interest and the cost of the audit. If you understated your Gross Sales by less than 2% percent for any month or for the entire period, you must immediately pay us the amount due, plus interest, but we will pay the cost of the audit. The percentages described in this footnote are fixed and will not change during the term of the Franchise Agreement.

(7) **Insurance Requirements**. The following is the minimum insurance coverage required for each Angelina Italian Bakery Store, which must be purchased from a carrier that is A.M. Best Rated at A or higher:

(a) Broad form comprehensive general liability coverage, and broad form contractual liability coverage of at least $2,000,000 aggregate and at least $1,000,000 per occurrence, such insurance to embrace (without limitation) claims for personal injury, bodily injury, and property damage. This insurance may not have a deductible or self-insured retention of more than $5,000;

(b) Fire and extended coverage insurance on your Store and property in an amount adequate to replace them in case of an insured loss;

(c) Special cause of loss coverage forms (sometimes called "All Risk Coverage") on your Angelina Italian Bakery store and all fixtures, equipment, supplies and other property used in the operation of the store, for full repair and replacement value of

the machinery, equipment and improvements, including full coverage for loss of income resulting from damage to the store with at least 80% co-insurance clause (however, an appropriate deductible clause is permitted);

(d) Business Interruption Insurance in sufficient amounts to cover your Angelina Italian Bakery store rental expenses, maintenance of competent personnel and other fixed expenses (including payment of Royalty Fees to us) for a minimum 12 months loss of income;

(e) If any vehicle is operated in connection with the Business, automobile liability insurance with minimum limits of liability in the greater of (a) the greatest amount required by any applicable federal, state or local law, or (b) $1,000,000 for each person killed or injured and, subject to that limit for each person, a total minimum of $2,000,000, along with a minimum limit of $3,000,000 for injury, destruction or loss of use of property of third persons as a result of any one accident;

(f) Workers Compensation Insurance providing Statutory Benefits, as required by applicable state law, and Employer's Liability Insurance: Bodily Injury by Accident $1,000,000 Each Accident; Bodily Injury by Disease $1,000,000 Policy Limit; Bodily Injury by Disease $1,000,000 Each Employee. The Workers Compensation policy coverage shall include coverage for all states in which operations are conducted;

(g) Employment practices liability insurance coverage in the amount of at least $500,000;

(h) Builders' and/or contractor's insurance and performance and completion bonds in forms and amounts acceptable to us;

(i) Umbrella liability coverage in no event less than $1,000,000;

(j) Such other insurance as may be required by the landlord of the premises at, and by the state or locality in, which the Store is located; and

(k) Insurance coverage of such types, nature and scope sufficient to satisfy Franchisee's indemnification obligations under the Franchise Agreement (including, without limitation, insurance coverage to indemnify us from any claims alleging your violation of federal, state or local labor and/or wage and hour laws, rules or regulations).

You must secure all necessary insurance coverage, including (but not limited to), worker's compensation, disability and general liability, prior to opening your Store and in order to secure coverage for your actions and omissions during the Initial Training Program. These coverage requirements are subject to change. All policies, except workers' compensation, employer's liability, and any other employee-related insurance mandated by federal, state, or local law, rule or regulation, must name us (and our subsidiaries, and all other affiliates and our and their respective officers, directors, owners, agents, representative, and employees) as additional insureds for claims arising from your products and operations and include a waiver of subrogation in our favor. If you do not purchase the required insurance, we may obtain the insurance for you. We have no duty to do so. If we obtain insurance for you, you must pay the premiums to the insurance company or reimburse us for them. We

can change the required coverages and amounts. We shall be allowed to appoint our own selected legal counsel to represent us for any action indemnified by your insurance.

(8) **Reimbursement for Our Cure of Your Default**. If you default in the performance of your obligations or breach any term or condition of the Franchise Agreement or any related agreement, then we may, at our election, immediately or at any time thereafter cure the default on your behalf.

(9) **Attorneys' and Experts' Fees; Court Costs**. In certain circumstances, as specifically enumerated in the Franchise Agreement, you will be required to reimburse us for our reasonable attorneys' fees, experts' fees, court costs and all other expenses incurred in connection with any action instituted to secure or protect our rights under the Franchise Agreement, to enforce the terms of the Franchise Agreement, or in any action against us begun or joined in by you. If we become a party to any proceeding brought against us by a third party relating to the Franchise Agreement or your Store as a result of any act or omission of yours or the Store's, or if we become a party to any litigation or insolvency proceeding involving you under any bankruptcy or insolvency code, then you must reimburse us for our reasonable attorneys' fees, experts' fees, court costs, travel and lodging costs and all other expenses we incur. If we terminate the Franchise Agreement for your default, or if you terminate the Franchise Agreement through non-payment (See Item 17, section d.), in addition to liquidated damages, you must pay us all our expenses from your default or termination, including reasonable attorneys' and experts' fees.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT FOR DEVELOPMENT OF ONE ANGELINA ITALIAN BAKERY STORE

Type of expenditure	Amount (1)		Method of payment	When due	To whom payment is to be made
	Low	High			
Initial Franchise Fee (See Note 2)	$50,000	$50,000	Lump Sum	Upon signing of the Franchise Agreement	Us
Architectural Fee (See Note 3)	$0	$10,000	Lump Sum	Upon engagement of an Architect	Us
Construction Consulting Fee (See Note 3)	$0	$10,000	Lump Sum	Upon engagement of a General Contractor	Us
Design Services Fee (See Note 3)	$10,000	$25,000	Lump Sum	Upon engagement of a Design Firm	Us or Your Elected Design Firm
Real Property (See Note 4)	$20,000	$60,000	As landlord requires	As landlord requires	Landlord

Type of expenditure	Amount (1)		Method of payment	When due	To whom payment is to be made
	Low	High			
Building Costs/Leasehold Improvements (See Note 5)	$150,000	$1,000,000	Lump Sum to Us or Affiliates or as Required By Third Parties	As Incurred, Before Opening	Third Parties (Your Landlord, Architect and/or Contractor)
Equipment, Fixtures and Signs (See Note 6)	$100,000	$300,000	Lump Sum to Affiliates or as Required By Third Parties	As Required By Third Parties	Approved Suppliers
Smallwares (See Note 7)	$15,000	$25,000	Lump Sum to Affiliates or as Required By Third Parties	As Incurred, Before Opening	Approved Suppliers
Computer, POS and Security System (See Note 8)	$12,800	$30,000	Lump Sum to Us or Affiliates or as Required By Third Parties	As Incurred, Before Installation	Approved Suppliers
Opening Inventory (See Note 9)	$10,000	$30,000	Lump Sum to Us or Affiliates or as required by Approved Suppliers	Before Opening	Us or Approved Suppliers
Opening Inventory – Product Delivery Fee (See Note 10)	See Note 10				
Employee Uniforms (See Note 11)	$1,800	$3,000	Lump Sum to Approved Suppliers	Before Opening	Approved Suppliers
Grand Opening Promotion (See Note 12)	$20,000	$35,000	As Required By Third Parties	As Required By Third Parties	Us or Third Parties
Licenses, Permits, Fees and Deposits (See Note 13)	$5,000	$20,000	As Required By Third Parties	Before Opening	Municipalities, utility companies, Lessor or Us
Miscellaneous Opening Expenses (See Note 14)	$13,200	$17,000	As Required By Third Parties	As Required By Third Parties	Vendors and Approved Suppliers

Type of expenditure	Amount (1)		Method of payment	When due	To whom payment is to be made
	Low	High			
Insurance (See Note 15)	$10,000	$15,000	As Required By Third Parties	As Required By Third Parties	Insurance Provider and Broker/Agent
Attorneys' Fees and Business Consultants (See Note 16)	$2,000	$15,000	As Required By Third Parties	As Required By Third Parties	Attorneys, Accountants, Business Advisors
Initial Training Fee (See Note 17)	$8,000	$8,000	Lump Sum to Us	Before Opening	Us
Personnel Training Fee (See Note 17)	$8,000	$8,000	Lump Sum to Us	Before Opening	Us
Travel and Living Expenses While Training (See Note 17)	$10,000	$15,000	As Required By Third Parties	As Incurred, During Training	Airlines, Rental Car Agencies, Stores, Hotels, etc.
Additional Funds for First 3 Months of Operation (See Note 18)	$15,000	$120,000	As Required By Us or Third Parties	Monthly and As Incurred	Us, Third Parties and Employees
TOTAL (See Note 19)	**$460,800 to $1,796,000** (excluding the Opening Inventory Product Delivery Fee)				

Notes:

We do not make any representation regarding whether any amounts paid to third parties are refundable. Unless otherwise stated, amounts paid to us are not refundable. We do not offer any financing for your initial franchise fee or any portion of your initial investment. Unless otherwise stated above, these estimates are subject to increases based on changes in market conditions, our cost of providing services and future policy changes. At the present time, we have no plans to increase payments we control.

(1) Amount. Your initial investment for each new Store depends primarily upon: (1) the number of Stores you acquire; (2) their size; (3) their configuration; (4) their location; (5) who develops the real estate for and/or constructs them; and (6) the amount and terms of financing. You cannot borrow more than 50% of your initial investment in a new Store or the purchase price for an existing Store. The initial funds required must be estimated since most costs are not within our control and may change at frequent intervals. These figures are estimates only and we cannot and do not guarantee that your costs will fall within the stated ranges. These estimated ranges are based on our affiliates' experience in operating two (2) company owned outlets. Costs are constantly changing and your costs may be higher. You should diligently investigate all potential costs before proceeding.

(2) Initial Franchise Fee. The Initial Franchise Fee is discussed in Item 5.

(3) Architectural, Construction Consulting and Design Services Fees. The Architectural Consulting Fee, Construction Consulting Fee and Design Services Fee payable to us are discussed in Item 5. Any fees and costs you are required to pay your architect and contractor

are not included in these estimates. The further your Store is from our offices or the location of one of our consultants to be dispatched to your Store, the higher costs and expenses will be. Fees payable to your architect and general contractor are included in "Building Costs/Leasehold Improvements" described in Note (5) below.

(4) Real Property. If you do not have acceptable space for your Store, you will need to lease approximately 1,200 – 3,000 square feet of space in a suitable commercial building for your Store Location. Angelina Italian Bakery Store Locations are usually at a strip shopping center or stand-alone location, and may be downtown, suburban, rural or on a highway. Since real estate values vary dramatically from region to region, we cannot accurately estimate your rent, but monthly rental costs range from approximately $50 per square foot to $150 per square foot or more per month for a Store Location in New York, New York. This estimate is based on our experience renting space in New York City and paying (i) the first month's rent, (ii) the last month's rent and (iii) one month's rent as a security deposit and receiving 6 months' free rent from our landlord while the landlord makes leasehold improvements. We do not have substantial experience elsewhere in the United States. Depending on the extent of delays you encounter due to permit requirements, necessary repairs and renovations of the space, and whether you are able to negotiate some rent-free pre-opening time period with your landlord, your costs may differ. To estimate the rental expense for your Store Location, apply the above square footage requirements to the local real estate rental costs in the geographic area in which your Store will be located where there are suitable buildings.

(5) Building Costs/Leasehold Improvements. The amounts include labor and construction (including your architect and general contractor fees), costs and expenses for the improvement of the Store Location premises with the approximate amount of square footage described in Note 4 above. Your costs may vary significantly based upon the actual square footage of your Store and the condition of the premises prior to construction, among other factors. We have not estimated the costs to purchase and renovate an existing building, nor have we estimated the costs of new construction. Building costs vary by geographic location. These ranges are based upon our experience in the New York and New Jersey real estate markets. Site development costs include the costs to develop the land and other site improvements, including exterior landscaping, electrical and water hookup, paving, sidewalks, lighting, etc. Some local governments may charge an additional amount for utility connections to offset their costs for maintaining water and sewer plants; these amounts are not included in the above figure. Costs can be higher if soil problems or other environmental issues are encountered. These ranges do not include unusual costs to bring utilities to the property for hookup or government imposed "impact fees." Additional development costs include, among others, architectural, engineering and legal fees. These estimates do not include extraordinary costs due to extensive redesign, permitting, variances, environmental issues, legal obstacles, etc.

(6) Equipment, Fixtures and Signs. This includes all kitchen and dining equipment (coolers, freezers, proofer, oven and deck oven, sinks and dishwashing equipment, shelving, counters, lighting, seating) and interior and exterior signage and other decor in accordance with our standards, specifications, and requirements. The cost of signs depends on the type, size and location of your Store, the particular requirements of the landlord and local and state ordinances and zoning requirements.

(7) Smallwares. This includes food prep equipment, mixers, kitchen utensils, dishes, glasses, flatware, pots/pans, food storage containers, trash receptacles and related items.

(8) Computer, POS System and Security System. This estimated range includes the cost of 2 point of sale systems as required for all stores, security surveillance system with closed-circuit television, telephone, sound system, software, desktop or laptop office computer, printer, and other required purchases of software and hardware described in Item 11.

(9) Opening Inventory. Before opening a Store, you must purchase an initial inventory of products from us or our affiliates or Approved Suppliers. These products include dough, croissants, croissant fillings, specialty breads, pizza, focaccia, cake sheets, gelato, desserts, cookies, meats, condiments, and merchandise. We estimate that the initial inventory of products that you purchase from us or our affiliates will range between $10,000 - $15,000. This amount is included in the estimate on the chart above. In addition to the foregoing, you must purchase an initial inventory of maintenance and cleaning materials, office supplies, and miscellaneous materials and supplies.

(10) Product Delivery Fee for Certain Opening Inventory. You will be required to pay a Product Delivery Fee for the initial inventory of croissants, croissant fillings, specialty breads, pizza, focaccia, cake sheets, gelato, desserts, cookies, meats, condiments, and merchandise that you are required to purchase from us in connection with the opening of your Store. The Product Delivery Fee will range between $4.00 per mile and $5.00 per mile depending on the distance between your Store and our commissary kitchen, except if your Store is located in New York City. If your Store is located within the five boroughs of New York City (i.e., Manhattan, the Bronx, Brooklyn, Queens or Staten Island), then you will pay a flat Product Delivery Fee of $75 for each delivery. For Stores located outside of New York City We calculate the Product Delivery Fee as follows:

- If your Store is located 100 miles or less from our nearest commissary kitchen, then we will charge you a Product Delivery Fee equal to $5.00 per mile; and

If your Store is located 101 or more miles from our nearest commissary kitchen, then we will charge you a Product Delivery Fee equal to $5.00 per mile. Since this charge may vary drastically, it is difficult to estimate the delivery charge for such products. To estimate the delivery charge, calculate the distance between your Store Location and our commissary kitchen.

(11) Employee Uniforms. You will be required to purchase an initial inventory of employee uniforms from our approved supplier, prior to opening your Store. Our uniforms include logoed shirts, hats and aprons. To start, you must purchase 50 logoed shirts, 50 logoed hats and 20 logoed aprons. Each component of the employee uniform ranges from $15 to $25.

(12) Grand Opening. For a period of four (4) consecutive months, beginning one (1) month before your Store is scheduled to open, you must carry out a grand opening promotion for the Store in accordance with our standards, including those related to the type, manner and size of the grand opening promotion. Grand opening expenditures may include marketing materials, radio broadcasts, giveaways, cable television advertising, tents, decorations, free food, in addition to a grand-opening celebration. This is the range of expenditures to satisfy your grand opening requirement. You must submit your grand opening plan to us for our approval before you commence your grand opening advertising campaign. Actual costs may vary depending on the time of year that you open, the media costs in your market area, and the pace with which you are able to increase your sales. You must seek approval for any categories or materials you wish to use in advertising before you use them.

(13) Licenses, Permits, Fees and Deposits. You must comply with federal, state and local license, certificate and permit requirements for the operation of your Store. The requirements of states vary. You are responsible for know what laws apply to your Store before acquiring a franchise. You must obtain and pay for these licenses and/or permits before opening your Store.

(14) Miscellaneous Opening Expenses. Miscellaneous opening costs include pre-opening employment payroll costs, utility deposits like gas, water, electricity and telephone, the hardware maintenance fee, petty cash, a smartphone and vehicle for site selection and management of your Store or multiple Stores (if you are a developer) and the cost of printing includes the cost of printing flyers, menus, training aid, and job application forms, schedule forms, business card letterheads, envelopes and other forms which must be purchased before or upon the opening of your Store.

(15) Insurance. You must purchase and maintain at your sole expense the insurance coverage that we specify in the Franchise Agreement and Manual. This includes comprehensive general liability insurance, property and casualty insurance, statutory workers' compensation insurance, employer's liability insurance, and product liability insurance. The cost will vary from state to state and we anticipate that you will be required to pay your insurance carrier or agent a full annual premium in advance. You must show proof of coverage, meeting the insurance requirements outlined in the Franchise Agreement and Manual and you must name us as additional insureds. We reserve the right to reject an insurance certificate that you provide if it does not meet the required limits or standards of quality if, in our sole opinion, the insurance does not sufficiently protect us, you or your customers.

(16) Attorneys' Fees and Business Consultants. We recommend you hire attorneys to form the entity that will own the Store and assist in providing legal advice related to the business. You may also want to hire other business consultants or accountants.

(17) Initial Training Fee; Personnel Training Fee; and Travel and Living Expenses While Training. You (if franchisee is an individual) or your Operating Principal (if franchisee is a business entity) and your Store Manager must attend and successfully complete (to our satisfaction) our 7 week initial training program (the "Initial Training Program") prior to your Store's opening. Your front of house operations personnel and food production/back of house personnel (as we designate) must attend and successfully complete (to our satisfaction) our operations and food production training program (the "Personnel Training Program") prior to your Store's opening. You must pay for our Initial Training Program and Personnel Training Program for your trainees, including an examination and uniform. The cost of our Initial Training Program (i.e., $8,000) and Personnel Training Program (i.e., $2,000 per week for 4 weeks) are reflected in the table above. You must also pay for the accommodation, meals and travel expenses, if any, for you and your employees who attend our Initial Training Program and/or Personnel Training Program.

You must pay for the costs of any training programs conducted during the term of your franchise agreement if we believe such training is needed. If any of your food production personnel are unable to pass our food production test, they will be required to attend additional on-the-job training at our training center at the cost of $1,500 per week. The amount of time required depends on the individual's ability to personally demonstrate the competencies we require. This may increase your cost for travel, hotels and meals for you and/or your designated representative. If you live close to the training facility, your costs will probably be on the lower end of the range.

Any wages or salaries that you may pay trainees while they attend training are not included in these estimates. You must also maintain worker's compensation insurance coverage for trainees in your employ.

(18) Additional Funds for First 3 Months of Operation. This amount includes estimated cost of sales and operating expenses incurred during the initial three months of operation. These expenses include payroll, rent and ongoing inventory. The estimate of additional funds does not include an owner's salary or draw. This estimate does not include your living expenses. Cash flow from your operations may not be adequate to cover operating and other costs during the initial phase of business.

(19) Total. We and our affiliates do not directly or indirectly finance your initial investment requirements. We do not assume that you can build your unit for the lowest estimates in all categories. You should not assume this also. We do not build freestanding units from the ground up. Should you desire this, your totals will be higher. We relied on our experience and that of our affiliates and franchisees to compile these estimates. Your costs may vary based on a number of factors including, but not limited to, the geographic area in which you open, local market conditions, the time it takes to build sales of the establishment, and your skills at operating a business. We recommend that you use these categories and estimates as a guide to develop you own business plan and budget and investigate specific costs in your area. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

YOUR ESTIMATED INITIAL INVESTMENT
UNDER AREA DEVELOPMENT AGREEMENT

DEVELOPMENT OF THREE TO TEN ANGELINA ITALIAN BAKERY STORES UNDER AN AREA DEVELOPMENT AGREEMENT					
Type of expenditure	**Amount(1)**		**Method of payment**	**When due**	**To whom payment is to be made**
	Low	**High**			
Development Fee (Note 1)	$100,000	$275,000	Lump Sum	Upon signing of the Area Development Agreement	Us
Attorneys' Fees and Business Consultants (Note 2)	$2,000	$15,000	As Required By Third Parties	As Required By Third Parties	Attorneys, Accountants, Business Advisors
Total	**$102,000 to $290,000** (Note 3)				

Notes

(1) *Development Fee*. If you sign an Area Development Agreement, you must pay a Development Fee equal to: (i) the Initial Franchise Fee of $50,000 for the first Store to be developed (ii) plus, fifty percent (50%) of the Initial Franchise Fee (i.e. $25,000) for each additional store to be developed (the "Area Development Deposit") in one lump sum when you sign the Area Development Agreement (collectively, the "Development Fee"). The Area Development Deposit will be applied as a credit against the Initial Franchise Fee

payable for the subject Store then being developed. The balance of the Initial Franchise Fee for each Store to be developed must be paid upon signing of the Franchise Agreement for such Store. The Development Fee is deemed fully earned when paid and is not refundable under any circumstances. The Development Fee is fully earned when paid and is not refundable under any circumstances.

The low end of the Development Fee estimates the development of 3 Angelina Italian Bakery Stores, and the high end estimates the development of 10 Angelina Italian Bakery Stores (but that is not the maximum).

(2) *Professional Fees*. The estimate of professional fees in this chart is in addition to the professional fees that we estimate you will pay in connection with developing each Store.

(3) *Total*. In addition to the total initial investment that you must make when you sign an Area Development Agreement, you must also make the estimated initial investment disclosed in the table at the beginning Item 7 table for each Store you commit to develop and operate under the Area Development Agreement. However, you should be aware that the estimated initial investment described in the first Item 7 table will likely be higher for your second and subsequent Stores due to inflation and other economic factors that may vary over time.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

We and our predecessors and affiliates have spent considerable time, effort and money to develop the System. You must conform to our high and uniform standards of quality, safety, cleanliness, appearance and service. We anticipate that our standards will change over time. You are expected to adhere to these changes. To ensure that you maintain the highest degree of consistency, quality and service, you must operate and develop your Store in strict conformance with our methods, standards and specifications and obtain certain goods, services, supplies, materials, equipment and other products, including your uniforms, advertising materials, POS hardware and software, only from us, our affiliates or the suppliers to be designated or approved by us. Our methods, standards and specifications are prescribed in our confidential operations manual and various other confidential manuals and communications prepared by us for your use in operating the Store (collectively, the "Manual").

- You must sell and offer for sale in your Store only the menu items, products and services we specify and use in your Store only those certain ingredients, food products, spices, seasonings, mixes, beverages, materials, other supplies used in the preparation of food products, furniture, fixtures, equipment, smallwares, forms, paper and plastic products, packaging, other materials, programs and services (collectively, the "Approved Products and Services"), which are now part of the System or which we in the future incorporate into the System unless, as to any one or more Approved Products and Services, the sale of such Approved Product and Service is prohibited by local law or regulation or we have otherwise granted you our advance written approval. We may designate one or more specific manufacturers or suppliers for Approved Products and Services, which may be us or our affiliates (each an "Approved Supplier"). You must purchase certain Approved Products and Services from us or our affiliate. Currently, the Approved Products and Services that you must purchase from us or our affiliate include croissants,

croissant fillings, specialty breads, pizza, focaccia, cake sheets, gelato, desserts, cookies, meats, condiments, and merchandise.

For those Approved Products and Services that you must purchase from us or our affiliate, you are required to pay a Product Delivery Fee ranging from $4.00 per mile to $5.00 per mile for delivery of such products, except if your Store is located within the five boroughs of New York City (i.e., Manhattan, the Bronx, Brooklyn, Queens and Staten Island). If your Store is located in New York City, you will pay a flat Product Delivery Fee of $75 for each delivery. For Stores located outside of New York City, we will charge a Product Delivery Fee as follows:

- If your Store is located 100 miles or less from our commissary kitchen, then we will charge you a Product Delivery Fee equal to $5.00 per mile; and
- If your Store is located 101 or more miles from our commissary kitchen, then we will charge you a Product Delivery Fee equal to $4.00 per mile.

Accordingly, the Product Delivery Fee will vary depending upon the distance between your Store and our commissary kitchen(s).

You may use the services of our designated design vendor to prepare the design plans for the construction of your Store based on our prototype plans for a typical Angelina Italian Bakery Store. To retain the services of our approved design vendor you must pay us a Design Services Fee in the amount of $25,000. If you elect not to use our designated design vendor, then you must pay us a Design Consulting Fee in the amount to $10,000 to review and approve the design plans for the interior design and construction of your Store.

You must purchase the uniforms for your employees from our approved supplier. We will provide you with the information for our approved supplier.

We currently receive no revenues from sales of Approved Products and Services to franchisees by us, our Affiliate or Approved Supplier, but we will receive revenues from this source in the future.

In the fiscal year ended December 31, 2024, our affiliate, HSQ Bakery, received $1,000,000 from its sale of focaccia, pizza dough and laminated dough sheets for croissants and bombolones to franchisees.

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

Our President and Chief Executive Officer, Tony Park, holds a one hundred percent (100%) ownership interest in us, the Approved Supplier for certain of the Approved Products and Services

that you are required to purchase. None of our officers own an interest in any other third party Approved Suppliers.

If we have Approved Suppliers for any products, supplies, materials, fixtures, furnishings, equipment (including, computer hardware and software), services, programs and other items used or offered for sale at the Store, you must obtain these items from those suppliers. Approved Suppliers are those who demonstrate the ability to meet our then-current standards and specifications, who possess adequate quality controls and the capacity to supply your needs promptly and reliably, whom we have approved in writing and whom we have not later disapproved. We may change the number of Approved Suppliers at any time and may designate ourselves, an affiliate, or a third party as the exclusive source for any particular item. We may profit from your purchases from Approved Suppliers, and we and/or our affiliates may receive payments, fees, commissions or reimbursements from Approved Suppliers in respect of your purchases. If we require that an item be purchased from an Approved Supplier and you wish to purchase an alternative product, material, furnishing, equipment or other item from a supplier we have not approved, you must submit to us a written request for approval of the product and/or supplier and then furnish us with the information, data and samples that we reasonably request for examination and testing for our determination as to whether the product, supply, material, furnishing, equipment or the supplier meets our specifications and standards. We do not maintain written criteria for approving alternative suppliers, and thus these criteria are not available to you or your proposed supplier. To obtain our written approval for the alternative supplier:

- You must submit a written request to us for approval of the supplier.
- The supplier must meet our specifications and quality control standards to our reasonable satisfaction.
- Must be able to supply products to franchisees at competitive prices.
- The supplier must demonstrate to our reasonable satisfaction that it is in good standing in the business community for financial soundness and reliability of its product or service.

The supplier must agree to allow us or our representatives to inspect the supplier's facilities and to have samples from the supplier delivered to us or to an independent laboratory we designate for testing. Any supplier we approve must agree to allow us to re-inspect their facilities and products. You will be required to pay us a $500 fee to evaluate your proposed supplier, test the supplier's products and inspect the supplier's facilities. We will notify you if your proposed supplier is approved within thirty (30) days of your written request. We may revoke our approval upon the supplier's failure to continue to meet any of our then-current criteria. If we revoke approval of any supplier, we will give you written notice (in the Manual or otherwise). If we revoke or delete an Approved Supplier, then you must cease using any such disapproved supplier (or any items purchased from a revoked source of supply) which are inventoried by your Store within 10 days following your receipt of written or electronic notice from us, unless the item or source of supply poses a threat to the health or safety of the public, in which case you must cease using such item or source of supply immediately upon notice from us orally, electronically, or in writing.

If we have not designated an Approved Supplier for particular Approved Products and Services, you may purchase such products and/or services from suppliers you propose and we approve in

writing, provided the proposed suppliers meet the standards we establish from time to time and the products and/or services to be purchased are in strict accordance with our specifications.

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

We may issue and modify specifications in writing through our Manual or other written notices to franchisees.

We may periodically negotiate purchase arrangements with one or more suppliers on a regional or national basis for the benefit of franchisees. Currently, we have negotiated a distribution agreement with our supplier for the purchase of (i) coffee to be offered and sold in all Angelina Italian Bakery Stores and (ii) coffee equipment. You must purchase the coffee and coffee equipment for your Store from our designated supplier(s) in accordance with the terms (including, the price terms) we negotiated. As part of our agreement with our coffee supplier, franchisees will receive an agreed upon discounted price on retail coffee equipment. Franchisees will also receive a flat fee discount on each bag and box of Angelia blend coffee that franchisees purchase for use in their Stores. We have also negotiated a distribution agreement with our approved dessert supplier. Under this agreement, we receive a flat percentage discount on all products that franchisees purchase from our dessert supplier, which we pass on to franchisees. Additionally, we receive a flat percentage rebate on all products that franchisees purchase from our approved dessert supplier. However, as of December 31, 2024, we did not receive any rebates (or other payments) from any of our approved suppliers.

There are no purchasing or distribution cooperatives. We provide you with no material benefits (such as granting additional franchises) based on your use of designated or approved sources.

We estimate that the required purchases described above are 30% to 40% of the cost to establish an Angelina Italian Bakery Store and approximately 55% to 65% of operating expenses.

Insurance

You must obtain and maintain insurance policies protecting you and us and various related parties against any demand or claim with respect to personal injury, death or property damage or any loss, liability or expense related to or connected with the operation of the Store. These policies must be written by responsible insurance carriers rated "A" or better by the A.M. Best Company, Inc. and that are acceptable to us.

You must procure and maintain the following insurance:

1. Broad form comprehensive general liability coverage, and broad form contractual liability coverage of at least $2,000,000 aggregate and at least $1,000,000 per occurrence. This insurance may not have a deductible or self-insured retention of more than $5,000;
2. Special cause of loss coverage forms (sometimes called "All Risk Coverage") on your Angelina Italian Bakery store and all fixtures, equipment, supplies and other property used in the operation of the store, for full repair and replacement value of the machinery, equipment and improvements, including full coverage for loss of

income resulting from damage to the store with at least 80% co-insurance clause (however, an appropriate deductible clause is permitted);

3. Business Interruption Insurance in sufficient amounts to cover your Angelina Italian Bakery store rental expenses, maintenance of competent personnel and other fixed expenses (including payment of Royalty Fees to us) for a minimum 12 months loss of income;

4. If any vehicle is operated in connection with the Business, automobile liability insurance with minimum limits of liability in the greater of (a) the greatest amount required by any applicable federal, state or local law, or (b) $1,000,000 for each person killed or injured and, subject to that limit for each person, a total minimum of $2,000,000, along with a minimum limit of $3,000,000 for injury, destruction or loss of use of property of third persons as a result of any one accident;

5. Workers Compensation Insurance providing Statutory Benefits, as required by applicable state law, and Employer's Liability Insurance: Bodily Injury by Accident $1,000,000 Each Accident; Bodily Injury by Disease $1,000,000 Policy Limit; Bodily Injury by Disease $1,000,000 Each Employee. The Workers Compensation policy coverage shall include coverage for all states in which operations are conducted;

6. Builders' and/or contractor's insurance and performance and completion bonds in forms and amounts acceptable to us;

7. Umbrella liability coverage in no event less than $1,000,000.

8. Such other insurance as may be required by the landlord of the premises at, and by the state or locality in, which the Store is located.

9. Insurance coverage of such types, nature and scope sufficient to satisfy Franchisee's indemnification obligations under the Franchise Agreement (including, without limitation, insurance coverage to indemnify us from any claims alleging your violation of federal, state or local labor and/or wage and hour laws, rules or regulations).

You must secure all necessary insurance coverage, including (but not limited to), workers' compensation, disability and general liability, prior to opening your Store in order to secure coverage for your actions and omissions during the Initial Training Program. These coverage requirements are subject to change. All policies, except workers' compensation, employer's liability, and any other employee-related insurance mandated by federal, state, or local law, rule or regulation, must name us (and our subsidiaries, and all other affiliates and our and their respective officers, directors, owners, agents, representative, and employees) as additional insureds for claims arising from your products and operations and include a waiver of subrogation in our favor. If you do not purchase the required insurance, we may obtain the insurance for you. We have no duty do so. If we obtain insurance for you, you must pay the premiums to the insurance company or reimburse us for them. We may periodically change the amounts of coverage required under the insurance policies and require different or additional kinds of insurance at any time, including excess liability and/or umbrella insurance, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, or other relevant changes in circumstances, if the changes apply to your Store. Each certificate of insurance must include a

statement by the insurer that the policy will not be canceled, subject to nonrenewal or materially altered without at least 30 days written notice to us. All insurance policies, with the exception of workers' compensation and disability insurance, must name us and our affiliates, our area representative, and the officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees of each of them, as additional insureds and you must provide us with certificates of insurance, endorsements and declaration pages to each policy evidencing that we were named an additional insured under any policy we require you to name us an additional insured. On our request, you must provide us with copies of all insurance policies together with proof of payment for insurance. You must send to us current certificates of insurance and copies of all insurance policies and endorsements for the Store on an annual basis. The insurance policies must provide for a waiver of subrogation. For the avoidance of doubt, you must secure all necessary insurance coverage, including (but not limited to), worker's compensation, disability and general liability, prior to and in order secure coverage for your actions and omissions during the initial training program.

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

Area Development Agreement

Obligation	Section in Area Development Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	FA: Sections 3(B)	Items 7 and 12
b. Pre-opening purchases/leases	FA: Sections 3(B), 7, 8 and 12	Items 6, 7, 8 and 11
c. Site development and other pre-opening requirements	FA: 3(E), 7, 8 and 12	Item 12
d. Initial and ongoing training	FA: Sections 6(B), 6(D) – 6(G)	Item 11
e. Opening	FA: Section 7(A)	Item 11
f. Fees	FA: Section 5, 4(B) and. 14(C)	Items 5, 6 and 7
g. Compliance with standards and policies/Operating Manual	FA: Sections 3, 7, 8, 9, 10 and 12	Items 7, 8, 11,15 and 16
h. Trademarks and proprietary information	FA: Sections 9, 10 (A) – 10(B) and 17(A)	Items 13 and 14

Obligation	Section in Area Development Agreement	Disclosure Document Item
i. Restrictions on products/services offered	FA: Section 3(E), 7(E) and 12	Item 16
j. Warranty and customer service requirements	Not Applicable	Not Applicable
k. Territorial development and sales quotas	Article 6	Item 12
1. Ongoing product/service purchases	Not Applicable	Not Applicable
m. Maintenance, appearance and remodeling requirements	Not Applicable	Not Applicable
n. Insurance	Not Applicable	Not Applicable
o. Advertising	Not Applicable	Not Applicable
p. Indemnification	Section 9.03	Item 6
q. Owner's participation/management/staffing	Section 9.06	Item 15
r. Records and reports	Section 9.04	Not Applicable
s. Inspections and audits	Not Applicable	Not Applicable
t. Transfer	Article 12	Item 17
u. Renewal	Not Applicable	Item 17
v. Post-termination obligations	Article 16	Item 17
w. Noncompetition covenants	Article 11	Item 17
x. Dispute resolution	Article 18	Item 17
y. Personal Guaranty	Section 18.15, Exhibit E	Item 15

Franchise Agreement

Obligation	Section in Franchise Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Article 6, Exhibit A and Exhibit C	Items 8 and 11
b. Pre-opening purchases/leases	Sections 6.02, 6.03, 8.08 and 9.01	Items 5, 6, 7, 8 and 11
c. Site development and other pre-opening requirements	Article 6	Items 1, 7, 8 and 11
d. Initial and ongoing training	Sections 7.02 – 7.04	Items 6, 7 and 11
e. Opening	Section 8.01	Items 6, 7 and 11
f. Fees	Article 5, Sections 13.01 and 14.04	Items 5, 6 and 7
g. Compliance with standards and policies/Operating Manual	Articles 8 – 10	Items 8, 11, 14, 15 and 16
h. Trademarks and proprietary information	Articles 12, 15 and 18	Items 11, 13 and 14
i. Restrictions on products/services offered	Section 3.03 and 8.08	Items 8 and 16
j. Warranty and customer service requirements	Section 8.26	Item 16
k. Territorial development and sales quotas	Not Applicable	Item 12
1. Ongoing product/service purchases	Sections 8.08 and 9.01	Items 8, 11 and 16
m. Maintenance, appearance and remodeling requirements	Sections 6.05, 6.06, 8.06, 13.01 and 14.04	Item 8
n. Insurance	Article 9	Items 7 and 8
o. Advertising	Article 10	Items 6, 7, 8 and 11
p. Indemnification	Section 8.10	Item 6

Obligation	Section in Franchise Agreement	Disclosure Document Item
q. Owner's participation/management/staffing	Sections 8.07 and 8.19	Items 1, 11 and 15
r. Records and reports	Article 11, Sections 5.07 and 7.06	Item 11
s. Inspections and audits	Sections 8.11 and 11.02	Items 6 and 11
t. Transfer	Article 14	Items 6 and 17
u. Renewal	Article 13 and Section 4.02	Items 6, 12 and 17
v. Post-termination obligations	Article 18	Item 17
w. Noncompetition covenants	Article 12	Items 15 and 17
x. Dispute resolution	Articles 22-25, 27, 29-35	Items 15 and 17
y. Personal Guaranty	Section 31.02 and Exhibit G	Items 1 and 15

ITEM 10
FINANCING

Neither we nor any of our agents or affiliates offer any direct or indirect financing to you or guarantee any note, lease or obligation for you.

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

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

Pre-Opening Assistance:

Area Development Agreement

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

1. We will designate your Development Area, the number of Stores you will open, and the development schedule setting the timetable you will follow for opening the Stores, based on our mutual agreement. (Area Development Agreement, Section 3.01, Section 6.01 and Exhibit A). You and we will decide on your Development Area together, considering factors such as the general locations and neighborhoods and proximity to customers in the Development Area we are considering; traffic patterns in the Development Area; co-tenant attractiveness in the sites available in the Development Area; size of the available spaces in the Development Area; age and condition of the buildings in which the Store Locations

might be situated in the Development Area being considered; the availability of locations and necessary zoning in the Development Area; and, the location of competitors in the Development Area. In deciding on the number of Store Locations and the development schedule for opening them, you and we will consider factors such as the potential total number of Stores in the Development Area; how aggressive the opening schedule should be; your experience, if any, in the industry; your experience in franchising; and, the capital commitment you are able and willing to make. If you and we do not agree on the Development Area, the number of Stores to be opened and the development schedule, then you and we will not sign an Area Development Agreement.

2. Under the Unit Franchise Agreements, approve or disapprove the sites you propose you for your Store Locations within your Development Area, perform the training, instruction, assistance and other activities and services for which the Franchise Agreements provide. (Area Development Agreement, Section 8.01).

Before you open your Store, we or our designee will:

1. Approve or disapprove a site for your Store Location. We do not currently own sites for leasing to franchisees. You select the site for your Store Location, and we approve or disapprove your proposed site. Once you have selected a proposed site, we will provide up to two (2) site visits in connection with the site evaluation of your Store without additional charge (except for our lodging, travel and meal expenses) and consider the acceptance of your Store Location. We may require you to submit maps, completed checklists, photographs, copies of proposed leases, diagrams of the premises with measurements and other information and materials which we may reasonably require to evaluate your proposed Store Location. If you request that we visit the proposed Store Location, after our first two site visits, then you will be required to pay us a fee equal to $300 per day for such additional visits, plus the cost of our expenses (including, travel, lodging and meals). (Franchise Agreement, Section 6.01).

   We consider the following factors in approving sites: the market potential and estimated volume of your Business; the general location and neighborhood and nearness to customers; store visibility; traffic patterns; co-tenant attractiveness; size of the space; age and condition of the shopping center or building; the location and convenience of entrances; the availability of parking; the availability of locations and necessary zoning; the location of competitors; expected overhead; lease terms; and, traffic patterns.

2. Approve or disapprove your request to offer catering and/or delivery services from your Store Location. You may not conduct delivery and/or catering from your Store, unless you secure our prior written approval (which we can withhold for any reason) and comply with our then-current standards regarding same (including, without limitation, the use of specified approved delivery service providers and the execution of required third-party agreements in accordance with same). If we permit you to offer catering and/or delivery services, you will have the non-exclusive right to cater and/or deliver products to customers within your Protected Area. (Franchise Agreement, Section 3.01 and Section8.08).

3. Provide you with access to a copy of our standard architectural and prototypical design plans. (Franchise Agreement, Section 6.04).

4. Review and approve or disapprove your proposed final architectural and design plans for the Store. You may not commence construction of the Store until we approve the final plans and specifications in writing. We may provide you with the names of designated or approved suppliers and specifications for some items of the design, construction, furniture, fixtures, equipment and decoration of the Store. (Franchise Agreement, Section 6.04).

5. Provide you with the names of our approved construction, architectural and design suppliers and vendors. You may (but are not required to) use our designated design vendor to prepare the design plans for the construction of your Store based on our prototype plans for a typical Angelina Italian Bakery Store. If you elect to use your own design supplier, then you must pay us the Design Consulting Fee to review and approve the interior design and construction plan for your Store. You may (but are not required to) retain the services of our approved architectural and design suppliers and vendors to assist you with the other aspects of the construction or remodeling of your Store. If you elect to use an unapproved architect and/or general contractor, we will require you to pay us the Architectural Consulting Fee and/or Construction Consulting Fee (as applicable). The Architectural Consulting Fee is paid when you engage the architect, and the Construction Consulting Fee is paid as soon as you engage the services of your general contractor. (Franchise Agreement, Sections 6.03 and 6.04).

6. After you sign the Franchise Agreement, provide you with access to one (1) set of our Confidential Operations Manual and other manuals. You must strictly comply with the Manual in operating your Store. We can change the Manual, and you must comply with these changes when you receive them, but they will not materially alter your rights and obligations under the Franchise Agreement. (Franchise Agreement, Section 7.01).

7. Provide you with a list of our required lease/real estate purchase agreement terms and approve or disapprove your lease or real estate purchase agreement within 20 business days after we receive it. If we do not communicate our approval or disapproval to you in that timeframe, then the agreement is deemed disapproved. (Franchise Agreement, Section 6.02).

8. Provide you with a list of our Approved Suppliers. (Franchise Agreement, Section 8.08).

9. Provide you with written specifications for the required inventory, products, supplies, goods, fixtures, equipment, smallwares, furnishings, signage and/or decor to be installed or purchased in connection with constructing, remodeling, decorating or operating your Store. (Franchise Agreement Section 8.08).

10. Conduct an initial training program for you (if you are an individual), (if you are a business entity) your Operating Principal and Store Manager. (Franchise Agreement, Section 7.02).

11. Conduct an initial personnel training program for three of your food production personnel and two of your operations personnel. (Franchise Agreement, Section 7.02).

12. Provide up to five (5) days of in-store assistance by sending our representatives to assist you with your Store's opening for your Store's opening commencing two (2) days before you open for business. (Franchise Agreement, Section 7.03).

13. Approve or disapprove any initial advertising or marketing materials, business forms, stationery, business cards or other forms you intend to utilize in connection with your grand opening or otherwise. (Franchise Agreement, Section 10.02).

14. Specify the electronic and/or written accounting and MIS Systems, procedures, formats and reporting requirements which you will use to account for your Business; maintain your financial records and merchandising data; and, generate reports for both you and us. (Franchise Agreement, Section 7.06).

15. Sell you our Approved Products and Services. See Item 6. (Franchise Agreement, Section 8.08).

16. If we determine to do so, exercise rights concerning franchisee pricing of products and services to the fullest extent permitted by then-applicable law. These rights may include, for example prescribing the maximum and/or minimum retail prices which you may charge customers; recommending the prices you charge customers; advertising specific retail prices for some or all products or services sold by your Store, which prices you will be compelled to observe; engaging in marketing, promotional and related campaigns which you must participate in and which may directly or indirectly impact your retail prices; and, otherwise mandating, directly or indirectly, the maximum and/or minimum retail prices which your Store may charge the public. We may do so only in certain geographic areas (cities, states, regions) and not others, or with regard to certain groups of franchisees and not others. Any maximum, minimum or other prices we prescribe or suggest may or may not optimize the revenues or profitability of your Store. (Franchise Agreement, Section 7.07).

Continuing Assistance: After your Store or Stores open, we will:

1. Furnish you with the support services, supervision and/or assistance that we consider advisable through on-site visits, on-site remedial training, off-site sessions, telephonic, electronic or other communication modes. You may also at any time communicate with our headquarters for consultation and guidance with respect to the operation and management of your Store. The timing of these services will be subject to the availability of our personnel. (Franchise Agreement, Section 7.04).

2. Sell you our Approved Products and Services. See Item 6. (Franchise Agreement, Section 8.08).

3. Furnish you with any specifications for required products and services. (Franchise Agreement, Section 8.08).

4. Approve or disapprove any initial advertising or marketing materials, business forms, stationery, business cards or other forms you intend to utilize in connection with your grand opening or otherwise. (Franchise Agreement, Section 10.02).

5. Continue, if we determine to do so, to engage in the pricing activities described above in this Item 11. (Franchise Agreement, Section 7).

We are not required to provide any other service or assistance to you for the continuing operation of your Store.

Typical Length of Time Before You Open Your Angelina Italian Bakery Store

You must secure all necessary licenses and sign an approved lease for your Store Location within 180 days after we sign your Franchise Agreement. You must open your Angelina Italian Bakery Store within 365 days after we (Franchisor) sign the Franchise Agreement, unless we give you a written extension. We estimate that it will be approximately 365 days from the time you sign the

Franchise Agreement to the time you begin operations, although this may vary due to a number of factors. Factors affecting the time to open may include attendance at and satisfactory completion of our Initial Training Program, obtaining a satisfactory site for the Store Location, arranging for any financing, complying with local ordinances, completing delivery and installation of equipment and signs and procuring opening inventory. We reserve the right to formally approve your Store prior to opening. (Franchise Agreement, Section 8.01).

Site Selection and Acquisition

Site Selection

You must submit site information for your Store Location within 60 days of signing the Franchise Agreement. It is the essence of the Franchise Agreement that you select a Store Location, identify it to Franchisor, obtain Franchisor's advance written approval and sign a lease approved by Franchisor (or provide proof of ownership) for the Store Location within 180 days following the date of the execution of the Franchise Agreement.

When you identify a proposed Store Location, you must submit to us in writing a description of the Store Location, evidence that the Store Location satisfies our site selection guidelines and any other information we may require. We will review your proposed site for compliance with our site selection guidelines and accept or not accept the site within 30 days after receiving your site information. We may also require you to submit maps, completed checklists, photographs, diagrams, the measurements of the premises and other information and materials which we may reasonably require to evaluate your proposed Store Location. We also may visit the proposed Store Location in order to evaluate its suitability. We will conduct up to two (2) on-site visits at no additional cost to your Store Location to offer Franchisee assistance and guidance. For any subsequent on-site visits you must pay us a site evaluation fee equal to $300 per day, plus our lodging, travel and meal expenses. In reviewing your proposed site, we consider various factors, including the condition of the building, the location of the site, population, and other demographic factors. Our acceptance of a site and the rendering of assistance in the selection of a site does not constitute, and will not be deemed to constitute, a representation, promise, warranty, guarantee or any other indication that Angelina Italian Bakery your Store will be profitable or otherwise successful at that Store Location, and you must waive any claim to the contrary. (Franchise Agreement, Section 6.01).

If you fail to secure a Store Location within the time limits and following the procedures specified in Section 6.01 of the Franchise Agreement, then this failure will be a material and incurable breach of the Franchise Agreement, which unless we waive, will entitle us to terminate the Agreement immediately upon notice to you, with no opportunity to cure. The Initial Franchise Fee, Development Fee and all other funds you paid to us will be considered fully earned by us and will not be refunded. In such an event, you must sign our then-current standard form of General Release and all other documents as we may require to fully terminate all agreements between you and us that are covered by the Franchise Agreement.

Location Lease

You must lease or purchase a Store Location within 45 days of our acceptance of your Location. Any lease or sublease for the Store Location must meet our criteria. We require certain specific conditions prior to accepting your Store Location, including provisions relating to subleasing, rental terms, signage, default notice, use and our rights upon default and lease assumption. You

must deliver to us a copy of any proposed lease or sublease and any related documents (collectively, the "Lease") before executing the Lease for the Store Location. Your proposed Lease must be accompanied by our form of lease rider attached to the Franchise Agreement as Attachment G (the "Lease Rider"). Any proposed Lease will be subject to our advance written approval, which we will not unreasonably withhold or delay, provided, however, that we have the right to disapprove any proposed Lease that is not accompanied by our Lease Rider. If we do not communicate our approval or disapproval of your proposed Lease to you within twenty (20) business days following our receipt of the proposed Lease, then the Lease will be considered disapproved. You agree not to sign any Lease that we disapprove or (if the Lease is approved) sign any modification of the Lease that would adversely affect our rights without our written acceptance. Our acceptance does not in any way guarantee, represent or warrant your success at that Store Location or that you will generate any specific level of sales. (Franchise Agreement, Section 6.02).

If you do not sign an approved lease for a Store Location within 45 days following Franchisor's acceptance of the site for the Store, then we can terminate the Franchise Agreement. In such an event, you must sign our then-current standard form of General Release and all other documents as we may require to fully terminate all agreements between you and us that are covered by the Franchise Agreement. If we terminate the Franchise Agreement for this reason, all funds you paid to us (including, without limitation, the Initial Franchise Fee and Development Fee) will be considered fully earned by us and will not be refunded.

Advertising

Marketing and Creative Approval Process

You must participate in all marketing and sales promotion programs that we may authorize or develop for the Stores. (Franchise Agreement, Section 10.06). All marketing and promotions you place in any medium must be conducted professionally and must conform to our standards and specifications. Any advertising and promotional materials not prepared by us must be approved by us prior to your use. In certain circumstances, we may require you to include a reference to the fact that franchises for Angelina Italian Bakery Stores are available in your advertising or promotional material. The complete creative approval process, as it may be updated from time to time, can be found in our Manual. (Franchise Agreement, Section 10.02).

Grand Opening Promotion

For a period of four (4) consecutive months, beginning one (1) month before your Store opens and continuing for three (3) months after your Store opens, you must carry out a grand opening promotion for the Store in accordance with our standards, including those related to the type, manner and size of the grand opening promotion. You must obtain our prior written approval of all marketing materials, methods and media you use in connection with such grand opening promotion. You must spend at least $20,000 on the Store's grand opening promotion and submit one or more expenditure reports to us, accurately reflecting your grand opening expenditures. We may credit grand opening expenditures against the satisfaction of your Local Marketing Requirement for such four month period. (Franchise Agreement, Section 10.03).

Marketing Assessment Generally

We require you to spend 3% of your Store's Gross Sales on marketing. Initially, you must spend 1% of Gross Sales on the Local Marketing Requirement. In addition to your Local Marketing

Requirement, we require you to contribute 2% of your Store's weekly Gross Sales to the Marketing Fund. We may reallocate the proportion of those monies directed to local marketing (individually or through a Cooperative) and to the Marketing Fund but it will not exceed 3% of your Store's Gross Sales in the aggregate. (Franchise Agreement, Section 10.04). At your option, you may choose to spend more on local marketing than the amount we require.

Local Marketing

You must spend 1% of your Store's monthly Gross Sales on marketing your Store in your local market. You must give us a quarterly report of your local marketing expenditures within 15 days following the end of each calendar quarter (and at any other times that Franchisor may require). You must annually (and at any other times that we may require) provide us with copies of all statements, invoices and checks issued during the preceding year showing that you met your Local Marketing Requirement. You must also provide us with an accurate accounting of all expenditures you made in the previous calendar year towards your Local Marketing Requirement. Local marketing may include expenditures on television, radio, newspapers, magazines, billboards, posters, banners, brochures, direct mail, advertising on public vehicles and other types of marketing designated in the Manual and approved by us in accordance with our creative approval process described in the Manual. You cannot include expenditures for any of the following to satisfy your Local Marketing Requirement: (i) incentive programs for your employees or agents; (ii) charitable, political or other contributions or donations; (iii) Store fixtures or equipment; (iv) Yellow Pages and website listings; or (v) grand opening expenses;. (Franchise Agreement, Section 10.05).

You may be asked to participate in marketing tests and surveys. In the event that you are approved to participate, you may be required to enter into an agreement that outlines all the requirements for marketing tests and surveys. All test and survey requirements, processes and procedures must be adhered to and any applicable costs will be our responsibility. You must provide complete data statistics on the tests or surveys for our review and evaluation. Since such tests and surveys involve the evaluation and analysis of product pricing in a test environment, we will recommend pricing in order to effectively evaluate the full scope of the test.

Marketing Fund

You are required to contribute two percent (2%) of your weekly Gross Sales to the Marketing Fund. We will direct all marketing programs, including the creative concepts, materials and media used in the programs, and the placement and allocation of Fund advertising. We may seek your advice either formally or informally regarding the creative concepts and media used for initiatives financed by the Marketing Fund but it is not binding on us and we are not required to follow any advice we seek. We may use the Fund to satisfy the costs of maintaining, administering, directing, preparing and producing marketing. This includes the cost associated with developing, maintaining and updating our website, of preparing and producing television, radio, cable, magazine, newspaper marketing and worldwide web/internet advertising campaigns; direct mail and outdoor billboard advertising; other advertising, marketing and public relations activities; developing promotional materials; employing advertising agencies; point-of-purchase materials; consumer research, interviews and related activities; advertising at sports events; mailers, door hangers, freestanding inserts/coupons, brochures and sponsorships; mystery shoppers (both for the System and for competitive networks or units); celebrity endorsements; reviewing any advertising material you propose to use (as provided below); search engine optimization; establishing a third party

facility for customizing local advertising materials; conducting customer surveys and customer interviews; accounting for Fund receipts and expenditures; attendance at industry related conventions, shows or seminars; related retainers; cellular telephone and smartphone media programs; other activities that we in our business judgment believe are appropriate to enhance, promote and/or protect the System or any component thereof; engaging advertising agencies to assist in any or all of the foregoing activities, including fees to have print, broadcast and/or internet advertising placed by an agency, and all other advertising agency fees; and costs of our personnel and other departmental costs for advertising that we administer or prepare internally. Merchandise and premium items, if developed out of the Fund, may be sold to franchisees at a reasonable cost. Earnings on the sale of premium items will be contributed to the Fund. We are not required to make expenditures for you that are equivalent or proportionate to your Marketing Fund contribution or to ensure that any particular franchisee or any particular geographic region benefits directly or pro rata from the placement of advertising or to ensure that any advertising impacts or penetrates the Protected Area of Franchisee's Store. The Fund is not a trust and Franchisor is not a fiduciary with respect to the Fund. Except for a portion of the Marketing Fund spent on website development and maintenance (a portion of which may include soliciting the sale of franchises using the website), the Marketing Fund is not used to solicit the sale of franchises although we reserve the right to include "Franchises Available" or similar language with our contact information on any advertising purchased or created with Fund monies. (Franchise Agreement, Section 10.01). We currently do not have a marketing council composed of franchisees. We anticipate that Marketing Fund marketing will be conducted primarily through electronic or print media on a regional or national basis and that the majority of our marketing will initially be developed in-house.

We need not maintain the sums paid by franchisees to the Fund, or income earned from the Fund, in a separate account from its other funds, but we may not use these amounts under any circumstance for any purposes other than those provided for in the Franchise Agreement. We will account for the Marketing Fund separately from our other funds and it will not be used to defray any of our general operating expenses, except for such reasonable salaries, administrative costs (including legal and accounting), travel expenses and overhead as we may incur in activities related to the administration of the Marketing Fund and our programs, including, without limitation, conducting market surveys; preparing advertising, promotion and marketing materials; working with advertising agencies, advertising placement services and creative talent; collecting and accounting for contributions to the Marketing Fund (including, preparing an annual statement of Fund contributions and expenditures as provided for above); and, otherwise devoting our personnel, resources and/or funds for the benefit of the Fund. We may spend on behalf of the Marketing Fund, in any fiscal year an amount greater or less than the aggregate contribution of all Franchisees to the Marketing Fund in that year, and the Marketing Fund may borrow from us or others to cover deficits or invest any surplus for future use. Any interest earned on monies contributed to the Marketing Fund will be an asset of the Marketing Fund. We have the right to cause the Marketing Fund to be incorporated or operated through a separate entity at such time as it deems appropriate, and such successor entity will have all of the rights and duties specified in the Franchise Agreement. Our right to expend monies from the Fund to reimburse us for such activities is exclusive of any advertising agency fees which the Fund must expend to secure the services of an advertising agency or to have print, broadcast or internet advertising placed by an agency. The Fund and its earnings will not otherwise inure to our benefit. (Franchise Agreement, Section 10.01).

We expect to expend most contributions to the Fund for advertising during the fiscal year when the contributions are made. Any unspent accrued Marketing Fund Contributions for any calendar year will be used in the next calendar year. If we expend less than the total sum available in the Fund during any fiscal year, we may either expend the unused sum during the following fiscal year or rebate all or a portion of the unused sum to franchisees on a pro rata basis for them to spend on local advertising and promotion. If we advance and expend greater than the amount available in the Marketing Fund in any fiscal year (in addition to any sum required to be expended because we did not expend all the sums in the Fund during the preceding year), we will be entitled to reimburse ourselves from the Fund during the following fiscal year for any such advances (with interest payable on such advanced sums at the greater rate of 1.5% per month or the maximum commercial contract interest rate permitted by law (with interest accruing the first calendar day following the day on which Franchisor advances and expends any such sum). (Franchise Agreement, Section 10.01).

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

We may use any media, create any programs and allocate advertising funds to any regions or localities in any manner we consider appropriate in our business judgment. The allocation may include rebates to individual franchisees of some or all of their Fund contributions for local advertising expenditures if, in our judgment, its national or regional advertising program or campaign cannot effectively advertise or promote in certain regions or communities. If we determine that the total Marketing Fund Contributions collected from all Angelina Italian Bakery franchisees and company-owned Angelina Italian Bakery Stores is insufficient to sustain a meaningful regional or national advertising campaign, Franchisor may rebate all or a portion of the Fund contributions to franchisees and us (or our Affiliates') company-owned Angelina Italian Bakery Stores on a pro rata basis. Franchisees must expend any rebate on the types of local advertising and media that we determine. All rebate advertising expenditures must be documented to us in a monthly rebate advertising expenditure report form which we will furnish in our Manual or otherwise. (Franchise Agreement, Section 10.01).

Although the Marketing Fund is intended to be perpetual, we may terminate it at any time. We will not terminate the Marketing Fund, however, until all money in the Marketing Fund has been spent for advertising or promotional purposes or returned to the contributors on the basis of their respective contributions. (Franchise Agreement, Section 10.01).

As of the close of our 2024 fiscal year, we have not formed the Marketing Fund. Accordingly, we will not collect contributions to the Marketing Fund until it is formed. We and our affiliate's company-owned Stores will contribute to the Fund generally on the same basis as you will for Angelina Italian Bakery Stores that we or they operate, except that we may, in our sole discretion, allow Angelina Italian Bakery Stores operating in certain "Nontraditional Locations" to contribute less or differently to the Fund (whether the Angelina Italian Bakery Stores are company-owned, affiliate owned or franchisee owned). A "Nontraditional Location" includes any mall (defined as an enclosed retail space consisting of 250,000 or more square feet); airport; train or bus station; hospital; school, college, university or other educational institution; hotel, resort, or other lodging facility; casino or gambling establishment; amusement park; state or national park; stadium; sports arena; highway plazas or rest stops; military base; exhibition hall, conference facility or convention center or similar venue. (Franchise Agreement, Section 10.01).

Regional Advertising Cooperatives

We will notify you in writing of the starting date and amount of your advertising cooperative contributions, if we form a regional advertising cooperative (the "Regional Advertising Cooperative") for your area. We will determine the area of each Regional Advertising Cooperative based on an area that we consider likely to be able to advertise effectively on a cooperative regional basis. The Franchise Agreement gives us the power to require cooperatives to be formed, changed, dissolved or merged. Your contributions to the Regional Advertising Cooperative will be at least 1% but no more than 2% of your Store's Gross Sales (unless the Regional Advertising Cooperative changes the maximum contribution under its By-Laws. (Franchise Agreement, Section 10.07). Expenditures by the Regional Advertising Cooperative need not be in proportion to the contributions you make (or any other franchisee makes).

A Regional Advertising Cooperative may spend funds for: developing advertising ideas and concepts; developing market research and merchandising programs; preparing advertising campaigns; developing promotional ideas and strategies; preparing collateral creative materials; preparing advertisements (including writing, filming, editing, etc.); planning, negotiating, contracting and trafficking media programs; technical and professional advice for programs; public relations; and, administration of the Regional Advertising Cooperative, including legal and accounting services to administer the Regional Advertising Cooperative.

The Regional Advertising Cooperative will not be required to prepare annual or periodic financial statements. However, any financial statements that are generated as part of the books and records of the Regional Advertising Cooperative will be available for review by franchisees that are members of the Regional Advertising Cooperative. The Regional Advertising Cooperative will provide financial information about the Cooperative's operations upon the request of the Board of the Regional Advertising Cooperative (the "Board"), and the Board will then, in its discretion, present the report to you and the other members of the Cooperative at the next regular meeting or at a special meeting.

Advisory Council

We reserve the right to form an advisory council to assist us with various components of our System, including products and services offered by Stores, marketing and promotion, training, and other aspects of the System. If we create an advisory council, it will act in an advisory capacity only and will not have any decision making authority whatsoever; our decisions will be final, and we will have no liability to the advisory council or any franchisee with respect to any decision we make. We will have the right to form, change, merge and dissolve any advisory council at any time in our sole discretion. (Franchise Agreement, Section 10.08).

Members of an advisory council will include our representatives and franchisee representatives. The franchisee representatives may be chosen by us or may be elected by other franchisees in the System, at our sole discretion. If you are chosen and agree to participate on an advisory council, you will pay all costs and expenses you incur related to your participation, including travel, lodging and meals expenses for attending council meetings. (Franchise Agreement, Section 10.08).

Gift Card and Loyalty Programs

You must participate in, and comply with the requirements of, any gift card, gift certificate, customer loyalty or retention, or special promotional program that we implement for all or part of

the System and sign the forms and take the other actions we require for you to participate in these programs. (Franchise Agreement, Section 8.28).

Merchandise Materials

We may, from time to time provide to you (or have our designated 3rd-party vendor provide to you) certain merchandising materials identifying the System and to support national promotions, such as menu panels, point of purchase advertising materials, System memorabilia and other brand-relevant merchandise. You will be required to pay the cost for these materials, including shipping and insurance. (Franchise Agreement, Section 10.10)

Computer System, POS System and Security System Requirements

Before your Store opens, you must procure, install and maintain, at your expense, the computer hardware, software (including, without limitation, point of sale software), wired and/or wireless internet connections and service, required dedicated telephone and power lines and other computer and security related accessories, peripherals and equipment (collectively, the "Computer, POS and Security System") we require for the operation of your Store and specify in the Manual or otherwise in writing. The Computer, POS and Security System is comprised of three components: (i) the POS System, (ii) the Computer System and (iii) the Security System.

For the point of sale system (the "POS System"), you are required to buy at least two POS Systems approved by us from our designated supplier and which meet our then-current specifications and standards for use in each Store. The main functions of the POS System are to act as a cash register and collect and manage information about the various sales transactions at your Store, including detailed sales data, inventory, prices, coupons, taxes and other sales information. (Franchise Agreement, Section 8.08(E)). You are required to maintain your credit card processing hardware and software in compliance with the Payment Card Industry (PCI) Data Security Standard. You must also maintain Internet service that allows you unlimited Internet connection, email and online communication abilities as we require. We estimate that the initial cost for the POS System will be between $10,000-$14,000, including installation and maintenance fees. We recommend a package of services within the POS System that will allow you to carry out necessary functions within our System, the costs of which are not included in the foregoing estimate. If you select to follow our recommendation and purchase the additional POS service options, then we estimate that you will pay an additional $1000/month for your POS System that will be payable directly to our approved POS supplier.

You must install and run the POS software. This software is used to compile and manage Store sales and inventory data. This data gets uploaded to our server to confirm that the fees you have paid are correct. You must pay a software fee (the "Software Fee") of $350 per month and an annual software maintenance fee (the "Software Maintenance Fee") of $100 to our Approved Supplier. The Software Fee and Software Maintenance Fee are not included in the cost of the POS System that you are required to purchase.

You must also install and maintain at least one laptop or desktop computer at the Store for general business purposes. The computer must be equipped with computer hardware components, software, and peripherals (such as printer and scanner) that we require. We estimate that the computer hardware, a printer/scanner, and general accounting and/or bookkeeping software and word processing software (the "Computer System") will have an initial cost between $800-$2,000. We also require you to purchase a security system with closed-circuit television which meets our

standards and specifications (the "Security System"). We estimate that the Security System will have an initial cost between $2,000-$5,000, assuming that you purchase digital cameras a part of your Security System package. If you elect to purchase higher quality cameras (like IP security cameras), which we do not require, then the initial cost of your Security System will likely exceed our Security System cost estimate. (Franchise Agreement, Section 8.08(E)). You must also purchase support for your Security System. We estimate that the cost of a maintenance or support service contract for the Computer System about $200 per year and the Security System about $200 per year, but you will need to contact your vendor or Approved Suppliers to determine the scope of the services they offer and the actual cost of those services.

We have no obligation to provide you with any maintenance, repairs, upgrades or updates for your, Computer, POS and Security System. You must keep your Computer, POS and Security System in good repair. Modes of computerization and communication are rapidly evolving. Accordingly, you must, at your expense, purchase, install and utilize at your Store such later developed modes of computerization, communication, media and/or interfaces as we, in our discretion, determine to incorporate into the System. If we run tests and determine that the installation will benefit you and us, you must install (at your own expense) whatever additions, changes, substitutions and replacements to your computer hardware, software, telephone and power lines, etc. we direct. You must install these items when we direct. You will pay for these items at the time and upon the terms that the sellers specify. You are contractually required, at your expense, to upgrade and update the Computer, POS and Security System to remain in compliance with our standards and specifications. There is no contractual limit on our ability to require you to upgrade, add components to, and replace components of the Computer, POS and Security System. There may be additional fees associated with upgrades to the Computer, POS and Security System. (Franchise Agreement, Section 8.08(E)). There are no contractual limitations on the frequency and cost of this requirement.

We have the right to electronically and manually access the information that the Computer, POS and Security System generates. You must provide all assistance we require to bring your Computer, POS and Security System online with our headquarters computer at the earliest possible time and to maintain this connection as we require. You must input and maintain in your Computer, POS and Security System all data and information which we prescribe in our Manual, in our proprietary software and manuals (if any), and otherwise. We will have independent access to and may retrieve all of the sales information and data produced by your POS System. You must accurately, consistently and completely record, structure, capture and provide through the Computer, POS and Security System all information concerning the operation of your Store that we require, in the form and at the intervals that we require. There are no contractual limitations on our right to access this information and data. You will be responsible for all costs associated with any computer systems including accessing the Internet. (Franchise Agreement, Section 8.08(E)).

We reserve the right to discontinue any service or support we may offer for any system at any time for any reason or to change any required vendors for the products or services at any time for, any reason. Your equipment will not function properly within our system without the required upgrades. You must replace, upgrade and maintain these systems at your sole expense. (Franchise Agreement, Section 8.08(E)).

Except for providing you with a list of our Approved Suppliers and any applicable specifications and standards, we are not obligated to provide or assist you in obtaining any of the above items or services. You must install Internet navigation software and maintain a high speed (DSL or cable

at least 100 mbps uploading speed or higher) Internet connection (with e-mail capability). You must also install a telephone system at the Store that meets our specifications.

Website and Social Media

You may not maintain a World Wide Web site or social media page; otherwise maintain a presence or advertise on the Internet, through social media or in any other mode of electronic commerce in connection with the franchised Business; establish a link to any website we establish at or from any other website or page; or, at any time establish any other website, social media or electronic commerce presence which in whole or in part incorporates the "Angelina Italian Bakery" name, any Angelina Italian Bakery logo, or any name or logo confusingly similar thereto. Without limiting the generality of the foregoing, you are prohibited from using any social media platform (such as, Facebook, X (formerly known as Twitter, LinkedIn, Instagram, TikTok, Foursquare, blogs and other social media networking and sharing sites) that makes us of our Marks, name, brand, products of your franchise.

We alone have the right, but not the obligation, to establish, maintain, modify or discontinue all internet, worldwide web and electronic commerce activities pertaining to the System. We have established, or may establish one or more websites accessible through one or more uniform resource locators ("URL's") and, if we do, we may (but are not required to) design and provide for the benefit of your franchised Business a "click through" subpage at each such website for the promotion of your Business. If we establish one or more websites or other modes of electronic commerce and if we provide a "click through" subpage at each such website for the promotion of your Business, you agree to routinely provide us with updated copy, photographs and news stories about your franchised Business suitable for posting on your Business's "click through" subpage, the content, frequency and procedure of which will be specified in our Manual. Any websites or other modes of electric commerce that we establish or maintain may – in addition to advertising and promoting the programs, products, or services available at Businesses – also be devoted in part to offering Business franchises for sale and be utilized by us to exploit the electronic commerce rights which we alone reserve (as provided in Section 3.04 above). We alone will be, and at all times will remain, the sole owner of the copyrights to all material which appears on any Angelina Italian Bakery website we establish and maintain, including any and all material you may furnish to us as provided above. Ownership of the URL (uniform resource locator) and other identifiers associated with any such web site shall vest exclusively in us.

You may not maintain your own website or social media page; otherwise maintain a presence or advertise on the internet, through social media or in any other mode of electronic commerce in connection with your franchised Business, including through the use of a page or profile on a social media website such as Facebook, Snapchat or X (formerly known as Twitter); establish a link to any website we establish at or from any other website or page; or, at any time establish any other website, social media or electronic commerce presence which in whole or in part incorporates the "Angelina Italian Bakery" name or any name confusingly similar thereto.

We may establish an intranet through which downloads of operations and marketing materials, exchanges of franchisee e-mail or other electronic messages, System discussion forums and systemwide communications (among other activities) can be effected. If we develop such an intranet, you agree to use the intranet in strict compliance with the standards, protocols and restrictions that we include in the Manual (including, without limitation, standards, protocols and

restrictions relating to the encryption of confidential information and prohibitions against the transmission of libelous, derogatory or defamatory statements). (Franchise Agreement, Section 8.09).

Operations Manual

After you execute the Franchise Agreement, we will provide you with access to a copy of our Manual. We consider the contents of the Manual to be proprietary, and you must treat them as confidential. The Manual contain mandatory and suggested specifications, standards and operating procedures. The Manual are highly confidential, are on loan to you and remain our property. You may not make any copies of the Manual. We may revise the Manual from time to time by posting the revisions electronically or by letter, memorandum, bulletin, electronic mail or by other written or electronic communication, including the Internet. You must abide by all revisions. You are prohibited from copying or distributing the Manual in any manner whatsoever. You must only use the information contained in the Manual to manage the Store and may not use such information for any other purpose. Our Confidential Operations Manual comprises of a total of 112 pages. The Table of Contents of our Confidential Operations Manual is attached as Exhibit G.

Training

Initial Training Program; Personnel Training

At least 65 days prior to the date your Store opens for business to the public ("Opening Date"), you (if franchisee is an individual), your Operating Principal (if franchisee is a business entity) and Store Manager must have attended and satisfactorily completed our seven (7) week initial training program (the "Initial Training Program"). (Franchise Agreement, Section 6(B)). The following is a description of our Initial Training Program as of the issuance of this disclosure document:

INITIAL TRAINING PROGRAM

Subject	Hours Of Classroom Training	Hours Of On The Job Training	Location
Intro to Angelina Italian Bakery	0.5	0	Designated Training Facility, New York, NY
Franchise System	0.5	0	Designated Training Facility, New York, NY
Management of Books	2	0	Designated Training Facility, New York, NY
Operations Manual - Food Safety - Front of the House - Back of the House - Managerial Duties Customer Service Menu Introduction	6	0	Designated Training Facility, New York, NY

Subject	Hours Of Classroom Training	Hours Of On The Job Training	Location
Marketing Strategy	3	0	Designated Training Facility, New York, NY
Hands-on & Execute, Front of House - Menu Orientation - Management Function - Customer Service - Back Office Operation	0	40	Designated Training Facility, New York, NY
Hands-on & Execute, Back of House - Equipment & Maintenance Duties - Food Safety & Hygiene - Menu Preparation - Baking Skills - Ordering & Receiving - Quality Control	8	190	Corporate Store, New York, NY
Training Summary, Repitition and Test	4	24	Designated Training Facility, New York, NY
Total	24	254	

A designated number of your front house operations personnel and food production/back of house personnel (as we determine depending on the size of your Store and operations) must attend specialized training before you open your Store and such personnel commence their employment. Your front of house operations personnel and your food production/back of house personnel must attend a four week training program at our company store (collectively, the "Personnel Training Program"). If any of your food production personnel are unable to pass our food production test, they will be required to attend additional training at our designated training facility at an additional cost of $1,500 per week. If the opening date for your first Store is more than one month after your Initial Training Program has ended, we may require your front of house operations personnel and food production/back of house personnel to attend additional on-the-job training for a time period to be determined by us. There may be a fee for this additional on-the-job training, and you must also pay the living, transportation and meal costs and expenses for you and your personnel to attend such additional on-the-job training.

Our Initial Training Program and Personnel Training Program are offered as needed during the year at our designated training facility located in New York, New York depending on the number of new franchisees entering the System, the number of other personnel needing training, and the scheduled opening of new Angelina Italian Bakery Stores. The instructional materials used in training may include manuals, PowerPoint presentations, handouts, demonstrations, quizzes, classroom lectures and discussions. Our training will be conducted by qualified members of Angelina Italian Bakery staff who have a minimum of four (4) to six (6) years of experience in the subject taught and in our (or our affiliates') operations. We may also draw upon the experience of other training professionals.

The Initial Training Program is mandatory for you (if franchisee is an individual), your Operating Principal (if franchisee is a business entity) and Store Manager. The Personnel Training Program is mandatory for a designated number of front of house operations personnel and food production/back of house personnel that we will determine based on the size of your Store and operations. In our sole discretion, personnel with prior experience may not be required to undergo the full Initial Training Program or Personnel Training Program (as applicable). We reserve the right to eliminate, modify or decrease the Initial Training Program and/or Personnel Training Program for employees with prior experience.

You (if franchisee is an individual), your Operating Principal (if franchisee is a business entity) and Store Manager must attend and successfully complete (to our satisfaction) our Initial Training Program prior to the opening of the Store. Your operations personnel and food production personnel must attend and successfully compete (to our satisfaction) our Personnel Training Program prior to your Store's opening. The cost of the instructors and training materials that we provide for our Initial Training Program and Personnel Training Program are not included in the Initial Franchise Fee. You must pay an Initial Training Fee of $8,000 for our Initial Training Program and a Personnel Training Fee of $2,000 per week, plus you must pay all expenses you, your Operating Principal, Store Manager and your front of house operations and food production/back of house personnel incur in attending the Initial Training Program and/or Personnel Training Program (including, without limitation, the costs of travel, lodging, meals and wages). (Franchise Agreement, Section 7.02).

If you, your Operating Principal and/or Store Manager fail to successfully complete (to our satisfaction) the Initial Training Program, then (depending on the reason for such person's failure to successfully complete our Initial Training or Partner Training program) that person may re-enroll in our next scheduled Initial Training Program or we may require that you send a replacement attendee at an additional cost of $1,500 per week if the training occurs at our designated training facility or $2,000 per week we conduct the training at your Store. The re-enrollment/replacement training fee is due in lump sum and payable prior to you, your Operating Principal and/or Store Manager re-enrolling in (or attending, in the case of a replacement trainee) our Initial Training Program. If you or your original/replacement Operating Principal and/or Store Manager fail to successfully complete our Initial Training Program after re-enrolling in (or taking, in the case of a replacement trainee) our Initial Training Program, then such failure will be deemed a material and incurable breach which, unless we waive the breach, will entitle us to terminate the Franchise Agreement immediately upon notice to you, without granting you an opportunity to cure. If we terminate the Franchise Agreement, you must sign a General Release in the form of Attachment H to the Franchise Agreement. If we terminate the Franchise Agreement for this reason, then all fees you paid to us will be deemed fully earned and will not be refunded under any circumstance.

If you appoint an Operating Principal or Store Manager after your Store opens, such replacement Operating Principal or Store Manager must attend and successfully complete (to our satisfaction) our Initial Training Program at an additional cost. While there is not a fee for the replacement training, you are responsible for paying for the transportation, lodging and meal expenses of your replacement Operating Principal and/or Store Manager. If you replace any of your operations and/or food production personnel, such replacement personnel must attend our Personnel Training Program. There is no cost for such replacement Personnel Training, but you must pay the transportation, lodging and meal expenses of your replacement personnel.

Ongoing Training

We may periodically conduct ongoing training. Such ongoing training may occur up to 12 times per year, the purpose of which is to update you, your Operating Principal, Store Manager and your operations and food production personnel on new products and developments. If we do so, you (if franchisee is an individual), your Operating Principal (if franchisee is an entity), Store Manager, your operations personnel and/or food production personnel, such individuals are required to attend. There is no training fee for attending such ongoing training, unless you have demonstrated in our business judgment, an inability to replicate the process(es) taught in an ongoing training program, in which case you will be required to pay our then-current additional training fee of $1,500 per if the retraining takes place at our designated training facility or $2,000 per week if th retraining takes place at your Store. You must also pay your attendees' living, travel and meal costs and expenses for attending the ongoing training, plus the attendees' wages. The failure for you (if franchisee is an individual), your Operating Principal (if franchisee is an entity), Store Manager, front of house operations personnel and/or other food production/back of house personnel to attend any mandatory ongoing training will be treated as a default under the Franchise Agreement. (Franchise Agreement Section 6(F)).

Annual Conferences and Meetings

We do not currently hold any annual conferences or meetings, but we may do so in the future. If we do, then you are responsible for paying our then-current conference registration fee and all travel, food, and lodging expenses that you and your eligible personnel incur in attending the annual conference or meeting.

Opening Training and Assistance

Upon the opening of your Angelina Italian Bakery Store, we will provide you with up to five (5) days of opening on-site training and assistance surrounding the opening of your Store (the "Opening Training and Assistance"), commencing two (2) days before your Store's opening. While we will not charge you for the cost of our Opening Training and Assistance, you must reimburse us for any travel, lodging, meals expenses incurred by our personnel.

Additional On-Site/Off-Site Assistance and Remedial Training

If you ask and/or if we believe it is appropriate or necessary in our sole discretion, we will (subject to availability) provide the support services, supervision and/or assistance through on-site visits, on-site remedial training, off-site sessions, telephonic, electronic or other communication modes. If we conduct on-site visits or remedial training, such visits or training will take place at your Store or at our training facility and you will be required to pay us the per diem fee of $2,000 per week for such on-site visit or remedial training, plus reimburse us for the expenses incurred by our personnel and your attendees (including, their respective costs of travel, lodging and meals). If the assistance and/or remedial training takes place at our designated training facility, then we will charge you $1,500 per week for such off-site assistance and remedial training. You may also be required to attend remedial training at our training facility if you fail a quality control inspection, in which case, you must pay us the per diem fee of $1,500 per week for such remedial training if the remedial training takes place at our designated training facility or $2,000 per week if we conduct the remedial training at your Store. You may also (at any time) communicate with our headquarters for consultation and guidance with respect to the operation and management of your

Store; we will not charge you for such consultation or guidance. The timing of our field support and headquarter consultation services will be subject to the availability of our personnel.

ITEM 12
TERRITORY

Franchise Agreement

The Franchise Agreement gives you the right to operate an Angelina Italian Bakery Store at the Store Location specified in Exhibit A. "Store Location" means a location you select and we approve, from which you will operate your Angelina Italian Bakery Store. You must only operate the Store at the Store Location. You cannot relocate the Store without our prior written consent. If you lose possession of the Store Location through no fault of your own, you must apply to us within 30 days for our approval to relocate your Store. You must relocate to another site we approve. You must pay us a Relocation Fee equal to 25% of our then-current Initial Franchise Fee, plus you must reimburse us for any reasonable costs we incur in considering any relocation request and assisting you with relocating the Store, including labor, salary, travel, professional fees, demographic reports, and any additional Design Consulting Fee, Architectural Consulting Fee and Construction Consulting Fee (if applicable). We will grant approval if you are in compliance with the Franchise Agreement, you have paid all money owed to us and our affiliates, the proposed location meets our site selection criteria, and you comply with the lease requirements in the Franchise Agreement. We may, if we wish, inspect your proposed new location.

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. You have no exclusive rights or territory associated with the operation of your Angelina Italian Bakery Store. In addition, you do not have the right to acquire additional Angelina Italian Bakery Stores.

You have the nonexclusive right to conduct delivery and catering from your Store, so long as you comply with our then-current standards regarding same (including, without limitation, the use of specified approved delivery service providers and the execution of required third-party agreements in accordance with same). Catering or delivery activities are authorized only (i) from your Store Location, and (ii) in strict compliance with our System standards and specifications and so long as you do not advertise or market catering or delivery services in the protected area of any existing franchisee. If, at any time, you are unable to meet customer demand for catering and delivery services or if the catering or delivery services you provide do not comply with our System standards, then we may prohibit you from providing such services. Your Angelina Italian Bakery Store may only offer and sell its products and services in, at and from your Store Location. Your Store may not sell any products or services through any alternative channels of distribution, such as the internet/worldwide web and other forms of electronic commerce; "800" or similar toll-free telephone numbers; supermarkets, grocery stores or convenience stores; mail orders; catalogs; telemarketing or other direct marketing sales; or, any other channel of distribution except for your franchised Angelina Italian Bakery Store at the Store Location.

We and our affiliates can operate any number of Angelina Italian Bakery Stores, and/or authorize others to operate them, at any location, including locations that may be proximate to your Store Location. We and/or our affiliates may engage in any type of business activity anywhere except as we are restricted as described in the preceding paragraph. The Franchise Agreement does not confer upon you any right to participate in or benefit from any other business activity, whether it

is conducted under the Marks or not. For example, we and/or our affiliates may own, operate or authorize others to own or operate any type of business at any location, including an Angelina Italian Bakery Store immediately approximate to your Store Location. You will receive no compensation for these businesses' sales.

Only we and/or our affiliates have the right to sell anywhere, under the Marks, any and all products or services and/or their components or ingredients -- including those used or sold by your Angelina Italian Bakery Store -- through any alternative method of distribution other than an Angelina Italian Bakery Store, including the internet/worldwide web; any other form of electronic commerce; "800" or similar toll-free telephone numbers; supermarkets, grocery stores and convenience stores; mail order; catalogs; telemarketing or other direct marketing sales; television sales (including "infomercials"); or, any other channel of distribution except an Angelina Italian Bakery Store. You will receive no compensation for our or our affiliates' sales through alternative distribution channels.

We and/or our affiliates alone have the right to offer and sell (directly, or through other franchisees or licensees) Angelina Italian Bakery System programs, products and services at any and all Nontraditional Locations, through the establishment of traditional Angelina Italian Bakery Stores, limited service Angelina Italian Bakery Stores, kiosks, mobile units/food trucks, concessions or "shop in shops". "Nontraditional Locations" include sports arenas and venues; any mall (defined as an enclosed indoor or outdoor retail space consisting of 250,000 or more square feet); mall food courts; airports; food retailers (including supermarkets, grocery stores and convenience stores); theatres; airlines, railroads and other modes of mass transportation; hospitals and healthcare facilities; schools, colleges, universities or other educational institutions; hotels, resorts or other lodging facilities; cruise ships; amusement parks; state or national parks; exhibition halls, conference facilities or convention centers; casinos or gambling establishments; government facilities; condominiums and cooperative complexes; military bases and installations; highway plazas or rest stops; the premises of any third party retailer; gas stations or toll road service areas; and, any other location or venue to which access to the general public is restricted. You will receive no compensation for our or our affiliates' sales at Nontraditional Locations.

We and/or our affiliates alone have the right to sell Angelina Italian Bakery System programs, products and services to national, regional and institutional accounts. "National, Regional and Institutional Accounts" are organizational or institutional customers including (by way of example only): business entities with offices or branches situated both inside and outside of the Protected Area; sports leagues or divisions; government agencies, branches or facilities; guest lodging networks; healthcare networks; the military; and, any other customer whose presence is not confined to a specific geographic region. Only we will have the right to enter into contracts with National, Regional and/or Institutional Accounts. If we receive orders for any System programs, products or services calling for delivery or performance near your Store Location as a result of us engaging in commerce with National, Regional and Institutional Accounts, then we will have the right, but not the obligation, either to require you to fulfill such orders at the price we agree on with the customer or to give you the opportunity to fulfill such orders at the price we agree on with the customer. If we give you the opportunity to fulfill such orders and if, for any reason, you do not desire to or cannot serve the customer, or if the customer desires for any or no reason to deal exclusively with us, our affiliate or another franchisee and not with you, then we, our affiliate or any other one of our franchisees may serve the customer, and you will not be entitled to any compensation.

We may purchase, acquire, merge, be acquired by or affiliate with any existing competitive or non-competitive franchise or non-franchise network, chain or any other business regardless of the proximity of the location of that other business' facilities to your Store Location, and following such activity we may operate, franchise or license these businesses and/or facilities under the Marks, or under any names or marks other than the Marks and may operate that business regardless of its proximity to your Store Location.

Under the terms of the Franchise Agreement, you waive and release any claims, demands or damages arising from or related to any of the above activities.

If we or our successor-in-interest elect to go public (meaning an initial public offering to become a publicly traded and owned company), then we (including any affiliate, and/or any nominee or designee we name) have the right (in our sole judgment) to exercise our option ("Purchase Option") to purchase your franchised business (including the assets of the Store) and all of your rights under the Franchise Agreement, at any time during its initial term (or any successor term). If we exercise our Purchase Option, then we will purchase your franchised business, your Store's assets and your rights under the Franchise Agreement at an amount equal to four (4) times your Store's EBITDA. "EBITDA" means, in respect of any twelve (12) month period, your Store's net earnings, as reported on your most recent income statement or balance sheet covering the preceding twelve (12) month period, plus, to the extent deducted in determining such net income and without duplication: (i) your interest expenses on borrowed money for such period; (ii) your current income taxes for such period; (iii) depreciation of your Store's asset for such period; and (iv) amortization of your Store for such period, all as determined in accordance with U.S. generally accepted accounting principles. If we decide to go public and elect to exercise our Purchase Option, we will do so on six months' notice to you and will consummate such purchase promptly following the expiration of the six month notice period, but no later than one hundred twenty (120) days following the expiration of the six month notice period.

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

There is no minimum sales quota. There are no restrictions on our right to solicit or accept business from consumers inside the Protected Area without paying any compensation to you. You have no options, rights of first refusal or similar rights to acquire additional franchises at any location, although you may apply for the right to operate additional Angelina Italian Bakery Stores under separate franchise agreements.

Area Development Agreement

If you sign an Area Development Agreement, we will grant you a Development Area and you will promise to develop, own and operated franchised Angelina Italian Bakery Stores within the Development Area. You will not receive an exclusive Development Area. 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 determine the Development Area before you sign the Area Development Agreement based on various market and economic factors like market demographics, local market conditions, population density, the penetration of Angelina Italian Bakery Stores, the number of Stores to be developed and similar businesses in the market, the availability of appropriate sites and growth

trends in the market. Your Development Area will be set forth on Exhibit B to the Area Development Agreement. The Development Area includes the Protected Areas granted under the Franchise Agreement for each Store that you develop. Each "Protected Area" is restricted to a geographic area within which you agree to establish and operate an Angelina Italian Bakery Store under a Franchise Agreement. The actual size and shape of the Protected Area will be determined based on whether your Store Location is situated in an urban, suburban or rural area. If your Store Location is situated in an urban area, then your Protected Area will be a 1/10 of a mile radius surrounding the Store Location. If your Store Location is situated in a suburban or rural area, then the Protected Area will be a 3 mile radius surrounding the Store Location. Your right to operate a franchised Angelina Italian Bakery Store developed under an Area Development Agreement will be limited to the Angelina Italian Bakery Store Location situated in the respective Protected Area located in the Development Area.

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

Outside of the Development Area, we and our affiliates reserve the right to operate any number of Angelina Italian Bakery Stores, and to authorize others to operate them, at any location we choose (including one or more locations that may be proximate to, but not within, the Development Area).

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

In addition, we and/or our affiliates alone have the right to offer and sell within and outside your Development Area, and under the Marks, any and all products or services and/or components or ingredients (including those used or sold by your franchised Angelina Italian Bakery Stores), and whether or not a part of the Angelina Italian Bakery System, through any alternate channels of distribution, that is, any method of distribution other than an Angelina Italian Bakery Store situated within your Development Area, including, without limitation, the internet/worldwide web; any other form of electronic commerce; "800" or similar toll-free telephone numbers; mail order; catalogs; television sales (including "infomercials"); telemarketing or other direct marketing sales;

or, any other channel of distribution except for an Angelina Italian Bakery Store. You will not be entitled to any compensation in connection with these sales within your Development Area.

We and/or our affiliates alone have the right to offer and sell Angelina Italian Bakery System products and services at any and all nontraditional locations, including nontraditional locations situated in your Development Area, through the establishment of Angelina Italian Bakery Stores, kiosks, mobile units, concessions or "shop in shops", and you may not engage in this activity. "Nontraditional Locations" are locations or venues at which access to the general public is restricted and include sports arenas and venues; theatres; resorts; food retailers (including supermarkets, grocery stores and convenience stores); malls and mall food courts; schools and universities; hospitals and healthcare facilities; airports; guest lodging facilities; day care facilities of any type; government facilities; condominium and cooperative complexes; the premises of any third party retailer which is not a bakery (including shops, stores and department stores); military bases and installations; airlines, railroads and other modes of mass transportation. You will receive no compensation for our or our Affiliates' sales at Nontraditional Locations.

Both within and outside the Development Area, we and/or our affiliates alone have the right to sell Angelina Italian System products and services to national, regional and institutional accounts. "National, Regional and Institutional Accounts" are organizational or institutional customers whose presence is not confined to your Development Area, including (by way of example only): business entities with offices or branches situated both inside and outside of your Development Area; government agencies, branches or facilities; guest lodging networks; healthcare networks; the military; and, any other customer whose presence is not confined to your Development Area. Only we will have the right to enter into contracts with National, Regional and/or Institutional Accounts (which may include facilities within your Development Area).

The Area Development Agreement confers no marketing exclusivity in the Development Area on you, and all Angelina Italian Bakery Stores (whether company-owned, company joint-ventured, franchised or otherwise) may solicit, service, advertise and offer their products and services to any individual or entity, regardless of your or its geographic location, including your Development Area.

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

You will have the right and obligation to open and operate in your Development Area, the number of Angelina Italian Bakery Stores in accordance with the Development Schedule set forth in your Area Development Agreement. You must comply with the timetable on the Development Schedule. Your Development Schedule may give you the right and obligation to open and operate three or more Angelina Italian Bakery Stores.

You may not open or operate more than the number of Stores set forth in the Development Schedule of your Area Development Agreement without first obtaining our written consent. Any

additional Stores you open and operate will be subject to the terms and conditions of the Area Development Agreement.

If you fail to comply with the Development Schedule, or otherwise materially default under the Area Development Agreement, then we may (in addition to our other remedies) terminate or modify your territorial rights, reduce your Development Area, or reduce the number of Stores that you may establish. If we terminate the Area Development Agreement for this reason, this will not be a termination of any Franchise Agreements you and we signed under which you have already begun operating the franchised Angelina Italian Bakery Stores covered by the Franchise Agreements if you have fully performed and been in compliance with all of your obligations under those Franchise Agreements. When the Area Development Agreement expires or terminates, you will not be entitled to develop or open any additional Stores in the Development Area and you will not be entitled to a refund of the Development Fee you paid for the underdeveloped Angelina Italian Bakery Stores. We may develop or authorize others to develop Angelina Italian Bakery Stores in the Development Area and exercise all rights not expressly granted to you under your Franchise Agreements.

Except as described above, continuation of any territorial exclusivity does not depend on the achievement of a certain sales volume, market penetration, or other contingency and we may not alter your Development Area.

ITEM 13
TRADEMARKS

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

The following is a description of the principal Marks we will license you, which have been registered on the Principal Register of the United States Patent and Trademark Office:

Federal Registrations

Mark	Registration Number	Description of Mark	Principal or Supplemental Register	Registration Date
	6045364	ITALIAN BAKERY (Words and Design)	Principal	May 5, 2020
	6337656	ANGELINA ITALIAN BAKERY (Words and Design)	Principal	May 4, 2021
	6337655	ANGELINA ITALIAN BAKERY (Words and Design)	Principal	May 4, 2021

Mark	Registration Number	Description of Mark	Principal or Supplemental Register	Registration Date
	6337654	ANGELINA ITALIAN BAKERY (Words and Design)	Principal	May 4, 2021
BRISSANT	6252761	BRISSANT (word mark only)	Principal	January 19, 2021

The following is a description of the principal marks we will license for which applications have been filed for registration on the Principal Register of the United States Patent and Trademark Office:

Pending Principal Federal Registration Application

Mark	Registration Number	Description of Mark	Principal or Supplemental Register	Registration Date
	99099693	ANGELINA ITALIAN FACTORY (Words and Design)	Principal	March 24, 2025

We do not have a federal registration for the mark set forth above under the heading "Principal Federal Applications" (the "Pending Marks). Therefore, the Pending Mark does not have as many legal benefits and rights as a federally registered trademark. If our right to use a Pending Mark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

Except for the Pending Mark, there are presently no effective determinations of the U.S. Patent and Trademark Office, any trademark trial and appeal board, any state trademark administrator or any court, any pending infringement, opposition, or cancellation proceeding, or any pending material litigation involving any of the above-referenced Marks which is relevant to your use. On April 8, 2020, Angelina TM Holdings, Inc. ("Holdings") entered into a Coexistence Agreement with Angelina, a société anonyme located in Paris France ("ASA"). ASA claims to own and operate restaurants, tearooms, boutiques and an online retail website under the mark ANGELINA PARIS MAISON FONDÉE EN 1903 (Registration No. 4779607) that specialize in French hot chocolate, spreads, teas, biscuits, confectionary goods, cakes and pastries, and cuisine. To minimize the possibility of consumer confusion between ASA's trademark and our Marks, Holdings and ASA agreed (among other things) that (i) Holdings will only use the Angelina Italian Bakery mark in connection with the silhouette design; (ii) the storefronts for all retail Angelina Italian Bakery Stores will only bear the Angelina Italian Bakery mark with the silhouette design and if the storefront contains colors, such colors will be limited to a combination of brown and a shade of green or blue; and (iii) Holdings will not use the Marks in any manner likely to cause or suggest that the Marks and ASA's trademark are associated with one another. Other than the

Coexistence Agreement, there are no agreements which significantly limit our rights to use or sublicense the Marks. There are no infringing uses or senior trademark rights known to us that can materially affect your use of the Marks in any other state in which the Store is to be located. There is no pending material federal or state court litigation regarding our use or ownership rights in any Mark. No affidavits have yet been required to be filed and none have been filed. All required declarations and renewals have been filed with the U.S. Patent and Trademark Office on a timely basis to maintain the subsisting registrations.

Angelina TM Holdings Inc. has licensed us the rights to use the Angelina Italian Bakery System, Angelina Italian Bakery trademarks, service marks and other intellectual property and to sublicense them to our franchisees in a cross-license agreement effective as of March 26, 2021 (the "Cross-License Agreement"). The initial term of the Cross-License Agreement is twenty years. The non-exclusive territory of the Cross-License Agreement is the United States, its territories and possessions. There are no provisions in the Cross-License Agreement regarding cancellation of that agreement. So long as we are not in default, we will have the right to enter into renewal Cross-License Agreements for additional consecutive terms of twenty (20) years each. You have no other rights in our Marks. We may modify or discontinue use of any of our Marks or may add new Marks for use in the System and you will be required to make corresponding updates to your business, including signage and advertising materials. We do not have to compensate you for the costs of such updates. You must use our names and marks in the manner we direct. You cannot use our Marks for any other purpose.

You may not use the mark "Angelina Italian Bakery", "Angelina" or any other Marks licensed by us in your own corporate or entity name.

We have the right to control any administrative proceedings or litigation involving a trademark licensed by us to you. If you learn of any claim against you for alleged infringement, unfair competition, or similar claims about the Marks, you must immediately notify us. We will promptly take the action we consider necessary to defend you. We must indemnify you for any action against you by a third party based solely on alleged infringement, unfair competition, or similar claims about the Marks. You and your Principals must agree not to communicate with any person other than us, any designated affiliate and our or their counsel about any infringement, challenge or claim of this type. You may not settle or compromise any of these claims without our previous written consent. We will have the right to defend and settle any claim at our sole expense, using our own counsel. You must cooperate with us in the defense. Under the Franchise Agreement, you irrevocably grant us authority to defend or settle these claims. You may participate at your own expense, but our decisions with regard to the defense or settlement will be final. You must execute all instruments and documents and give us any assistance that, in our counsel's opinion, may be necessary or advisable to protect and maintain our interests or those of our affiliates in any litigation or proceeding of this type or to otherwise protect and maintain our or their interest in the Marks. We will have no obligation to defend or indemnify you if the claim against you relates to your use of the Marks in violation of the Franchise Agreement.

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

You must agree not to contest our interest in the Marks and/or in other System trade secrets. You must also follow our instructions for identifying yourself as a franchisee and for filing and maintaining the requisite trade name or fictitious name registrations. You must execute any documents we or our counsel determine are necessary to obtain protection for the Marks or to maintain their continued validity and enforceability. Neither you nor your Principals may take any action that would prejudice or interfere with the validity of our rights with respect to the Marks and may not contest the validity of our interest in the Marks or assist others to do so. You acknowledge that our names and Marks are valid and are our sole property. You cannot, either during or after the term of the Franchise Agreement, do anything, or aid or assist any person to do anything, which would infringe upon, harm, or contest our rights in any of our Marks. You further must agree not to hinder or prevent us from using or franchising our names and marks in any jurisdiction. You must acknowledge that all goodwill which may arise from using our Marks is and will remain our sole and exclusive property and will inure solely to our benefit.

We have the right to substitute different trade names, service marks, trademarks and indicia of origin for the Marks if the Marks can no longer be used, or if we determine, in our sole discretion, that the substitution will be beneficial to the System. If we do, we may require you to discontinue or modify your use of any Proprietary Mark or use one or more additional or substitute Marks at your expense. You must comply with any instruction by us to modify or discontinue use of any Proprietary Mark or to adopt or use additional or substituted Marks.

ITEM 14
PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

Patents

We hold no patents and we have no pending patent applications that are material to the franchise.

Copyrights

We have not registered any copyrights with the United State Copyright Office.

We do claim copyright protection and proprietary rights in the original materials used in the System, including our logos, menus, Manual, bulletins, correspondence and communications with our franchisees, training, certain software, forms, advertising and promotional materials, and other written materials relating to the operation of Angelina Italian Bakery Stores and the System.

There are no presently effective determinations of the United States Patent and Trademark Office, Copyright Office (Library of Congress) or any court pertaining to or affecting any of our copyrights discussed above. Also, there are no currently effective agreements that limit our right to use and/or license any of our copyrights discussed above. We are not obligated by the Franchise Agreement or otherwise, to protect any rights you have to use the copyrights. We have no actual knowledge of any infringing uses of or superior previous rights to any of our copyrights that could materially affect your use of them in the state of our principal place of business or in the state in which the Store will be located.

Your and our obligations to protect your rights to use our copyrights are the same as the obligations for Marks described in Item 13 of this disclosure document. We treat all of this information as trade secrets, and you must treat any of this information we communicate to you confidentially.

Confidential Information

You may never – during the Initial Term, any Successor Term, or after the Franchise Agreement expires or is terminated – reveal any of our confidential information to another person or use it for any other person or business. You may not copy any of our confidential information or give it to a third party except as we authorize. You, your Principals (including Operating Principals) and each of their respective spouses must agree not to communicate or use our confidential information for the benefit of anyone else during and after the term of the Franchise Agreement. You, your Principals (including Operating Principals) and each of their respective spouses must also agree not to use our confidential information at all after the Franchise Agreement terminates or expires. You, your Principals (including Operating Principals) and each of their respective spouses can give this confidential information only to your employees who need it to operate your Angelina Italian Bakery Store.

Under the Franchise Agreement, the following persons must sign our form of Confidentiality/Non-Competition Agreement (annexed to the Franchise Agreement as Attachment C-1):

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

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

Our confidential information will include information, knowledge, trade secrets or know-how used or embraced by the Angelina Italian Bakery System, the Manual, and many other matters specified in the Franchise Agreement.

If you or your Principals, Store Managers or other personnel develop any new concept, process, improvement, intellectual property, services, products, equipment, programs, sales, marketing, advertising and promotional programs, campaigns or materials or sales methods (collectively, "Process or Improvement") in the operation or promotion of your Angelina Italian Bakery Store, you must promptly notify us and give us all necessary information about such new Process or Improvement, without compensation. You must irrevocably license to us all Processes or Improvements, and all such Processes or Improvements will become our property, and we may use or disclose them to other franchisees, as we determine appropriate. We will not be liable to you in any way because of this license.

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

Franchise Agreement

If you are an individual, you must serve as the "Operating Principal" and if you are a franchisee entity, then you must designate an individual who holds at least a 10% ownership interest in the franchisee entity, unless we consent otherwise. The Operating Principal will have complete decision-making authority with regard to your Store and must have full and complete authority to

alone, in all respects, act on your behalf under the Franchise Agreement and to, alone, bind you without any need for approval, authorization or resolution. The Operating Principal's interest may not be pledged, mortgaged, hypothecated, or be subjected to any lien, charge, or encumbrance, voting agreement, proxy, security interest or purchase right or option, without our consent.

Your Operating Principal must devote his or her full time and best efforts to the supervision of your operations under the Franchise Agreement and may not engage in any other business. Specifically, the Operating Principal will oversee compliance with our brand standards and be in charge of all dealings with us and such other obligations and responsibilities as set forth in the Manual. Your Operating Principal is the sole individual with whom we will be required to communicate when we seek to communicate with you.

The Operating Principal must meet our qualifications and must be approved by us. The Operating Principal for all Angelina Italian Bakery Stores operated by you and, if applicable, your affiliates, must be the same person, and the same person must act as your Operating Principal under all Franchise Agreements between us.

In addition, if you are an individual, you must, subject to our written consent, either serve as or designate a Store Manager to supervise your Store operations. If you are a business entity, your Operating Principal must serve as or designate a Store Manager to supervise your Store's operation. Specifically, the Store Manager will be responsible for managing the day-to-day operations at your Store, will exercise on-premises supervision and personally participate in the direct operation of the Store and such other obligations and responsibilities as set forth in the Manual. You must inform us in writing of your Store Manager and any replacement Store Manager in advance. We must approve your Store Managers before you appoint them. The Store Manager must attend and successfully complete (to our satisfaction) our Initial Training Program. Your Store Manager must sign our form of Confidentiality/Non-Competition Agreement (annexed to the Franchise Agreement as Exhibit E) before commencing his or her employment and must keep our confidential and proprietary information confidential. Although you will designate a Store Manager to supervise your Store's operations under the Franchise Agreement, your Operating Principal remains ultimately responsible for the Store Manager's performance.

You must notify us promptly if your Operating Principal or Store Manager cannot continue to serve or no longer qualifies as an Operating Principal or a Store Manager. You will have thirty (30) days from the date of the notice (or from any date that we independently determine the Operating Principal or Store Manager no longer meets our standards) to take corrective action. During that thirty (30) day period, you must provide for interim management of your operations subject to our approval and in compliance with the Franchise Agreement. If you fail to do so, then we will have the right to step in and operate your Store for a Management Fee until such time that interim management approved by us is provided.

If you are a business entity, each owner holding an interest in you (each a "Principal") must sign a Guaranty in the form of Exhibit G to the Franchise Agreement, guaranteeing your performance and binding themselves individually to certain provisions of the Franchise Agreement, including the covenants against competition.

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

Area Development Agreement

If Developer is an individual, then you must serve as the "Operating Principal" and if Developer is a business entity, then you must designate an individual who holds at least a 10% ownership interest in the area developer entity, unless we consent otherwise. The Operating Principal must meet our qualifications and must be approved by us. The Operating Principal must devote his or her full time and best efforts to (i) supervising your area franchise Business under the Area Development Business and (ii) overseeing the general development and operations of your Stores and the performance of each of your Store Managers. The Operating Principal will have complete decision-making authority with regard to your area franchise Business and must have full and complete authority to alone, in all respects, act on your behalf under the Area Development Agreement and to, alone, bind you without any need for approval, authorization or resolution. The Operating Principal's interest may not be pledged, mortgaged, hypothecated, or be subjected to any lien, charge, or encumbrance, voting agreement, proxy, security interest or purchase right or option, without our consent.

If you sign an Area Development Agreement, you are allowed to form subsidiary corporations, LLCs or partnerships (each a "Developer Affiliate") to own and operate each Store you develop. The entity that owns each Store must have the same ownership structure as, or be wholly owned by, the entity which holds the development rights and is party to the Area Development Agreement. Each Developer and/or Developer Affiliate (as applicable) must sign a separate Franchise Agreement for each Store developed under the Area Development Agreement. All changes in ownership structure are subject to approval by us and subject to re-qualification if necessary, and disclosure of confidential information, restrictions on transfer and dispute resolution procedures.

Each Developer and/or Developer Affiliate (as applicable) must appoint a Store Manager for each Store developed under the Area Development Agreement. The Store Manager will manage the day-to-day operations of each Store.

The Developer must also appoint an area manager ("Area Manager") to assist the Developer's Operating Principal with overseeing the general development and operations of your Stores and the performance of each of your Store Managers. The Area Manager must be qualified and approved, in our business judgment, to manage multi-unit operations and must have attended and successfully completed our Initial Training Program. The Area Manager must maintain a direct or indirect ownership interest of not less than ten percent (10%) in you. The Area Manager must devote his or her full time and best efforts to the supervision of your operations under the Area Development Agreement (and the corresponding Franchise Agreements). If you are an individual, you must perform all obligations of the Area Manager. If you are a business entity, prior to engaging the services of an Area Manager, you must identify such individual to us.

Developer may, at its option and subject to our written consent, designate one or more District Area Managers to work under the supervision of the Area Manager to supervise the operation of all Stores developed and operated by Developer (and, if applicable, a Developer Affiliate) within a geographic subset of all Stores to be developed and operated pursuant to the Area Development Agreement (each a "District Area Manager"); provided however, that Developer and the Area Manager will remain fully responsible for any District Area Manager's performance. The District Area Manager, if appointed, must also be identified to us and approved by us, must promptly attend and successfully complete our Initial Training Program (at your expense), and must execute the

Confidentiality/Non-Competition Agreement attached as Exhibit D to the Area Development Agreement.

After an Area Manager's or District Area Manager's death, disability or termination of employment, you must immediately notify us, and you must designate a successor or acting Area Manager or District Area Manager within 10 days following such death, disability or termination. Each successor Area Manager or District Area Manager must attend and successfully complete our next scheduled Initial Training Program. Successor Area Managers and District Area Manager must also be certified to oversee multi-unit operations and must also attend and successfully complete such additional training that we may require.

Confidentiality Agreement and Guaranty

You (if you are an individual), your Operating Principal (if he/she does not hold an ownership interest in you), Store Manager, Area Manager (if applicable), District Area Manager (if applicable), the other persons listed in Item 14 above and all of your non-managerial personnel must sign our form of Confidentiality Agreement (Exhibit F to the Franchise Agreement and Exhibit E to the Area Development Agreement) and keep our confidential or proprietary information confidential (see Item 14).

If you are a business entity, each Principal must sign a personal guaranty in the form of Exhibit G to the Franchise Agreement and/or Exhibit E to the Area Development Agreement and our form of Confidentiality/Non-Competition Agreement attached as Exhibit E to the Franchise Agreement and Exhibit D to the Area Development Agreement).

Neither the spouse of an individual franchisee nor the spouse of a Principal are required to execute our form of: (i) Confidentiality/Non-Competition Agreement (attached as Exhibit E to the Franchise Agreement and Exhibit D to the Area Development Agreement); (ii) Confidentiality Agreement (attached as Exhibit F to the Franchise Agreement and Exhibit E to the Area Development Agreement); or (iii) Personal Guaranty (attached as G to the Franchise Agreement and Exhibit F to the Area Development Agreement).

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must at all times offer and sell all products, services and programs which we designate as part of the Angelina Italian Bakery System, unless you are prohibited by local law or regulation from selling a menu item, product, service or program or we have granted you our advance written approval to exclude a menu item, product, service or program. You must sell only the products and services that we have expressly approved in writing. All products and services you use or sell at the Store must conform to our System standards. (See Item 8). These are described in our Manual and other writings. You must not deviate from our System standards and specifications, unless we first give you our written consent. You must follow our production methods and our recipes. You must stop selling any products or services that we disapprove in writing. We have the absolute right to remove all unapproved products, goods and materials from Angelina Italian Bakery Stores.

If you would like to sell any product, service or program which is not a part of the System, then you must seek and obtain our advance written permission. If we grant our advance written

approval, then the product, service or program in question will become a part of the System (though we will not be required to, but may, authorize it for sale at one or more other Angelina Italian Bakery Stores). We may subsequently revoke our approval. We will own all rights associated with the product, service or program. You will not be entitled to any compensation in connection with this. We may add to, delete from or modify the services, products and programs which you can and must offer or we may modify the System. You must abide by any additions, deletions and modifications. There are no limits on our rights to make these changes. In addition to modifications of the System, we may incorporate into the System products, services or programs which we either develop or otherwise obtain rights to, which are offered and sold under names, trademarks and/or service marks other than the Marks and which your Angelina Italian Bakery Store, along with other Angelina Italian Bakery Store s, will be required to offer and sell (collectively, "Co-Branding"). This Co-Branding may involve changes to the Marks and may require you to modify the building and premises of your Angelina Italian Bakery Store and the furnishing, fixtures, equipment, signs and trade dress at your Angelina Italian Bakery Store. If you receive written notice of our institution of Co-Branding, you must implement the Co-Branding at your Angelina Italian Bakery Store. The Franchise Agreement does not place any limit on our rights to require you to make changes for Co-Branding.

You may only sell Angelina Italian Bakery System products and services at retail from your Store, and you may not engage in the wholesale sale and/or distribution of any Angelina Italian Bakery product, service, equipment or other component, or any related product or service or any component or ingredient of any of the foregoing which now or in the future constitutes part of the System. "Retail sale" means any sale by Franchisee directly to an ultimate consumer. "Wholesale sale or distribution" means any sale or distribution by Franchisee to a third party for resale, retail sale, or further distribution. "Component" means any constituent part, ingredient, element, segment or derivative.

ITEM 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the Franchise Agreement and related agreements pertaining to the successor terms, termination, transfer and dispute resolution. You should read these provisions in the Agreements attached to this disclosure document.

Franchise Agreement

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 4(A)	Unless sooner terminated in accordance with its provision, the initial term ("Initial Term") of the Franchise Agreement is ten (10) years, commencing on the effective date of the Franchise Agreement.
b. Renewal or extension of the term	Section 4(B)	You can enter into two (2) consecutive Successor Franchise Agreements for a term of five (5) years each if you (a) notify us not less than six (6) months nor more than nine (9) months before

Provision	Section in Franchise Agreement	Summary
		expiration; (b) comply with the Franchise Agreement and Manual and you did so and met your material obligations on time throughout the Initial Term; and, (c) satisfy all monetary obligations to us, our affiliates, and your landlord and suppliers.
c. Requirements for franchisee to renew or extend	Section 4(B)	Requirements include: (i) you refurbishing, redesigning and/or remodeling the Store as we reasonably require; (ii) you having performed all of your material obligations and been in substantial compliance with the terms of your Franchise Agreement, the Manual and other agreements between you and us or our affiliates; (iii) you having timely satisfied all monetary obligations you owe us, our affiliates, and our approved/designated suppliers and vendors; (iv) you remain in possession of the Store Location leased premises; (v) you execute our then-current form of Successor Franchise Agreement; (vi) you pay the successor franchise fee of 50% of our then-current Initial Franchise Fee; (vii) you and your owners sign a general release; and (viii) you, your Operating Principal and Store Manager (as applicable) satisfy our then-current training requirements. You may be asked to sign a franchise agreement with materially different terms and conditions than your original Franchise Agreement, but there will be no initial franchise fee, the term of each Successor Franchise Agreement will be 5 years, the limited successor rights of the Franchise Agreement will be incorporated and the Royalty Fee on Successor Franchise Agreements will not be greater than the Royalty Fee that we then impose on similarly-situated franchisees entering into a Successor Term.
d. Termination by franchisee	Section 17(C) Section 17(F)	a. You may terminate the Franchise Agreement if you and we agree in writing. b. Your failure to pay any Royalty Fees, Marketing Fund Contributions or other money after you receive notice of the default granting an opportunity to cure, will mean that you are willfully and wrongfully breaching the Franchise Agreement and that you have decided to reject and terminate the Franchise Agreement and all Agreements between you and us (or our affiliates) related to the Franchise Agreement.
e. Termination by franchisor without cause	Not applicable	

Provision	Section in Franchise Agreement	Summary
f. Termination by franchisor with cause	Section 17	Each of your obligations under the Franchise Agreement is a material and essential obligation, the breach of which may result in termination. The Franchise Agreement describes defaults throughout – please read it carefully.
g. "Cause" defined - curable defaults	Section 17(D)	Curable defaults include any of the following which if committed by you must be cured within the time period specified in the Franchise Agreement: (i) failure to submit monies due to us or any affiliate, or the Marketing Fund within 5 days following our notice of your default; (ii) you fail, refuse or neglect to submit to us any financial or non-financial reports or other information we require; (iii) you do not use our Marks and/or trade dress solely in the manner and for the purposes required by us; (iv) you violate our restrictions on advertising; (v) failure to cure hazardous conditions on demand within 24 hours of our notice of your default; (vi) violation of any law or regulation regarding health, safety or food preparation; (vii) failure to keep Store opened during required days and hours; (viii) sale of unauthorized programs, products or services; (ix) failure to maintain trade accounts in current status and/or fail to seek to promptly resolve any disputes with trade suppliers; (x) you engage in any business, or market any product or service, under a name or mark which, in our opinion, is confusingly similar to the Marks; (xi) fail to pay any taxes on your Store when due; (xii) fail to indemnify us; (xiii) continue to violate any law, ordinance, rule or regulation, in the absence of a good faith dispute, in connection with the operation of your Store; (xiv) failure to obtain or maintain a required, permit, certificate or other governmental approval; (xv) employ an individual who is not legally eligible for employment in the United States; (xvi) fail to maintain and operate your Store and any vehicles used by your Store in a good, clean and sound manner, in strict compliance with our standards; (xvii) if any Guarantor fails to comply with any of the requirements imposed by or pursuant to the Guaranty; (xviii) fail to devote the time and attention necessary to the operation of the Store; (xix) fail to implement (and, at your expense, take all steps necessary to implement) and thereafter adhere to any new or changed System requirements; (xx) you or any Guarantor fail to satisfy any judgment not subject to appeal for more than 30 days, or fail to prosecute any judgment subject to appeal within 30 days; (xxi) your or any of your affiliates fail, refuse or neglect to pay when due any lender which has provided financing to you in connection with the development and/or operation of your Store within 5 days after receiving notice of default; or (xxii) fail to comply with any other lawful provision or requirement of the

Provision	Section in Franchise Agreement	Summary
		Franchise Agreement or any specification, standard or operating procedure we prescribe. Unless otherwise stated, the foregoing defaults must be cured within 30 days of your receipt of our notice of your default in order to avoid termination of your Franchise Agreement.
h. "Cause" defined - non-curable defaults	Section 17(B) and Section 17(C)	Non-curable defaults resulting in automatic termination of the Franchise Agreement, without notice to you: bankruptcy, insolvency, receivership, dissolution or levy. Non-curable defaults resulting in termination of the Franchise Agreement, on notice to you include: (i) your failure to obtain our approval of a proposed site for your Store Location or failure acquire a Store Location within the time specified in the Franchise Agreement; (ii) your failure to begin the design, construction and equipping of the Store; (iii) your failure to open Store by the Opening Date; (iv) you cease to operate your Store or otherwise abandon your Store, loss possession of the Store Location, or otherwise forfeit the right to transact business in the jurisdiction where the Store is located; (v) you, your Operating Principal, Store Manager and/or if you are a business entity, any owner, member, shareholder, director or manager of yours is convicted of or pleads nolo contendere to a felony, fraud, crime of moral turpitude or any other crime or offense that we believe is reasonably likely to have an adverse effect on the System, the Marks, the goodwill associated with same or our interest in the System or Marks; (vi) you operate the Store in a fashion that jeopardizes the life, health or safety of the general public, your customers or employees; (vii) you violate our restrictions on transfers; (viii) your (or your Principal's) unauthorized use of our Confidential Information; (ix) you knowingly or through gross negligence conceal revenues, maintain false records or books, falsify information or otherwise defrauds or makes false representations to us, or submit substantially false reports to us; (x) an audit shows that you understated your Gross Sales by 8% or more for any month within the reporting period or the entire reporting period; (xi) you do not comply with the in-term covenant not to compete or fail to obtain the execution of the additional covenants required under the Franchise Agreement; (xii) before you open, we determine that you or your Operating Principal or Store Manager failed to attend or successfully complete (to our satisfaction) the Initial Training Program (after being afforded the opportunity to obtain remedial training); (xiii) you (or any of your Principals) fail to cure any breaches under the Franchise Agreement or any other agreement between you (or any of your affiliates) and

Provision	Section in Franchise Agreement	Summary
		us (or any of our affiliates) within the time period specified; (xiv) three (3) or more late payments in any twelve (12) month period whether or not cured; (xv) repeated events of default regardless of whether cured; (xvi) after curing a default which is subject to cure, you commit the same act of default again within 6 months; (xvii) you omitted or misrepresented any material fact in the information that you furnished to us in connection with our decision to enter into the franchise agreement; (xviii) you and we agree to terminate in writing; (xix) you refuse to permit us to inspect, or to conduct an operational and/or financial audit of, your Store; (xx) you take any funds withheld from your employees' wages which should have been set aside your Store's employee taxes, FICA, insurance or benefits; wrongfully take our property; systemically fail to deal fairly with your employees, customers or suppliers; or knowingly permit or, having discovered the facts, fail to take any action against or to discharge any agent, servant or employee who has embezzled; (xxi) you make a willful misrepresentation or do not make a material disclosure required by any governmental or quasi-governmental authority regarding any matter involving or affecting the operations of your Store; (xxii) you commit any incurable act or default which materially impairs the goodwill associated with our Marks or if the default is curable, or (if the default is curable) you do not cure a default which materially impairs the goodwill associated with our Marks after at least 72 hours' written notice to cure; (xxiii) you, your Operating Principal, your Store Manager and/or your Store commit any violation of law, rule or regulation and/or engage in any act or practice which subjects you and/or us to widespread publicity, ridicule or derision; (xxiv) you breach advertising standards and fail to cure within 3 days following written notice; (xxv) you purchase any proprietary products, services or programs from us, our Affiliates or Approved Supplier or purchase from us, our Affiliates, or an Approved Supplier non-proprietary goods, programs, products or services pursuant to a systemwide supply contract we negotiate, and you use, divert, sell or otherwise exploit them for the benefit of any other individual, entity or business; (xxvi) you default under any agreement between you and any lessor or sublessor of your Store Location and you do not cure the default within the period specified in the Store Location's Lease; (xxvii) you misrepresented your compliance with (or violated) any anti-terrorism laws (as discussed in Section 8.05 of the Franchise Agreement); (xxviii) you engage in conduct or fail to engage in conduct which authorizes us under the Franchise Agreement to immediately terminate the Franchise

Provision	Section in Franchise Agreement	Summary
		Agreement upon notice to you; (xxix) you interfere or attempt to interfere with our contractual relations with others; (xxx) you do not comply with any federal, state or local law or regulation applicable to the operation of your franchised Business; (xxxi) you do not purchase or maintain any category of insurance required under the Franchise Agreement; or (xxxii) you fail to maintain the financial records required under the Franchise Agreement.
i. Franchisee's obligations on termination/non-renewal	Section 18(A)	You must: (i) immediately cease to operate the Store and stop holding yourself out to the public as a present or former Angelina Italian Bakery franchisee; (ii) immediately cease using our Confidential Information, System and Marks including any of our marketing materials and brochures; (iii) cancel any assumed or fictitious name for 'Angelina Italian Bakery' within 15 days; (iv) not use any confusingly similar marks ; (v) immediately pay all amounts due to us or our affiliates, and all damages, costs and expenses as a result of your default or in connection with us obtaining injunctive relief; (vi) immediately return to us (or destroy upon our request) all of your copies of any materials containing any of the confidential information or any materials bearing the IP or the Marks and all copies and records of any customer or other similar lists; (vii) strictly comply with all post-term restrictive covenants; (viii) provide us with a list of all marketing and sales promotion materials bearing our Marks which we may choose to purchase at your cost; (ix) assign us all rights to acquire lease or sublease for your Store Location or other equipment used for the operation of the Store; (x) assign us all telephone numbers, website listings, social media, etc.; (xi) immediately execute all agreements necessary to effectuate the termination; (xii) immediately pay all sums owing to any landlord, suppliers, employees, taxing authorities, advertising agencies, lenders and all other third parties; and if we request, assign us your interest in the Store Location lease and vacate promptly.
j. Assignment of contract by franchisor	Section 14(A)	We have the right to transfer or assign the Franchise Agreement to any person or entity, including a competitor, without restriction. We may purchase, merge, acquire, be acquired by or affiliate with an existing competitive or non-competitive franchise or non-franchise network. (See Franchise Agreement)
k. "Transfer" by franchisee – definition	Section 14(B)	A Principal's voluntary, involuntary, direct or indirect assignment, sale, gift, pledge, mortgage, disposal or other disposition of any legal or beneficial interest in: (i) the Franchise Agreement, (ii) any material asset of the Store; (iii) the ownership interest in the Franchise entity, whether in the form of equity or voting interest; (iv) the merger or consolidation of your Store entity; and (v) the

Provision	Section in Franchise Agreement	Summary
		issuance of additional securities or other ownership interests of the Store. It includes transfers resulting from proceedings under the U.S. Bankruptcy Code or any similar law, and transfers resulting from divorce.
l. Franchisor approval of Transfer by franchisee	Section 14(B), 14(C)	You must obtain our prior written consent before transferring any interest in the assets of the franchise, the Franchise Agreement or you.
m. Conditions for franchisor approval of transfer	Section 14(C)	Conditions include: (i) payment of all monetary obligations to us or our affiliates; (ii) you must not be in default under the franchise agreement or any other agreements; (iii) you and your Principals sign a general release; (iv) the person to whom you propose to transfer (the "transferee") must apply to us for acceptance (v) transferee must demonstrate that transferee meets our then-current qualifications and standards; (vi) transferee must demonstrate that transferee has the organizational, managerial and financial structure and resources required to conduct your Store properly; (vii) transferee complies with Franchisor's ownership requirements relative to the control of the proposed transferee and Franchisee's Store, before signing the new franchise agreement; (viii) transferee complies with our noncompetition restrictions; (ix) the landlord of the Store Location must consent in writing to the assignment of lease; (x) you or transferee renovate, modernize and otherwise upgrade the Store to conform to our then-current System images, standards and specifications; (xi) you providing us with a copy of any proposed contract of transfer (and any related agreements) and, promptly following execution, furnish us with an executed copy of the contract of transfer; (xii) transferee enters into a written agreement assuming your obligations under the franchise agreement as of the date of the transfer; (xiii) transferee executes our then current form of franchise agreement; (xiv) transferor remains liable for obligations of the Store prior to effective date of the transfer; (xv) the transferee has acquired, or will be able to immediately acquire following the execution of the new franchise agreement, all permits, licenses and other authorizations required by any federal, state or local, rule or regulation to operate your Store; (xvi) transferee executes a guaranty; (xvii) the Total Sales Price may not be so excessive, in our determination, that it jeopardizes the continued economic viability and future operations of your Store and/or the transferee. See Franchise Agreement for definition of "Total Sales Price"; (xviii) if the transferee is a business entity, all of the requirements of its new Franchise Agreement concerning

Provision	Section in Franchise Agreement	Summary
		business entities must be complied with before we sign the new Franchise Agreement and must continue to be complied with; (xix) you or transferee pay a transfer fee equal to (1) fifty percent (50%) of the then current Initial Franchise Fee if the transfer is to any third party or (2) twenty-five percent (25%) of the then current Initial Franchise Fee for transfers to existing franchisees of the System in good standing; (xx) all representations, warranties and covenants are true and correct; and (xxi) the transferee grants us the right (but not obligation) to be substituted as obligor to a secured party if the transfer is a grant of security interest.
n. Franchisor's right of first refusal to acquire franchisee's business	Section 14(E)	On 60 days' written notice, we have the option to purchase the transferred interest on the same terms and conditions offered by a third party provided that we may substitute cash in place of any finance terms.
o. Franchisor's option to purchase franchisee's business	Section 17(B)	On 30 days' written notice following the expiration or termination of the Franchise Agreement, we may purchase your assets. If we elect to go public, we also have the option to purchase your franchised business (and your Store's assets) at any time during the term of your franchise agreement upon six (6) months' notice to you.
p. Death or disability of franchisee	Section 14(F)	On your death or disability your rights pass to your "Estate". Your Estate may continue operating the Business if it provides an acceptable Operating Principal and Store Manager. This Operating Principal must successfully complete (to our satisfaction) our next Initial Training Program and assume full time operation of the franchise within 1 month of your death or disability. From the date of your death or disability until an Operating Principal assumes full time control, we can operate your Business, but need not do so. See Item 6. Or, the Estate may sell the franchise in accordance with the requirements described in m. above.
q. Non-competition covenants during the term of the franchise	Section 10(C) Attachment C	No involvement in competing business anywhere.
r. Non-competition covenants after the franchise is	Section 10(C) Attachment C	No involvement in competing business for 2 years within the Protected Area, within a 20 mile radius of the perimeter of your Protected Area or within a 20 mile radius of the perimeter of (or within) any Protected Area of any Angelina Italian Bakery Store

Provision	Section in Franchise Agreement	Summary
terminated or expires		(whether company-owned, franchised or otherwise established and operated).
s. Modification of the agreement	Section 10(A), 21(B)	You must comply with the Manual as periodically amended. The Franchise Agreement may only be modified or amended in writing signed by all parties.
t. Integration/merger clause	Section 21(B)	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 20(D)	Except for action brought by us, all disputes must be submitted to internal dispute resolution and then mediation in New York, New York. If not resolved by internal dispute resolution or mediation, then the dispute must be resolved by litigation in New York, New York.
v. Choice of forum	Section 20(E)	New York(subject to state law)
w. Choice of law	Section 20(C)	New York (subject to state law)
x. Liquidated damages	Section 18(D)	You agree to pay us liquidated damages if we terminate you for cause or if you cease to operate the Franchise prior to the expiration of the term.

Area Development Agreement

This table lists certain important provisions of the Area Development Agreement. You should read these provisions in the Area Development Agreement attached to this disclosure document.

Provision	Section in Development Agreement	Summary
a. Length of the development term	Section 4.01	The term is from date we sign agreement until the earlier of either the actual or scheduled date of execution of the last Franchise Agreement scheduled to be signed under the Area Development Agreement.
b. Renewal or extension of the term	Not applicable.	The Area Development Agreement is not renewable.
c. Requirements for developer to renew or extend	Not applicable.	Not Applicable.

Provision	Section in Development Agreement	Summary
d. Termination by developer	Section 15.02	a. You may terminate the Area Development Agreement if you and we agree in writing. b. You may terminate the Area Development Agreement on any grounds provided by applicable law.
e. Termination by us without cause	Not applicable.	Not Applicable.
f. Termination by us with cause	Article 15	We may only terminate your Area Development Agreement if you default. The termination of your Area Development Agreement will give us the right to terminate your Franchise Agreement(s); except that your failure to satisfy the Development Schedule will not result in the termination of any of the Franchise Agreements that you already signed with us, so long as you have opened the Business covered by the signed Franchise Agreements and you are not in default of the Franchise Agreements. In addition, the termination of the Franchise Agreement(s) will give us the right to terminate your Area Development Agreement. These provisions are subject to state law.
g. "Cause" defined - curable defaults	Section 15.03	Except for defaults described in h. below, you have 15 days to cure any default under the Area Development Agreement.
h. "Cause" defined - non-curable defaults	Section 15.01 Section 15.02	Automatic, without notice: insolvency, bankruptcy, creditor judgment on assets or dissolution. On notice to you: a. You omitted or misrepresented a material fact in information you furnished us in connection with our decision to sign the Area Development Agreement. b. We and you agree in writing to terminate the Area Development Agreement. c. You, any of your Principals, and/or, if you are a business entity, any owner, member, shareholder, director or manager is convicted of a felony, etc. d. You make an unauthorized transfer. e. You do not comply with the covenant not to compete during the term of the Area Development Agreement; violate restrictions pertaining to the use of Confidential Information contained in the Area Development Agreement; or, do not obtain the signing of the additional covenants required by the Area Development Agreement. f. You make a willful misrepresentation or do not make a material disclosure required by any governmental authority.

Provision	Section in Development Agreement	Summary
		g. You use or duplicate any aspect of our System, services, programs or products in an unauthorized fashion. h. You engage in any business or market any service or product under a name or mark which, in our opinion, is confusingly similar to our Marks. i. You engage in conduct which reflects materially and unfavorably upon the operation and reputation of the Businesses, us or the Angelina Italian Bakery System. j. The termination of your Area Development Agreement will give us the right to terminate your Franchise Agreement(s); except that your failure to satisfy the Development Schedule will not terminate any of the Franchise Agreements you already signed with us, so long as you have opened the Businesses covered by the signed Franchise Agreements and you are not in default of the Franchise Agreements. In addition, the termination of your Franchise Agreement(s) will give us the right to terminate your Area Development Agreement. These provisions are subject to state law.
i. Your obligations on termination/non-renewal	Section 16.01	You will have no right to establish or operate any Store for which a Franchise Agreement has not been executed following the termination of the Area Development Agreement. Upon the termination or expiration of the Area Development Agreement: a. Pay all money owing to us or our affiliates, and third parties. b. If we terminate the Agreement for your default, pay us all expenses, including attorney's and expert's fees. c. Immediately sign all agreements necessary for termination. d. Strictly comply with the post-termination/post-expiration covenants not to compete. e. Continue to abide by restrictions on the use of our Confidential Information. Termination of the Area Development Agreement for your failure to comply with the Development Schedule will not terminate any of the Franchise Agreements you already signed with us, so long as you have opened the Businesses covered by the signed Franchise Agreements and you are not in default of the Franchise Agreements.

Provision	Section in Development Agreement	Summary
j. Assignment of contract by us	Section 12.01	We will have the right to assign the Area Development Agreement if the assignee is financially responsible and economically capable of performing our obligations under the Area Development Agreement, and agrees to perform these obligations. We may sell our assets, Proprietary Marks, or System; go public, etc. (See Area Development Agreement).
k. "Transfer" by developer – definition	Section 12.02	Any assignment, sale, transfer, shared, reconsidering, subfranchising or dividing, voluntarily or involuntarily, of the Area Development Agreement, the franchised Business, the Restaurant, or any interest in the franchised Business, the Restaurant or a Business Entity Developer (including any capital stock, membership, partnership or proprietary interest of you or anyone who controls you).
l. Our approval of Transfer by you	Sections 12.02, 12.03 and 12.04	No transfer without our consent except as provided in Area Development Agreement (for example, transfer to a business entity you form for convenience).
m. Conditions for our approval of transfer	Section 12.02	In considering any request for an assignment, we may require that you satisfy certain conditions, including, without limitation, any or all of the following: a. Neither you nor your Affiliates may be in default of the Area Development Agreement or any other agreement or arrangement with us or our Affiliates. b. You must execute a general release. c. You must pay a transfer fee equal to 50% of our then-current Development Fee and reimburse us for our expenses. d. You will remain liable for pre-transfer obligations. e. You must prove that lessors and/or sublessors of your Stores have consented in writing to your proposed transfer. f. The proposed assignee must meet our criteria, complete required training, guaranty obligations; enter into our then-current Area Development Agreement; and pay training, legal and accounting costs associated with transfer.
n. Franchisor's right of first refusal to acquire developer's business	Not Applicable.	Not Applicable.
o. Franchisor's option to purchase developer's business	Not Applicable.	Not Applicable.

Provision	Section in Development Agreement	Summary
p. Your death or disability	Section 12.04	On your death or disability (if you are an individual), or the death or disability of your last surviving owner (if you are a business entity), that person's rights pass to his or her "Estate". The Estate may continue operating the Business if it provides an acceptable Area Manager. This Area Manager must assume full time operation of the franchise within 1 month of the death or disability.
q. Non-competition covenants during the term of the franchise	Section 11.01	No involvement in a competing business anywhere.
r. Non-competition covenants after the franchise is terminated or expires	Section 11.01	No involvement in competing business for 2 years within the Development Area, within a 20 mile radius of the perimeter of your Development Area or within a 20 mile radius of the perimeter of (or within) any Protected Area of any Angelina Italian Bakery Store (whether company-owned, franchised or otherwise established and operated).
s. Modification of the agreement	Section 18.05	You must comply with the Manual as periodically amended. The Area Development Agreement may only be modified or amended in writing signed by all parties; no oral modifications.
t. Integration/ merger clause	Section 18.05	Only the terms of the Area Development Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the disclosure document and development agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 18.13	Except for action brought by us, all disputes must be submitted to internal dispute resolution and then mediation in New York, New York. If the dispute is not resolved by mediation, then it must be resolved by litigation in New York, New York.
v. Choice of forum	Section 18.13	New York (subject to state law)
w. Choice of law	Section 18.12	New York (subject to state law)

ITEM 18
PUBLIC FIGURES

We do not use any public figure to promote the franchise.

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Tony Park, Angelina Franchising LLC, 42 West 28th Street, 4th Floor, New York, New York 10001 at (917) 282-0355, Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

Systemwide Outlet Summary
For years December 31, 2022 to December 31, 2024

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2022	0	0	0
	2023	0	1	+1
	2024	1	3	+2
Company-Owned	2022	1	2	+1
	2023	2	2	0
	2024	2	2	0
Total Outlets	2022	1	2	+1
	2023	2	3	0
	2024	3	5	+2

Table No. 2
Transfers of Franchised Outlets from Franchisees to New Owners (other than the Franchisor)
For Years December 31, 2022 to December 31, 2024

Column 1 State	Column 2 Year	Column 3 Number of Transfers
All States	2022	0
	2023	0
	2024	0
Total	2022	0
	2023	0
	2024	0

Table No. 3
Status of Franchised Outlets
For Years December 31, 2022 to December 31, 2024*

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non-Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations - Other Reasons	Column 9 Outlets at End of the Year
New York	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	3	0	0	0	1	3
Total	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	3	0	0	0	1	3

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

Table No. 4
Status of Company-Owned Outlets
For Years December 31, 2022 to December 31, 2024*

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisee	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisee	Column 8 Outlets at End of the Year
New York	2022	1	1	0	0	0	2
	2023	2	0	0	0	0	2
	2024	2	0	0	0	0	2
Total	2022	1	1	0	0	0	2
	2023	2	0	0	0	0	2
	2024	2	0	0	0	0	2

Table No. 5
Projected Openings as of December 31, 2024

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

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

Exhibit D to this disclosure document lists the names and contact information of all franchisees (i) operating under a franchise agreement with us as of the end of our 2024 fiscal year; who, during the most recently completed fiscal year, signed a franchise agreement but who have not yet opened an outlet as of the end of our 2024 fiscal year; (iii) that had outlets terminated, canceled or not renewed, or otherwise voluntarily or involuntarily ceased to do business under their franchise agreement during our 2024 fiscal year; and (iv) who have not communicated with us within 10 weeks of the issuance date of this disclosure document. During the last three fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system.

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

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

As of the date of this disclosure document, there are no trademark-specific franchisee organizations associated with the franchise system.

ITEM 21
FINANCIAL STATEMENTS

We were organized in March 2021. Our fiscal year end is December 31st. Attached as Exhibit C to this disclosure document are our audited financial statements as of December 31, 2024, December 31, 2023 and December 31, 2022.

ITEM 22
CONTRACTS

Attached to this disclosure document are the following contracts and their attachments:

Exhibit A to this Disclosure Document: Franchise Agreement

- State Addenda to Franchise Agreement
- Exhibit A: Selected Terms: Store Location, Protected Area, and Opening Date
- Exhibit B: Marks
- Exhibit C: Required Provisions for Lease Rider
- Exhibit D: Software License Agreement
- Exhibit F: Confidentiality/Non-Competition Agreement
- Exhibit G: Confidentiality Agreement
- Exhibit H: Electronic Funds Transfer Authorization
- Exhibit I: General Release – Termination
- Exhibit J: General Release – Renewal
- Exhibit K: General Release – Assignment
- Exhibit L: Trainee Waiver, Assumption of Risk and Indemnification Agreement
- Exhibit M: Statement of Ownership Interests and Franchisee's Principal

Exhibit B to this Disclosure Document: Area Development Agreement

- State Addenda to Area Development Agreement
- Exhibit A: Development Grant, Development Schedule & Development Fee
- Exhibit B: Development Area
- Exhibit C: First Unit Franchise Agreement You and We Will Sign
- Exhibit D: Confidentiality/Non-Competition Agreement
- Exhibit E: Confidentiality Agreement (Non-Managerial Personnel)
- Exhibit F: Personal Guaranty

- Exhibit G: Geneal Release – Termination
- Exhibit H: General Release – Renewal
- Exhibit I: General Release – Assignment
- Exhibit J: Statement of Ownership Interests and Developer's Principals

ITEM 23
RECEIPTS

Attached in Exhibit J as the last two (2) pages of this disclosure document are duplicate Receipts to be signed by you. Keep one for your records and return the other one to us.

EXHIBIT A TO DISCLOSURE DOCUMENT

ANGELINA FRANCHISING LLC FRANCHISE AGREEMENT

ANGELINA FRANCHISING LLC

FRANCHISE AGREEMENT

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EXHIBITS

State Addenda to Franchise Agreement

A Selected Terms: Store Location, Opening Date, Fees and Notices

B Marks

C Required Provisions for Lease Rider

D Software License Agreement

E Confidentiality/Non-Competition Agreement

F Confidentiality Agreement (Non-Managerial Personnel)

G Personal Guaranty

H Electronic Funds Transfer Authorization

I General Release – Termination

J General Release – Successor Term

K General Release – Assignment

L Trainee Waiver, Assumption of Risk and Indemnification Agreement

M Statement of Ownership Interests and Franchisee's Principal

ANGELINA FRANCHISING LLC
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (this "**Agreement**") is entered into between ANGELINA FRANCHISING LLC, a New York limited liability company with its principal office at 42 West 28th, 4th Floor, New York, New York 10001 ("**we**," "**us**," "**our**" or "**Franchisor**") and _____ whose principal address is _____ ("**you**," "**your**" or "**Franchisee**"), as of the date signed by us and set forth opposite our signature on this Agreement (the "**Effective Date**"). Franchisee and Franchisor are sometimes collectively referred to herein as "**Parties**".

1. PURPOSE AND SCOPE OF THIS AGREEMENT

1.01 The Angelina Italian Bakery Businesses, System and Marks

We and/or our Affiliates have, over a considerable time period and with considerable effort, developed a proprietary system which we may improve, further develop, or otherwise modify from time to time (the "**System**") for establishing businesses (each a "**Business**") that open and operate Angelina Italian Bakery stores (each, a "**Store**") specializing in the offer and sale of Italian-influenced baked goods, cake or sandwich items (including, without limitation, croissants, donuts, cheese focaccia, sandwiches and pastries) and related programs, products and services. The System makes use of the trademark, service mark and fictitious business name "Angelina Italian Bakery" and certain other trademarks, service marks, trade names, related emblems, designs, labels, trade dress, signs and symbols, copyrighted materials and other intellectual property (collectively, the "**Marks**"), which we will designate as licensed to you in this Agreement, Exhibit B hereto, our Manual (as described below) and/or otherwise.

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

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

You have applied for a franchise to own and operate an Angelina Italian Bakery Store.

2. GRANT OF FRANCHISE AND LICENSE

2.01 Grant of Franchise and Licenses

We grant you, and you accept, the right to use the Marks and the System, during the Initial Term, in connection with establishing and operating a single Business and Store at the Store Location (as defined in Section 6.01) identified on Exhibit A. You agree to use the Marks and System as we may change, improve, modify or further develop them from time to time as provided in this Agreement, and to operate your Business and its Stores only in accordance with the terms and conditions of this Agreement, any related agreements and the Manual. You further agree to honestly and diligently perform your obligations under this Agreement and to use your best efforts to promote the Store. You may not sub-franchise or otherwise grant to any other "**Person**" (meaning both natural persons and legal entities, including corporations, partnerships, limited liability companies and trusts) any interest in this Agreement or the franchise granted hereby, except as otherwise provided in this Agreement.

3. STORE LOCATION

3.01 Store Location; Catering and/or Delivery

Your right to operate an Angelina Italian Bakery Store is restricted to your Store Location as described in Exhibit A. Your Business may establish only one Store at the Store Location. Subject to Section 8.08 below, you will have the non-exclusive right to deliver products and/or cater events to customers.

3.02 Our Restrictions

We and/or our Affiliates reserve the right to operate any number of Businesses, and/or authorize others to operate same, at any location whatsoever, including one or more locations that may be proximate to, your Store Location . For the purposes of this Agreement, "Affiliate" refers to any person or entity (i) that we or you directly or indirectly control, (ii) which directly or indirectly controls we or you or (iii) which is in common control with we or you.

3.03 Your Restrictions

Your Business may only offer and sell its programs, products and services in, at and from your Store at the Store Location. Under no circumstance may your Business establish any physical presence outside of your Store Location at or from which your programs, products or services are sold or furnished. Nor may your business offer or sell its programs, products or services anywhere, through any means or manner other than your Center, including alternative channels of distribution, such as the internet/worldwide web and other forms of electronic commerce; "800" or similar toll-free telephone numbers (other than those we establish and make available to you for your customers to place orders with your franchised Store); supermarkets, grocery stores or convenience stores; mail order; catalogs; or, any other distribution channel whatsoever except from your franchised Store. Subject to Section 8.08 below, you will have the non-exclusive right to deliver products and/or cater events to customers. Your may use third-party online ordering and/or delivery aggregators in accordance with our System standards or as approved in writing by us.

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

3.04 Rights We Reserve

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

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

operate Businesses at any location outside of your Store Location, including immediately proximate to your Store Location.

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

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

You further agree that we and/or our Affiliates alone have the right to sell System programs, products and services to National, Regional and Institutional Accounts. "**National, Regional and Institutional Accounts**" are organizational or institutional customers, including (by way of example only): business entities with offices or branches situated anywhere; government agencies, branches or facilities; guest lodging networks; healthcare networks; the military; and, any other customer located anywhere. Only we will have the right to enter into contracts with National, Regional and/or Institutional Accounts. If we receive orders for any Angelina Italian Bakery products or services calling for delivery or performance near your Store Location as a result of our engaging in commerce with National, Regional and Institutional Accounts, then we will have the right, but not the obligation, either to require you to fulfill such orders at the price we agree on with the customer or to give you the opportunity to fulfill such orders at the price we agree on with the customer. If we give you the opportunity to fulfill such orders and if, for any reason, you do not desire to or cannot serve the customer, or if the customer desires for any or no reason to deal exclusively with us, our Affiliate or another franchisee and not with you, then we, our Affiliate or any other Angelina Italian Bakery franchisee may serve the customer, and you will not be entitled to any compensation. The procedures governing our National, Regional and Institutional Accounts program are set forth in our Manual.

4. INITIAL TERM AND SUCCESSOR TERM

4.01 Initial Term

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

4.02 Successor Term and Successor Agreement

You will have the right to enter into two (2) consecutive Successor Franchise Agreements, each featuring a term of five (5) years (a "**Successor Term**") if you have complied with the conditions and

procedures for a Successor Term specified in Article 14 below. The first Successor Term will begin on the date that the Initial Term expires, and each succeeding Successor Term will begin on the date that the previous Successor Term expires. The first successor franchise agreement (the "**Successor Franchise Agreement**") will supersede this Agreement, and each subsequent Successor Franchise Agreement will supersede the preceding Successor Franchise Agreement. Successor Franchise Agreements may not take the form of this Agreement; but, instead, may each take the form of our then-current franchise agreement and may materially vary from this Agreement in all respects, except that no "initial franchise fee" will apply to you; the limited Successor Term rights identified in this Agreement will be incorporated (as applicable); and, the Royalty Fee on entering into a Successor Franchise Agreement will not be greater than the Royalty Fee that we then impose on similarly situated franchisees entering into successor franchise agreements. The conditions to and procedures governing your right to a Successor Term are set forth below in Article 13.

5. YOUR PAYMENTS TO US

5.01 Initial Franchise Fee

You agree to pay us an Initial Franchise Fee of Fifty Thousand Dollars ($50,000). The Initial Franchise Fee is payable in full on the Effective Date of this Agreement; is not refundable except as specifically provided in this Agreement; and, will be deemed fully earned when paid solely in consideration of our execution of this Agreement and not in exchange for any particular programs, products, services or assistance.

5.02 Royalty Fee

You agree to pay us a monthly Royalty Fee equal to five percent (5%) of your previous week's Gross Sales, as defined in Section 5.04. The Royalty Fee is solely in consideration of our granting you the franchise conferred by this Agreement and is not in exchange for any particular goods, services or assistance we may furnish you.

5.03 Marketing Fund Contribution

You pay us a weekly marketing fund contribution equal to up to two percent (2%) of your Store's prior week's Gross Sales (the "Marketing Fund Contribution"). These Marketing Fund Contributions will be expended as provided for in Section 10.01 below. We may, in our business judgment, change the required Marketing Fund Contribution during the term of this Agreement upon notice to you, but in no event shall it be more than two percent (2%) of Gross Sales.

5.04 Software Fee: Software Maintenance Fee

You are required to utilize the software that we require in connection with the operation of your Business and Store (the "**Software**"). You must pay us a monthly license fee in the amount of Three Hundred Fifty Dollars ($350) for the use of the Software (the "**Software Fee**"). The Software Fee is payable at the same time the first Royalty Fee for each month is due. In addition to paying the Software Fee, you must pay us an annual maintenance fee of One Hundred Dollars ($100) (the "**Software Maintenance Fee**"). The Software Maintenance Fee is payable at the same time the last Royalty Fee for the calendar year is due.

5.05 Technology Fee

When we notify you that we are instituting a Technology Fee, you agree to pay us the then-current monthly technology fee (the "**Technology Fee**"); provided, however, that the Technology Fee we charge you during the Initial Term of this Agreement shall not exceed one percent (1%) of your Gross Sales for the prior month. The Technology Fee defrays our costs of developing, upgrading, enhancing, implementing, operating, maintaining, supporting, hosting, securing, and integrating new and existing software and technology platforms for Angelina Italian Bakery Stores. Such platforms may include,

without limitation, restaurant operating systems, product and customer distribution channels, customer facing applications, e-commerce and payment processing systems, supply chain systems for use by and for the benefit of Angelina Italian Bakery Stores. The Technology Fee may be adjusted (including the structure of the Technology Fee (e.g., percentage of sales, flat fee and/or transaction-based fee) at any time with sixty (60) days' prior written notice to you, and subject to the maximum amount stated above in this paragraph. The Technology Fee will be due and payable at the same time as the Royalty Fee set forth in Section 5.02, or as otherwise defined by us.

5.06 Definition of Gross Sales

"Gross Sales" means all revenues and income from any source that you directly or indirectly derive or receive from, through, by or on account of the operation of your franchised Business and/or Store (including, without limitation, income related to take-outs, catering operations, digital and online sales including through third-party online ordering and/or delivery aggregators, special events and revenues and income from permitted non-restaurant operations conducted under or using the Marks), whether received in cash, in services, in kind, from barter and/or exchange (valued at the full retail value of the goods or services received), on credit (whether or not you ultimately receive payment on credit transactions), or otherwise. Gross Sales specifically includes revenues and income you receive from the proceeds of any business interruption insurance policies and/or the sale of any promotional or premium items. You may deduct from Gross Sales, to the extent they had been included in your calculation of Gross Sales, documented refunds, charge backs, credits and allowances that you give in good faith to customers; proceeds from property damage or liability insurance; and proceeds from any civil forfeiture, condemnation, or seizure by government entities. You may also deduct from Gross Sales all (i) sales taxes or similar taxes which you legally charge to customers if you add the taxes when you charge the customer; send the tax payments to the appropriate tax authorities when due; furnish us within thirty (30) days of payment an official receipt for the payment of the taxes or any other evidence that we reasonably consider acceptable; and, state in the monthly report required by Section 5.07 of this Agreement the amount of all these taxes and the payments to which they relate; and (ii) tips or gratuities that Store customers either pay (1) directly to your employees or (2) to you and that you turn over to your employees.

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

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

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

5.07 Reporting and Payment

A. You agree to submit a weekly report to us for our receipt on or before each Tuesday for the immediately preceding week, or such other day that we may designate. For purposes of this Section 5.07, the Store's first week of operation shall begin on the Opening Date and shall end on the

following Sunday, and each subsequent week shall begin on Monday and conclude on the following Sunday. The weekly report (the "**Gross Sales Report**") will consist of a statement reporting all Gross Sales for the preceding week or any time and/or period that we may prescribe from time to time and your calculation of the Royalty Fee, Marketing Fund Contribution (if any) and any other fees due thereon, all in the manner and form we prescribe. You must manually or electronically sign the monthly report as we direct. We reserve the right to require you to file your weekly reports electronically or through any now or hereafter developed mode of communication and/or data transmission. You also agree to furnish to us any other financial or non-financial data that we request concerning the activity of your Business in the form, manner and frequency that we request it (including but not limited to the total sales and statistics (i.e., revenue, cost of goods sold, labor costs, number of customers, customer information, and all of the aforementioned statistics organized by category of day and customer type).

B. On or before Wednesday of each week (or such other day that we may designate), you agree to pay us the Royalty Fee, Marketing Fund Contribution (if any) and Technology Fee (if any) due for the preceding week.

C. You shall pay all Royalty Fees, Marketing Fund Contributions and Technology Fees due to us via electronic funds transfer ("EFT"), or any other means reasonably specified by us. Whether we require you to make payments by direct account debit, electronic funds transfer or other similar technology we designate, you agree (in all circumstances) to deposit and maintain at all times sufficient funds to cover all fees and payments you owe to us and our Affiliates in a segregated bank account (the "**Bank Account**") that you form and maintain for the franchised Business and Store. If, when we debit your Bank Account for the Royalty Fee, Marketing Fund Contributions and Technology Fee (if any), there are insufficient funds in the Bank Account, you agree to pay the actual bank fees charged by your bank, plus you must pay us an insufficient funds fee in the amount of One Hundred Dollars ($100) for each occurrence (the "**Insufficient Funds Fee**"). We will also impose an Insufficient Funds Fee for each returned check. If you fail to properly report the Store's Gross Sales and any other sales data and/or information we request through this alternative method based on the deadlines described above, we may debit your Bank Account for one hundred twenty percent (120%) of the last Royalty Fee, Marketing Fund Contribution (if any), and Technology Fee (if any) that we debited (together with the interest noted in Section 5.07(D) below). If the amounts that we debit from your Bank Account are less than the amounts you actually owe us (once we have determined the Store's true and correct Gross Sales), we will debit your Bank Account for the balance. If the amounts that we debit from your Bank Account are greater than the amounts you actually owe us, we will credit the excess against the amounts we otherwise would debit from your Bank Account during the following period. The Bank Account must have the capacity to make payments through the means we designate, and you must sign all documents required by your bank, our bank and us or for approval and implementation of the debit or transfer process. If and when we have implemented this requirement, you may not change the Bank Account without our advance written approval. You agree to pay all costs of direct account debit, EFT or other similar technology we designate. If we require you to pay us the amounts you owe under this Agreement via EFT or other electronic means, you agree to execute the Electronic Funds Transfer Authorization form attached as Exhibit H to this Agreement and all other documents necessary to permit us to withdraw funds from your Bank Account.

D. You agree to pay us or our Affiliates interest on any overdue amounts owed to us or our Affiliates (under this or any other agreement) at the lesser of (i) 18% per annum or (ii) the maximum commercial contract interest rate permitted by law until the date that the past due amount is paid in full. Interest will accrue on the first day of each month that an amount is past due and continues until

the past due amount is paid in full. This provision does not constitute consent to late payments or an agreement to extend credit. If you are delinquent in any required payment, we or our Affiliate may apply any payment from you to any obligation due in whatever order and for whatever purposes as we determine, whether or not there is any contrary designation by you. In the event that you are eligible to receive any payments from us pursuant to an incentive program, we may apply such incentive payments to offset any of your past due indebtedness to us. We may also offset any amounts you or your owners owe us or our Affiliates against any amounts we or our Affiliates owe you or your owners. You may not withhold, offset or recoup payment of any amount due on the grounds of the alleged non-performance or breach of any of our or our Affiliates' obligations under this Agreement or any other agreement.

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

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

6.01 Store Location

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

B. If you have suggested a Store Location which we have approved before the execution of this Agreement, then the address of that Store Location will be set forth on Exhibit A to this Agreement. If you have not suggested a Store Location which we have approved before the execution of this Agreement, then the following provisions will apply:

We will furnish to you our Store site selection criteria following the execution of this Agreement. You agree to use your best efforts to find an acceptable Store Location within sixty (60) days from the Effective Date of this Agreement. You must comply with all our Store specifications, requirements and restrictions. You must submit to us, in the form we specify, a description of the site for your Store Location, evidence satisfactory us demonstrating that the site satisfies our site selection guidelines and such other information and materials as we may reasonably require, including, but not limited to, a letter of intent or other evidence satisfactory to us which confirms our favorable prospects for obtaining the site. The Store Location will be subject to our advance written approval, and our determination will be final. We may require you to submit maps, completed checklists, photographs, diagrams of the premises with measurements and other information and materials which we may reasonably require to evaluate your proposed Store Location. If you request that we visit the proposed Store Location, then the first two (2) on-site visits will be free of charge. If you request more than two on-site visits, then you agree to pay us a daily on-site evaluation fee of Three Hundred Dollars $300 (the "**Additional Site Evaluation Fee**") for each subsequent visit to your proposed site for your

Store Location. In addition to paying the Additional Site Evaluation Fee, you must also reimburse us for the cost of our travel, lodging and meal expenses.

We will have thirty (30) days after receiving all the information we request to accept or reject the proposed site as the Store Location for your Store. No site may be used for a Store Location unless it is first approved by us, and you shall not make any binding commitment with respect to a site for your Store unless the site is first approved by us.

It is of the essence of this Agreement that you select a Store Location, identify it to us, obtain our advance written approval and sign a lease approved by us (or provide proof of ownership) for your Store Location within one hundred eighty (180) days following the date of our execution of this Agreement. If you intend to own the Store Location, then you agree to furnish to us proof of ownership or an executed contract of sale within thirty (30) days following our approval of the Store Location.

You agree to use your best efforts to find an acceptable Store Location, and agree to assume all cost, liability, expense and responsibility for locating and developing a site for the Store. If you do not secure a Store Location within the time limits and following the procedures specified in this Section 6.01, then this failure will be a material and incurable breach of this Agreement which, unless we waive the breach, will entitle us to terminate this Agreement immediately upon notice to you, with no opportunity to cure. If we terminate the Agreement for this reason, then all funds you paid us will be considered earned by us; we will not refund to you any portion of the Initial Franchise Fee; and you must execute a General Release in the form of Exhibit I running in favor of us and our Affiliates.

In addition, if you and we cannot agree upon a Store Location within 180 days following the Effective Date of your Franchise Agreement, then we can terminate this Agreement, and if we so, then we will not refund to you any portion of the Initial Franchise Fee; and you must execute a General Release in the form of Exhibit I running in favor of us and our Affiliates.

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

6.02 Store Location Lease

If you will be leasing the Store Location, then promptly following our written approval of your proposed Store Location site (but in no event later than forty-five (45) days after such approval), you agree to obtain a lease or sublease for the Store Location which, unless we otherwise approve the lease in advance, must be accompanied by a rider incorporating the requirements specified in Exhibit C to this Agreement. You agree to deliver to us a copy of any proposed lease or sublease and any related documents (collectively, the "**Lease**") before you execute the Lease. Any Lease will be subject to our advance written approval, which we will not unreasonably withhold or delay, provided, however, that we expressly reserve the right to disapprove any Lease not accompanied by a rider embracing all of the provisions of Exhibit C and whose term is not at least as long as the Initial Term of this Agreement. If we do not communicate our approval or disapproval of a proposed Lease to you within twenty (20) business days following our receipt of the proposed Lease, and if the Lease is accompanied by a rider containing the required provisions of Exhibit C, then the Lease will be considered approved. You agree not to sign any Lease that we disapprove of or (if the Lease is approved) sign any modification of the Lease that would adversely affect our rights without our prior written consent.

Once approved, you must furnish to us an executed copy of the Lease for the Store Location within 3 days from the date the lease is executed.

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

If you do not sign an approved lease for a Store Location within forty-five (45) days following our acceptance of the site for the Store, then we can terminate this Agreement. In such an event, you agree to sign our then-current standard form of General Release running in favor of us, as well as to sign all other documents we may require to fully terminate all agreements between you and us covered by this Agreement. If we terminate this Agreement for this reason, all funds you paid us will be considered fully earned and nonrefundable.

6.03 Construction of Your Store

After acquiring the Store Location by lease or purchase, you shall at your expense construct your Store or, if applicable, convert the existing premises at the Store Location to become your Store, in conformity with the final plans and specifications which we have approved (as provided in this Section 6.03). At your expense and prior to commencing construction of your Store, you must obtain all necessary permits, licenses, variances and approvals pertaining to the building, occupancy, signs, utilities, zoning, use, and any other permits, approvals or variances which are necessary to permit the construction and use of a Store as may be required by federal, state and local laws, rules, regulations or ordinances. You shall certify to us in writing that all such permits, licenses, variances and approvals have been obtained.

You must engage a qualified, licensed and bonded general contractor to construct your Store and to complete all improvements. There are vendors who we have preapproved to assist you with the construction of your Store (the "**Approved Construction Vendors**"). You may (but are not required to) use our Approved Construction Vendors. If you elect not to retain one of our Approved Construction Vendors and decide to engage your own general contractor, then you must pay us a construction consulting fee (the "**Construction Consulting Fee**") in the amount of Ten Thousand Dollars ($10,000) for working with your general contractor. The Construction Consulting Fee is paid to us upon your engagement of your general contractor. You must provide us with a copy of the construction contract for your Store.

You must obtain and maintain in force during the entire period of construction the insurance required under Section 9.01 of this Agreement and certify to us in writing that you have procured the requisite insurance coverage. Your indemnification of us, our Affiliates and all others specified in Section 8.10 below applies to each and every activity arising from or related to the construction of your Store. You understand that our approval of your final plans for your Store does not render us liable for any defects, neglects, omissions, errors or negligence associated with such plans and shall not in any fashion be construed to diminish or negate your indemnification of us, our Affiliates and the others referenced in Section 8.10 below nor render us liable in any fashion or to any extent for any liabilities engendered thereby.

Once the final construction plans for your Store have been approved, you agree to use your best efforts to promptly complete the construction or conversion of your Store. You agree to construct the Store in accordance with the final plans we approved, and all applicable codes, ordinances, rules, and regulations, and pursuant to all required permits. If you fail to promptly begin the design, construction, equipping and opening of your Store, such failure will constitute a material default under this Agreement that entitles us to terminate this Agreement immediately upon notice to you.

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

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

You will notify us of the scheduled date for completion of construction no later than forty-five (45) days prior to such date. When construction is complete and before you open your Store, your architect and general contractor must provide us with a certificate stating that the as-built plans for the Store fully comply with the Americans with Disabilities Act (the "**ADA**"); the architectural guidelines under the ADA; and, all other laws, rules, regulations, codes and ordinances applicable to the Store and the Store Location, including any requirements set forth in the Lease for the Store Location.

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

6.04 Specifications and Sources of Supply

We will provide you with a sample layout for the interior of a prototype Store and a set of typical preliminary plans and specifications for, and approved sources of supply of, your Store's furniture, fixtures, equipment, signs and/or other trade dress elements. We reserve the right to be (and earn a profit as) an approved source or the only approved source of certain of your Store's furniture, fixtures, equipment and/or other trade dress elements and to earn a profit from such activity. If we have not specified a source of supply for any such item, then you may purchase that item from any source, so long as the items purchased are in strict accordance with any specifications concerning the item which we have issued in the Manual or otherwise. You must obtain our advance written consent before deviating in any fashion from our specifications.

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

You agree to use the services of our designated design vendor (the "**Approved Design Vendor**") to prepare the design plans (the "**Design Plans**") for the construction of your Store Location based on the sample prototypical plans we furnish to you. To retain the services of our Approved Design

Vendor, you must pay us a design services fee ("**Design Services Fee**") in the amount of Twenty-Five Thousand Dollars ($25,000) for such design services. The Design Services Fee is deemed fully earned when paid and is not refundable under any circumstances. The sample layout and preliminary Design Plans we furnish you will not address the requirements of any federal, state or local law, code or regulation, including those of the ADA or similar laws or rules. You alone, working with your architect or engineer (if applicable), are responsible for ensuring that your Store, as constructed, complies with all applicable laws, rules, regulations, ordinances, building codes, fire codes, permit requirements and the ADA. Further, the sample layout and preliminary Design Plans we furnish you will not contain the requirements of, and may not be used for, construction drawings or other documentation necessary to obtain permits or authorizations to build and/or operate a specific Store. If you wish not to use our Approved Design Vendor, then you must pay us a $10,000 design consulting fee ("**Design Consulting Fee**") to review and approve the design plans for the interior design and construction of your Store.

You agree, at your expense, to employ architects, designers, engineers or others, all as we may specify or, if we do not specify, who is reasonably acceptable to us to complete, adapt, modify or substitute the layout, Design Plans and specifications for your Store.

You must employ a qualified, licensed architect and/or engineer that we specify or, if we do not specify, who is reasonably acceptable to us to prepare preliminary architectural plans and specifications for the site improvement and construction of your Store (which must be based on the sample layout and preliminary Design Plans we furnish to you). We have preapproved vendors to assist you with preparing the architectural design plans for your Store (the "**Approved Architectural Design Vendors**"). You may (but are not required to) use one of our Approved Architectural Design Vendors. If you elect to not to use one of our Architectural Design Vendors and decide to engage your own architectural design vendor, then we will charge you an architectural consulting fee (the "**Architectural Consulting Fee**") in the amount of Ten Thousand Dollars ($10,000) for reviewing and approving the architectural and design plans for your store and working with your architect. The Architectural Consulting Fee is paid to us upon your engagement of your architect.

You must submit, for our approval, a complete set of your proposed final plans and specifications to us and obtain our written approval of them before you seek to register them with any governmental or quasi-governmental agency or begin construction of your franchised Store. We will use our commercially reasonable efforts to either approve or reject the plans within thirty (30) days after we receive them. If we, in our business judgment, determine that your plans are not consistent with System standards, we may prohibit your use of such plans. If we object to any such plans, we shall provide you with a reasonably detailed list of changes necessary to make your plans acceptable. If we reject your plans, you must (within fifteen days of your receipt of our notice) submit the revised plans to us for our review. We will use our commercially reasonable efforts to either approve or reject your revised plans within thirty (30) days after we receive them. You may not use any plans until we have approved them in writing, and our silence with respect to approval or rejection of the plans shall not be deemed to be approval of the plans. You must provide us with written notice (and shall obtain our prior written approval) of any proposed changes to the final plans we previously approved. You acknowledge and agree that our approval of the final plans for your Store will be based on our assessment of your compliance with our System standards for new Stores. We will not assess compliance with federal, state or local laws, rules or regulations, including the ADA. Our acceptance of your plans does not constitute a representation, warranty, or guarantee, express or implied, by us that such plans are accurate or free of error concerning their structural application. Your architect must certify to you in writing that the plans and specifications for your Store comply with the ADA; the architectural guidelines under the ADA; all applicable federal, state and/or local laws, rules and

regulations for accessible facilities; and, all other applicable federal, state or local laws, rules and regulations (including building codes, fire codes and permit requirements). You must furnish us with a copy of this certification prior to opening for business.

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

6.05 Maintaining Your Store

You shall at all times maintain at your sole expense the interior and exterior of your franchised Store and the entire franchised Store Location and any other facilities used by the franchised Business in first class condition and repair, and in compliance with all applicable laws, rules, regulations and our Manual, except to the extent that we may otherwise expressly agree in writing. You must also obtain, at your cost and expense, any new or additional equipment, fixtures, supplies and other products and materials which we may reasonably require. Except as may be expressly provided in the Manual, no alterations, improvements or changes of any kind in design, equipment, signs, interior or exterior decor items, fixtures or furnishings shall be made in or about the Store without our prior written approval.

6.06 Refurbishing Your Store

We have the right to require you once during the Initial Term of this Agreement, at your sole expense, to update, remodel, refurbish, renovate, modify or redesign the Store so that it reflects our then-current standards. You will have one hundred twenty (120) days following your receipt of our notice to refurbish your Store in accordance with our direction. If any such direction of ours requires you to expend more than Thirty Thousand Dollars ($30,000) to effect the directed activity, then you will have six (6) months following your receipt of our notice to comply with our direction. In addition, we will relieve you from our direction if in our sole opinion you will be unable to amortize the additional investment required during the balance of the Initial Term of this Agreement; however, under these circumstances, we may extend the term of this Agreement to allow for a new schedule of amortization, and if we do so you will be required to comply with our direction.

6.07 Relocation of Your Store

You may not relocate your Store to another location without first obtaining our written approval for the new location and paying us a relocation fee equal to twenty-five percent (25%) of our then-current Initial Franchise Fee, plus, reimbursing us for any reasonable costs we incur in considering your request (including labor, salary, travel, professional fees, demographic reports, an additional Architectural Consulting Fee and/or Construction Consulting Fee (as described in Section 6.03 and 6.04) and other fees and costs).

We are not obligated to approve or consider any request for relocation and may, in our business judgment, deny a request or require any conditions prior to the consideration of such proposed relocation. If we grant you the right to relocate the Store, then you must obtain approval for the relocation site within ninety (90) days of our grant of your request for relocation and comply with such site selection and construction procedures as we may require.

If you relocate the Store with our approval subject to the terms of this Section 6.07, the new location will be the “Store Location” of the franchised Business. Any relocation will be at your expense. All leases or subleases that you enter into, all plans and specifications for your relocated Store that you adduce and all construction, remodeling, renovation or other such activity that you perform at and for the relocated Store must be in accordance with all of the provisions of this Article 6 and our then-current standards, specifications and requirements.

6.08 Time Is Of the Essence

Subject to the provisions of Article 21 of this Agreement ("Unavoidable Delay or Failure to Perform [Force Majeure]"), time is of the essence with regard to each and every requirement of this Article 6.

7. OUR DUTIES

7.01 Confidential Operating Manual; Policy Statements

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

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

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

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

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

You and the Principals shall at all times treat the Manual, and the information contained therein, as confidential and shall maintain such information as secret and confidential in accordance with this Section 7.01. You and the Principals shall not at any time copy, duplicate, record or otherwise reproduce the Manual, in whole or in part, or otherwise make the same available to any unauthorized person. Any print copies (if permitted or made available by us) shall be returned to us when this Agreement expires or is terminated for any reason. You will make the Manual available only to those of your employees who must have access to them in order to operate the Store. You shall, at all times, keep and maintain the Manual in a secure place at the Store.

7.02 Initial Training Program; Personnel Training Program

A. Initial Training Program.

(i) After you secure a Store and at least thirty (30) days before the opening of the franchised Store, you (if an individual), your Operating Principal (if franchisee is a business entity) and your Store Manager (as defined in Section 8.07) must attend and successfully complete a four (4)

week initial training program (the "**Initial Training Program**"), which we will provide at no additional expense to you (except, as provided below, in instances where you ask us to provide our initial training program for additional or replacement personnel). We will determine the date of commencement, location and duration of the Initial Training Program and notify you of them.

(ii) If we reasonably conclude in our business judgment that either you (if an individual), your Operating Principal (if franchisee is a business entity) and/or your Store Manager has failed to attend or successfully complete our Initial Training Program to our satisfaction in our business judgment, then (depending on the reason for such person's failure to successfully complete our Initial Training or Partner Training program) that person may re-enroll in our next scheduled Initial Training Program or we may require that you send a replacement attendee. You must pay us at an additional cost of $1,500 per week if the training/retraining occurs at our designated training facility or $2,000 per week we conduct the training/retraining takes place at your Store. The re-enrollment/replacement training fee is due in lump sum and payable prior to you, your Operating Principal and/or Store Manager re-enrolling in (or attending, in the case of a replacement trainee) our Initial Training Program. We will have the right to terminate this Agreement if, following your Initial Training Program (including re-enrollment training), we determine that you, your Operating Principal and/or your Store Manager has failed to attend or successfully complete our Initial Training Program to our satisfaction, in our business judgment. This failure will be a material and incurable breach of this Agreement which, unless we waive the breach, will entitle us to terminate this Agreement immediately upon notice to you, with no opportunity to cure. If we terminate the Agreement for this reason, then all funds you paid us will be considered earned by us and you must execute a General Release in the form of Exhibit I running in favor of us and our Affiliates.

(iii) If you replace your Operating Principal and/or Store Manager, then such replacement personnel must attend and successful complete our Initial Training Program. We will provide the Initial Training Program to your replacement personnel at an additional cost of $1,500 per week if the replacement training occurs at our designated training facility or $2,000 per week we conduct the replacement training takes place at your Store. However, you will be responsible for any and all expenses incurred in connection with the costs of travel, lodging, meals and wages incurred by your replacement Operating Principal and/or Store Manager.

B. Personnel Training Program.

(i) A designated number of your front house operations personnel and food production/back of house personnel (as we determine depending on the size of your Store and operations) must attend and successfully complete our specialized personnel training program (the "**Personnel Training Program**"), before you open the Store for business and such personnel commences their employment with your franchised Business. Under our Personnel Training Program, your front of house operations personnel and your food production/back of house personnel must attend a four week training program at our company store.

(ii) Any successor or replacement food production personnel or operations personnel shall successfully complete our Personnel Training Program within a reasonable time after such persons are hired. Such trainees, and any other personnel of yours whom we may approve, shall attend and complete any additional personnel training that we may from time to time require.

(iii) If any of your food production personnel fail to successfully pass our food production test, then such food production personnel must attend additional training at our designated training facility at an additional cost of $1,500 per week. You must also pay the living, transportation and meal costs and expenses for the operations and food personnel attending such additional training.

(iv) If the opening date for your first Store is more than one month after your Initial Training Program has ended, we may require your front of house operations personnel and food production/back of house personnel to attend additional on-the-job training for a time period to be determined by us. There may be a fee for this additional on-the-job training, and you must also pay the living, transportation and meal costs and expenses for you and your personnel to attend such additional on-the-job training.

C. Additional Mandatory Initial Training. If the Opening Date of your Store is more than one (1) month after the date, you, your Operating Principal, Store Manager, operations and/or food production personnel attending our Initial Training Program or Personnel Training Program (as applicable), then you acknowledge that we may, in our business judgment, require you, your Operating Principal, Store Manager, operations and/or food production personnel attend additional training. There are no fees charged for this additional training, but you are responsible for the living, transportation and meal expenses of each attendee.

D. Our Training Programs; Attendee Expenses.

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

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

7.03 Additional On-Site Opening Training and Assistance

If the Store is the first Store established by you or your Affiliates, we will (as we reasonably deem appropriate) provide you with up to five (5) days of on-site pre-opening and opening assistance (the "**On-site Opening Training and Assistance**") commencing two (2) days before the Opening Date; provided, that you will reimburse us for any expenses incurred by our representatives, such as costs of travel, lodging, meals and wages. If the Store is not the first Store established by you, and you request our On-site Opening Training and Assistance, or we otherwise deem such assistance appropriate, we may charge you a per weekly diem fee of Fifteen Hundred Dollars ($1,500) for our services, in addition to requiring you to pay or reimburse us for any expenses incurred by our employees or representatives. After any opening assistance we provide, you may request additional on-site training or assistance at any time in accordance with guidelines we may specify in the Manual or otherwise. We will not be obligated to provide such additional on-site training or assistance, but if we elect to do so, we may impose a per diem fee of Two Thousand Dollars ($2,000) for each week of on-site training or assistance we agree to provide. If the assistance and/or remedial training takes place at our designated training facility, then we will charge you $1,500 per week for such off-site assistance and remedial training. You will also be required to reimburse us for any expenses incurred by our representatives, such as costs of travel, lodging, meals and wages. The timing of all advice, consultation and training provided for in this Agreement will be subject to the availability of our personnel.

7.04 On-Going Training

We may from time to time develop additional training programs which you (if an individual) or your Operating Principal (if franchisee is a business entity), your Store Manager, operations personnel and/or food production personnel may be required to attend and successfully complete. Such ongoing training programs may occur up to twelve (12) times per year and will be used to update you, your Operating Principal, your Store Manager, your operations personnel and/or food production personnel of any new products and developments. We will determine the duration, curriculum and location of these future additional training programs. We reserve the right to furnish such programs by means of a company intranet or other electronic means of communication (such as web-based tutorials, video streaming, or through other now or hereafter developed media). There is no training fee for attending such ongoing training, unless you have demonstrated in our business judgment, an inability to replicate the process(es) taught in an ongoing training program, in which case you will be required to pay our then-current additional training fee of $1,500 per if the retraining takes place at our designated training facility or $2,000 per week if the retraining takes place at your Store. You also agree to pay all of the expenses incurred by your attendees' salaries, travel costs, meals, lodging and other living expenses. The failure for you (if franchisee is an individual), your Operating Principal (if franchisee is an entity), Store Manager, front of house operations personnel and/or other food production/back of house personnel to attend any mandatory ongoing training will be treated as a default under the Franchise Agreement.

7.05 Annual Conference and Meeting

In addition, we may from time to time conduct an annual conference, convention or training session. We reserve the right to charge our then-current fees for such events. We will determine the duration, curriculum and location of these. You (if you are an individual) or your Operating Principal (if you are a business entity) must attend each annual conference, convention or training session at your sole expense (including travel, lodging, food and other living expenses).

7.06 Field Support Services

After you have opened your Store, we may from time to time offer you field support services, supervision and/or assistance that we consider advisable through on-site visits, off-site sessions, telephonic, electronic or other communication modes. If we conduct any on-site visits or remedial training, then we will conduct such visits or trainings at your Store or at our corporate training facility. You will be required to pay us a weekly per diem fee of Fifteen Hundred Dollars ($1,500), plus, you must reimburse us for any expenses incurred by our representatives, such as costs of travel, lodging, meals and wages. You may also at any time communicate with our headquarters for consultation and guidance with respect to the operation and management of your Business. We will not charge you for such consultation or guidance. The timing of our field support and headquarter consultation services will be subject to the availability of our personnel.

7.07 Accounting, MIS and POS Systems

We will specify the electronic and/or written accounting and management information system ("MIS"), procedures, formats and reporting requirements which you will utilize to account for your franchised Business; maintain your financial records and Store data; and, generate reports for both you and us. In addition to operating reports, payroll, cash management and general ledger accounts, these systems may be tailored to provide computerized point-of-sale ("POS") scanning and invoice entry and/or automated "smart phone" (or other) customer purchase tracking/payment transactions. You will be solely responsible for performing all bookkeeping, recordkeeping and accounting duties prescribed under this Agreement or in the Manual and for bearing the costs of these activities.

7.08 Pricing

Because enhancing Angelina Italian Bakery's interbrand competitive position and consumer acceptance for Angelina Italian Bakery's programs, products and services is a paramount goal of us and our franchisees, and because this objective is consistent with the long-term interest of the System overall, we may exercise rights with respect to the pricing of Store programs, products and services to the fullest extent permitted by then-applicable law. These rights may include (without limitation) prescribing the maximum and/or minimum retail prices which you may charge for the foregoing; recommending retail prices; advertising specific retail prices for some or all of the foregoing, which prices you will be compelled to observe (colloquially referred to as "price point advertising campaigns"); engaging in marketing, promotional and related campaigns which you must participate in and which may directly or indirectly impact your retail prices (such as "buy one, get one free"); and, otherwise mandating, directly or indirectly, the maximum and/or minimum retail prices which you may charge. We may engage in any such activity either periodically or throughout the Term of this Agreement. Further, we may, in our discretion, engage in such activity only in certain geographic areas (cities, states, regions) and not others; with respect to certain types of Stores but not others; or, with regard to certain subsets of franchisees and not others. You understand that any maximum, minimum or other prices we prescribe or suggest may or may not optimize the revenues or profitability of your franchised Business. However, subject to the terms and conditions of this Section 7.08, nothing in this Agreement may be construed to prevent you from otherwise freely establishing your own prices.

7.09 Nature of Obligations

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

8. YOUR DUTIES

8.01 Opening Date

You must fulfill all of your pre-opening obligations set forth in this Agreement, the Manual and in other written notices from us, and open your Store to the general public no later than 365 days following the Effective Date, unless we grant you an extension of time. Time is of the essence. If you fail to comply with any of such obligations, we will have the right to prohibit the Store from opening.

You will not be allowed to open your Store without our written approval, which we will not unreasonably withhold. In order to obtain our approval to open, you must: obtain all required state, local and other required government certifications, permits and licenses, furnish to us copies of all such required permits and licenses; furnish to us copies of all insurance policies required under this Agreement; attend and successfully complete our Initial Training Program to our satisfaction (as provided in this Agreement); pay us or our Affiliates any amounts due through the date that you request our approval to open; not be in default under any agreement with us or any Affiliate of ours; not be in default under, but instead be current with, all contracts or agreements with your principal vendors, suppliers and other business creditors (including the lessor or sublessor of your Store Location, us and our Affiliates); and, otherwise comply in all respects with the pre-opening obligations set forth in this Agreement, the Manual or other written notices we may furnish to you. In addition to the foregoing, you must submit to us a request to open your Store. Once we receive your request, we will notify you in writing whether or not the Store meets our standards and specifications. If we approve your request to open your Store, our acceptance is not a representation or warranty, express or implied, that the Store complies with any engineering, licensing, environmental, labor, health, building, fire, sanitation, occupational, landlord's, insurance, safety, tax, governmental, or

other statutes, rules, regulations, requirements, or recommendations nor a waiver of our right to require continuing compliance with our requirements, standards, or policies.

You must send us a written notice of the actual opening date (the "Opening Date") of the Store franchised hereunder concurrent with such opening. The Opening Date will be entered in Exhibit A.

8.02 Manner of Operation

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

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

8.03 Modifications to the System

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

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

8.04 Cobranding

We may determine from time to time to incorporate in the System programs, products or services which we either develop or otherwise obtain rights to, which are offered and sold under names, trademarks and/or service marks other than the Marks and which your Business, along with some or all other Businesses, will be required to offer and sell. This activity, referred to as "cobranding", may

involve changes or additions to the Marks and may require you to make modifications to your Store's premises and the furniture, fixtures, equipment, signs and trade dress of your Store. If we give written notice to you that we are instituting a cobranding program, you agree promptly to implement that program at your Store at the earliest commercially reasonable time and to execute any and all instruments required to do so. Under no circumstance will any cobranding program increase your Royalty Fee, Marketing Fund Contribution (if any), Technology Fee (if any) or Local Marketing Requirement obligations under this Agreement.

8.05 Compliance with Laws, Rules and Regulations

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

You represent and warrant to us that, as of the date of this Agreement and at all times during the term hereof, and to your actual or constructive knowledge, neither you, any affiliate of yours, any individual or entity having a direct or indirect ownership interest in you or any such affiliate (including any shareholder, general partner, limited partner, member or any type of owner), any officer, director, manager, or management employee of any of the foregoing, nor any funding source you utilize is or will be identified on the list of the U.S. Treasury's Office of Foreign Assets Control (OFAC); is directly or indirectly owned or controlled by the government of any country that is subject to an embargo imposed by the United States government or by any individual that is subject to an embargo imposed by the United States government; is acting on behalf of any country or individual that is subject to such an embargo; or, is involved in business arrangements or other transactions with any country or individual that is subject to an embargo. You agree that you will immediately notify us in writing immediately upon the occurrence of any event which would render the foregoing representations and warranties incorrect. Notwithstanding anything to the contrary in this Agreement, you may not allow, effect or sustain any transfer, assignment or other disposition of this Agreement to a "Specially Designated National or Blocked Person" (as defined below) or to an entity in which a "Specially Designated National or Blocked Person has an interest. For the purposes of this Agreement, "Specially Designated National or Blocked Person" means: (i) a person or entity designated by OFAC (or any successor officer agency of the U.S. government) from time to time as a "specially designated national or blocked person" or similar status; (ii) a person or entity described in Section 1 of U.S. Executive Order 13224, issued on September 23, 2001; or, (iii) a person or entity otherwise identified by any government or legal authority as a person with whom you (or any of your owners or affiliates) or we (or any of our owners or Affiliates) are prohibited from transacting business.

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

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

foregoing individuals are eligible under applicable United States Immigration laws to travel to the United States for training or any other purpose.

You are solely responsible for ascertaining what actions you must take to comply with all anti-terrorism and anti-corruption laws, and you specifically acknowledge and agree your indemnification responsibilities as provided in this Agreement pertain to your obligations under this Section 8.05. Any misrepresentation by you under this Section 8.05 or any violation of any anti-terrorism or anti-corruption laws by you, your owners, or employees will constitute grounds for immediate termination of this Agreement and any other agreement you have entered into with us or any of our Affiliates.

8.06 Health, Safety and Cleanliness

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

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

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

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

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

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

Upon the execution of this Agreement, you shall designate and shall retain at all times during the term of this Agreement, an individual to serve as your operating principal (the "**Operating Principal**") for the effective operation of your Store. If you are an individual, then you must serve as your Store's Operating Principal and if you are a business entity, you must designate an individual who either owns a majority interest in the Store or, where there is no majority owner, who we otherwise approve of in writing. The Operating Principal shall maintain a direct or indirect ownership interest of at least ten percent (10%) in you, unless we agree otherwise. The Operating Principal will have complete decision making authority with regard to the Store and must have full and complete authority to act alone on your behalf under this Agreement and to, alone, bind you without any need for approval, authorization or resolution. Except as otherwise provided in this Agreement, the Operating Principal's

interest in you shall be and remain free of any pledge, mortgage, hypothecation, lien, charge, encumbrance, voting agreement, proxy, security interest or purchase right or options. The Operating Principal for all Angelina Italian Bakery Stores you (or your Affiliates) operate must be the same person as the Operating Principal designated under this Agreement. The Operating Principal shall execute this Agreement, and shall be individually, jointly and severally, bound by all your obligations hereunder. The Operating Principal will oversee your compliance with our Manual and be in charge of all dealings with us and such other obligations and responsibilities as set forth in the Manual. Your Operating Principal is the sole individual with whom we will be required to communicate when we seek to communicate with you. The Operating Principal must attend and successfully complete our Initial Training Program.

In addition to designating an Operating Principal, you must also designate a "Store Manager" for the effective operation of your franchised Business and Store. You (if you are an individual) may serve as or designate the Store Manager. If you are a business entity, then your Operating Principal may serve as or designate a Store Manager. If your Store Manager is not a Principal, then before designating and engaging the services of the Store Manager, you must identify such individual to us; furnish information to us regarding the candidate's background, experience and credentials; and secure our prior written approval of the candidate, which we will not unreasonably withhold or deny. The proposed Store Manager must demonstrate to our satisfaction (both at the time of approval and on a continuing basis thereafter) that he/she satisfies our educational, managerial and business standards, and has the aptitude and ability to conduct, operate and supervise your franchised Business and Store. If you own and operate more than one (1) Store, then the Operating Principal may directly supervise the operation of one (1) of the Stores, but you must designate a Store Manager approved by us for each Angelina Italian Bakery Store. The Store Manager must attend and successfully complete our Initial Training Program.

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

You must immediately notify us within five (5) days upon the death, disability or termination of employment of your Operating Principal and/or Store Manager, for any cause or reason, or if your Operating Principal and/or Store Manager no longer qualifies as such. You must designate a successor or acting Store Manager promptly and, in any event, no later than ten (10) days following the death, disability or termination of the predecessor Operating Principal and/or Store Manager (as applicable). The above protocols and procedures governing your proposal and our approval of your initial Operating Principal and/or Store Manager shall apply to any successor Operating Principal and/or Store Manager you may propose. Any successor Operating Principal and/or Store Manager must possess those credentials set forth in our Manual, must attend and successfully complete our next scheduled Initial Training Program and must attend and successfully complete such other reasonable training at such times as we may specify, all at your expense. The failure to employ and train a successor Operating Principal and/or Store Manager (as applicable) will constitute a material breach of this Agreement. Upon your failure to comply with this Section, we may exercise our Step-In Rights in accordance with the provisions of Section 18.10 hereof.

8.08 Requirements Concerning Programs, Products and Services

A. Programs, Products and Services You Sell

You agree to sell all programs, products and services and use in your Store only those certain ingredients, food products, spices, seasonings, mixes, beverages, materials, other supplies used in the preparation of food products, furniture, fixtures, equipment, smallwares, forms, paper and plastic products, packaging, other materials, programs and services (collectively, the "**Approved Products**

and Services") which are now part of the System or which we in the future incorporate into the System unless, as to any one or more Approved Products and Services, sale is prohibited by local law or regulation or we have granted you our advance written approval to exclude certain programs, products, or services. You may not sell any program, product or service which is not a part of the System or which we delete from the System. We have the right to remove all unapproved products, goods and materials from your Store. We reserve the right to earn a profit on the sale of any Approved Products and Services to you.

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

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

You have the non-exclusive right to offer catering or delivery activities from your Store so long as you comply with our then-current standards regarding same (including, without limitation, the use of specified approved delivery service providers and the execution of required third-party agreements in accordance with same). Catering and/or delivery services are authorized only (i) from the Store Location, and (iii) in strict accordance with our System standards and specifications and so long as you do not advertise or market catering or delivery services in any the protected area of any other Angelina Italian Bakery franchisee. We may withhold our consent to permit you to offer delivery from the Store for any or no reason. If, at any time, you are unable to meet customer demand for catering and delivery services or if the catering or delivery services you provide do not comply with our System standards, then we may prohibit you from providing such services.

B. Proprietary Programs, Products and Services

You must purchase or lease any proprietary programs, products, systems, methods, platforms, supplies, equipment, materials or services used in conjunction with, offered or sold at the Store which now comprise, or in the future may comprise, a part of the System and which were developed by, are proprietary to or kept secret by us or our Affiliates, only from us, an Affiliate of ours that we designate or an independent distributor whom we authorize. We impose this requirement to advance uniformity of the Angelina Italian Bakery concept and quality and to protect our trade secrets, which are of the essence to the System and this Agreement. Proprietary products may include, without limitation, all dough, croissants, croissant/donut fillings, specialty breads, pizza, focaccia, lasagna, cake sheets, tart shells, cake boxes, cake boards, donut boxes, oil paper, hot cups, hot cup lids and shopping bags and any other category of programs, products, services or equipment. We (or our Affiliates or designees) will sell to you all proprietary products under terms we develop and advise you of from time to time. We reserve the right to earn a profit on the sale of proprietary products to you. In connection with such purchases, you will also be required to pay a delivery charge ranging between $2.80 per mile and $4.30 per mile, depending on the distance between your Store and our or our Affiliate's commissary kitchen.

C. Sources of Supply and Specifications

You must purchase certain required non-proprietary programs, products, systems, methods, platforms, supplies, equipment, materials or services, and comply with all specifications for same, from our approved suppliers (whether we designate such supplier in writing or approved a supplier you proposed, collectively, the "**Approved Suppliers**"); and/or, in accordance with our written specifications. Such standards and specifications may be specific as to brand name, item/model/catalog number, preparation or manufacturing facility, or other factors we consider relevant. We reserve the right to designate for either all Angelina Italian Bakery Stores or a subset of Angelina Italian Bakery Stores situated within one or more geographic regions, a single source Approved Supplier or single source regional supplier (collectively, "**Single Source Approved Suppliers**") of certain Approved Products and Services. If we do so, then immediately upon notification, you must purchase the specified products and services only from such Single Source Approved Supplier.

All such Approved Suppliers must demonstrate, to our continuing reasonable satisfaction, the ability to meet our then-current standards and specifications for such items; that they possess adequate quality controls and capacities to supply your (and other Stores') needs promptly and reliably; and, must be approved in writing by us (and have not thereafter been disapproved) prior to any purchases by you from any such supplier. All such Approved Suppliers and specifications are subject to addition, modification, revocation and/or deletion by us from time to time upon notice given to you. If we revoke or delete any product, supply, equipment, component or Approved Supplier, then you must cease using any such disapproved item or supplier (or any items purchased from a revoked source of supply) which are inventoried by your Store within ten (10) days following your receipt of written or electronic notice from us, unless the item or source of supply poses a threat to the health or safety of the public, in which case you must cease using such item or source of supply immediately upon notice from us orally, electronically, or in writing.

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

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

1. You must submit a written request to us for approval of the supplier and then furnish us with the information, data and samples that we reasonably request;

2. The supplier must demonstrate to our reasonable satisfaction that it is able to supply the program, product, service or equipment to you meeting our specifications;

3. We or our agents must have the right, and must be permitted, to inspect the proposed supplier's facilities and to have samples from the supplier delivered either to us, an independent laboratory or another designee for testing, all at your and/or the proposed supplier's expense;

4. The proposed supplier must demonstrate to our reasonable satisfaction, following our inspection or other review, that it is in good standing in the business community in all respects; that the program, product, supply, equipment, material or service meets or exceeds our specifications and standards for same in all respects; and, that the proposed supplier's manufacturing and distribution capabilities are sufficient to furnish you (and other Stores) with the subject program, product, supply, equipment,

material or service in a consistently timely, sanitary, hygienic and cost-efficient fashion; and,

5. We may require that the proposed supplier also agree to comply with such other requirements we may deem appropriate, including our ability to conduct continuing inspections and, in connection therewith, charge reasonable continuing inspection fees and administrative costs.

Nothing in the foregoing shall be deemed to require us to approve any particular supplier or to require us to make available to prospective suppliers any standards, specifications, procedures or protocols that we, in our business judgment, deem confidential.

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

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

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

D. Systemwide Supply Contracts

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

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

E. Technology Requirements

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

You must purchase, utilize, maintain, retire and replace the technology serving your franchised Business and as and when we require in the Manual or otherwise in writing. Before you open your Store for business, you agree to procure and install, at your expense, the computer hardware, software, wired and/or wireless internet connections and service, required dedicated telephone and power lines, "smart phone" automated customer purchase tracking facilities and other computer-related accessories, peripherals and equipment that we specify in our Manual or otherwise (the "**Computer, POS and Security System**"). The Computer, POS and Security System is comprised of three components: (i) the POS System, (ii) Computer System and (iii) the Security System. You agree to obtain and maintain high-speed broadband communications access or other high-speed capacity that we require for your Computer, POS and Security System. You also agree to maintain at all times a functioning e-mail address for your Business and such Wi-Fi service for your customers as we may designate in the Manual. Despite the fact that you agree to buy, use, and maintain the Computer, POS and Security System according to our standards and specifications, you will have sole and complete responsibility for: (1) the acquisition, operation, maintenance, and upgrading of the Computer, POS and Security System; (2) the manner in which your Computer, POS and Security System interfaces with our and any third party's computer system; and (3) any and all consequences if the Computer, POS and Security System is not properly operated, maintained, and upgraded.

1. For the point-of-sale system (the "POS System"), you are required to buy at least two (2) point-of-sale systems approved by us from our Approved Supplier and install and run the requisite POS software. The main functions of the POS System are to act as a cash register and collect and manage information about the various sales transactions at your Store, including detailed sales data, inventory, prices, coupons, taxes and other sales information. You are required to maintain your credit card processing hardware and software in compliance with the Payment Card Industry (PCI) Data Security Standard.

2. For the Computer System, you must also install and maintain the laptop or desktop computer that we require and equip the computer with the computer hardware components, software and peripherals at the Store that we require for general business purposes (collectively, the "Computer System").

3. You must also purchase a security system that includes closed-circuit television, which meets our then-current standards as set forth in our Manual (the "Security System") and the necessary support for your Security System.

You agree to provide all assistance we require to bring your Computer, POS and Security System online with our computers at the earliest possible time and to maintain these connections as we

require. You agree to input and maintain in your Computer, POS and Security System all data and information which we prescribe in our Manual, in our proprietary software (if any) and its manuals, and otherwise. We will have independent access to your Computer, POS and Security System and we may retrieve from your Computer, POS and Security System all information that we consider necessary, desirable or appropriate. You must accurately, consistently and completely record and provide through the Computer, POS and Security System all information (including, without limitation, the Store's Gross Sales, inventory and other sales data) concerning the operation of the franchised Business that we require, in the form and at the intervals that we require. We may also from time to time adjust requirements pertaining to capturing and relaying to us customer information and data. You acknowledge and agree that all customer information and data arising out of or collected in connection with the operation of the Store is Confidential Information and we are the sole owner of all right, title, and interest in and to such customer information and data in accordance with Section 12.01 of this Agreement.

If and when we develop or have proprietary software developed for us in the future for use by Angelina Italian Bakery Stores (the "**Proprietary Software**"), you agree to purchase and use Proprietary Software from us, our Affiliate or designee, along with any support services that we require. You acknowledge and agree that you must pay at our then-current fee for such Proprietary Software and the then-current software supports associates with such Proprietary Software. You must sign, concurrently with the execution of this Agreement, our standard form Software License Agreement (Exhibit D). You agree to purchase from us new, upgraded or substitute proprietary software whenever we determine to adopt them system-wide, at the prices and on the terms that we establish. The current expense required to obtain such software support services is set forth in the Disclosure Document you received prior to signing this Agreement.

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

You understand and agree that modes of computerization and communication are rapidly evolving and that, accordingly, we may require you at your expense to purchase, install and utilize at your franchised Business and Store such hereafter developed or modified modes of computerization, hardware, software, equipment, accessories, facilities, capabilities, communication, media and/or interfaces as we, in our sole business judgment, determine to incorporate into the System. You shall do so at such time and in such manner as we designate, in our Manual or other written notices. You may be required to purchase such newly developed modes of computerization, as well as improvements to or modifications of your computer and point-of-sale systems, from us or our Affiliates and, in connection therewith, enter into related license and support agreements requiring you to pay us and/or our Affiliates standard support and maintenance fees. We reserve the right to charge license, support, maintenance and other technology fees separately or in the aggregate and to

change the basis of the allocation of any fees from time to time to reflect: (i) any increase or decrease in the costs and expenses of providing the applicable services, or (ii) any change in the competitive needs of the System, including the right to change the basis for charging such fees, so long as the charges are computed on a fair and consistent basis among similarly situated System Stores receiving the services for utilizing the applicable systems.

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

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

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

8.09 Websites/Social Media

You may not maintain a World Wide Web site or social media page; otherwise maintain a presence or advertise on the Internet, through social media or in any other mode of electronic commerce in connection with the franchised Business; establish a link to any website we establish at or from any other website or page; or, at any time establish any other website, social media or electronic commerce presence which in whole or in part incorporates the "Angelina Italian Bakery" name, any Angelina Italian Bakery logo, or any name or logo confusingly similar thereto. Without limiting the generality of the foregoing, you are prohibited from using any social media platform (such as, Facebook, X (formerly known as Twitter, LinkedIn, Instagram, TikTok, Foursquare, blogs and other social media networking and sharing sites) that makes us of our Marks, name, brand, products of your franchise, without our prior written consent.

We alone have the right, but not the obligation, to establish, maintain, modify or discontinue all internet, worldwide web and electronic commerce activities pertaining to the System. We have established or may establish one or more websites accessible through one or more uniform resource locators ("URL's") and, if we do, we may (but are not required to) design and provide for the benefit of your franchised Business a "click through" subpage at each such website for the promotion of your Business. If we establish one or more websites or other modes of electronic commerce and if we provide a "click through" subpage at each such website for the promotion of your Business, you agree to routinely provide us with updated copy, photographs and news stories about your franchised Business suitable for posting on your Business's "click through" subpage, the content, frequency and procedure of which will be specified in our Manual. Any websites or other modes of electric commerce that we establish or maintain may – in addition to advertising and promoting the programs, products, or services available at Businesses – also be devoted in part to offering Business franchises for sale and be utilized by us to exploit the electronic commerce rights which we alone reserve (as provided in Section 3.04 above). We alone will be, and at all times will remain, the sole owner of the copyrights to all material which appears on any Angelina Italian Bakery website we establish and maintain, including any and all material you may furnish to us as provided above. Ownership of the URL (uniform resource locator) and other identifiers associated with any such web site shall vest exclusively in us.

We may establish an intranet through which downloads of operations and marketing materials, exchanges of franchisee e-mail or other electronic messages, System discussion forums and

systemwide communications (among other activities) can be effected. If we develop such an intranet, you agree to use the intranet in strict compliance with the standards, protocols and restrictions that we include in the Manual (including, without limitation, standards, protocols and restrictions relating to the encryption of confidential information and prohibitions against the transmission of libelous, derogatory or defamatory statements).

8.10 Indemnification

You agree that you will, at your sole cost, at all times defend and hold harmless us, any Affiliate of ours, the affiliates, subsidiaries, successors, assigns and designees of each; and, the officers, directors, managers, employees, agents, attorneys, shareholders, owners, members, designees and representatives of all of the foregoing (we and all others referenced above being the "Franchisor Parties"), and indemnify, reimburse and hold harmless us and the Franchisor Parties to the fullest extent permitted by law, against all claims, losses, liabilities and costs (as denominated in the following paragraph) incurred in connection with any judicial, administrative or arbitration action or proceeding (including bankruptcy, insolvency, debtor/creditor or similar proceedings), suit, claim, demand, investigation, or formal or informal inquiry (regardless of whether any of the foregoing is reduced to judgment) or any settlement of the foregoing, which actually or allegedly, directly or indirectly, arises out of, is based upon, is a result of or is related in any way to any element of your entry into this Agreement; your establishment, construction, ownership, opening and operation of your Store and franchised Business, including any other business operating within or in relation to the Store (which other business, if any, shall be subsumed within this paragraph's references to the Store) and further including (without limitation) any personal, bodily or mental injury, death, property damage or loss, suffered by any customer, visitor, manager, operator, supplier, employee or guest of the franchised Store or Business; crimes committed on or near any of the premises or facilities of your franchised Business or vehicles used by your franchised Business; all acts, errors, neglects or omissions engaged in by you, your contractors or subcontractors, as well as any third party, arising out of or related to the design, construction, conversion, build-out, outfitting, remodeling, renovation or upgrading of your Store, whether or not any of the foregoing was approved by us; defects in any Store you construct and/or operate, whether or not discoverable by you or by us; product recalls resulting from or related to your acts, errors or omissions; all acts, errors, neglects or omissions of you or the franchised Business and/or the owners, officers, directors, management, employees, agents, servants, contractors, partners, proprietors, affiliates or representatives of you and/or the franchised Business and/or the Store Location (or any third party acting on your behalf or at your direction), whether in connection with the franchised Business, the Store Location or otherwise, including (without limitation) any property damage, injury or death suffered or caused by any delivery person or vehicle serving your franchised Business; any claim, however and wherever asserted, that we or our Affiliates are the employer, joint employer or co-employer of you and/or your employees (including, without limitation, any claims against us for your violation of any federal, local or state labor and/or wage and hour laws, rules or regulations); third party claims against us arising from or related to your breach of the terms, restrictions and requirements of this Agreement (including, without limitation, your unauthorized use of the Marks, violation of any applicable laws, codes, rules or regulations or failure to comply with Privacy Laws); your violation of Privacy Laws; all liabilities arising from your offer, sale and/or delivery of programs, products and/or services as contemplated by this Agreement; your offer, sale and/or delivery of securities, equity interests or other ownership interests in you or the franchised Store or Business; all activities, conduct and representations which you may engage in connected to any actual or attempted assignment (as defined in Section 14.02) of any interest whatsoever in you or the franchised Store or Business (or any entity which controls (as defined in Section 14.02) you or the franchised Store or Business); and, any action by any customer

of yours or visitor to your Store or any other facility operated in conjunction with your franchised Business (collectively, an "Indemnification Claim").

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

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

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

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

8.11 Display of Products

You agree to place in public view, for display and sale, in accordance with the plans and layout we approve in advance, certain items that we may require from time to time. By way of example only,

and without limitation, we may require your Store to have a display case at the register, displaying certain required menu items. In such case, you agree to feature the display case as we designate.

8.12 Research and Testing

We, in our sole business judgment, may from time to time desire to test and/or research new products, services and programs for the System. If we do, you agree to cooperate and collaborate with us and our representatives regarding such testing and research, at your sole cost and expense.

8.13 Inspection

We (and any of our authorized agents or representatives, including outside accountants, auditors and/or inspectors) may enter your Store and any premises of your franchised Business, examine any motor vehicle used in connection with Store operations, photograph the Store and observe and videotape the Store's operation for consecutive or intermittent periods we deem necessary, and/or visit any locations at which you have provided or are providing products, programs, or services to customers or at which you maintain business records, and inspect and audit the products, programs and services provided from or at such locations; the products and supplies contained at such locations and their condition; confer with your employees and customers; and, assess your operating systems and compliance with this Agreement and the System standards. We may conduct such inspections with or without prior notice to you. You shall cooperate with our representatives conducting such inspections by rendering any assistance they may reasonably request. Following any such inspection, you shall take such steps we deem necessary to incorporate into your Store and your franchised Business operations any reasonable corrections and modifications we require to maintain the standards of quality and uniformity we prescribe, as quickly as is reasonably possible and using all resources at your disposal. If you fail to correct the subject condition to our satisfaction within the timeframe designated, we or our representatives may (without being guilty or responsible for any unauthorized access to the property or for damage, harm or offence) enter and/or take possession of the Store to either make such corrections on your behalf (and at your sole cost and expense, for which you will be required to reimburse us) or to determine whether the subject condition was corrected to our satisfaction.

8.14 Mystery Shopper Program

You must participate in any mystery or secret shopper program, and we may charge you a per Store visit fee to compensate for all costs related to the program, which shall be payable within seven (7) days from your receipt of our invoice.

8.15 Intellectual Property You Develop

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

assignment to us of all of the foregoing rights shall be our grant of the franchise conferred upon you by this Agreement.

8.16 Adequate Reserves and Working Capital

We reserve the right to require, at our sole discretion, that you meet certain financial requirements, which may include the requirement to maintain (i) a minimum working capital reserve, (ii) a minimum debt service coverage ratio, (iii) a maximum amount of incurred debt, (iv) a minimum balance in the bank account utilized to make payments to us; and (v) any other reasonable financial health metrics required by us. We will provide such requirements to you in writing and they will become effective thirty (30) days after we provide written notice of such requirement(s) to you. Without limiting the foregoing, you must at all times maintain adequate reserves and working capital sufficient for you to fulfill all your obligations under this Agreement and to cover the risks and contingencies of the franchised Business for at least three (3) months. These reserves may be in the form of cash deposits or lines of credit.

8.17 Credit Cards and Other Modes of Payment

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

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

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

8.18 Compliance with Security Protocols

You agree to assure all communication connections (of whatever form, wireless, cable, internet, broadband or other) and access to financial information, especially credit card information, is at all times kept secure in a manner which is in compliance with all legal requirements and, particularly, with all security requirements of the issuing credit card companies. You further agree to hold us and the other Franchisor Parties (as defined in Section 8.10) harmless from any and all claims and liabilities related to your failure to do so. In addition, at your cost, you agree to provide us with a written report of verification from a specialist approved by us confirming compliance with the obligations imposed by this Section 8.18 and any other proof of such compliance that we may reasonably require.

8.19 Hours of Operation

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

8.20 Business Entity Requirements and Records

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

A. Furnish us with all of your formation, organizational and governing documents; a schedule of all current owners (indicating as to each its percentage ownership interest) in the form annexed hereto as Exhibit M; any shareholder, partnership, membership, buy/sell or equivalent agreements and documents; and, a list of all of your officers, directors and managers (as applicable).

B. Unless we otherwise consent in writing, your business entity's formation and governing documents must provide that its activities will be confined exclusively to the operation of the franchised Business.

C. You must promptly notify us in writing of any change in any of the information specified, or in any document referred to, herein.

D. All of your business entity's organizational documents (including any partnership, partnership agreements, incorporation documents, organization/formation documents, bylaws, operating agreements, shareholders agreements, buy/sell or equivalent agreements, and trust instruments) will recite that the issuance or transfer of any Interest in you is restricted by the terms of this Agreement, and that the sole purpose for which you are formed (and the sole activity in which you are or will be engaged) is the conduct of a franchised Business pursuant to one or more franchise agreements from us and that your activities will be exclusively confined to such purpose. Your organizational documents will also include a "Supremacy of Franchise Agreement" clause reciting the following: "To the extent any provision of this Agreement conflicts, violates or is inconsistent with any provision of the Angelina Franchising LLC Franchise Agreement, the parties hereto agree that the provisions of such Franchise Agreement shall supersede the same and that the parties hereto shall enter into such amendments to this agreement as are necessary in order to make the relevant provisions consistent with or non-violative of the provisions of the Angelina Franchising LLC Franchise Agreement."

E. You will maintain stop instructions against the transfer on your business entity's corporate records of any securities or other ownership interests, and will not issue securities or other evidences of ownership without the following legend printed legibly and conspicuously on the face of the security or other evidence of ownership:

> "The transfer of this certificate and the interests it represents are subject to the terms and conditions of one or more Franchise Agreements with Angelina Franchising LLC, and to the restrictive provisions of the organizational documents of the issuer. Please refer to those documents for the terms of the restrictions."

F. Without our prior written consent (which shall not be unreasonably withheld, delayed or conditioned), you may not permit any mortgage, lien, pledge or other security interest in respect of any of your business entity's shares, equity interests or other ownership interests. Any violation of this restriction will give us the right to terminate this Agreement immediately upon notice to you.

8.21 Staffing Requirements, Qualifications and Training

You agree to staff your franchised Business in accordance with the specifications and criteria we set forth in our Manual concerning the selection, qualifications, hiring, training, pre-training and post-training of your personnel. Without limiting the generality of the foregoing, you agree to have on duty at the Store during all hours of operation the Operating Principal, Store Manager or other qualified manager to oversee Store operations. You agree to maintain a competent, conscientious, trained staff in sufficient numbers as we require so that you may promptly, efficiently and effectively service customers. You understand, agree, and will never contend otherwise, that the minimum staffing levels we prescribe in our Manual do not reflect our ability to in any fashion control the day-to-day operation of your franchised Business and its Store but, to the contrary, merely reflect those staffing levels necessary to achieve and maintain those standards of quality, uniformity and service which the consuming public has come to associate with the Marks and Angelina Italian Bakery Stores.

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

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

8.22 Testimonials and Endorsements

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

8.23 Trade Accounts

You agree to maintain your trade accounts in a current status and to seek to promptly resolve any disputes with trade suppliers. If you do not maintain your trade accounts in a current fashion, we may pay any or all of the accounts on your behalf, but we will have no obligation to do so. If we pay any accounts on your behalf, then you agree to immediately repay us as provided by Section 5.07. If you do not keep your trade accounts current or make immediate repayment to us, this will be a material breach of this Agreement entitling us to terminate this Agreement following our giving you notice and an opportunity to cure your breach.

8.24 No Conflicting Agreements

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

8.25 Taxes

You shall promptly pay when due all taxes levied or assessed upon your franchised Business including, without limitation, all employment, workers' compensation and sales taxes. In the event you have any *bona fide* dispute as to your liability for taxes assessed, you may contest the validity of the amount of the tax in accordance with the procedures of the taxing authority or applicable law.

However, in no event shall you permit a tax sale or seizure by levy of execution or similar writ or warrant, to occur against the premises of your franchised Business, your Store or any improvements thereon.

8.26 Government Actions

You shall notify us in writing within three (3) days of the commencement of any action, suit or proceeding and/or the issuance of any citation, order, writ, injunction, award or decree of any court, agency or other governmental or quasi-governmental instrumentality, which may adversely affect the operation or financial condition of your franchised Business. You must maintain any communications with governmental authorities affecting the Store during the term of this Agreement and for one (1) year after the expiration or earlier termination hereof.

8.27 Privacy and Data Protection

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

You will be fully responsible for any unauthorized collection, access, use and/or disclosure of Personal Information arising from your action or inaction. You further agree that the indemnification of us and the other Franchisor Parties specifically embraces all claims and liabilities sought to be imposed against us arising from or related to (directly or indirectly) your failure to comply with the provisions of this Section 8.27.

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

8.28 Complaints; Claims; Safety; Health and Other Violations

You must process and handle all consumer complaints connected with or relating to the Store, and shall, within twenty-four (24) hours, notify us by telephone and in writing of all of the following

complaints: (i) food related illnesses, (ii) safety or health violations, (iii) claims exceeding One Thousand Dollars ($1,000.00), and (iv) any other material claims against or losses suffered by you.

8.29 Crisis Management

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

A. We may, in our sole and absolute discretion, elect to control the manner in which the Crisis Management Event is handled by the parties, including, without limitation, managing and conducting, ourself or via our designee, all communication with third parties including the news media, temporarily suspending or closing one or more Angelina Italian Bakery Stores, suspending or discontinuing certain service offerings at some or all Angelina Italian Bakery Stores and/or taking any remedial measures or making any such other modifications to the Angelina Italian Bakery System's policies, procedures, processes and operations as we may deem, in our sole discretion, necessary or prudent in response to the Crisis Management Event. Your and our employees shall cooperate fully with us or our designee in our or our designee's efforts and activities in this regard and shall be bound by all further Crisis Management Event procedures developed by us. You shall not reopen your Angelina Italian Bakery Store or resume suspended or discontinued services until we provide our express written consent to do so.

B. Upon learning that a non-System-wide Crisis Management Event has occurred in or about your Angelina Italian Bakery Store, you shall immediately inform us by telephone or email (or as otherwise instructed in the Manual). You acknowledge that, if we elect to direct the management of any Crisis Management Event, we or our designee may engage the services of attorneys, experts, doctors, testing laboratories, public relations firms and those other professionals as we deem appropriate, and we may require you to reimburse us for all such costs provided, however, that you shall only be required to reimburse us for such costs to the extent the Crisis Management Event (i) arises, directly or indirectly, from the actions or inactions of you or (ii) relates solely to, or solely occurs in or about, your Angelina Italian Bakery Store. Your indemnification obligations as provided in Section 8.10 shall apply to all losses and expenses that may result from our or our designee's exercise of the management rights granted in this Section.

C. Our rights under this Section 8.29 shall be exercised in our sole business judgment and nothing in this Section 9.28 shall be deemed to require us to act, manage or remediate any Crisis Management Event. Our rights under this Section 8.29 shall continue until we determine that the Crisis Management Event is resolved. We shall have no liability to you for any losses arising from our actions or inactions under this Section 8.29.

D. "Crisis Management Event" means any event or incident that:

1. occurs at or about, or impacts (or has the ability to impact, regardless of whether such impact has occurred or will definitely occur), your Angelina Italian Bakery Store that has or may cause real or perceived harm or injury to members of the public or employees/personnel, such as equipment malfunction, food contamination or other food safety issue, matters affecting the health, safety or well-being of any member of the public or employee/personnel at the Store, epidemics, pandemics or other contagious diseases, natural disasters, criminal or terrorist acts, shootings, or any other circumstances which may have the actual

or potential ability to damage the System, the Marks, or the image or reputation of us or our Affiliates; and/or

2. results in any governmental action, mandate, advisory opinion, declaration of emergency or otherwise that may impact, or may require the suspension, termination, or modification of operations of, your Angelina Italian Bakery Store.

8.30 Coupons, Certificates and Vouchers

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

9. INSURANCE

9.01 Your Required Insurance Coverage

A. Within ten (10) days following our execution of this Agreement, and thereafter at all times throughout the Term of this Agreement, you agree to purchase at your own expense, and maintain in effect at all times, the following categories of insurance coverage in forms and through a responsible carrier or carriers rated "A" or better by the A.M. Best Company, Inc. and otherwise acceptable to us. You understand and agree that your Lease may require other or greater insurance coverages than those stated in this Section. Such insurance coverage must extend to and embrace your franchised Business; your franchised Store; all activities conducted in, at or from your Business and Store; all facilities which may be situated upon your Business's and Store's premises; and, all activities arising from or related to the construction, operation or occupancy of your Store and any other facilities situated on your Store's premises. Your required coverages, policy limits, limitations on deductibles and limitations on self-insured retentions are prescribed by us in our Manual or otherwise in writing and, as noted below, are subject to change.

1. Broad form comprehensive general liability coverage, an broad form contractual liability coverage of at least $2,000,000 aggregate and at least $1,000,000 per occurrence, such insurance to embrace (without limitation) claims for personal injury, bodily injury, and property damage. This insurance may not have a deductible or self-insured retention of over $5,000.

2. Fire and extended coverage insurance on your Store and property in an amount adequate to replace them in case of an insured loss.

3. Special cause of loss coverage forms (sometimes called "All Risk Coverage") on your Angelina Italian Bakery store and all fixtures, equipment, supplies and other property used in the operation of the store, for full repair and replacement value of the machinery, equipment and improvements, including full coverage for loss of income resulting from damage to the store with at least 80% co-insurance clause (however, an appropriate deductible clause is permitted).

4. Business interruption insurance in sufficient amounts to cover your Store rental expenses, maintenance of competent personnel and other fixed expenses

(including the payment of Royalty Fees) for a minimum of 12 months loss of income.

5. If any vehicle is operated in connection with the Business, automobile liability insurance (including coverage for all owned, non-owned, leased or hired vehicles) with minimum limits of liability in the greater of (a) the greatest amount required by any applicable federal, state or local law, or (b) $1,000,000 for each person killed or injured and, subject to that limit for each person, a total minimum of $2,000,000, along with a minimum limit of $3,000,000 for injury, destruction or loss of use of property of third persons as a result of any one accident.

6. Workers' compensation insurance providing statutory benefits, as required by applicable state law, and employer's liability insurance: bodily injury by accident $1,000,000 each accident; bodily injury by disease $1,000,000 policy limit; bodily injury by disease $1,000,000 each employee. The workers' compensation policy coverage shall include coverage for all states in which operations are conducted.

7. Employment practices liability insurance coverage in the amount of at least $500,000.

8. Builders' and/or contractor's insurance and performance and completion bonds in forms and amounts acceptable to us.

9. Umbrella liability coverage in no event less than $1,000,000.

10. Such other insurance as may be required by the landlord of the premises at and by the state or locality in which the Store is located.

11. Insurance coverage of such types, nature and scope sufficient to satisfy your indemnification obligations under this Agreement (including, without limitation, insurance coverage to indemnify us from any claims alleging your violation of federal, state or local labor and/or wage and hour laws, rules or regulations).

B. The insurance coverage that you acquire and maintain under this Article 9 must:

1. Name us and the other Franchisor Parties identified in Section 8.10 as additional insureds and provide that the coverage afforded applies separately to each insured against whom a claim is brought as though a separate policy had been issued to each insured (except for workers' compensation, employer's liability and any other employee-related insurance mandated by any federal, state or local law, rule or regulation).

2. Contain no provision which in any way limits or reduces coverage for you if there is a claim by one or more of the Franchisor Parties.

3. Extend to and provide indemnity for all obligations assumed by you under this Agreement and all other items for which you are required to indemnify us under this Agreement.

4. Contains such endorsements as we may specify from time to time in the Manual.

5. Be primary to and without right of contribution from any other insurance purchased by the Franchisor Parties.

6. Provide, by endorsement, that we are entitled to receive at least 30 days prior written notice of any intent to reduce policy limits, restrict coverage, modify, cancel, not renew or otherwise alter or amend the policy.

7. Contain a waiver of subrogation rights against us, the other Franchisor Parties identified in Section 8.10 and any of our successors and/or assigns.

8. Be obtained from responsible insurance carriers acceptable to us which possess a Best's Insurance Guide rating of no less than "A+".

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

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

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

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

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

9.02 Certificates of Insurance

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

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

9.03 Purchase of Insurance on Your Behalf

If you fail to purchase insurance conforming to the standards and limits we prescribe, we may (but we are not required to) obtain on your behalf the insurance necessary to meet these standards, through

agents and insurance companies that we choose. If we do this, then you must immediately pay the required premiums or reimburse us for the premiums we advanced and must also pay us a reasonable fee for the efforts we undertake to obtain such insurance for you. Nothing contained in this Agreement will impose any duty or obligation on us to obtain or maintain any specific forms, kinds or amounts of insurance on your behalf.

9.04 No Undertaking or Representation

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

9.05 Failure To Purchase Insurance or To Reimburse

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

10. ADVERTISING

10.01 Administration of the Marketing Fund

We or our designee will administer the Marketing Fund as follows:

A. As provided in Section 5.03, you agree to pay us a Marketing Fund Contribution which, combined with the contributions made by all other Angelina Italian Bakery franchisees, and by us or our Affiliates, will constitute the Marketing Fund (the "Marketing Fund").

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

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

activities, including fees to have print, broadcast and/or internet advertising placed by an agency, and all other advertising agency fees.

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

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

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

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

H. The Fund will not be used for any activity whose sole purpose is the sale of franchises. However, the design and maintenance of our Website (for which Fund monies may be used) may, without violating the provisions of this Agreement, include information and solicitations for prospective franchisees and public relations and community involvement activities which may result in greater awareness of the Angelina Italian Bakery brand and the franchise opportunity.

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

10.02 Advertising Standards You Must Comply With

You may only use advertising which we have either furnished or approved in writing in advance. You agree to conduct all advertising which uses the Marks or refers in any way to your franchised Business in a dignified manner and in a fashion calculated to avoid fraud, illegality, deception, misrepresentation, embarrassment, shame, ridicule, disparagement or liability of any type or nature accruing to you, us, your franchised Business, the System, your Store or other Angelina Italian Bakery franchisees or Businesses. You agree to conform all of your advertising to the standards, specifications and requirements specified in writing by us, in our Manual or otherwise.

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

Under this Agreement, the term "advertising" is defined to mean any and all advertising, identification and promotional materials and programs of any type or nature whatsoever including print and broadcast advertisements; direct mail materials; brochures; advertising specialties; electronic commerce communications and "bulletin boards"; any advertising on the internet/worldwide web; any advertising or promotion on social media; public relations and brand awareness programs; direct mail; door hangers; freestanding inserts and coupons; sponsorships; point of sale materials; press releases; business cards; displays; leaflets; telephone and computer greetings; messages and voice-mail/e-mail sent to or accessible by customers or other third parties; promotional material captured in any electronic medium; any advertising through any hereafter developed media, platforms, devices or modes of communication; and, any other material or communication which we denominate as "advertising" in our Manual or otherwise.

You agree to submit to us for approval, before use or dissemination, copies of all proposed advertising you intend to use (except for advertising which we furnish to you under this Agreement or advertising you have previously submitted and we have approved), as well as copies of any advertising previously approved by us during the twelve (12) month period immediately preceding their proposed use. Our approval of any of your proposed advertising may be withheld for any or no reason. If we do not respond within ten (10) business days following our documented receipt of your proposed advertising material, then our approval will be deemed withheld and the proposed advertising material not approved. Our grant or denial of our approval of your proposed advertising will not give rise to any liability on our part and you will not assert claims against us to the contrary.

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

10.03 Grand Opening Advertising

For a period of four (4) consecutive months, beginning one (1) month prior to the Opening Date and continuing for three (3) months after said Opening Date), you agree to spend a minimum of $20,000 in grand opening advertising, other local advertising and promotion of your Store. You agree to make these pre-opening and grand opening advertising expenditures in accordance with our standards and using the advertising material, media, special events and other public relations activities that we require or approve, in our Manual or otherwise. You must obtain our prior written approval of all marketing materials, methods and media (not provided by us) that you wish to use in connection with the grand opening promotion of your Store. You must submit one or more expenditure reports to us within thirty (30) days after the last day of the grand opening promotion for your Store, that accurately reflects your grand opening expenditures. We may credit your grand opening expenditures required

under this Section (provided such expenditures are substantiated) against the satisfaction of your Local Marketing Requirement for the first quarter after the Opening Date.

10.04 Marketing Expenditures

During each calendar year throughout the Initial Term of this Agreement, commencing on the Store's Opening Date, you agree to spend three percent (3%) of the Store's Gross Sales on marketing for your Store (the "Marketing Assessment"). The Marketing Assessment will comprise of your (i) Local Marketing Requirement; and (ii) Marketing Fund Contribution. Notwithstanding the foregoing, you may spend more than the required Marketing Assessment on marketing your franchised Business. The Marketing Assessment will consist of you spending one percent (1%) of your previous month's Gross Sales on local advertising and promotion for your Store, and contributing 2% of your Store's weekly Gross Sales towards the Marketing Fund. We may reallocate the proportion of those monies directed to local marketing (individually or through a Regional Advertising Cooperative) and to the Marketing Fund but it will not exceed 3% of your Store's Gross Sales in the aggregate.

10.05 Local Advertising and Promotion; Local Marketing Requirement

You must spend 1% of your Store's monthly Gross Sales on local advertising and promotion for your Store (the "Local Marketing Requirement"). "Local Advertising and Promotion" means the local or regional advertising and promotional activities that we specify in our Manual or otherwise or approve in advance as provided in Section 10.02.

At least sixty (60) days prior to the beginning of each semi-annual period, you must submit to us (for our review and approval) a local marketing plan for the upcoming six month period. Expenditures incurred for any of the following may not be included in the Local Advertising and Promotion for your Store, unless we first approve them in writing:

(i) Incentive programs for your employees or agents, including the cost of honoring any discounts or coupons, and salaries and expenses of any of your employees;

(ii) Charitable, political or other contributions or donations;

(iii) In-store materials consisting of fixtures or equipment; and

(iv) The cost of Yellow Page or White Page advertisements or listings.

Within 15 days following the end of each calendar quarter (and at any other times that we may require), you must submit a quarterly marketing expenditure report (including, copies of all statements, invoices and checks issued during the preceding quarter) to us, accurately reflecting your local marketing expenditures for the preceding quarter, which may include expenditures on television, radio, newspapers, magazines, billboards, posters, banners, brochures, direct mail, advertising on public vehicles and other types of marketing designated in the Manual and approved by us in accordance with the provisions of this Agreement. You must annually (and at any other times that we may require) provide us with copies of all statements, invoices and checks issued during the preceding year showing that you met your Local Marketing Requirement. You must also provide us with an accurate accounting of all expenditures you made in the previous calendar year towards your Local Marketing Requirement. If you fail to meet your Local Marketing Requirement, then we may require that you pay any amounts you should have expended to fulfill your Local Marketing Requirement into the Marketing Fund at the time we specify.

10.06 Promotional Programs

We may, from time to time, develop and administer marketing and sales promotional programs designed to promote all or certain groups of Angelina Italian Bakery Stores operating under the System (collectively, the "Promotional Programs"). You must participate in, and comply with the

requirements of, any Promotional Programs om accordance with the terms and conditions that we establish. You acknowledge and agree that the standards and specifications we establish for such Promotional Programs, including, without limitation, the type, quantity, timing, placement and choice of media, market areas and advertising agencies, shall be final and binding upon you.

10.07 Regional Advertising Cooperatives

We may, from time to time, establish, change, merge or dissolve regional advertising cooperatives for a geographic area which encompasses two or more Businesses (each a "Regional Advertising Cooperative"). We will furnish you with written notice of the establishment of any Regional Advertising Cooperative for your Store Location. The notice will specify the date you are to begin contributions and the amount of the contributions. Contributions will be calculated as a percentage of Gross Sales as defined in Section 5.04 above. Your contributions to a Regional Advertising Cooperative will not be less than 1% nor more than 2% of your Gross Sales, unless the maximum contribution is changed by franchisee Cooperative members in accordance with the terms of the bylaws of the Cooperative.

Businesses that are owned and operated by us or an Affiliate of ours and are within the geographic area of a Regional Advertising Cooperative will participate in and contribute to the Cooperative on the same basis as required of franchisee members of the Cooperative. All Regional Advertising Cooperatives will be governed by bylaws.

The Regional Advertising Cooperative may expend its funds for any or all of the following purposes: (i) development of advertising ideas and concepts; (ii) development of market research and merchandising programs; (iii) preparation of advertising campaigns; (iv) development of promotional ideas and strategies; (v) preparation of collateral creative materials; (vi) preparation of advertisements; (vii) placing and paying for regional marketing and advertising; (viii) planning, negotiating, contracting and trafficking all media programs; (viii) employing advertising agencies to assist in these activities and securing other technical and professional advice in connection with the above; (x) other public relations; and, (xi) administration of the Regional Advertising Cooperative, including legal and accounting services to administer the Cooperative. It will not be a requirement that expenditures made by a Regional Advertising Cooperative be proportionate to your contributions or those of any other franchisee.

Your failure to make any required payments to any Regional Advertising Cooperative will be a material breach of this Agreement which, unless cured as provided in Section 18.03, may result in this Agreement being terminated.

The Regional Advertising Cooperative will not be required to prepare annual or periodic financial statements. However, any financial statements that are generated as part of the books and records of the Regional Advertising Cooperative will be available for review by franchisees that are members of the Regional Advertising Cooperative. The Regional Advertising Cooperative will provide financial information about the Cooperative's operations upon the request of the Board of the Regional Advertising Cooperative (the "Board"), and the Board will then, in its discretion, present the report to you and the other members of the Cooperative at the next regular meeting or at a special meeting.

10.08 Advisory Council

We reserve the right to form a franchisee advisory council comprising of franchisees and our representatives (the "Advisory Council") to assist us with various components of the System (including, without limitation, products, services and programs offered by Stores; marketing and promotion; training, and other aspects of the System). If we create an Advisory Council, it will act in an advisory capacity only and will not have any decision-making authority whatsoever. Our

decisions will be final, and it will have no liability to the advisory council or any franchisee with respect to any decision it makes. You acknowledge and agree that we have the sole right to form, change, merge and dissolve any Advisory Council at any time. The membership of any Advisory Council may be determined in our sole judgment. You have no right to sit on an Advisory Council. Notwithstanding the foregoing, the franchisee representatives may (in our business judgment) be chosen by us or may be elected by other franchisees in the System. If you are chosen and agree to participate on an Advisory Council, you must pay all costs and expenses incurred related to your participation, including travel, lodging and meals expenses for attending council meetings.

10.09 Marketing Tests and Surveys

We may (in our sole business judgment) ask or mandate that you participate in certain marketing tests and surveys in accordance with any and all terms and specifications set forth in (i) the applicable contract or agreement governing such tests or survey arrangement; and (ii) the Manual. You must adhere to all test and survey requirements, processes, and procedures, and provide complete data statistics on the tests or surveys for our review and evaluation. We will pay for all expenses and costs related to such tests or surveys.

10.10 Listings and Directory Advertising

You agree to list your Business in all print and/or electronic alphabetic directories ("White Pages") serving the marketing area for your Store Location. You are also required to advertise your Business continually in all print and/or electronic classified directories ("Yellow Pages") serving the marketing area for your Store Location under headings designated by us in our Manual or otherwise. We may annually furnish you with demographic information and recommendations regarding which Yellow Pages directory(ies) in the marketing area for your Store Location you should advertise in for the coming year. You agree to procure, place and pay for all of your White Pages advertising and any Yellow Pages advertising we may hereafter require. We may specify the size, style and content of your Yellow Pages advertising and may require you to utilize the services of a classified telephone directory advertising or placement agency we designate. In lieu of individualized Yellow Pages advertising for your franchised Business, we may instead require you and all other Businesses situated within a geographic area served by one or more Yellow Pages print or electronic directories (including Businesses owned or franchised by us or our Affiliates) collectively to prepare, place and equally share in the cost of combined Yellow Pages advertisements featuring, and treating identically, all such Businesses. Any expenditures you make for White Pages or Yellow Pages advertising will be in addition to, and not included in, those sums which this Agreement requires you to expend to meet your Local Marketing Requirement.

10.11 Merchandise Materials

We may, from time to time and in our sole business judgment, produce and provide to you (or have our 3rd party designated vendor produce and/or provide to you) certain merchandising materials identifying the System and to support national promotions, such as menu panels, point of purchase advertising materials, System memorabilia and other brand-relevant merchandise (collectively, "System Merchandise"). We or our third-party vendor will invoice you for these materials and you agree to pay for the materials (including but not limited to the cost of shipping and insurance). Upon reasonable request, we will provide you with documentation of the costs of these materials.

11. RECORDS, AUDITS, REPORTING REQUIREMENTS AND PRIVACY

11.01 Financial Statements

A. No later than 30 days following the end of each calendar quarter during the term of this Agreement, you agree to furnish to us, in a form we approve, a statement of the franchised

Business's profit and loss for the quarter and a balance sheet as of the end of the quarter. You must certify these statements to be true and correct.

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

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

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

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

F. If you do not timely furnish to us any of the financial statements or tax returns required above in this Article 11 then you agree to pay us a late charge of $50 per month that each financial statement or tax return is overdue. We may also in such circumstance elect to terminate this Agreement upon giving you notice and an opportunity to cure your default.

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

11.02 Financial Records and Audit

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

B. We and/or our agents (who may be outside accountants and auditors), designees and/or employees will have the right, at any time, with or without written notice, during normal business hours, to enter your Store and any other offices at which the Business is administered, in a fashion calculated not to disrupt your Store's and Business's operations, to inspect, audit and make copies of all records including, but not limited to, the following: books of accounts; bank statements; cash or other receipts; checkbooks; documents; records; sales and income tax returns (federal, state, foreign and, if applicable, city); and, your files relating to programs, services and products sold, business

transacted and expenditures relating to the Business. These files must include (without limitation) your operating records; bookkeeping and accounting records; customer lists; customer job orders; operating records; operating reports; correspondence; general business records; your copy of the Manual (as amended); invoices; payroll records; journals; ledgers; files; memoranda and other correspondence; contracts; and, all sources and supporting records used to prepare the reports and forms which you are required to submit to us under this Agreement, including the books or records of any business entity which owns the franchised Business. You agree to make any of these materials available for examination at your offices. Alternatively, we may determine to conduct any such audit either at our offices or at the office of a designee of ours and, if we do, you will be required to transmit some or all of the foregoing books and records to us or our designee. In addition to the foregoing, we may require you to scan and electronically transmit to us such volume of the above-referenced records, files and documents as will not unreasonably burden the franchised Business.

C. If an audit reveals that you understated the Gross Sales on your monthly reports to us by any amount for any month within the period of examination, or for the entire period of examination, when compared to your actual Gross Sales, then you agree to immediately pay us the additional amount payable as shown by the audit, plus interest calculated as provided in subsection 5.07 (D). If an audit reveals that you understated the Gross Sales on your monthly reports to us by 2% or more for any month within the period of examination, or for the entire period of examination, then in addition to paying the additional amounts due and interest calculated as provided in subsection 5.07 (D), you agree to immediately pay us the full cost of the audit for the entire period of examination. If an audit reveals an understatement by you of 8% or more for any month within the period of examination, or for the entire period of examination, then in addition to paying the additional amounts due, interest calculated as provided in subsection 5.07 (D) and the full cost of the audit for the entire period of examination, your understatement will be a material and incurable breach of this Agreement which, unless we waive the breach, will entitle us to terminate this Agreement immediately upon notice to you, with no opportunity to cure. If our examination or an audit establishes a pattern of underreporting, we may require that the subsequent annual financial statements due under Section 11.01(B) be audited by an independent accounting firm consented to by us.

12. CONFIDENTIAL INFORMATION AND COVENANTS NOT TO COMPETE

12.01 Restriction on Use of Confidential Information

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

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

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

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

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

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

12.02 Covenant Not to Compete

You agree that (i) at any geographic location whatsoever during the Initial Term and any Successor Term of this Agreement, and (ii) at the Store Location, within twenty (20) miles of the Store Location or within twenty (20) miles of the perimeter, or within, the protected area, market area (as applicable) or store location of any other franchised or company-owned Business in operation or under construction (regardless of how established or operated), for a period of two years immediately following the later of (a) the termination, expiration or assignment (as defined in Section 14.02 below)

of this Agreement or any Successor Agreement for any reason or (b) the date on which all persons restricted by this Section 12.02 begin to comply with this Section 12.02, you will not directly or indirectly engage in, aid, assist, serve or participate in any other business or activity (a "Competitive Business") that operates a bakery or café (i) which offers or sells any of the products or services which now or hereafter are authorized for sale under the Angelina Italian Bakery System (including, without limitation, Italian-influenced baked goods, cake or sandwich items (including croissants, donuts, cheese focaccia, sandwiches and pastries) or component thereof in any manner (whether at wholesale or retail otherwise); (ii) which offers or sells similar or related products or services; or (iii) which offers or sells any other program, product, service or component which now or in the future is part of the System, or any confusingly similar program, product or service.

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

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

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

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

12.03 Lesser Included Covenants Enforceable At Law

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

12.04 Enforcement of Covenants Not To Compete

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

12.05 Procurement of Additional Covenants

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

1. Before employment or any promotion, your Operating Principal, your Store Manager(s) and all other managerial personnel; and,

2. If you are a business entity, and as applicable, all of your owners, equity holders, control persons, shareholders, members, partners and general partner(s); all of your officers, directors and managers; and, all persons possessing equivalent positions in any business entity which directly or indirectly owns and/or controls you. You shall procure all such Confidentiality/Non-Competition Agreements no later than ten (10) days following the Effective Date (or, if any individual or entity attains any status identified above after the Effective Date, within ten days following such individual or entity's attaining such status) and shall furnish to us copies of all executed Confidentiality/Non-Competition Agreements within ten days following their execution.

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

12.06 Reduction of Scope of Covenant

You acknowledge that we shall have the right to, in our sole business judgment, to reduce the scope of any covenant set forth in this Article 12 without your consent, effective immediately upon our notice to you, and you agree to promptly comply with any covenant so modified.

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

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

12.08 Survival of Covenants

The covenants in this Article 12 shall survive the expiration, termination or transfer of this Agreement or any interest herein and shall be perpetually binding upon you, your Affiliates and their respective Principals.

13. CONDITIONS TO AND PROCEDURES GOVERNING SUCCESSOR TERM

13.01 Conditions to Successor Franchise Agreement

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

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

B. Throughout the Initial Term and at the time of entering into a Successor Term you (and your affiliates) must have performed all of your obligations and been, according to our business judgment, in compliance with the terms of this Agreement, the Manual and other agreements between you (or your affiliates) and us or our Affiliates;

C. At the time of entering into a Successor Term you (and your affiliates) must be current on the payment of all monetary obligations to us, our Affiliates, the lessor or sublessor of your Store Location and any material third party supplier of yours;

D. Before the commencement of the applicable Successor Term, you must, at your cost and expense, refurbish, redesign and/or remodel your franchised Store as we reasonably require to meet our then current standards, requirements and specifications (including, without limitation, refurbishing, repairing or replacing all equipment, electronic cash register systems, Computer System, signs, interior and exterior decor items, fixtures, furnishings, supplies and other products and materials required for the operation of the Store and otherwise upgrading the Store as we reasonably require to reflect our then-current System standards and the image of the System);

E. You or Your Operating Principal (as applicable), your Store Manager and any other management and staff we designate must attend and successfully complete any training that we may reasonably require, at your expense;

F. You must pay us a Successor Franchise Fee of fifty percent (50%) of our then-current Initial Franchise Fee for similar franchised territories, but the Successor Franchise Fee

for the first Successor Term will be no greater than the Initial Franchise Fee which you paid under this Agreement;

G. You must present evidence satisfactory to us that you will be able to renew the lease for your Store on terms acceptable both to you and us, or lease a substitute Store Location acceptable to and approved by us, without any interruption of business in compliance with the terms of Section 6.02; and,

H. You (and if you are a business entity, all holders of an ownership interest in you and any entity directly or indirectly controlling you, collectively the "Principals") must sign a General Release in the form attached as Exhibit J to this Agreement. This General Release will not release us from any future claims related to any Successor Franchise Agreement but will release us, our Affiliates, and our respective officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees, past and present, in their corporate and individual capacities from any and all claims you may have related to this Agreement or under federal, state or local laws, rules, regulations or orders.

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

13.02 Successor Franchise Procedures

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

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

B. Within thirty (30) days after our receipt of your notice, we will deliver to you a copy of our then-current franchise disclosure document (if we are then legally required to do so) and a copy of our then-current franchise agreement (the "**Successor Franchise Agreement**") in a form ready to be executed by you (together, the "**Successor Franchise Package**"). You must acknowledge receipt of the Successor Franchise Package in any fashion that we reasonably specify.

C. No sooner than fifteen (15) days, but no later than twenty-five (25) days, after you receive our Successor Franchise Package, you must execute the Successor Franchise Agreement and return it to us.

D. If you have exercised your conditional right to a Successor Franchise Agreement as described above and have complied with all of the procedures set forth herein, and on the date of expiration of the Initial Term you satisfy all of the conditions to qualify for a Successor Term identified in Section 13.01 of this Agreement, then we will execute the Successor Franchise Agreement previously executed by you and will, deliver one fully executed copy of your Successor Franchise Agreement to you.

E. If you do not perform any of the acts or deliver any of the writing required herein in a timely fashion, this will be considered your conclusive election not to exercise your right to enter into a Successor Franchise Agreement and such right will then automatically lapse and expire without further notice or action by us. If this occurs, this Agreement will terminate at the end of the Initial Term, except for the post-

termination and post-expiration provisions of this Agreement which by their nature are intended to survive.

F. Notwithstanding the exercise of any successor franchise option, if you fail to comply with any condition stipulated in Section 4 within the time prescribed herein above, if you fail to meet one or more of its obligations under this Agreement at any time before the end of the Initial Term or the Successor Term (as the case may be) or if this Agreement is terminated for any reason before the end of the Initial Term or the Successor Term, any notice to exercise any successor franchise option you have, shall automatically and without notice be deemed to have been withdrawn and cancelled by you. In the event of such withdrawal and cancellation, any and all options to a Successor Term automatically become null and void and you will no longer have any right to enter into a Successor Term.

G. Time is of the essence with regard to this Section 13.02.

13.03 Notice of Expiration

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

14. ASSIGNMENT

14.01 Assignment By Us

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

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

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

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

14.02 Assignment By You – General

You understand and acknowledge that we have entered into this Agreement in reliance on and in consideration of your singular personal skills and qualifications (or, if you are a business entity, the

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

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

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

14.03 Assignment By You – To A Business Entity You Form

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

A. The business entity must be newly organized and duly formed, and its activities must be confined exclusively to serving as "Franchisee" under this Agreement (unless we otherwise consent in writing).

B. You must be the sole owner of all ownership interests in the business entity and its principal officer or manager (as applicable) (or the sole owner of 75% or more of all ownership interests in the business entity, with the remaining owners being your spouse and/or adult children).

C. If more than two individuals serve as "Franchisee" hereunder, each individual must have the same proportionate ownership interest in the business entity as he or she had in the franchised Business before the transfer.

D. You and the business entity must execute an agreement with us under which you and the business entity agree to be jointly and severally liable for all duties, responsibilities and obligations to us under this Agreement and expressly agree to be bound by all of the terms, conditions and covenants of this Agreement. Each then-current and future owner of any interest in the business entity must agree in writing to personally guarantee the performance by the business entity of your obligations under this Agreement, and to be individually bound by all of the terms and conditions of this Agreement and any other agreements between you and us, substantially in the form of Exhibit G to this Agreement.

E. Each present and future owner of any interest in the business entity must execute our Confidentiality/Non-Competition Agreement substantially in the form of Exhibit E to this Agreement.

F. The name of the business entity formed by you may not include the Mark "Angelina Italian Bakery", any variant thereof or any word confusingly similar thereto.

G. Your business entity must comply in all respects with the requirements and prohibitions set forth in Section 8.20 of this Agreement ("Business Entity Requirements and Records").

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

14.04 Assignment By You – Sale To Third Party

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

A. That the proposed assignee (meaning all individuals and entities which, after the proposed sale, transfer or assignment, will be franchisees under this Agreement or under any successor agreement) applies to us for acceptance as a franchisee and demonstrates to our satisfaction that the proposed assignee (and, if it is a business entity, each and every owner and guarantor of the proposed assignee) possesses the skills, qualifications, financial condition, background and history, reputation, economic resources, education, managerial and business experience, moral character, credit rating and ability to assume your duties and obligations under this Agreement and any successor and related agreement. You must pay the costs of any such investigation conducted by us.

B. That, upon our request, the proposed assignee (or, if the proposed assignee is a business entity, each and every owner or guarantor of the proposed assignee) presents itself for a personal interview at our corporate office, or any other location we designate, at the date and time we reasonably request, without expense to us. We may determine to meet with the proposed assignee at his, her or its principal place of business or residence and, if we do so, you will reimburse us for all travel, lodging, meals and personal expenses related to such meeting.

C. That the proposed assignee has the organizational, managerial and financial structure, financial resources and capital required to conduct the franchised Business in accordance

with such standards and the satisfaction of such conditions as we indicate from time to time, taking into account such factors (among others) as the number of Stores and market areas involved and their geographic proximity.

D. That the proposed assignee comply with our ownership requirements relative to the control of the proposed assignee and the franchised Business.

E. That the proposed assignee (and, if the proposed assignee is a business entity, each and every owner or guarantor of the proposed assignee) comply with our restrictions relative to involvement in any business which competes with the franchised Business.

F. That the proposed assignee; his, her or its proposed Store Managers; and, such other post-transaction employees of the franchised Business attend and successfully complete our Initial Training Program before the assignment, and any other training that we reasonably require, at the assignee's expense (which will include our then-current training fee and the cost of the trainees' transportation, lodging, food and other living expenses). Each individual undergoing such training must first execute the Confidentiality/Non-Competition Agreement substantially in the form of Exhibit E. We may waive these requirements if the proposed assignee is one of our existing franchisees in good standing.

G. That, if required, the lessor or sublessor of your Store Location consents in writing to the assignment to the proposed assignee.

H. That, as of the date of the assignment, you have cured any existing defaults under any provisions of this Agreement or any other agreement or arrangement with us or our Affiliates, and have fully satisfied in all respects all of your accrued and/or then-current monetary and other obligations to us and our Affiliates (under this Agreement or otherwise), all sources of financing of your franchised Business and all material sources of supply of your franchised Business.

I. That the assignee execute a new Franchise Agreement with us, and all other agreements required of new franchisees, in the form and on the terms and conditions we then offer to new franchisees, which terms and conditions may vary significantly from this Agreement. The assignee will not be obligated to pay another Initial Franchise Fee under the new Agreement but will be required to pay our then-current fees for furnishing our Initial Training Program and any other services we are required to furnish under the new Agreement. The term of the new Franchise Agreement will be the balance of the Term of this Agreement. The execution of the new Franchise Agreement will terminate this Agreement, except for your guarantees; any of your obligations to us or our Affiliates which remain outstanding and/or unsatisfied; and, the post-termination and post-expiration provisions of this Agreement which, by their nature, are intended to survive.

J. That the assignee has acquired, or will be able to immediately acquire following the execution of the new Franchise Agreement, all permits, licenses and other authorizations required by any federal, state or local, rule or regulation to operate the franchised Business. If applicable law enables you to transfer or assign any of the aforementioned permits, licenses and/or authorizations which you possess to the assignee, then you agree to do so immediately following our execution of the assignee's new Franchise Agreement.

K. Notwithstanding the foregoing, you understand and agree that you will remain fully liable and responsible for all of your obligations to us and our Affiliates under this Agreement which arose in connection with the operation of your franchised Business prior to the effective date of the assignee's new Franchise Agreement (specifically including your

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

L. That if the proposed assignee is a business entity, we have the absolute right to require any owners or other parties having an interest in the proposed assignee or the Store Location to execute the Personal Guaranty substantially in the form of Exhibit G.

M. That the Total Sales Price of your sale, assignment or transfer is not so excessive, in our business judgment, that it jeopardizes the continued economic viability and future operations of the franchised Business and/or the assignee. "Total Sales Price" means all consideration of every kind paid or payable to you or any other person or entity in connection with, arising out of or relating to the assignment or transfer of the franchise, the Franchise Agreement or the franchised Business, whether money, property or other thing or service of value including consideration received for all or a part of your Business; your rights under this Agreement; contracts; goodwill; restrictive covenants; consulting arrangements; your furniture, fixtures, equipment and trade dress elements; accounts receivable; or, any other fees or arrangements or other form of consideration, whether the consideration is received in the present or promised to be given to you or any other person in the future (including the highest possible value of any contingent future consideration).

N. That if you or your owners finance any part of the purchase price, you and/or your owners agree in writing that all of the transferee's obligations under promissory notes, loan agreements, or security interests reserved in the Store are subordinate to the assignee's obligation to pay Royalty Fees, Marketing Fund Contributions, and all other amounts due to us, our Affiliates, and third party vendors and otherwise to comply with this Agreement.

O. That you and, if you are a business entity, each of your owners and guarantors, and the assignee (and if the assignee is a business entity, each of each owners and guarantors) execute a general release substantially in the form of Exhibit K of any and all claims, demands and causes of action which you, such owners or the assignee and its owners may or might have against us and/or any of the Franchisor Parties through the date of execution of the assignee's new Franchise Agreement.

P. That if the assignee is a business entity, all of the requirements of its new Franchise Agreement concerning business entities must be complied with before we will execute the new Franchise Agreement and, as applicable, will continue to be complied with thereafter.

Q. That you furnish us with a copy of any proposed contract of assignment (and any related agreements) and, promptly following execution, furnish to us a copy of the executed contract of assignment (and any related agreements).

R. That you have corrected any existing deficiencies of the Store of which we have notified you.

S. That upon our request, either you and/or the proposed assignee, at your/its own expense, renovate, remodel and upgrade your Store to conform to our then-current standards and specifications for System Stores in the United States and complete such modifications, at our election, either prior to the contemplated assignment or such later time reasonably specified by us.

T. That you pay us a transfer fee equal to (i) fifty percent (50%) of our then-current Initial Franchise Fee if the transfer is to any third party or (ii) 25% of our then-current Initial

Franchise Fee for transfers to existing Angelina Italian Bakery franchisees in good standing (the "Transfer Fee") and shall reimburse us for our reasonable cost and expenses associated with the assignment, including, without limitation, training costs, legal and accounting fees and costs and escrow service fees; provided, that you shall not be obligated to pay the Transfer Fee upon an assignment resulting from the death or permanent disability of one of your Principals, though you will be required to reimburse us for our reasonable costs and expenses in such instances including any escrow service fees.

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

V. That the proposed assignee has acquired, or will be able to immediately acquire following the execution of the new franchise agreement, all permits, licenses and other authorizations required by any federal, state or local, rule or regulation to operate the Store. If applicable law enables you to assign any of the aforementioned permits, licenses and/or authorizations which you possess to the proposed assignee, then you agree to do so immediately following our execution of the proposed assignee's new franchise agreement.

W. If the assignment relates to the grant of a security interest in any of your assets, we may require the secured party to agree that, in the event of any default by you under any documents related to the security interest, we shall have the right and option (but no obligation) to be substituted as obligor to the secured party and to cure any default by you.

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

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

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

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

Business must meet such standards and conditions as we have put in place at the time you request our consent.

14.05 Assignment By You – Transfer Upon Death or Disability

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

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

The Estate shall have a reasonable period of time (not to exceed six (6) months) following the death or disability to sell (as applicable) Franchisee or the franchised Business in accordance with the provisions of Section 14.04 and subject to our right of first refusal under Section 14.06. Until such sale, transfer or assignment is consummated, the Estate may continue the operation of your franchised Business but only if, at all times, one or more approved Store Manager, as necessary, of your franchised Business is at all times supervising the operation of your Business and, further, only if all other terms and provisions of this Agreement are complied with. Failure to comply with one of the above alternatives will be a material breach of this Agreement which, unless cured by the Estate, will result in this Agreement being terminated immediately upon notice.

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

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

14.06 Right of First Refusal

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

A. You must deliver to us a true and complete copy of the proposed assignee's offer (the "notice") including all its terms and furnish to us any additional information concerning the proposed transaction and the proposed assignee that we reasonably request. Your submission of such information must be accompanied by the seller's representation and warranty that all of the information submitted to us is true, accurate, complete and correct in all respects and, if the seller is a business entity, you must also furnish us with an appropriate resolution of the business entity's governing body authorizing the proposed sale.

B. We shall have 60 days following our receipt of the notice (or, if we request additional information, 60 days following our receipt of the additional information) to conduct due diligence into the transaction. Our due diligence will be of the type, nature and scope customary for transactions similar to the proposed transaction at issue and, in connection with our due diligence, you agree to make available to us immediately upon demand all information, data, books, or written or electronic records which we may reasonably request and, as well, shall make available to us for inquiry each owner and Guarantor of your franchised Business, the Store Manager of your Business and any other personnel we specify. As well, all of the requirements of your proposed assignee specified above in Section 14.04 of this Agreement must be complied with.

C. Within 60 days after our receipt of your notice (or, if we request additional information, within 60 days after receipt of the additional information), we may either consent or withhold our consent to the assignment or redemption, in accordance with this Article, or at our option accept the assignment to ourselves or to our designee, on the terms and conditions specified in your notice. If we or our designee accept the assignment, we will be entitled to all of the customary representations and warranties given by the seller of assets of a business, including (without limitation) representations and warranties as to ownership, condition of and title to assets, liens and encumbrances on the assets, validity of contracts and agreements, and your contingent and other liabilities affecting the assets. Any dispute regarding the value of all or any part of the assets or rights proposed to be assigned and/or the consideration proposed to be paid or payable to you or any third party in connection with the proposed assignment shall be determined by a reputable independent appraiser we select, and you and we equally share the expense of, whose determination will be final and binding on us. You expressly understand and agree that nothing in the offer which is the subject of your notice to us may contain any provision or condition the effect of which would be to increase the cost to us, or otherwise change the economic or other terms imposed on us, as a result of our substitution for the offeror, or

as a consequence of compliance with the procedures set forth herein regarding our right of first refusal.

D. If you are a business entity and a partial transfer is proposed through the assignment or redemption of more than 25% of your entity's ownership interests other than to any of your entity's co-owners, then we or our designee will have the option to purchase not only the interests being transferred but also all remaining interests, so that our resulting ownership will be 100% of your business entity. The price of these remaining interests will be proportionate to the price of the interests initially being offered.

E. Our credit will be considered at least equal to the credit of any proposed purchaser. We may substitute cash for the fair market value of any other form of payment proposed in the offer.

F. If we give notice of our exercise of our right of first refusal, closing on our purchase must occur within the later of: (i) sixty days following your receipt of our notice to you; (ii) the closing period (if any) specified in the subject offer; or, (iii) such longer period as may be necessary to conduct the due diligence provided for above.

G. If we give notice of our exercise of our right of first refusal, you agree to take all action necessary to assign your Lease with the lessor of your Store Location to us.

H. If we elect not to exercise our right of first refusal and we consent to the proposed assignment or redemption, then you will, subject to the provisions of this Article, be free to assign this Agreement or the franchised Business to your proposed assignee on the terms and conditions specified in the notice if you satisfy the conditions of Section 14.04 for our approval of an assignment and if you close the transaction within sixty days (or such further time as may be stipulated by law, rule or regulation). If, however, the terms specified in your notice are changed, the changed terms will be considered a new offer, and we will have an identical right of first refusal with respect to this new offer. Further, if you fail to close the assignment transaction within sixty days (or such further period of time as may be stipulated by applicable law, rule or regulation), then our right of first refusal hereunder shall be restored and we may elect to exercise same within thirty days thereafter.

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

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

14.07 Security Interest

Without our prior written consent (which will not be unreasonably withheld, delayed or denied), you may not pledge, encumber, mortgage, hypothecate or otherwise grant any third party a security interest in this Agreement, the franchised Business, your Store, any ownership interests in you (if you are a business entity), any ownership interests in any business entity which directly or indirectly controls you, your Lease or Sublease (as applicable) or any of the tangible assets material to the

operation of your franchised Business (including, without limitation, the premises of your franchised Business and your Store Location). We may require your compliance with any policy statement which we adopt and announce regarding such security interests. We reserve the right to review and approve the terms of any security agreement or other document granting a security interest in any of the assets or interests described in this Section 14.07, which approval shall be in writing.

14.08 Your Offer and Sale of Securities

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

You must submit to us for our review and consent, at least thirty (30) days prior to your filing them with any government agency, any and all materials required by federal and/or state law for any direct or indirect offer or sale of securities or other ownership interests. If your offering of securities or other ownership interests will be exempt from federal and/or state filing requirements, then any materials you will use in any such exempt offering shall be submitted to us for our review and consent at least thirty days prior to their use. Our review of your offering materials and information included therein will be conducted solely for our benefit and not for the benefit or protection of any other person. All of your offering materials and documents must include legends and statements as we may specify, including legends and statements which disclaim our liability for, or involvement in, your offer and sale of securities or other ownership interests, and must advise all offerees that our review of your offering materials must not be deemed in any fashion our approval, endorsement, acceptance or adoption of any representation, warranty, covenant or projection contained in those materials.

Your offer and sale of securities and other ownership interests is specifically embraced by your indemnification of us and the other Franchisor Parties identified in Section 8.10 of this Agreement. Any other participant in your offer of securities or other ownership interests must agree to fully indemnify us in a parallel fashion in that form which we prescribe.

You must pay us a non-refundable fee of $3,000 or such greater amount as may be necessary to reimburse us for our reasonable costs and expenses in reviewing your proposed offering, including, without limitation, legal and accounting fees.

14.09 Bankruptcy

If you, your franchised Business or any owner of you and/or your franchised Business is the subject of any voluntary or involuntary proceeding under the U.S. Bankruptcy Code, as amended, and if this Agreement does not terminate as provided in Section 18.01 below, but, instead, is to be assumed by, or assigned to, a third party individual or entity which has made a *bona fide* offer to accept an assignment of this Agreement as contemplated by the U.S. Bankruptcy Code, then you must notify us of any such proposed assignment or assumption within five days after your receipt of such proposed assignee's offer to accept assignment or to assume your rights and obligations under this Agreement. Such notice must be given to us, in any event, no later than ten days prior to the date application is made to a court of competent jurisdiction for authority and approval to enter into such assignment and assumption.

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

Section 365 of the U.S. Bankruptcy Code and the satisfaction of the preconditions to assignment set forth in Section 14.04 of this Agreement.

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

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

14.10 No Waiver of our Rights

Our consent to any sale, transfer or assignment under this Article 14 shall not constitute a waiver of any claims we may have against you, your franchised Business, any of your owners and/or any Guarantor, nor shall our consent be deemed a waiver of our right to require exact compliance with any of the terms of this Agreement by any assignee.

15. MARKS

15.01 Our Ownership of Marks

You agree that the Marks are our (or our Affiliates') exclusive property. You do not assert and will not in the future assert any claim to any goodwill, reputation or ownership of the Marks by virtue of your licensed use of the Marks, or for any other reason. You agree that you will not do or permit any act or thing to be done in derogation of any of our rights or the rights of our Affiliates in connection with the Marks, either during or after the term of this Agreement. You agree not to apply for or obtain any trademark or service mark registration of any of the Marks or any confusingly similar marks in your own name. You agree to use the Marks only for the uses and in the manner licensed under this Agreement and as provided in this Agreement. If you are a business entity, then you agree that under no circumstance will you incorporate any of the Marks, any portion thereof or any name or mark derivative of or similar to the Marks, in your business entity's name. You may never use the Marks in connection with any other business except for the franchised Business. You agree that you will not, during or after the Term of this Agreement, impair the goodwill associated with the Marks or in any way dispute or impugn the validity of the Marks, our rights (or those of our Affiliates) to the Marks, or the rights of us, our Affiliates, other franchisees of ours or other third parties to whom we may have licensed the Marks.

You acknowledge that our rights in the Marks are not limited to the specific presentation or configuration of any of them, but rather extend to all combinations and displays of the words and/or design elements thereof and extend to all translations of them in any language. Further, you acknowledge and agree that our and our Affiliates' rights in and to the Marks are not limited to such

rights as may be conferred by registrations thereof or by applications for registrations but, instead, include extensive common law and other rights in the Marks vested in us as a result of their use by us, our Affiliates and other authorized parties.

You further acknowledge that we (or our Affiliates) are the lawful, rightful and sole owner of the internet domain names www.angelinabakery.com and any other internet domain names registered by us or our Affiliates, and unconditionally disclaim any ownership interest in those or any colorable similar internet domain name. You agree not to register any internet domain name in any class or category that contains words used in or similar to any brand name owned by us or our Affiliates or any abbreviation, acronym, phonetic variation or visual variation of those words.

15.02 Limitations on Your License to Use the Marks

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

15.03 Use and Display of Marks

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

B. You may not use the Marks in any way which will incur any obligation or indebtedness on our behalf. You agree to comply with this Agreement's and our Manual' instructions in filing and maintaining all requisite trade name or fictitious name registrations, and in executing any documents considered necessary by us or our counsel to obtain protection for the Marks or to maintain their continued validity and enforceability.

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

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

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

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

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

15.05 Our Defense of Marks and Copyrights

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

to defend and/or settle all claims of this type. You may participate at your own expense in the defense or settlement, but our decisions with regard to the defense or settlement will be final.

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

15.06 Prosecution of Infringers

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

15.07 Discontinuance or Substitution of Marks

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

16. OUR OPTION TO PURCHASE

16.01 Our Option to Purchase Your Business and Store Assets; Purchase Price

If we or our successor-in-interest hereto elects to go public (meaning an initial public offering to become a publicly traded and owned company), you acknowledge, understand and agree that we (including any Affiliate, and/or any nominee or designee we name) is hereby granted an option (to be exercised in our sole judgment), upon six (6) months' notice to you (the "Purchase Option Notice"), to purchase your franchised Business (including, the assets of the Store) and all of your rights under this Agreement (the "Purchase Option") at any time during and throughout the remaining Initial Term (or Successor Term) of this Agreement. The date on which such purchase is closed will be referred to as the "Closing Date". The following terms and conditions will apply to our rights and the option granted under this Article 16:

1. Your rights under this Agreement; all leasehold improvements, furniture, fixtures, supplies, equipment, trade dress elements and inventory; all accounts receivable; and all intangible assets associated with your franchised Business (including its Store and its assets) will be purchased at an amount equal to four (4) times the Store's EBITDA (the "Purchase Price"). "EBITDA" means, in respect of any twelve (12) month period, the Store's net earnings, as reported on your most recent income statement or balance sheet covering the preceding twelve (12) month period, plus, to the extent deducted in determining such net income and without duplication:

    (i) Your interest expenses on borrowed money for such period;

(ii) Your current income taxes for such period;

(iii) Depreciation of the Store's asset for such period; and

(iv) Amortization of the Store for such period, all as determined in accordance with U.S. generally accepted accounting principles.

We reserve the right to adjust EBITDA for any expenses which we determine, in our sole business judgment, are not customary or ordinary for the operation of the Store. If we exercise our Purchase Option, we will have the right to set off against and reduce the Purchase Price by any and all amounts which are due and owing by you to us and our Affiliates. The Purchase Price shall be paid in cash, a cash equivalent, or marketable securities of equal value at the closing of the purchase.

2. All transferrable permits, licenses and other governmental authorizations will be transferred or assigned to us, our Affiliate, nominee or designee (as applicable) at the soonest possible time.

3. All printed material, forms and other materials purchased from us under this Agreement will be purchased for an amount equal to their cost (if any).

We agree that all property, real or personal, sold to us or our Affiliate, nominee or designee (as applicable) under this Article 16 will be free and clear of all liens, debts, claims, liabilities, leases, encroachments, covenants, conditions, restrictions, rights, rights of way and/or other encumbrances (except for tax liens and special and/or other assessments not delinquent) unless we, in our reasonable opinion (or that of our Affiliate, nominee or designee, as applicable), determine that the existence of same either will not interfere with the proposed use of the property or that the existence of same are merely due to easements of record, zoning ordinances or statutes, use and occupancy restrictions of public record or other limitations which are generally applicable to similar properties in the vicinity.

16.02 Conveyance of Assets

You will convey to us (or our Affiliate, nominee or designee, as applicable) good and merchantable, full, legal, equitable and beneficial title to all of the foregoing assets by means of appropriate deeds, bills of sale and assignments containing warranties of title. You hereby irrevocably designate us as your attorney-in-fact and proxy to execute any and all instruments necessary and appropriate to effect such conveyance and will sign any other documents or agreements necessary for our appointment as such. We (or our affiliate, nominee or designee, as applicable) will have the right at our option to assume any liabilities encumbering the assets sold under the provisions of this Article or any of the liabilities for which Franchisor would otherwise be indemnified by Franchisee pursuant to Section 8.10 of this Agreement, and reduce the consideration payable to you accordingly. We will pay all transfer taxes and recording fees, if any. In the event that you cannot deliver clear title to all of the purchased assets as aforesaid or in the event there shall be other unresolved issues, the closing of the sale shall be accomplished through an escrow at your expense.

16.03 Prorated Amounts

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

16.04 Franchisee's Assistance with Approvals and Consents

You agree to use your best efforts to assist us (or our Affiliate, nominee or designee, as applicable) in obtaining any government or other approvals or consents necessary to carry out the terms and intent of this Article 16.

16.05 Management of Store During Asset Purchase Process

If we exercise our Purchase Option, we shall have the right to appoint a manager to oversee, the operation of your Store pending the closing of such purchase. Alternatively, we may require you to close the Store during such time period without removing any assets from the Store Location. We shall maintain in force all insurance policies required pursuant to this Agreement until the Closing Date.

16.06 Timing; Payment of Purchase Price

If we exercise our Purchase Option as provided in this Article 16, then the Closing Date shall occur promptly after the expiration of the six month notice period, but in no event shall the closing occur more than one hundred twenty (120) days following the expiration of the six month notice period. At the closing, we will deliver to you an amount equal to ninety percent (90%) of the total amount of the Purchase Price in immediately available funds, and you will deliver to the Store Location all of the assets we agreed to purchase in a form and manner reasonably satisfactory to us. We will pay you the remaining ten percent (10%) of the Purchase Price no later than the date that is sixty (60) days after the Closing Date, subject to any working capital adjustments or other allowances specified in the purchase agreement.

17. RELATIONSHIP OF THE PARTIES

17.01 Relationship of the Parties

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

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

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

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

You promise that you will not avail yourself of any rights or remedies at law or in equity that may arise from an assertion that: (i) you are our agent, legal representative, subsidiary, joint venturer, partner, employee, or servant; or (ii) we are a joint employer for your employees. If such a claim is brought against us, we may use your covenant in this Section 17.01 as an absolute defense against such claim. Further, if any such claim is brought against us or our Affiliates and subsidiaries, and their respective current and former officers, directors, shareholders, partners, employees, predecessors, successors, attorneys, agents, representatives, and assigns, you will indemnify, defend, and hold harmless any such party from and against any such claim.

17.02 Franchisee is the Sole and Exclusive Employer of its Employees

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

Franchisor is the employer, joint employer or co-employer of Franchisee or any of Franchisee's employees in any private or government investigation, action, proceeding, arbitration or other setting, Franchisee irrevocably agrees to assist Franchisor in defending said allegation, including (if necessary) appearing at any venue requested by Franchisor to testify on Franchisor's behalf (and, as may be necessary, submitting itself to depositions, other appearances and/or preparing affidavits dismissive of any allegation that Franchisor is the employer, joint employer or co-employer of Franchisee or any of Franchisee's employees). To the extent Franchisor is the only named party in any such investigation, action, proceeding, arbitration or other setting to the exclusion of Franchisee, then should any such appearance by Franchisee be required or requested by Franchisor, Franchisor will recompense Franchisee the reasonable costs associated with Franchisee appearing at any such venue (including travel, lodging, meals and *per diem* salary). Pursuant to Section 8.10 above, Franchisee will indemnify and hold harmless us and the other Franchisor Parties to the fullest extent permitted by law against all claims, losses, liabilities and costs (as defined in Section 8.10) from any claim, however and wherever asserted, that we or our Affiliates are the employer, joint employer or co-employer of you and/or your employees (including, without limitation, any claims against us for your violation of federal, state or local labor and/or wage and hour laws, rules and regulations). Accordingly, in accordance with Section 9.01A.10) Franchisee shall obtain and maintain insurance coverage of such type, nature and scope sufficient to satisfy this indemnification obligation.

18. DEFAULT AND TERMINATION

18.01 Termination By Us – Automatic Termination Without Notice

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

18.02 Termination By Us Upon Notice – No Opportunity To Cure

You will have materially breached this Agreement and, in addition to all other remedies we have at law or in equity, we may, at our option, terminate this Agreement and all rights granted under this Agreement, without giving you any opportunity to cure the breach, effective immediately upon your receipt of notice (which, whether sent by overnight courier, personal physical delivery or any other manner authorized by Section 27.01 below, will be deemed to have been received by you upon delivery or first attempted delivery of the notice to you) upon the occurrence of any of the following events:

1. You do not open your Store for business to the general public by the date specified in Section 8.01 of this Agreement; cease operating the franchised Business; abandon the franchise relationship established under this Agreement; or, fail to operate your Store for three consecutive days during which you are required to operate it under this Agreement, unless your failure to operate is due to force majeure (as defined in Section 21.01 of this Agreement).

2. Your failure to obtain our approval of a proposed site for your Store Location or failure acquire a Store Location within the time specified in this Agreement;

3. You failure to promptly begin the design, construction and equipping of your Store;

4. You omitted or misrepresented any material fact in the information that you furnished to us in connection with our decision to enter into this Agreement.

5. We and you agree in writing to terminate this Agreement.

6. You lose the right to possession of the Store Location.

7. You, your Operating Principal, your Store Manager and/or, if you are a business entity, any owner, member, shareholder, director or manager (as applicable) of such entity is convicted of or has entered a plea of nolo contendere to, a felony, fraud, crime involving moral turpitude, or any other crime or offense which we reasonably believe is related to your operation of the franchised Business, or is likely to have an adverse effect on the System, the Marks, the goodwill associated with the Marks or our interest in the System or Marks.

8. You purport or, if you are a business entity, any owner or principal of you purports to transfer any rights or obligations under this Agreement, any interest in you, the franchised Business or your Store to any third party in violation of the terms of this Agreement.

9. You do not comply with the covenant not to compete set forth in this Agreement during the term of this Agreement; violate the restrictions pertaining to the use of Confidential Information contained in this Agreement; or, do not obtain the execution of the additional covenants required by this Agreement.

10. You, your Operating Principal, your Store Manager and all others required to do so fail to attend or successfully complete our Initial Training Program and/or Personnel Training Program (as applicable) after being afforded the opportunity to repeat the training pursuant to Section 7.02 of this Agreement.

11. You knowingly or through gross negligence: conceal revenues; maintain false books or records; falsify information or otherwise defraud or make false representations to us; or, submit any false report to us.

12. You do not maintain the financial records required by Section 11.02 of this Agreement.

13. We or our designee conducts an audit of your franchised Business which discloses that any monthly report or statement which you submitted to us understated your Gross Sales by 8% or more for any month within the period of examination, or for the entire period of examination.

14. You refuse us permission to inspect, or to conduct an operational and/or financial audit of, your Business.

15. You take, withhold, misdirect or appropriate for your own use any funds withheld from your employees' wages which should have been set aside for the franchised Business' employee taxes, FICA, insurance or benefits; wrongfully take or appropriate for your own use our property or funds; systemically fail to deal fairly and honestly with your employees, customers or suppliers; or knowingly permit or, having discovered the facts, fail to take any action against, or to discharge, any agent, servant or employee who has embezzled our funds or property or that of any customers or others.

16. After curing a default which is subject to cure under Section 18.03 below, you commit the same act of default again within six months.

17. You make a willful misrepresentation or do not make a material disclosure required by any governmental or quasi-governmental authority regarding any matter involving or affecting the operations of your franchised Business and your Store.

18. You interfere or attempt to interfere in any manner with our or our Affiliates' contractual relations and/or our relationships with other franchisees; any supplier of you, us or other franchisees; any governmental or quasi-governmental authority; our employees or advertising agencies; or, any third parties.

19. You commit any act or default which materially impairs the goodwill associated with our Marks and which, by its nature, is incurable; or, if the default is curable, you fail to cure the default following delivery of written notice to cure at least seventy-two (72) hours in advance.

20. You do not comply, for a period of fifteen (15) days after notification of non-compliance by us or any governmental or quasi-governmental authority, with any federal, state or local law or regulation applicable to the operation of the franchised Business.

21. You repeatedly default under this Agreement, whether or not such defaults are of the same or different nature and whether or not such defaults have been cured after notice.

22. You do not purchase or maintain any category of insurance required by this Agreement.

23. You, your franchised Business, your Operating Principal, Store Manager, Area Manager and/or your Store violate any law, rule or regulation, and/or engages in any act or practice, which subjects you and/or us to widespread publicity, ridicule or derision.

24. You breach the provisions of this Agreement relating to advertising standards and do not cure this breach within three (3) days following written notice from us.

25. You purchase any proprietary programs, products or services from us, our Affiliates or Approved Supplier or purchase from us, our Affiliates or any third party non-proprietary goods, programs, products or services pursuant to a systemwide supply contract we negotiate, and you use, divert, sell or otherwise exploit such programs, products or services for the benefit of any other individual, entity or business.

26. You operate your franchised Business and/or your Store in a fashion that, in our business judgment, in any way jeopardizes the life, health or safety of the general public, your customers and/or your employees. If you do so, then not only may we terminate this Agreement upon notice, but you agree that we may either beforehand or concurrently direct you to immediately close your Store; you shall immediately comply with such direction (which may be given orally or in writing); and, you shall hold us harmless from and against any claims whatsoever relating to our direction to close your Store.

27. You (or your Principal(s)), if you are a business entity) make any use of our Confidential Information and/or Marks not specifically authorized by this Agreement or our Manual, or you directly or indirectly utilize or devote same for the benefit of any individual or entity other than your franchised Business.

28. You engage in any act or conduct, or fail to engage in any act or conduct, which under this Agreement specifically authorizes us to terminate this Agreement immediately upon notice to you.

29. You default under any agreement between you and any lessor or sublessor of your Store Location and you do not cure the default within the period specified in the Store Location's Lease or Sublease (as applicable).

30. You or any of your owners' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or you or any of your owners otherwise violate any such law, ordinance, or regulation.

31. Per Section 18.06 ("Cross-Default"), you (or any of your owners) fail to cure within the applicable time period any breaches under this Agreement, or any other agreement between you (or any of your affiliates) and us (or any of our Affiliates) including, but not limited to, any other franchise agreement, area development agreement, lease or promissory note.

32. You make three (3) or more late payments within any twelve (12) month period (whether or not cured).

18.03 Termination by Us – Thirty Days to Cure

Except as provided in Section 18.01, 18.02 or in this Section 18.03, you will have thirty (30) calendar days after we furnish you with a written notice of default, transmitted in accordance with the terms of Section 27.01 of this Agreement, to cure any default under this Agreement (or, if the default cannot reasonably be cured within this time, to initiate action to cure the default within such time and complete cure within the shortest reasonable time thereafter) and to provide us with evidence that you have done so. If you have not cured any default within the applicable cure period specified in this Section 18.03 (or, if the default cannot reasonably be cured within such time, you have not initiated action to cure the default within the applicable cure period and thereafter cure the default within the shortest reasonable time thereafter), or any longer period that applicable law may require, then, in addition to all other remedies we have at law or in equity, this Agreement will terminate immediately

upon expiration of the applicable cure period, or any longer period required by applicable law, without further notice to you.

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

1. You or any of your affiliates fail, refuse or neglect to pay promptly when due any money owed to us, our Affiliates or any lender which has provided financing to your franchised Business. The cure period for this default shall not be the above-referenced thirty (30) calendar days but, instead, will be five (5) calendar days after we transmit to you a written notice of default. If you fail to cure any such default within such shortened cure period, then this Agreement will terminate immediately upon expiration of the applicable cure period.

2. You fail, refuse or neglect to submit the financial and non-financial reports and other information required to be submitted to us under this Agreement, our Manual or other written notices we transmit to you, or you make any false statements in connection with any reports or other information required to be submitted to us.

3. Your franchised Business and/or Store offers and sells any programs, products or services that we do not authorize under this Agreement or our Manual.

4. You fail to maintain your trade accounts in a current status and/or fail to seek to promptly resolve any disputes with trade suppliers.

5. You engage in any business, or market any program, product or service, under a name or mark which, in our opinion, is confusingly similar to the Marks.

6. You violate any applicable federal, state or local law, regulation or order regarding health, safety and/or food preparation that is not cured within twenty-four (24) house following receipt of notice from any governmental entity or authority.

7. You fail to pay any taxes due and owing by your franchised Business (including employee taxes) when due.

8. You do not use our Marks and/or trade dress solely in the manner and for the purposes directed by us in this Agreement, our Manual or otherwise.

9. You violate the restrictions pertaining to advertising set forth in Article 10 of this Agreement.

10. You do not indemnify us and/or one of the Franchisor Parties as required by this Agreement.

11. By act or omission, you permit a continued violation in connection with the operation of the franchised Business of any law, ordinance, rule or regulation of a governmental agency, in the absence of a good faith dispute over its application or legality and without promptly resorting to an appropriate administrative or judicial forum for relief.

12. You fail to obtain or maintain any required permit, certificate or other governmental approval required either by this Agreement or applicable law, rule or regulation.

13. You employ any individual who is not eligible for employment in the United States under any federal, state, local or other law, rule or regulation.

14. You fail to operate your Store during the days and hours specified in our Manual without our prior written approval.

15. You fail to maintain and operate your Store in a good, clean and sound manner and in strict compliance with our standards for speed, service, quality, cleanliness and maintenance as set forth in our Manual or otherwise.

16. Any Guarantor fails to comply with any of the requirements imposed by or pursuant to the Personal Guaranty addressed in Section **Error! Reference source not found.** of this Agreement.

17. You do not devote the amount of your time and attention and/or your best efforts to the performance of your duties of this Agreement necessary for the proper and effective operation of your franchised Business and/or Store.

18. You fail to implement (and, at your expense, take all steps necessary to implement) and thereafter adhere to any new or changed System requirements.

19. A final judgment not subject to appeal is entered against you or any Guarantor and remains unsatisfied for more than thirty (30) days or, if any such judgment is subject to appeal, you do not prosecute such appeal within thirty days (or such shorter period as any law, rule or regulation requires).

20. You fail to comply with any other requirement imposed by this Agreement or our Manual, or otherwise fail to carry out the terms of this Agreement in good faith.

21. You (or your Affiliates) fail to, refuse or neglect to pay when due any lender which has provided financing to you in connection with the development and/or operation of your Store within five (5) days after receiving notice of your default.

22. You fail to cure any hazardous issues, threat or danger to public health or safety within twenty-four (24) hours of the commencement of the issue, threat or danger.

18.04 Description of Default

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

18.05 Your Failure to Pay Constitutes Your Termination of This Agreement

Your failure to timely cure any breach of your obligation to make payments of Royalty Fees, Marketing Fund Contributions, or any other monies due and owing to us or our Affiliates under this Agreement, or to timely cure any other breach of this Agreement committed by you, in either instance following our notice to you that you have committed a breach of this Agreement and granting you an opportunity to cure said breach (if such activities are required of us prior to our terminating this Agreement), will be irrevocably deemed to constitute your unilateral rejection and termination of this Agreement and all related agreements between you and us or our Affiliates, notwithstanding that a formal notice of such termination(s) ultimately issues from us, and you shall never contend or complain otherwise.

18.06 Cross Default

Any default or breach by you (or any of your affiliates) of any other agreement between us or our Affiliates and you (or any of your affiliates) will be considered a default under this Agreement, and

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

18.07 Continuance of Business Relations

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

18.08 Notice Required By Law

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

18.09 Franchisor's Right to Send Notifications of Termination

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

18.10 Rights Upon Default; Step-In Rights

A. Except in the case of death or disability which is governed by Section 14.05 hereof, if we determine in our sole business judgment that the operation of the Angelina Italian Bakery Store is in jeopardy, or if we are in default under this Agreement, then in order to prevent an interruption of the operation of your Store which would cause harm to the System and thereby lessen its value, you acknowledge, understand and expressly agree that we may (but have no obligation to) operate your Store for as long as we deem necessary and practical, and without waiver of any other rights or remedies which we may have under this Agreement ("Step-In Rights"). We shall keep all monies generated by the operation of your Store in a separate account, less the expenses of the Store, including a management fee of ten percent (10%) of Gross Sales (the "Management Fee"). This Management Fee will be in addition to the Royalty Fees due under this Agreement. You also agree to reimburse us for all reasonable costs and overhead that we incur in connection with our (or our designee's) operation of the Franchised Business, including without limitation, costs of supervising personnel and staffing the Franchised Business and any travel, lodging and meal expenses. In the event we exercise our Step-In Rights, you must indemnify, defend and hold us (and our representatives and employees) harmless from and against all actions that may arise out of or relate to our operation of your franchised Business and Store. You agree to pay our reasonable attorneys' fees and costs incurred as a consequence of our exercise of our Step-In Rights.

B. If we believe, in our sole business judgment, that any default you committed has the potential to damage the Angelina Italian Bakery name or is a threat to (i) the health and safety of our customers or (ii) the quality of the products you sell, then we shall have the right to direct any affiliates

or third parties supplying ingredients, raw materials, products or goods to you to cease such supply until such time that we determine you are no longer a threat to the health or safety of the Store's customers, the quality of the products or the System or Marks. You agree that this right is necessary to protect the quality of the products your Store sells and the Angelina Italian Bakery brand and that you have no claim against us for tortious interference with contractual or business relations or any similar cause of action or claim.

C. Nothing contained herein shall prevent us from exercising any other rights and remedies that we may have under this Agreement, including, without limitation, the right to terminate this Agreement.

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

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

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

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

1. Immediately pay all royalties, fees, Sublease payments and other sums due and owing to us or our Affiliates, plus interest, and all sums due and owing to any landlord, suppliers, employees, taxing authorities, advertising agencies, lenders and all other third parties.

2. Discontinue the use of the Marks, and not operate or do business under any name or in any manner which might tend to give the general public the impression that you are operating a Business, a Store or any similar business. You may not use, in any manner or for any purpose, directly or indirectly, any of our Confidential Information, trade secrets, procedures, forms, techniques, know-how or materials acquired by you by virtue of the relationship established by this Agreement. You may never identify yourself to the public in any fashion whatsoever as a current or former Angelina Italian Bakery franchisee.

3. Take all necessary action to cancel any assumed name or equivalent registration which contains the Proprietary Mark "Angelina Italian Bakery", or any other Proprietary Mark of ours, or any variant, and furnish us with satisfactory evidence of compliance, within fifteen (15) days following termination or expiration of this Agreement. If you fail or refuse to do so, we may, in your name, on your behalf and at your expense, execute all documents necessary to cause discontinuance of your use of the name "Angelina Italian Bakery", or any related name used under this Agreement. You irrevocably appoint us as your attorney-in-fact to do so.

4. Upon any termination of this Agreement by us for cause, we will have the right immediately to enter and take possession of your Store to maintain continuous operation of the previously franchised business, provide for orderly change of management and disposition of personal property, and otherwise protect our interests. If you dispute the validity of our termination of the franchise, we will nevertheless have the option (which you irrevocably grant) to operate the business pending the final,

unappealed determination of the dispute by a court of competent jurisdiction. If a court of competent jurisdiction makes a final, unappealed determination that the termination was not valid, we agree to make a full and complete accounting for the period during which we operated the previously franchised business.

5. If we terminate this Agreement because of your default or you terminate same through failure to make payment following notice and opportunity to cure (pursuant to Section 18.03), you must pay us all losses and expenses we incur as a result of the default or termination, including all damages, costs, expenses, and reasonable attorneys' and experts' fees directly or indirectly related thereto, such as (without limitation) lost profits, lost opportunities, damage inuring to our Marks and reputation, travel and personnel costs and the cost of securing a successor franchised business at the Store Location. This obligation will give rise to and remain, until paid in full, a lien in our favor against any and all of the assets, property, furnishings, equipment, signs, fixtures and inventory owned by you or the franchised Business at the time of termination and against any of your money which we are holding or which is otherwise in our possession.

6. Immediately deliver to us all training or other materials furnished to you (including the Manual and Supplements to the Manual), all Confidential Information, computer software and database material, customer lists, records and files, documents, instructions, display items, advertising and promotional material, any and all materials, signs and related items which bear our Marks or slogans or insignias or designs, advertising contracts, forms and other materials or property of ours, and any copies of them in your possession which relate to the operation of the franchised Business. You may retain no copy or record of any of these items, except for your copy of this Agreement, any correspondence between the parties and any other documents which you reasonably need for compliance with any provision of law. You agree that the foregoing items, materials, lists, files, software and other similar items will be considered to be our property for all purposes.

7. Immediately execute all agreements necessary to effectuate the termination in a prompt and timely manner.

8. At our option, either change the telephone numbers utilized by your franchised Business or, upon our written demand, direct the telephone company to transfer the telephone numbers (and associated listings) listed for the franchised Business to us or to any other person or location that we direct. If you do not promptly direct the telephone company to do so, you irrevocably appoint us as your attorney-in-fact to direct the telephone company to do so.

9. At our option, assign to us all rights to any Yellow Pages trademark listings, and all rights to any Website listings or services, search engines or systems, administrative rights to any social media platforms or profiles (and shall disclose all passwords relating thereto) and any other business listings related to the Store, and execute all forms and documents we and/or any applicable third-party service provider requires to transfer such services, and/or listings to us. You shall thereafter use different telephone numbers, Website listings, and other business listings at or in connection with any subsequent business you conducted following the termination or expiration of this Agreement.

10. Strictly comply with the post-termination/post-expiration covenants not to compete set forth in Article 12 of this Agreement (including those restricting your ability to sell, assign, lease or otherwise grant possessory rights to your Store and/or Store Location to a party intending to conduct a Competitive Business thereat).

11. Continue to abide by those restrictions pertaining to the use of our Confidential Information, trade secrets and know-how set forth in Article 12 of this Agreement.

12. Immediately surrender to us all computer software, data storage disks or tapes and other electronic media used in the operation of the franchised Business, printouts, and other information pertaining to computer operations, codes, procedures and programming. You agree not to destroy, damage, hide or take any steps to prevent us from obtaining any information which you had stored in the computer systems of the franchised Business. You agree not to retain any printouts, disks, tapes or other electronic media containing any of the programs or data stored in the computer systems.

13. If you lease your Store Location from a third party and we elect not to assume possession of the Store Location and/or elect not to exercise our option under Article 20 below, then promptly upon termination or expiration of this Agreement, you agree to "de-identify" the Store Location in all respects by performing all redecoration and remodeling, and effecting physical changes to the Store Location and the franchised Business' décor, trade dress, color combination, signs and other physical characteristics, as we consider necessary in our reasonable business judgment to distinguish the Store Location from a duly authorized Store Location. Without limiting the foregoing, upon our request, you will immediately discontinue use of our color scheme (by repainting if necessary) and will immediately remove all identifying architectural superstructure (as set forth in the plans and specifications for your Store) and other distinguishing structures, décor items, furniture, and equipment from your Store hereunder as we may direct, in order to effectively distinguish your former System Store and other facilities from our proprietary design(s) and trade dress. If you refuse, neglect or fail to do so, we, in addition to any other remedy we have, have the right to enter upon the Store Location and effect such required changes at your sole risk and expense, and you hereby appoint us or our agents as your attorney(s)-in-fact with full authority to do so with no liability for trespass or any other illegality.

14. You acknowledge and agree that if we terminate this Agreement for your default or if you terminate this Agreement without cause or otherwise abandon its Store, we will incur damages, the actual amount of which would be speculative and difficult to calculate. As such, you agree to pay us, within fifteen (15) days after the effective date of such termination or unauthorized abandonment, in addition to all other amounts then owed to us under the Agreement, the agreed upon liquidated damages amount equal to the average monthly Royalty Fee, and Marketing Fund Contribution you owed during the twelve (12) months of operation preceding the effective date of termination or abandonment multiplied by the lesser of (a) twenty-four (24) (being the number of months in two (2) full years), or (b) the number of months remaining in the Agreement had it not been terminated, whichever is lower. If at the time of such termination, your Store has not been open for a full twelve (12) months, the liquidated damages you will be required to pay will be based on annualized sales. The parties hereto consider this liquidated damages provision to be a reasonable, good faith pre-estimate of those damages and not a penalty or punitive in nature. The liquidated damages provision

only covers our damages from the loss of cash flow from the Royalty Fees and Marketing Fund Contribution. It does not cover any other damages, including damages to our reputation with the public and damages arising from a violation of any provision of this Agreement other than the Royalty Fee and Marketing Fund Contribution Sections. You and each of your Principals agree that the liquidated damages provision does not give us an adequate remedy at law for any default under, or for the enforcement of, any provision of this Agreement other than the Royalty Fees and Marketing Fund Contribution Sections herein.

20. OUR OPTION UPON TERMINATION OR EXPIRATION

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

A. Upon the termination or expiration of this Agreement for any reason, we, any of our Affiliates, and/or any nominee or designee we name are hereby granted an option, exercisable within 30 days after the termination or expiration becomes effective, to purchase as soon as practicable thereafter (including any period necessary for the obtaining of governmental approvals and consents of the concerned lessor) all of your operating assets relating to the franchised Business. We may exclude from the assets we elect to purchase, cash or its equivalent and any leasehold improvements, equipment, fixtures, furnishings, signs, materials and supplies that are not necessary or appropriate (in function or quality) to the Store's operation or that we have not approved as meeting the System standards, and the purchase price will reflect such exclusions. The date on which such purchase is closed will be referred to as the "Closing Date". The following terms and conditions will apply to the option granted by this Article 20:

1. All leasehold improvements, furniture, fixtures, supplies, equipment, trade dress elements and inventory will be purchased at your original cost or for an amount equal to their fair market value, whichever is less. If you and we cannot agree on "fair market value", then an appraiser shall determine same in accordance with the procedures set forth in Section 20.02 below.

2. All transferrable permits, licenses and other governmental authorizations will be transferred or assigned to us, our Affiliate, nominee or designee (as applicable) at the soonest possible time, specifically including any alcoholic beverage licensing, permits or authorizations.

3. All printed material, forms and other materials purchased from us under this Agreement will be purchased for an amount equal to their cost (if any).

4. All property, real or personal, sold to us or our Affiliate, nominee or designee (as applicable) under this Article 20 must be free and clear of all liens, debts, claims, liabilities, leases, encroachments, covenants, conditions, restrictions, rights, rights of way and/or other encumbrances (except for tax liens and special and/or other assessments not delinquent) unless we, in our reasonable opinion (or that of our Affiliate, nominee or designee, as applicable), determine that the existence of same either will not interfere with the proposed use of the property or that the existence of same are merely due to easements of record, zoning ordinances or statutes, use and occupancy restrictions of public record or other limitations which are generally applicable to similar properties in the vicinity.

B. You will convey to us (or our Affiliate, nominee or designee, as applicable) good and merchantable, full, legal, equitable and beneficial title to all of the foregoing assets by means of

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

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

D. You agree to use your best efforts to assist us (or our Affiliate, nominee or designee, as applicable) in obtaining any government or other approvals or consents necessary to carry out the terms and intent of this Article 20.

20.02 Appraisals

If you and we cannot agree within a reasonable time on the fair market value of any assets we, our Affiliate, nominee or designee acquire from you pursuant to this Article 20, or the commercially reasonable terms of any lease we require you to enter into for land and facilities owned by you (or any affiliate) and utilized by the franchised Business, then such dispute will be resolved by means of an appraisal conducted in the following fashion. If, within 60 days following your receipt of our notice that we intend to exercise one or more of the options set forth above, you and we cannot agree on the fair market value of the item in question, then you and we within the next seven days shall each select one appraiser and notify the other party of its designee. The two appraisers you and we select will be instructed to meet within thirty days following their selection for the purpose of selecting a third appraiser to serve with them. If the two appraisers you and we select cannot agree on the selection on the third appraiser within 15 days after the selection of the last of them, then you shall select the third appraiser from a list of three appraisers we propose in writing. In the event our disagreement pertains to the commercially reasonable terms of any lease you are required to enter into with us for the Store Location (if you own it), then each appraiser selected must have received the MAI designation and must be actively engaged in appraisal work in the county in which the Store Location is located. The appraisers' determination of the fair market value of any item(s) we intend to purchase from you, or the commercially reasonable terms of the Lease for your owned Store Location, will be binding on both of us. The parties hereby agree that they will instruct the appraisers to complete their appraisal within thirty (30) days after the third appraiser's appointment. If following the appraisal we exercise any of the options set forth above, then you and we will each pay one half (1/2) of the cost of any and all such appraisals. If we do not elect to exercise any option provided herein following the appraisals then we alone shall bear the cost of all of the appraisal. If we exercise any of the options granted to us above, we will have the right to set off from all amounts due to you any and all amounts which are due and owing by you to us and our Affiliates.

20.03 Timing

If we exercise our option to purchase (or, with respect to your Store Location, lease) any of the assets of your franchised Business as provided in this Article 20, then the Closing Date shall be no later than sixty days after either you and we agree on the fair market value of the assets in question (or, with respect to the Store Location, the commercially reasonable terms for our lease for such Store Location) or, if you and we cannot agree on same, no later than sixty days after the determination of

such fair market value/commercially reasonable terms furnished by the appraisers provided for in Section 20.02 of this Agreement.

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

21.01 Unavoidable Delay or Failure to Perform (Force Majeure)

Any delay in our or your performance of any duties under this Agreement, or any non-performance of such duties, that is not your or our fault (as applicable) or within your or our reasonable control – including, but not limited to, fire; floods, natural disasters; Acts of God; war; civil commotion; terrorist acts; any governmental act or regulation; any delays or defaults in deliveries by common carriers and/or postal services and/or overnight couriers; computer network outages; late deliveries or non-deliveries of goods or non-furnishing of services by third party vendors; strikes; lockouts; and any other similar event beyond such party's control) will not constitute a breach or cause a default under this Agreement, provided, however, that we or you (as applicable) will take all steps reasonably possible to mitigate damages caused by such failure or delay.

Notwithstanding the foregoing, if any such failure or delay continues for more than 180 days, we will have the right at any time thereafter during the continuance of such failure or delay to terminate this Agreement upon 30 days advance written notice to you.

22. APPROVALS AND WAIVER

22.01 Approvals

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

22.02 Waiver and Delay

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

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

22.03 Our Withholding of Consent – Your Exclusive Remedy

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

22.04 No Warranty or Guarantee

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

23. OUR RIGHT TO CURE DEFAULTS

23.01 Our Right to Cure Defaults

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

24. INJUNCTION

24.01 Injunction

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

25. INTEGRATION OF AGREEMENT

25.01 Integration of Agreement

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

26. NO ORAL MODIFICATION

26.01 No Oral Modification

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

27. NOTICES

27.01 Notices, Requests and Protests

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

Notices to us:

Angelina Franchising LLC
42 West 28th Street, 4th Floor
New York, New York 10001
Attention: Tony Park, Chief Executive Officer

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

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

Notices to You:

_____

_____

_____

_____

Attention:_____

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

28. SEVERABILITY

28.01 Severability

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

29. NO THIRD PARTY BENEFICIARIES

29.01 No Third Party Beneficiaries

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

30. EXECUTION, CONSTRUCTION AND INTERPRETATION; FURTHER ACTS

30.01 Execution, Construction and Interpretation; Further Acts

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

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

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

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

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

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

31. LEGAL ACTIONS, GOVERNING LAW AND VENUE

31.01 Internal Dispute Resolution and Mediation

A. Internal Dispute Resolution. You must first bring any claim or dispute between us and you or any of their respective affiliates to our Legal Department, after providing notice as set forth in Section 27.01 above. Such notice will describe your claim in reasonable detail. We must respond to your notice inquiry within ten (10) business days of receipt or otherwise it is deemed denied. If we request, your Operating Principal shall meet with us to attempt to reach resolution of the claim. If such a claim is not resolved within thirty (30) days of such meeting, you may move the claim to mediation as set forth below. We must exhaust this internal dispute resolution procedure before it may bring its dispute before a third party. This agreement to first attempt resolution of disputes internally will survive termination or expiration of this Agreement.

B. Mediation. Except for actions which we may bring in any court of competent jurisdiction (i) for monies owed, (ii) for injunctive or other extraordinary relief, or (iii) involving the possession or disposition of, or other relief relating to, real property, the Marks or the Confidential Information, you and we agree to submit any claim, controversy or dispute between us or any of our Affiliates (and our respective shareholders, officers, directors, agents, representatives and/or employees) and you (and your agents, representatives and/or employees, as applicable) arising out of or related to (a) this Agreement or any other agreement between us and you or you or our respective Affiliates; (b) our relationship with you; (c) the validity of this Agreement or any other agreement between you, us or your or our Affiliates; or (d) any System standard, which are not first resolved through the internal dispute resolution procedures set forth in Section 31.01(A), to mediation prior to bringing such claim, controversy or dispute in a court or before any other tribunal. The mediation shall be conducted by and under the auspices of the American Arbitration Association ("AAA") in accordance with AAA's Commercial Mediation Rules then in effect, by a mediator mutually agreed upon by the parties and, failing such agreement, appointed by the AAA in accordance with its rules governing mediation. The mediator must be an attorney with at least ten (10) years' experience in franchise law. The mediation shall be held in New York, New York at our headquarters (or at such other location mutually agreed upon by the parties or if no agreement, as determined by the AAA in accordance with its rules governing mediation). The costs and expenses of mediation, including the compensation and expenses of the mediator (but excluding attorneys' fees and costs incurred by either party), shall be borne by the parties equally. If the parties are unable to resolve the claim, controversy or dispute within ninety (90) days after the mediator has been chosen, then, unless such time period is extended by written agreement of the parties, either party may institute litigation Section 31.05 below.

31.02 Attorneys' Fees

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

of any amounts due and obtaining injunctive or other relief for the enforcement of any provisions of this Agreement.

31.03 Attorneys' Fees – Third Party Actions

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

31.04 Governing Law

This Agreement; all relations between us; and, any and all disputes between you and/or any other Franchisee Party, on the one hand, and us and/or any other Franchisor Parties, on the other hand, whether such dispute sounds in law, equity or otherwise, is to be exclusively construed in accordance with and/or governed by (as applicable) the law of the state of New York without recourse to New York (or any other) choice of law or conflicts of law principles. If we move our principal headquarters to another state, we reserve the right to designate that state's law as governing, again without recourse to that successor state's (or any other) choice of law or conflicts of law principles, upon written notice to you. If, however, any provision of this Agreement is not enforceable under the laws of New York (or a successor state we designate as provided above), and if your franchised Business is located outside of New York (or such hereafter designated state) and the provision would be enforceable under the laws of the state in which the franchised Business is located, then that provision (and only that provision) will be interpreted and construed under the laws of that state. This Section 31.04 is not intended to invoke, and shall not be deemed to invoke, the application of any franchise, business opportunity, antitrust, unfair competition, fiduciary or any other doctrine of law of the State of New York, or any successor state we designate (as provided above), which would not otherwise apply by its terms jurisdictionally or otherwise but for the within designation of governing law or which, by virtue of its denominated geographic or subject matter scope, would not by its terms otherwise apply.

31.05 Venue

Any action or proceeding brought by us or you (and/or any of our or your respective affiliates, and their respective owners, members, officers, directors or managers) against any such other party, whether sounding in law or equity, will be instituted, litigated through conclusion and, if necessary, appealed through final, irrevocable judgment exclusively in a state or federal district court of competent jurisdiction situated in the state, county and judicial district in which our principal place of business is then located (currently, New York, New York). Any such action or proceeding shall be brought in federal court if federal court jurisdiction exists and, if it does not exist, then in state court. You (and your affiliates, and the owners, members, officers, directors or managers of each of the foregoing) hereby irrevocably submit themselves to the jurisdiction of any such court and waive all questions of personal jurisdiction for the purpose of carrying out this provision. You (and each of your affiliates, and the owners, members, officers, directors or managers of each of the foregoing) agree that any dispute as to the venue for litigation will be submitted to and resolved exclusively by

such aforementioned court. Notwithstanding the foregoing, however, with respect to any action for monies owed, injunctive or other extraordinary or equitable relief, or involving possession or disposition of, or other relief relating to, your Store or Store Location, we may bring such an action in any state or federal district court which has jurisdiction. You, on behalf of yourself and your affiliates, and the owners, members, officers, directors or managers of each of the foregoing, hereby waive and covenant never to assert or claim that the venue designated for litigation by this Agreement is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including any claim under the judicial doctrine of "forum non conveniens"). The parties agree that this Section 31.05 shall not be construed as preventing either party from removing an action or proceeding from state to federal court.

31.06 Waiver of Jury Trial and Punitive Damages

A. The parties to this Agreement (as denominated in Section 31.05) explicitly waive their respective rights to a jury trial in any litigation between them and hereby stipulate that any such trial shall occur without a jury.

B. You, your Guarantors and the other Franchisee Parties hereby irrevocably waive, to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special, consequential or other similar damages in any action or proceeding whatsoever between such parties and/or any of their affiliates and us and/or any of our Affiliates, and you and such others covenant never to advance or pursue any such claim for punitive damages. You and such others agree that in the event of a dispute, you and such others shall be limited to the recovery from the Franchisor Parties of any actual damages sustained by you or them. You covenant to secure from any Franchisee Party which does not execute this Agreement his/her/its execution of a writing specified by us, in the Manual or otherwise, irrevocably confirming the applicability to them of the provisions of this Section 31.06, in such manner and by such time we reasonably specify.

31.07 No Consolidated or Class Actions

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

31.08 Limitation on Actions

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

32. LIABILITY OF "FRANCHISEE"; PERSONAL GUARANTY

32.01 Liability of "Franchisee"

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

32.02 Personal Guaranty

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

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

33. SURVIVAL

33.01 Survival

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

34. OUR BUSINESS JUDGMENT

34.01 Our Business Judgment

Whenever this Agreement or any related agreement grants, confers or reserves to us the right to take action, refrain from taking action, grant or withhold our consent or grant or withhold our approval, unless the provision specifically states otherwise, we will have the right to engage in such activity at our option using our business judgment, taking into consideration our assessment of the long term interests of the System overall. You and we recognize, and any court or judge is affirmatively advised, that if those activities and/or decisions are supported by our business judgment, neither said court,

said judge nor any other person reviewing those activities or decisions will substitute his, her or its judgment for our judgment. When the terms of this Agreement specifically require that we not unreasonably withhold our approval or consent, if you are in default or breach under this Agreement, any withholding of our approval or consent will be considered reasonable.

35. YOUR REPRESENTATIONS AND ACKNOWLEDGMENTS

35.01 Your Representations

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

1. If you are a business entity (including a corporation, limited liability company, general partnership or limited partnership), you are organized under the laws of the state of your principal place of business (or another state which you have identified to us) and your business entity is in good standing with and qualified to do business in each state and political/governmental subdivision having jurisdiction over your franchised Business.

2. If you are business entity, you have all requisite power and authority to execute, deliver, consummate and perform all of your obligations under this Agreement, and all necessary business entity proceedings have been duly taken to authorize the execution, delivery and performance of this Agreement.

3. This Agreement has been duly authorized, executed and delivered by you, includes your legal, valid and binding obligations, and will be binding and enforceable upon you and your successors and assigns in accordance with its terms when executed by both parties.

4. You do not have any liabilities, adverse claims, commitments or obligations of any nature as of the date of execution of this Agreement, whether accrued, unliquidated, absolute, contingent or otherwise which are not reflected as liabilities on the balance sheets of your current financial statements which you furnished to us before the execution of this Agreement.

5. As of the date of execution of this Agreement, there are no actions, suits, proceedings or investigations pending or, to your knowledge or the knowledge any of your officers, directors, shareholders, partners, members, managers, Guarantors, or any other owner of a direct or indirect, partial or whole interest in you (as applicable), after due inquiry, threatened, in any court or arbitral forum, or before any governmental agency or instrumentality, nor to the best of your knowledge or the knowledge of any such persons or entities (after due inquiry) is there any basis for any claim, action, suit, proceeding or investigation which affects or could affect, directly or indirectly, any of your assets, properties, rights or business; your right to operate and use your assets, properties or rights to carry on your business; and/or, which affects or could affect your right or ability to assume and carry out in all respects the duties, obligations and responsibilities specified in this Agreement.

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

35.02 Your Acknowledgments

You represent, warrant and acknowledge to us that:

1. You understand that we do not represent that you will have the ability to procure any required license, permit, certificate or other governmental authorization that may be necessary or required for you to carry out the activities contemplated by this Agreement.

2. You acknowledge that you have received a complete copy of this Agreement and all related attachments and agreements at least seven (7) calendar days prior to the date on which this Agreement was executed. You further acknowledge that you have received the disclosure document required by the Trade Regulation Rule of the Federal Trade Commission entitled "Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures" at least fourteen (14) calendar days prior to the date on which this Agreement was executed and at least fourteen (14) calendar days before the payment by you to us of any consideration in connection with the sale or proposed sale of the franchise granted by this Agreement.

36. SUBMISSION OF AGREEMENT

36.01 Submission of Agreement

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

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

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

[Signature page follows.]

Dated: _____

Attest:

_____

Witness/Date

FRANCHISEE:

If a corporation or other entity:

_____

(Name of Corporation or Other Entity)

By:_____

Name: _____

Title: _____

If one or more individuals:

By: _____

Name: _____

Date: _____

By: _____

Name: _____

Date: _____

Dated: _____

Attest:

_____

Witness/Date

ANGELINA FRANCHISING LLC

By: _____

Name: _____

Title: _____

STATE ADDENDA TO

ANGELINA FRANCHISING LLC FRANCHISE AGREEMENT

CALIFORNIA ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions will supersede and apply to all franchises offered and sold in the State of California:

1. In Section 12.02 of the Franchise Agreement ("Covenant Not to Compete"), in the third paragraph thereof (which commences with the words "Further, during…"), the "no-poach" clause is removed – that is, the following specific words are removed: "(i) solicit for employment or hire our management personnel, the management personnel of any of our affiliates or the management personnel of any other franchised Business without first obtaining any written permission from us and the employer(s) of the personnel in question, or (ii)". The remainder of the paragraph remains as is.

2. Section 12.02 of the Franchise Agreement ("Covenant Not to Compete") contains a covenant not to compete, which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

3. Section 31.05 of the Franchise Agreement ("Venue") requires venue to be limited to the laws of the state or federal district court of competent jurisdiction situated in the state, county and judicial district in which our principal place of business is then located (currently, New York, New York). This provision may not be enforceable under California law.

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

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

6. With respect to franchises sold in California, upon the termination or nonrenewal of a franchise, a franchisor may offset against the amounts owed to a franchisee under Section 20022 of the California Business and Professions Code any amounts owed by the franchisee to the franchisor, provided the franchisee agrees to the amount owed or the franchisor has received a final adjudication of any amounts owed. Such proviso shall apply notwithstanding the Franchisor's general right of set-off.

7. With respect to franchises sold in California, a franchisor is prohibited from modifying a franchise agreement, or requiring a general release, in exchange for any assistance related to a declared state or federal emergency.

8. The franchisor will defer collecting all initial fees (including the Initial Franchise Fee) payable under the Franchise Agreement until the franchisor has fulfilled its pre-opening obligations to the franchisee and the franchisee has open for business. Note that the initial fees for the purposes of this deferral include all initial fees described in Item 5 of the Franchise Disclosure Document. Accordingly, Article 5 of the Franchise Agreement ("Your Payments to Us") is modified for franchisees in California. The Department of Financial Protection and Innovation has imposed this requirement due to the franchisor's financial condition.

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

[Signature page follows.]

Dated:_____

FRANCHISEE:

If an entity:

_____
(Name of Entity)

By:_____

Name: _____

Title: _____

If an individual:

_____
(Signature)

_____
(Print Name)

_____
(Signature)

_____
(Print Name)

Dated: _____

ANGELINA FRANCHISING LLC

By:_____

Name: _____

Title: _____

MARYLAND ADDENDUM TO FRANCHISE AGREEMENT

The following provisions will supersede anything to the contrary in the Franchise Disclosure Document or Franchise Agreement and will apply to all franchises offered and sold under the laws of the State of Maryland:

1. Any claims arising under the Maryland Franchise Registration and Disclosure Laws must be brought within three years after the grant of the Franchise.

2. Sections 6.01 ("Store Location"), 7.02 ("Initial Training Program; Owner Training Program; Personnel Training Program"), 13.01 ("Condition to Successor Franchise Agreement") and Section 14.04 ("Assignment By You – Sale to Third Party") of the Franchise Agreement, each of which require the execution of a general release, are each amended to add the following language:

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

3. The following sentences are added at the end of the last paragraph of Section 3.04 of the Franchise Agreement ("Rights We Reserve"):

   "The waivers and releases in this paragraph are not intended to nor will they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law. The waivers and releases in this paragraph will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law."

4. Section 31.05 of the Franchise Agreement ("Venue") requires venue to be limited to New York. This provision is deleted from all Franchise Agreements for residents of the State of Maryland and/or franchises to be operated in the State of Maryland.

5. The laws of the State of Maryland may supersede the Franchise Agreement, including the areas of termination and renewal of the Franchise.

6. The following sentence is added at the end of Section 26.01 of the Franchise Agreement ("No Oral Modification"): "This Section is not intended to, nor will it, act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."

7. Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

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

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

[Signature page follows.]

Dated:_____

FRANCHISEE:

If an entity:

_____
(Name of Entity)

By:_____

Name: _____

Title: _____

If an individual:

_____
(Signature)

_____
(Print Name)

_____
(Signature)

_____
(Print Name)

Dated: _____

ANGELINA FRANCHISING LLC

By:_____

Name: _____

Title: _____

NEW YORK ADDENDUM TO FRANCHISE AGREEMENT

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

1. The last sentence of the first paragraph of Section 7.04 of the Franchise Agreement ("Confidential Operating Manual; Policy Statements") is amended to read as follows:

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

2. Sections 6.01 ("Store Location"), 7.02 ("Initial Training Program; Owner Training Program; Personnel Training Program"), 13.01 ("Condition to Successor Franchise Agreement") and Section 14.04 ("Assignment By You – Sale to Third Party")of the Franchise Agreement are each amended to include the following language immediately following the requirement that Franchisee execute a General Release:

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

3. The second sentence of Section 12.04 ("Enforcement of Covenants Not To Compete") of the Franchise Agreement is amended to read as follows:

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

4. The third and fourth sentences of Section 25.01 of the Franchise Agreement ("Injunction") is amended to read as follows:

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

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

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

[Signature page follows.]

Dated:_____

FRANCHISEE:

If an entity:

_____
(Name of Entity)

By:_____

Name: _____

Title: _____

If an individual:

_____
(Signature)

_____
(Print Name)

_____
(Signature)

_____
(Print Name)

Dated: _____

ANGELINA FRANCHISING LLC

By:_____

Name: _____

Title: _____

VIRGINIA ADDENDUM TO FRANCHISE AGREEMENT

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

1. The franchisor will defer collecting all initial fees (including the Initial Franchise Fee) payable under the Franchise Agreement until the franchisor has fulfilled its pre-opening obligations to the franchisee. Note that the initial fees for the purposes of this deferral include all initial fees described in Item 5 of the Franchise Disclosure Document. Accordingly, Article 5 of the Franchise Agreement ("Your Payments to Us") is modified for franchisees in the Commonwealth of Virginia. The Virginia State Corporation Commission's Division of Securities and Retail Franchising has imposed this requirement due to the franchisor's financial condition.

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

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

[Signature page follows.]

Dated:_____

FRANCHISEE:

If an entity:

_____
(Name of Entity)

By:_____

Name: _____

Title: _____

If an individual:

_____
(Signature)

_____
(Print Name)

_____
(Signature)

_____
(Print Name)

Dated: _____

ANGELINA FRANCHISING LLC

By:_____

Name: _____

Title: _____

EXHIBIT A

SELECTED TERMS:
STORE LOCATION AND OPENING DATE

1. STORE LOCATION: The Store shall be located at the following address:

_____

2. OPENING DATE: The Opening Date of the Store is _____.

3. OPERATING HOURS: Franchisee's Store must be open for business _____ days per year and at least during the hours of _____, unless otherwise instructed by Franchisor in writing.

4. ROYALTY FEE: 5% of the weekly Gross Sales of Franchisee's Store.

5. MARKETING FUND CONTRIBUTION: When Franchisor forms an Angelina Italian Bakery Marketing Fund, Franchisee shall contribute up to 2% of the monthly Gross Sales of Franchisee's Store.

6. NOTICES TO FRANCHISEE:

Notices to Franchisee and
the Principals (Section 27.01): _____

_____

_____

Attention: _____

Telephone: _____

Email: _____

FRANCHISOR	**FRANCHSIEE**
ANGELINA FRANCHISING LLC	[NAME OF FRANCHISEE]
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

EXHIBIT B

ANGELINA ITALIAN BAKERY MARKS

The Marks as defined in the Recitals of the Franchise Agreement will consist of:

1. "Angelina Italian Bakery";
2.

3.

4.

5.

6. and such other and further Marks (as defined in the Recitals of the Franchise Agreement) that Franchisor may from time to time license to Franchisee in conjunction with and addition to the Marks listed above. Any such other and further Proprietary Marks will be deemed a part of this Attachment M.

EXHIBIT C

REQUIRED LEASE RIDER

RIDER ANNEXED TO AND FORMING PART OF AGREEMENT OF LEASE (THE "LEASE") DATED AS OF _____, 20___ BY AND BETWEEN _____ ("LANDLORD") AND _____ ("TENANT" or "FRANCHISEE")

1. Reference is made to the Franchise Agreement (the "Franchise Agreement"), dated _____, 20__, between Tenant and Angelina Franchising LLC ("Franchisor"), pursuant to which Tenant is a franchisee of Franchisor. After (a) the expiration of the Franchise Agreement (so long as Franchisor provides the Landlord with no less than 60 days advance written notice thereof), or (b) the sooner termination of the Franchise Agreement for any reason (so long as Franchisor either provides the Landlord with (x) a copy of Franchisor's notice of termination to Franchisee or (y) an agreement regarding the date of termination), Franchisor will have the right (but not the obligation) to cure any defaults within a reasonable period of time and at Franchisor's election, either to assume the obligations of and replace Tenant as the lessee under the Lease, or to have another franchisee, licensee, joint venture partner or other designee of Franchisor's assume the obligations of and replace Tenant as the lessee under the Lease. If Franchisor assumes the obligations of and replaces Tenant as the lessee under the Lease and then subsequently reassigns the Lease to another franchisee, licensee, joint venture partner or other designee of Franchisor, upon any such reassignment, Franchisor shall be released from all prospective obligations of the lessee.

2. Simultaneous with giving notice to Tenant of any default, the Landlord will furnish to Franchisor written notice specifying such default and the method of curing the default; allow Franchisor 30 days after receipt of the notice to cure the defaults (except that (i) if the default is the non-payment of rent, Franchisor will have only fifteen days from receipt of notice to cure the default, and (ii) if the default is of such a nature that it cannot, with the exercise of reasonable diligence, be cured within 30 days, the time for cure shall be extended to be the same as that set forth in the Lease); and, allow Franchisor to exercise Franchisor's option for Franchisor or another franchisee, licensee, joint venture partner or other designee of Franchisor to succeed to Tenant's interest in the Lease under the same conditions as set forth in par. '1', above.

3. The Landlord will accept Franchisor or another franchisee designated by Franchisor as a substitute tenant under the Lease upon notice from Franchisor that Franchisor is exercising Franchisor's option for Franchisor or another franchisee, licensee, joint venture partner or other designee of Franchisor to succeed to Tenant's interest in the Lease and/or to reassign the Lease to another franchisee following Franchisor's assumption of obligations under the Lease, under the same conditions as set forth in par.'1', above.

4. The provisions in Paragraphs '1', '2', and '3', above, are rights but not obligations for Franchisor to assume Tenant's rights and responsibilities under the Lease.

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

6. The Lease may not be modified or amended without Franchisor's advance written consent, which Franchisor may not unreasonably withhold. The Landlord will provide Franchisor with copies of all proposed modifications or amendments at least 30 days prior to their execution and true and correct copies of the executed modifications and amendments.

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

8. If any provision of this Rider conflicts with or is inconsistent with any provision of the Lease, the terms of this Rider shall govern and prevail. Except as expressly provided in this Rider, all of the terms and provisions of the Lease are and will remain in full force and effect.

IN WITNESS WHEREOF, Landlord and Tenant have each executed this Rider to Lease as of the date first written above.

LANDLORD:

_____

By: _____
Name:
Title:

TENANT:

_____

By: _____
Name:
Title:

EXHIBIT D

SOFTWARE LICENSE AGREEMENT

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SOFTWARE LICENSE AGREEMENT

THIS AGREEMENT is made and entered on _____, between ANGELINA FRANCHISING LLC, a New York limited liability company with its principal office at 42 West 28th Street, 4th Floor, New York, New York 10001 ("Licensor") and _____ whose principal address is ("Licensee") _____.

1. GRANT OF LICENSE

1.01 Grant of License

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

1.02 Revisions, Additions and Deletions

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

1.03 Rights of Licensor

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

1.04 Title

Licensor retains title to the Angelina Italian Bakery Software, the system documentation manuals, any additional materials and information furnished by Licensor in any form (including but not limited to object, machine-readable and/or printed form). Licensee agrees to keep every item to which Licensor retains title free and clear of all claims, liens and encumbrances except those of Licensor. Any act of Licensee, voluntary or involuntary, purporting to create a claim, lien or encumbrance on such an item will be void.

1.05 No Other Rights Granted

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

2. TERM

2.01 Term

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

3. RESTRICTIONS ON LICENSEE

3.01 Single Franchised BusinessUse

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

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

3.02 Copies and Use of Output from Software

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

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

3.03 No Reverse Engineering or Modification

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

3.04 Transfer of Software

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

4. PROTECTION AND SECURITY

4.01 Non-Disclosure

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

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

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

5. UNAUTHORIZED ACTS

5.01 Unauthorized Acts

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

other relief against Licensee for its negligent or intentional harm to Licensor's proprietary rights, or for breach of Licensor's contractual rights.

5.02 Export Law Assurances.

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

6. INSPECTION

6.01 Inspection of Use

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

7. ASSIGNMENT OF LICENSE RIGHTS

7.01 Assignment by Licensor

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

7.02 Assignment by Licensee

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

8. INJUNCTION

8.01 Injunction

Licensee acknowledges that the unauthorized use, modification, transfer or disclosure of the Software or copies thereof will (i) substantially diminish the value to Licensor of the trade secrets and other proprietary interests that are the subject of this Agreement; (ii) render Licensor's remedy at law for such unauthorized use, disclosure or transfer inadequate; and (iii) cause irreparable injury in a short period of time. If Licensee breaches any of its obligations with respect to the use or confidentiality of the Software or if Licensee attempts to use, copy, modify, license, or convey the items supplied by Licensor under this Agreement, in a manner contrary to the terms of this Agreement, in competition with Licensor or in derogation of Licensor's proprietary rights (whether these rights are explicitly stated in this Agreement, determined by law or otherwise), then Licensor shall

be entitled to equitable relief to protect its interests therein, including, but not limited to, preliminary and permanent injunctive relief, without having to post bond or other security.

9. DEFAULT AND TERMINATION

9.01 Termination

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

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

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

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

9.02 Cross-Default

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

10. BINDING EFFECT

10.01 Binding Effect

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

11. SECURITY INTEREST

11.01 Security Interest

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

12. WAIVER OR DELAY; INTEGRATION; AMENDMENT

12.01 Waiver or Delay

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

12.02 Integration

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

12.03 Amendment

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

13. DISCLAIMER

13.01 DISCLAIMER

LICENSOR WARRANTS AND REPRESENTS THAT IT HAS THE AUTHORITY TO EXTEND THE RIGHTS GRANTED TO LICENSEE IN THIS AGREEMENT. THIS EXPRESS WARRANTY IS EXCLUSIVE AND IN LIEU OF, AND LICENSOR HEREBY DISCLAIMS, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, OF FITNESS OR ADEQUACY FOR ANY PARTICULAR PURPOSE OR USE (WHETHER OR NOT LICENSOR KNOWS, HAS REASON TO KNOW, HAS BEEN ADVISED OR IS OTHERWISE IN FACT AWARE OF ANY SUCH PURPOSE); WARRANTIES OF QUALITY OR PRODUCTIVENESS, CAPACITY, ACCURACY OR SYSTEM INTEGRATION; IMPLIED WARRANTIES AGAINST INFRINGEMENT OF ANY INTELLECTUAL PROPERTY RIGHTS OF A THIRD PARTY; AND, WARRANTIES AGAINST INTERFERENCE WITH LICENSEE’S ENJOYMENT OF THE LICENSED INFORMATION OR LICENSED INFORMATIONAL RIGHTS. IT IS SPECIFICALLY UNDERSTOOD AND AGREED THAT THE LICENSED SOFTWARE AND OTHER INFORMATION MADE AVAILABLE HEREUNDER BY LICENSOR ARE MADE AVAILABLE ON AN "AS-IS" BASIS AND THAT THE ENTIRE RISK AS TO SATISFACTORY QUALITY, PERFORMANCE, ACCURACY AND EFFORT IS WITH LICENSEE. LICENSOR WILL NOT BE LIABLE (WHETHER IN CONTRACT, WARRANTY, TORT, OR OTHERWISE) TO LICENSEE, THIRD PARTIES, OR ANY OTHER PERSON CLAIMING THROUGH OR UNDER LICENSEE, FOR ANY DAMAGES OR EXPENSES, INCLUDING BUT NOT LIMITED TO, ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, SPECIAL, EXEMPLARY OR PUNITIVE DAMAGES, LOST DATA, DOWNTIME COSTS, LOST PROFITS AND/OR LOST BUSINESS, ARISING OUT OF OR IN CONNECTION WITH ANY USE, OR INABILITY TO USE, ANY OF THE LICENSED SOFTWARE, MATERIALS OR INFORMATION FURNISHED, INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF GOODWILL, WORK STOPPAGE, COMPUTER FAILURE OR MALFUNCTION, BUSINESS INTERRUPTION OR ANY AND ALL OTHER COMMERCIAL DAMAGES OR LOSSES, WHETHER CAUSED BY DEFECT, NEGLIGENCE, BREACH OF WARRANTY, DELAY IN DELIVERY OR OTHERWISE, REGARDLESS OF THE THEORY OF LIABILITY (WHETHER TORT, CONTRACT, STRICT LIABILITY, OR OTHERWISE), EVEN IF LICENSOR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR EXPENSES. FURTHER, NO OBLIGATION OR LIABILITY WILL ARISE OR FLOW OUT OF LICENSOR'S RENDERING OF TECHNICAL OR OTHER ADVICE IN CONNECTION WITH THE SOFTWARE OR ANY EQUIPMENT USED WITH THE SOFTWARE.

LICENSOR DOES NOT REPRESENT OR WARRANT THAT THE OPERATION OF THE SOFTWARE WILL BE UNINTERRUPTED OR ERROR-FREE OR MEET ANY SPECIFIC REQUIREMENTS, THAT THE SOFTWARE WILL BE FREE OF VIRUSES, WORMS, OTHER HARMFUL COMPONENTS OR OTHER PROGRAM LIMITATIONS OR THAT ANY DEFECTS OR ERRORS IN THE SOFTWARE WILL BE CORRECTED. THIS DISCLAIMER OF WARRANTY CONSTITUTES AN ESSENTIAL PART OF THIS AGREEMENT. NO AGENT OF LICENSOR IS AUTHORIZED TO ALTER OR EXCEED THE WARRANTY OBLIGATIONS OF LICENSOR AS SET FORTH HEREIN. NO USE OF THE PRODUCT IS AUTHORIZED HEREUNDER EXCEPT UNDER THIS DISCLAIMER; PROVIDED, HOWEVER, THAT SOME STATES OR JURISDICTIONS DO NOT ALLOW EXCLUSIONS OF AN IMPLIED WARRANTY AND SOME STATES OR JURISDICTIONS DO NOT ALLOW THE LIMITATION OR EXCLUSION OF LIABILITY FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES, SO THAT THIS DISCLAIMER MAY NOT APPLY TO LICENSEE. TO THE EXTENT THAT LICENSOR MAY NOT, AS A MATTER OF APPLICABLE LAW, DISCLAIM ANY WARRANTY, THE SCOPE AND DURATION OF SUCH WARRANTY SHALL BE THE MINIMUM PERMITTED UNDER APPLICABLE LAW.

14. LIMITATION OF LIABILITY

14.01 LIMITATION OF LIABILITY

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

15. SEVERABILITY

15.01 Severability

Nothing contained in this Agreement may be construed as requiring the commission of any act contrary to law. Whenever there is any conflict between any provision of this Agreement and any present or future statute, law, ordinance or regulation required to be made applicable to this Agreement, the latter will prevail, but the affected provision of this Agreement will be curtailed and limited only to the extent necessary to bring it within the requirement of the law. If any article, section, sentence or clause of this Agreement is held to be indefinite, invalid or otherwise unenforceable, the entire Agreement will not fail for this reason, and the balance of the Agreement will continue in full force and effect. If any court of competent jurisdiction deems any provision of this Agreement (other than for the payment of money) so unreasonable as to be unenforceable as a matter of law, the court may declare a reasonable modification of this Agreement and this Agreement will be valid and enforceable, and the parties agree to be bound by and perform this Agreement as so modified.

16. GOVERNING LAW; VENUE

16.01 Governing Law

This Agreement; all relations between the parties; and, any and all disputes between the parties, whether such dispute sounds in law, equity or otherwise, is to be exclusively construed in accordance with and/or governed by (as applicable) the law of the State of New York without recourse to New York (or any other) choice of law or conflicts of law principles. If Licensor moves its principal headquarters to another state, Licensor reserves the right to designate that state's law as governing, again without recourse to that successor state's (or any other) choice of law or conflicts of law principles, upon written notice to Licensee. If, however, any provision of this Agreement would not be enforceable under the laws of New York, and if the franchised business is located outside of New York and the provision would be enforceable under the laws of the state in which the franchised business is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Section intended to invoke, and shall not be deemed to

invoke, the application of any franchise, business opportunity, antitrust, "implied covenant", unfair competition, unfair or deceptive trade practice, fiduciary or any other doctrine of law of the State of New York or any other state, or any successor state Licensor designates (as provided above), which would not otherwise apply by its terms jurisdictionally or otherwise but for the within designation of governing law or which, by virtue of its denominated geographic or subject matter scope, would not by its terms otherwise apply.

16.02 Venue

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

17. COSTS OF ENFORCEMENT; ATTORNEYS' FEES

17.01 Costs of Enforcement

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

17.02 Attorneys' Fees

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

18. SUBMISSION OF AGREEMENT

18.01 Submission of Agreement

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

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

[Signature page follows.]

Dated: _____

LICENSEE:

If a corporation or other business entity:

_____

(Name of Corporation or Other Entity)

By:_____

Name: _____

Title:_____

If one or more individuals:

By: _____

Name: _____

By: _____

Name: _____

By: _____

Name: _____

Dated: _____

LICENSOR:

ANGELINA FRANCHISING LLC

By: _____
Name: _____
Title: _____

EXHIBIT E

CONFIDENTIALITY/NON-COMPETITION AGREEMENT

CONFIDENTIALITY/NON-COMPETITION AGREEMENT

NAME: _____

FRANCHISOR: _____

HOME ADDRESS: _____

_____

HOME TELEPHONE: _____

CLASSIFICATION: _____

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

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

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

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

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

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

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

Unless specifically prohibited by applicable law, for a period of two years immediately following the expiration or termination of my employment/service/association/ownership participation, I am prohibited from engaging in any competitive business, if the other business is located within Franchisee's Protected Area, within twenty miles of the boundaries of Franchisee's Protected Area, or within twenty miles of (or within) the Protected Area of any other Angelina Italian Bakery Store (whether Company-owned, franchised or otherwise established and operated).

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

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

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

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

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

I further agree that any litigation arising out of or related to this Agreement; any breach of this Agreement; and, all relations and any and all disputes between myself on the one hand, and Franchisee or Franchisor on the other hand, whether sounding in contract, tort, or otherwise, will be instituted exclusively in a court of competent jurisdiction in New York, New York. I agree that any dispute as to the venue for this litigation will be submitted to and resolved exclusively by a court of competent jurisdiction situated in New York, New York.

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

Witnessed By:

_____
Witness/Date

_____
(Print Name)

_____
(Signature)

_____
(Date)

EXHIBIT F
CONFIDENTIALITY AGREEMENT (NON-MANAGERIAL PERSONNEL)

CONFIDENTIALITY AGREEMENT

NAME: _____

FRANCHISEE: _____

HOME ADDRESS: _____

_____

HOME TELEPHONE: _____

RELATION TO FRANCHISEE: _____

(Employee, Independent Contractor, Etc.)

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

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

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

I specifically understand that, the Confidential Information of Franchisor includes without limitation: all information, knowledge, trade secrets or know-how utilized or embraced by the Franchisor's System and/or or imparted to Franchisee by Franchisor or any of Franchisor's affiliates which otherwise concerns Franchisee or Franchisor's systems of operation, programs, services, products, customers, practices, materials, books, records, manuals, computer files, databases or software; all elements of the Franchisor's System and all food and beverage items, other products, services, equipment, technologies, recipes, food and beverage preparation techniques, policies, standards, requirements, criteria and procedures that now or in the future are a part of the Franchisor's System; Franchisor's Manual (including Supplements to the Manual); all food and beverage recipes and preparation techniques, programs, specifications, ingredients, cooking and serving techniques, sources of supply, presentation elements, serving and takeout procedures and delivery specifications; all procedures, systems, techniques and activities employed by Franchisor or by Franchisee in the offer and sale of programs, products and/or services at or from Franchisee's franchised Restaurant Business; all pricing paradigms established by Franchisor or by Franchisee; all of Franchisor's and/or Franchisee's sources (or prospective sources) of supply and all information pertaining to same (including wholesale pricing structures, the contents of sourcing agreements and the identity of suppliers); Franchisor's specifications, and Franchisee's final plans, for the construction, buildout, design, renovation, décor, equipment, signage, furniture, fixtures and trade dress elements of Franchisee's Restaurant(s); the identify of, and all information relating to, the computer and POS hardware and software utilized by Franchisor and Franchisee; all information pertaining to Franchisor's and/Franchisee's advertising, marketing, promotion and merchandising campaigns, activities, materials, specifications and procedures; all customer lists, data and records generated and/or otherwise maintained by Franchisee's franchised Business; Franchisor's (and, if in the future Franchisor permits, Franchisee's) internet/web protocols, procedures and content (including electronic data, data files, user names and passwords); Franchisor's training and other instructional programs and materials; all elements of Franchisor's recommended staffing, staff training and staff certification policies and procedures; all communications between Franchisor (including the financial and other reports Franchisee

is required to submit to Franchisor under this Agreement); additions or improvements to, deletions from and modifications and variations of the components of the Franchisor's System and the other systems and methods of operations which Franchisor employs now or in the future; research, development and test programs for products, services and operations; and, all other information, knowledge and know-how which either Franchisor or Franchisor's affiliates, now or in the future, designate as confidential.

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

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

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

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

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

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

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

Witnessed By:

_____
Witness/Date

_____
(Print Name)

_____
(Signature)

_____
(Date)

EXHIBIT G

PERSONAL GUARANTY OF ANGLEINA FRANCHISING LLC FRANCHISE AGREEMENT

PERSONAL GUARANTY OF
ANGELINA FRANCHISING LLC FRANCHISE AGREEMENT

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

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

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

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

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

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

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

It is understood and agreed by the undersigned that the provisions, covenants and conditions of this Guaranty shall inure to the benefit of the Franchisor, its successors and assigns. This Guaranty may be assigned by Franchisor voluntarily or by operation of law without reducing or modifying the liability of the undersigned hereunder.

This Guaranty is to be exclusively construed in accordance with and/or governed by the law of the State of New York without recourse to New York (or any other) choice of law or conflicts of law principles. If, however,

any provision of this Guaranty would not be enforceable under the laws of New York, and if the business franchised under the Franchise Agreement is located outside of New York and the provision would be enforceable under the laws of the state in which the franchised business is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Guaranty is intended to invoke the application of any franchise, business opportunity, antitrust, "implied covenant", unfair competition, fiduciary or any other doctrine of law of the State of New York or any other state, which would not otherwise apply.

Any litigation arising out of or related to this Guaranty will be instituted exclusively in a court of competent jurisdiction in New York, New York. The undersigned agree that any dispute as to the venue for this litigation will be submitted to and resolved exclusively by a court of competent jurisdiction situated in New York, New York. The undersigned hereby waive and covenant never to assert or claim that said venue is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any claim under the judicial doctrine of forum non conveniens).

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

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

Attest:

By:_____ _____
Signature

_____
Printed Name
_____

_____
Address

Attest:

By:_____ _____
Signature

_____
Printed Name
_____

_____
Address

Attest:

By:_____ _____
Signature

_____
Printed Name
_____

_____
Address

EXHIBIT H

ELECTRONIC FUNDS TRANSFER AUTHORIZATION

ELECTRONIC FUNDS TRANSFER AUTHORIZATION
TO HONOR CHARGES DRAWN BY AND PAYABLE TO

PAYEE: ANGELINA FRANCHISING LLC

BANK NAME	ACCOUNT #	ABA#	FEIN
_____	_____	_____	_____

The undersigned Depositor hereby authorizes and requests the Depository designated below to honor and to charge to the following designated account, checks, and electronic debits (collectively, "debits") drawn on such account which are payable to the above named Payee. It is agreed that Depository's rights with respect to each such debit shall be the same as if it were a check drawn and signed by the Depositor. It is further agreed that if any such debit is not honored, whether with or without cause and whether intentionally or inadvertently, Depository shall be under no liability whatsoever. This authorization shall continue in force until Depository and Payee have received at least thirty (30) days written notification from Depositor of its termination.

The Depositor agrees with respect to any action taken pursuant to the above authorization:

(a) To indemnify the Depository and hold it harmless from any loss it may suffer resulting from or in connection with any debit, including, without limitation, execution and issuance of any check, draft or order, whether or not genuine, purporting to be authorized or executed by the Payee and received by the Depository in the regular course of business for the purpose of payment, including any costs or expenses reasonably incurred in connection therewith.

(b) To indemnify Payee and the Depository for any loss arising in the event that any such debit shall be dishonored, whether with or without cause and whether intentionally or inadvertently.

(c) To defend at Depositor's own cost and expense any action which might be brought by a depositor or any other persons because of any actions taken by the Depository or Payee pursuant to the foregoing request and authorization, or in any manner arising by reason of the Depository's or Payee's participation therein.

Name of Depository: _____

Name of Depositor: _____

Designated Bank Acct.: _____

(Please attach <u>one voided check</u> for the above account.)

Store Location: _____

Store #: _____

For information call: _____

Address: _____

Phone #: _____

Fax #: _____

_____

Name of Franchisee/Depositor (please print)

By: _____

Signature and Title of Authorized Representative

Date: _____

EXHIBIT I

GENERAL RELEASE – TERMINATION

GENERAL RELEASE

To all to whom these Presents shall come or may Concern, Know That _____ [a corporation organized under the laws of the State of _____][an individual domiciled in the State of _____] as RELEASOR, in consideration of ANGELINA FRANCHISING LLC's furnishing of certain confidential information in connection with the Franchise Agreement between RELEASOR and ANGELINA FRANCHISING LLC (the "Franchise Agreement"), but such Franchise Agreement terminating in accordance with its terms and provisions, and other good and valuable consideration, hereby releases and discharges ANGELINA FRANCHISING LLC as RELEASEE; RELEASEE'S corporate parents, subsidiaries or affiliates; and, the respective officers, directors, shareholders, agents, attorneys, contractors and employees of each of the foregoing (in their corporate and individual capacities), along with RELEASEE'S heirs, executors, administrators, successors and assigns, from all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims and demands whatsoever, in law, admiralty or equity, which against the RELEASEE, the RELEASOR, RELEASOR'S heirs, executors, administrators, successors and assigns ever had, now have or hereafter can, shall or may have, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the day of the date of this RELEASE arising out of or related to the Franchise Agreement, including, without limitation, claims arising under federal, state and local laws, rules and ordinances; provided, however, that nothing contained in this release is intended to disclaim or require RELEASOR to waive reliance on any representation that RELEASEE made in the Franchise Disclosure Document that RELEASEE provided to RELEASOR; and provided further that all liabilities arising under Indiana Code Sec. 23-2-2.7, the Maryland Franchise Registration and Disclosure Law and the Washington Franchise Investment Protection Act, RCW 19.100 and the rules adopted thereunder are excluded from this release, and that all rights enjoyed by RELEASOR under said Franchise Agreement and any causes of action arising in his, her or its favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law, Section 687.4 and 687.5 be satisfied. If RELEASOR is domiciled or has his or her principal place of business in the State of California, then RELEASOR hereby expressly waives and relinquishes all rights and benefits under Section 1542 of the California Civil Code, which provides: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

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

This RELEASE may not be changed orally.

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

RELEASOR

[SEAL]

By_____

ACKNOWLEDGMENT FOR CORPORATE RELEASOR

STATE OF _____

ss.:

COUNTY OF _____

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

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

Notary Public

_____

My Commission expires: _____

(NOTARIAL SEAL)

ACKNOWLEDGMENT FOR INDIVIDUAL RELEASOR

STATE OF _____

ss.:

COUNTY OF _____

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

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

Notary Public

_____

My Commission expires: _____

(NOTARIAL SEAL)

EXHIBIT J

GENERAL RELEASE – SUCCESSOR TERM

GENERAL RELEASE

To all to whom these Presents shall come or may Concern, Know That _____ [a corporation organized under the laws of the State of _____][an individual domiciled in the State of _____] as RELEASOR, in consideration of the execution by ANGELINA FRANCHISING LLC of a Successor Franchise Agreement regarding the franchise between RELEASOR and ANGELINA FRANCHISING LLC (the "Franchise Agreement"), and other good and valuable consideration, hereby releases and discharges ANGELINA FRANCHISING LLC as RELEASEE; RELEASEE'S corporate parents, subsidiaries or affiliates; and, the respective officers, directors, shareholders, agents, attorneys, contractors and employees of each of the foregoing (in their corporate and individual capacities), along with RELEASEE'S heirs, executors, administrators, successors and assigns, from all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims and demands whatsoever, in law, admiralty or equity, which against the RELEASEE, the RELEASOR, RELEASOR'S heirs, executors, administrators, successors and assigns ever had, now have or hereafter can, shall or may have, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the day of the date of this RELEASE arising out of or related to the Franchise Agreement, including, without limitation, claims arising under federal, state and local laws, rules and ordinances; provided, however, that nothing contained in this release is intended to disclaim or require RELEASOR to waive reliance on any representation that RELEASEE made in the Franchise Disclosure Document that RELEASEE provided to RELEASOR; and provided further that all liabilities arising under Indiana Code Sec. 23-2-2.7 , the Maryland Franchise Registration and Disclosure Law and the Washington Franchise Investment Protection Act, RCW 19.100 and the rules adopted thereunder are excluded from this release, and that all rights enjoyed by RELEASOR under said Franchise Agreement and any causes of action arising in his, her or its favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law, Section 687.4 and 687.5 be satisfied. If RELEASOR is domiciled or has his or her principal place of business in the State of California, then RELEASOR hereby expressly waives and relinquishes all rights and benefits under Section 1542 of the California Civil Code, which provides: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

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

This RELEASE may not be changed orally.

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

RELEASOR

[SEAL]

By_____

ACKNOWLEDGMENT FOR CORPORATE RELEASOR

STATE OF _____

ss.:

COUNTY OF _____

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

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

Notary Public

_____

My Commission expires: _____

(NOTARIAL SEAL)

ACKNOWLEDGMENT FOR INDIVIDUAL RELEASOR

STATE OF _____

ss.:

COUNTY OF _____

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

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

Notary Public

_____

My Commission expires: _____

(NOTARIAL SEAL)

EXHIBIT K

GENERAL RELEASE - ASSIGNMENT

GENERAL RELEASE

To all to whom these Presents shall come or may Concern, Know That _____ [a corporation organized under the laws of the State of _____][an individual domiciled in the State of _____] as RELEASOR, in consideration of the consent of ANGELINA FRANCHISING LLC to the Assignment of the Franchise Agreement between RELEASOR and ANGELINA FRANCHISING LLC (the "Franchise Agreement") to _____, and other good and valuable consideration, hereby releases and discharges ANGELINA FRANCHISING LLC as RELEASEE, RELEASEE'S corporate parents, subsidiaries or affiliates and the respective officers, directors, shareholders, agents, attorneys, contractors and employees of each of the foregoing entities (in their corporate and individual capacities), and RELEASEE'S heirs, executors, administrators, successors and assigns, from all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims and demands whatsoever, in law, admiralty or equity, which against the RELEASEE, the RELEASOR, RELEASOR'S heirs, executors, administrators, successors and assigns ever had, now have or hereafter can, shall or may have, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the day of the date of this RELEASE, including, without limitation, claims arising under federal, state and local laws, rules and ordinances; provided, however, that nothing contained in this release is intended to disclaim or require RELEASOR to waive reliance on any representation that RELEASEE made in the Franchise Disclosure Document that RELEASEE provided to RELEASOR; provided further that all liabilities arising under Indiana Code Sec. 23-2-2.7 , the Maryland Franchise Registration and Disclosure Law and the Washington Franchise Investment Protection Act, RCW 19.100 and the rules adopted thereunder are excluded from this release, and that all rights enjoyed by RELEASOR under said Franchise Agreement and any causes of action arising in his, her or its favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law, Section 687.4 and 687.5 be satisfied. If RELEASOR is domiciled or has his or her principal place of business in the State of California, then RELEASOR hereby expressly waives and relinquishes all rights and benefits under Section 1542 of the California Civil Code, which provides: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

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

This RELEASE may not be changed orally.

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

RELEASOR

[SEAL]

By_____

ACKNOWLEDGMENT FOR CORPORATE RELEASOR

STATE OF _____

ss.:

COUNTY OF _____

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

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

Notary Public

_____

My Commission expires: _____

(NOTARIAL SEAL)

ACKNOWLEDGMENT FOR INDIVIDUAL RELEASOR

STATE OF _____

ss.:

COUNTY OF _____

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

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

Notary Public

_____

My Commission expires: _____

(NOTARIAL SEAL)

EXHIBIT L

TRAINEE WAIVER, ASSUMPTION OF RISK AND INDEMNIFICATION AGREEMENT

TRAINEE WAIVER, ASSUMPTION OF RISK AND INDEMNIFICATION AGREEMENT

Activity: Angelina Italian Bakery Franchise Training

Activity Date(s) and Time(s): _____

Activity Location(s): _____

In consideration for being allowed to participate in the activity described hereinabove (this "Activity"), on behalf of Franchisee,_____, I agree to indemnify, defend and hold harmless Angelina Franchising LLC, and its employees, officers, directors, agents and independent contractors the "Angelina Italian Bakery Team") from any and all claims, suits, damages, liabilities, including attorneys' fees, costs, court costs, expenses and disbursements related to death, bodily injury or property damage (including loss of use thereof) brought against any of the Angelina Italian Bakery Team by any person or entity, arising or alleged to be arising out of or in connection with or as a result or consequence of the Activity, resulting in any physical or psychological injuries and damages including, but not limited to, death, illness, food related allergies, disability or emotional distress I may sustain during the participation of Activity, including travel to, from and sooner thereafter.

I am voluntarily participating in this Activity. I am aware of the risks associated with traveling to and/or from and participating in this Activity, which include but are not limited to physical or psychological injury, pain, suffering, illness, disfigurement, temporary or permanent disability (including, without limitation, paralysis), economic or emotional distress ~~loss~~, and/or death. I understand that these injuries or outcomes may arise from my own or other's actions, inaction, or negligence; conditions related to travel; or the condition of the Activity location(s). Nonetheless, I assume all related risks, both known or unknown to me, of my participation in this Activity, including travel to, from and during the Activity.

I agree to hold indemnify, defend and hold harmless Angelina Italian Bakery Team from any and all claims, suits, damages, liabilities, including attorneys' fees, costs, court costs, expenses and disbursements related to death, bodily injury or property damage (including loss of use thereof) brought against any of the Angelina Italian Bakery Team by any person or entity, arising or alleged to be arising out of or in connection with or as a result or consequence of the Activity. Attorneys' fees, court costs, expenses and disbursements shall be defined without limit to include those fees, costs, etc. incurred in defending the underlying claim and those fees, costs, etc. incurred in connection with the enforcement of this Indemnification Agreement. If I need medical treatment, I agree to be financially responsible for any costs incurred as a result of such treatment. I explicitly agree herein that I shall carry my own health insurance.

I am 18 years or older. I understand the legal consequences of signing this document, including (without limitation) (a) Indemnification Agreement, (b) promising not to sue the Angelina Italian Bakery Team, and (c) assuming all risks of participating in this Activity, including travel to, from and during the Activity.

I understand that this document is written to be as broad and inclusive as legally permitted by the laws of the State of New York. I agree that if any portion is held invalid or unenforceable, I will continue to be bound by the remaining terms.

I have read this document, and I am signing it freely and voluntarily.

Participant Signature: _____

Participant Name (print): _____ Date:_____

If Participant is under 18 years of age:

I am the parent or legal guardian of the Participant. As such I have executed this Indemnification Agreement on behalf of the minor Participant,_____, as a legal guardian or natural parent. I understand the legal consequences of signing this Indemnification Agreement including (a) Indemnification Agreement (b) promising not to sue on my and the Participant's behalf, and (c) assuming all risks of the Participant's participation in this Activity, including travel to, from and during the Activity. I allow Participant to participate Activity. I understand that I am responsible for the obligations and acts of Participant as described in this document. I agree to be bound by the terms of this document.

I have read this two-page document, and I am signing it freely and voluntarily.

_____
Signature of Minor Participant's Parent/Guardian

_____ _____
Name of Minor Participant's Parent/Guardian (print) Date

_____
Minor Participant's Name

EXHIBIT M

STATEMENT OF OWNERSHIP INTERESTS AND FRANCHISEE'S PRINCIPALS

STATEMENT OF OWNERSHIP INTERESTS AND FRANCHISEE'S PRINCIPALS

A. The following is a list of all shareholders, partners, members or other investors owning a direct or indirect interest in Franchisee, a description of the nature of their interest and their ownership percentage:

NAME	NATURE OF INTEREST	OWNERSHIP PERCENTAGE

B. The name and contact information of the Operating Principal:

_____

_____

_____

_____

[Signature page follows.]

Dated:_____

FRANCHISEE:

If an entity:

_____
(Name of Entity)

By:_____

Name: _____

Title: _____

If an individual:

_____
(Signature)

_____
(Print Name)

_____
(Signature)

_____
(Print Name)

Dated: _____

ANGELINA FRANCHISING LLC

By:_____

Name: _____

Title: _____

EXHIBIT B TO DISCLOSURE DOCUMENT

ANGELINA FRANCHISING LLC AREA DEVELOPMENT AGREEMENT

ANGELINA FRANCHISING LLC

AREA DEVELOPMENT AGREEMENT

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Kaufmann Gildin & Robbins LLP
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ANGELINA FRANCHISING LLC

AREA DEVELOPMENT AGREEMENT

This AREA DEVELOPMENT AGREEMENT (this "**Agreement**") is made and entered into this _____ day of _____, _____ between Angelina Franchising LLC, a New York limited liability company with its principal office at 42 West 28th Street, 4th Floor, New York, New York 10001 ("**we**," "**us**," "**our**" or "**Franchisor**") and _____, a[n] _____with a principal address at_____ ("**you**", "**your**" or "**Area Developer**").

1. INTRODUCTION

1.01 The Angelina Italian Bakery Businesses, System and Marks

As a result of the expenditure of time, skill, effort and money, we and/or our affiliates have developed a proprietary system (the "**System**") for opening and operating businesses (each a "**Business**") that open and operate Angelina Italian Bakery stores (each, a "**Store**") specializing in the offer and sale of Italian-influenced baked goods, cake or sandwich items (including, without limitation, croissants, donuts, cheese focaccia, sandwiches and pastries) and related programs, products and services. The System makes use of the trademark, service mark and fictitious business name "Angelina Italian Bakery" and certain other trademarks, service marks, trade names, related emblems, designs, labels, trade dress, signs and symbols, copyrighted materials and other intellectual property (collectively, the "**Marks**").

1.02 The Area Franchise

You wish to obtain the right to acquire and operate Angelina Italian Bakery Businesses in those geographical territories (the "**Development Area**") defined below and set forth in Exhibit B to this Agreement and pursuant to a development schedule (the "**Development Schedule**") defined and set forth in Exhibit A to this Agreement. We wish to grant you the right to acquire and operate Angelina Italian Bakery Businesses in the Development Area and pursuant to the Development Schedule upon the terms and subject to the conditions set forth in this Agreement.

2. GRANT OF AREA DEVELOPMENT RIGHTS

2.01 Area Development Rights

We grant you, and you accept, the right and obligation to acquire and operate franchised Angelina Italian Bakery Businesses in the Development Area pursuant to the Development Schedule upon the terms and subject to the provisions of this Agreement and the terms of each Unit Franchise Agreement (referred to individually as a "**Franchise Agreement**" and collectively as the "**Franchise Agreements**") entered into between you and us, and all agreements related to the Franchise Agreements.

3. DEVELOPMENT AREA

3.01 Territorial Grant; Development Area

You undertake to own and operate the number of franchised Angelina Italian Bakery Businesses set forth in Exhibit A this Agreement within the Development Area set forth by map or written description in Exhibit B of this Agreement. Where the Business offers catering and/or delivery, Developer will have the non-exclusive right to cater and/or deliver products and services to customers.

3.02 Our Restrictions

Within the Development Area, neither we nor our affiliates (meaning any individual or entity either we or you control, which controls us or you or which is under common control with us or you, together referred to as "**Affiliates**") will operate a company-owned Business of the type contemplated by this Agreement and franchised under the Franchise Agreements, or enter into any other agreement granting rights to own, develop, or operate Angelina Italian Bakery Businesses, all so long as you are not in default under this Agreement and all other related agreements, and except as provided in Section 3.03 ("Rights We Reserve"). These restrictions will terminate immediately upon the expiration or termination of this Agreement for any reason.

You acknowledge that this Agreement confers no marketing exclusivity in the Development Area on you, and that all Angelina Italian Bakery Businesses (whether company-owned, Company joint-ventured, franchised or otherwise) may solicit, service, advertise and offer their products and services to any individual or entity, regardless of your or its geographic location, including your Development Area.

3.03 Rights We Reserve

You acknowledge that we and our Affiliates may have, and may later acquire or develop, rights and property that are not granted to you or may not be designated as part of the Angelina Italian Bakery System. You further acknowledge that this Agreement does not create any form of franchise or license with respect to those rights, all of which remain our property. We reserve those rights, and all rights not expressly granted in this Agreement. These rights will not be qualified or diminished in any way by implication. For example, and without limitation, we or our Affiliates may own, operate or authorize others to own or operate Angelina Italian Bakery Businesses or any other form of Angelina Italian Bakery business subject only to the territorial restrictions provided in Section 3.02 and engage in or authorize others to conduct at any location any form of business including any type of product or service not offered under the Marks. Outside of the Development Area, we and/or our Affiliates reserve the right to operate any number of Angelina Italian Bakery Stores, and/or authorize others to operate same, at any location whatsoever (including one or more locations that may be proximate to, but not within, the Development Area). Without limiting the generality of this paragraph, we and our Affiliates reserve the following specific rights:

We and our Affiliates may alone offer and sell within and outside your Territory through any methods of distribution other than a dedicated Angelina Italian Bakery Store, including, without limitation, the internet/worldwide web and other forms of electronic commerce; online networks; "800" or similar toll-free telephone numbers (other than those we establish and make available to you for use in your franchised Business(es) hereunder); mail order; catalogues; direct marketing campaigns, including mail and phone solicitations; and, television sales, including "infomercials" (together, "**Alternative Distribution Channels**"). You will not be entitled to any compensation in connection with these sales within your Development Area.

You also understand and agree that we and/or our Affiliates alone have the right to offer and sell (directly, or through other franchisees or licensees) System programs, products and services at any and all Nontraditional Locations, including Nontraditional Locations situated in the Development Area, through the establishment of traditional Angelina Italian Bakery Stores, limited service Angelina Italian Bakery Stores, kiosks, mobile units/food trucks or other alternative formats (whether operating under the Marks or otherwise), and that, by contrast, Developer is precluded from engaging in any such activity. "**Nontraditional Locations**" are locations or venues at which access to the general public is restricted and include sports arenas and venues; theatres; resorts; food retailers

(including supermarkets, grocery stores and convenience stores); malls and mall food courts; schools and universities; hospitals and healthcare facilities; airports; guest lodging facilities; day care facilities of any type; government facilities; condominium and cooperative complexes; the premises of any third party retailer which is not a bakery (including shops, stores and department stores); military bases and installations; airlines, railroads and other modes of mass transportation. You will receive no compensation for our or our Affiliates' sales at Nontraditional Locations.

Both within and outside the Development Area, we and/or our affiliates alone have the right to sell Angelina Italian System products and services to national, regional and institutional accounts. "**National, Regional and Institutional Accounts**" are organizational or institutional customers whose presence is not confined to your Development Area, including (by way of example only): business entities with offices or branches situated both inside and outside of your Development Area; government agencies, branches or facilities; guest lodging networks; healthcare networks; the military; and, any other customer whose presence is not confined to your Development Area. Only we will have the right to enter into contracts with National, Regional and/or Institutional Accounts (which may include facilities within your Development Area).

You agree that we may purchase, acquire, merge, be acquired by or affiliate with any existing competitive or non-competitive franchise or non-franchise network, chain or any other business regardless of the location of that other business' facilities, and following such activity we may operate, franchise or license these businesses and/or facilities under the Marks outside of the Development Area, or under any names or marks other than the Marks within the Development Area and may operate that business.

4. TERM

4.01 Term

The term ("Term") of this Agreement will be for a period beginning on the date we sign this Agreement and extending until the earlier of either the actual or scheduled Date of Execution of the last Franchise Agreement executed pursuant to this Agreement and specified in Section 6.01 of this Agreement, unless sooner terminated in accordance with the provisions of this Agreement.

4.02 Notice of Expiration

If applicable law requires us to give notice of expiration to you at a specified time before the expiration of the Term of this Agreement, and we have not done so, then the term of this Agreement will be extended on a month-to-month basis until we have given you the required notice of expiration and the required period before the expiration of the Agreement becomes effective has expired.

5. DEVELOPMENT FEE

5.01 Development Fee

In consideration of our execution of this Agreement, you agree to pay us a development fee equal to: (i) the Initial Franchise Fee of $50,000 for the first Store to be developed (ii) plus, fifty percent (50%) of the Initial Franchise Fee (i.e. $25,000) for each additional store to be developed (the "**Area Development Deposit**") in one lump sum when you sign the Area Development Agreement (collectively, the "**Development Fee**"). The Area Development Deposit will be applied against the Initial Franchise Fee payable for the subject Store then being developed. The Development Fee is payable in full when you sign this Agreement and will be fully earned when paid. You recognize that we have incurred administrative and other expenses in relation to this Agreement, and that our development opportunities have been lost or curtailed as a result of the territorial rights granted to

you in this Agreement. Therefore, we will not refund the Development Fee in whole or in part, under any circumstance.

5.02 Initial Franchise Fee

Upon the execution of each Franchise Agreement entered into pursuant to this Development Agreement, you shall pay to us an initial franchise fee of Fifty Thousand Dollars ($50,000) for each Store developed under this Agreement (the "Initial Franchise Fee"), which initial Franchise Fee shall be reduced by the Area Development Deposit attributable for each Store you commit to develop pursuant to this Agreement. For the avoidance of doubt, we will credit the Area Development Deposit (i.e., $25,000) against the Initial Franchise Fee for the subject Store then being developed. The balance of the Initial Franchise Fee for each Store to be developed must be paid upon signing of the Franchise Agreement for such Store.

6. DEVELOPMENT SCHEDULE

6.01 Development Schedule

For so long as this Agreement is in effect and you are not in default under the terms of this Agreement or any Franchise Agreement, you will have the right and obligation to execute Franchise Agreements for and commence operations of Angelina Italian Bakery Businesses pursuant to the development schedule (the "Development Schedule") set forth in Exhibit A to this Agreement. The Development Schedule sets forth: (i) the development year; (ii) the date on which you must execute the Franchise Agreement for each Business (the "Date of Execution"); (iii) the date no later than which you must commence operations of each Business under each Franchise Agreement (the "Projected Opening Date"); (iv) the balance due for the subject Business; (v) the date on which such balance was paid; and (vi) the cumulative total number of stores that you must open and operate within the Development Area.

You may not develop or commence operations of more than the number of Businesses set forth above without first obtaining our written consent.

An Angelina Italian Bakery Business will be considered "developed" if: (a) the Franchise Agreement for the Business has been signed by you and us, and (b) the Angelina Italian Bakery Business has commenced operations in accordance with the Franchise Agreement governing the Business.

6.02 Failure to Fulfill Development Obligations

Except as provided in Section 17.01 below ("Unavoidable Delay or Failure to Perform [Force Majeure]"), if you fail to adhere to the Development Schedule set forth in Exhibit A to this Agreement by either: (1) failing to execute the Franchise Agreement for each franchised Business on or before the Date of Execution specified above, or (2) failing to commence operations of each franchised Business on or before the applicable Projected Opening Date specified above, then this will constitute a material breach of this Agreement, which, unless you cure it as provided in Section 15.03 of this Agreement, will result in this Agreement being terminated immediately.

Termination of this Agreement for this reason will not be a termination (constructive or otherwise) of any Franchise Agreement(s) entered into by you and us under which you have already commenced the operation of the franchised Angelina Italian Bakery Businesses covered by the Franchise Agreement(s) if you have fully performed and otherwise been in compliance with all of your obligations under the Franchise Agreement(s) in question. The undeveloped balance of your

Development Area will revert to us, and we may operate or franchise Angelina Italian Bakery Businesses within the undeveloped balance of the Development Area without in any way being in violation of this Agreement. This remedy of ours will be in addition to whatever other remedies we may have at law or in equity.

6.03 Time is of the Essence

Subject to the provision of Section 17.01 below ("Unavoidable Delay or Failure to Perform [Force Majeure]"), your timely performance of your obligations under Article 6 of this Agreement is of material importance and is of the essence to this Agreement.

7. EXERCISE OF DEVELOPMENT RIGHTS; EXECUTION OF FRANCHISE AGREEMENTS

7.01 Exercise of Development Rights

Prior to exercising any development right granted hereunder, you (or your Affiliate) must apply to us for a franchise to operate a Store within the Development Area. If we, in our business judgement, determine that you (or your Affiliate) have met each of the following operational, financial, and legal conditions, then we will grant you or your Affiliate (as appliable) a franchise for a Store in the Development Area provided that you comply with the following terms:

(1) Operational Conditions. You are in compliance with the Development Schedule and this Agreement, and you and/or your Affiliates are in compliance with any other agreement between them and us and/or our Affiliates. Without limiting the generality of the foregoing, you are not in default and have not been in default during the twelve (12) months preceding your request for financial approval, of any monetary obligations owed to us or our Affiliates under any Franchise Agreement or other agreement between us or our Affiliates and we or our Affiliates.

(2) Financial Conditions. You and your principals (meaning all holders of an ownership interest in you and of any entity directly or indirectly controlling you and the spouses of such individual owners, collectively, the "Principals") satisfy our then-current financial criteria for developers and principals of Angelina Italian Bakery Stores (including, without limitation, you and/or your Affiliates not being in default, during the 12 months preceding your or your Affiliate's request for financial approval, of any monetary obligations owed to us or our Affiliated under any Franchise Agreement or other agreement between us or our Affiliates and we or our Affiliates).

(3) Legal Conditions. You have submitted to us, in a timely manner, all information and documents we request as a basis for the issuance of individual franchises or pursuant to any right granted to us by this Agreement.

(4) Execution of Franchise Agreements. You and/or your Affiliates have executed our then-current form of Franchise Agreement for the subject Business to be developed hereunder pursuant to the terms set forth in Section 7.02 below.

7.02 Execution of Franchise Agreements

You and we will execute a Franchise Agreement for each Business provided for in the Development Schedule. The Franchise Agreement for the first Angelina Italian Bakery Business to be developed by you or your Affiliate under this Agreement shall be inf the form of the Franchise Agreement attached as Exhibit C to this Agreement and shall be executed simultaneously with the execution of this Agreement. The Franchise Agreement for each subsequent Business to be developed hereunder will be in the form of our then-current Franchise Agreement, modified as follows: (a) you

need not pay any Initial Franchise Fee (as defined in the Franchise Agreement), and (b) the Royalty Fee (as defined in the Franchise Agreement), Marketing Fund Contribution (as defined in the Franchise Agreement), and local advertising requirements imposed on you by the Franchise Agreement will not be greater than those set forth in the first Franchise Agreement that you will sign (a copy of which is attached to this Agreement as Exhibit C). Each Franchise Agreement will be executed according to the following procedure:

(5) Not less than sixty (60) days (and no more than ninety days) before the scheduled Date of Execution of the Franchise Agreement for the franchise to be conveyed, you shall request in writing (by email or otherwise) that we furnish to you a copy of our then-current applicable Angelina Italian Bakery Franchise Disclosure Document, including our then-current applicable form of Angelina Italian Bakery Franchise Agreement, modified as provided above (collectively, the "**Franchise Disclosure Document**").

(6) Promptly upon receipt of your request, we will deliver to you a copy of our then-current Franchise Disclosure Document. You must acknowledge receipt by executing the Receipt form prescribed in the Franchise Disclosure Document and promptly returning the Receipt to us.

(7) No sooner than fourteen (14) calendar days but no later than twenty (20) business days after you receive our Franchise Disclosure Document, you must, by written notice, notify us as to whether or not you elect to execute our then-current form of Franchise Agreement (modified as provided above) for the Business.

(8) Promptly upon our receipt of your notice that you elect to execute our then-current form of Franchise Agreement (modified as provided above), we will furnish to you one or more execution copies of the Franchise Agreement. Promptly upon receipt of these execution copies, you must execute them and return them to us.

If you fail to perform any of the acts or fail to deliver any of the notices required pursuant to the provisions of subsections (1), (2), (3) or (4) above in a timely fashion, this will be a material and incurable breach of this Agreement which, unless we waive the breach, will entitle us to terminate this Agreement immediately on notice to you, with no opportunity to cure.

8. OUR DUTIES

8.01 Duties of Franchisor

So long as you are not in default of this Agreement or the Franchise Agreements, we will grant you the right and obligation to acquire and operate Angelina Italian Bakery franchises in the Development Area and pursuant to the Development Schedule, upon the terms and subject to the provisions of this Agreement and the terms of each Franchise Agreement entered into between you and us and of all documents related to this Agreement and the Franchise Agreement, and to use solely and in connection with these Franchise Agreements the Angelina Italian Bakery System as it may be changed, improved, modified or further developed from time to time, in the Development Area as defined in this Agreement and upon the terms and subject to the provisions of this Agreement and the terms of all documents related to this Agreement and the Franchise Agreements.

Pursuant to the Franchise Agreements and under their terms, we will offer and perform the training, instruction, assistance and other activities for which the Franchise Agreements provide.

9. YOUR DUTIES

9.01 Payments to Us

In addition to all other payments under this Agreement, you agree to pay us (or our Affiliates) immediately upon demand:

1. All sales taxes, trademark license taxes and any other taxes, imposed on, required to be collected, or paid by us or our Affiliates (excluding any corporate income taxes imposed on us or our Affiliates) because we or our Affiliates have furnished services or products to you or collected any fee from you.
2. All amounts we advanced, or which we have paid, or for which we have become obligated to pay, on your behalf for any reason.
3. All amounts due to us (or our Affiliates) any other reason.

All payments due to us from you under this Agreement must be paid by check transmitted to our headquarters address, except that we reserve the right to require deposit of payments elsewhere and/or payment by wire transfer or other form of electronic funds transfer.

9.02 Compliance with Franchise Agreement, Manual, and Laws, Rules and Regulations

You agree to abide by and faithfully adhere to the terms of each Franchise Agreement signed pursuant to this Agreement.

You further agree, in regard to your area development business hereunder, to abide by and faithfully adhere to our confidential operating manuals (the "Manual"). The Manual may take the form of one or more of the following: one or more loose leaf or bound volumes; bulletins; notices; videos; CD-ROMS; computer software; other electronic media; online postings; e-mail and/or electronic communications; facsimiles; or, any other now or hereafter developed medium capable of conveying the Manual' contents. The Manual will, among other things, set forth our operating systems, procedures, policies, methods, standards, specifications and requirements for operating your franchised Business. You must at all times operate your area development business in strict compliance with the Manual. We have the right to prescribe additions to, deletions from or revisions of the Manual (the "Supplements to the Manual"), all of which will be considered a part of the Manual. All references to the Manual in this Agreement will include the Supplements to the Manual. Supplements to the Manual will become binding on you as if originally set forth in the Manual, upon being delivered to you.

You further agree to develop and operate the franchised Angelina Italian Bakery Businesses in strict compliance with all applicable laws, rules and regulations of all governmental authorities; to comply with all applicable wage, hour and other laws and regulations of the federal, state and local governments; to prepare and file all necessary tax returns; to pay all taxes imposed upon you related to the Businesses; and, to obtain and keep in good standing all necessary licenses, permits and other required forms of governmental approval required of you.

9.03 Indemnification

You hereby agree that you will, at your sole cost, at all times defend and hold harmless us, our Affiliates, and the corporate affiliates, subsidiaries, successors, assigns and designees of each, and the respective directors, officers, employees, agents, attorneys, shareholders, designees, contractors and representatives of each (we and all others referenced above, the "Indemnitees"), and indemnify, reimburse and hold harmless us and the other Indemnitees to the fullest extent permitted

by law, against all claims, losses, liability and costs (as denominated in the following paragraph) incurred in connection with any judicial, administrative or arbitration action or proceeding (including bankruptcy, insolvency, debtor/creditor or similar proceedings), suit, claim, demand, investigation, or formal or informal inquiry (regardless of whether any of the foregoing is reduced to judgment) or any settlement of the foregoing, which actually or allegedly, directly or indirectly, arises out of, is based, upon, is a result of or is related to any of the following:

1. Any element of your entry into this Agreement;

2. Claims of any type or nature advanced by or against you or any of your officers, directors, shareholders, partners, proprietors, management, agents, employees, affiliates representatives and contractors (or any third party acting on your behalf or at your direction) by a third party (or, as applicable, against a third party) or between or among themselves;

3. Your alleged or actual infringement or violation of any patent, mark or copyright or other proprietary right owned or controlled by third parties;

4. Your alleged or actual violation or breach of any contract, federal, state, local, foreign or other law, rule or regulation;

5. Libel, slander or any other form of defamation by you;

6. Your alleged or actual violation or breach of any warranty, representation, agreement or obligation set forth in this Agreement;

7. Any acts, errors, neglects or omissions by you and/or your officers, directors, shareholders, management, employees, agents, servants, contractors, partners, proprietors, affiliates or representatives (or any third party acting on your behalf or at your direction), whether or not any of the foregoing was approved by us;

8. Any damage to the property, or injury or death, suffered by you, us, any of our Affiliates, or their, our or your officers, directors, management, agents, employees and contractors, including (without limitation) any property damage, injury or death suffered or caused by any contractor or vehicle serving your area development business hereunder;

9. Any claim, however and wherever asserted, that we or our affiliates are the employer, joint employer or co-employer of you and/or your employees (including, without limitation, any claims against us for your violation of any federal, local or state labor and/or wage and hour laws, rules or regulations);

10. Your offer, sale and/or delivery of securities, equity interests or other ownership interests in you or your area development business hereunder; and

11. All activities, conduct and representations which you may engage in connected to any actual or attempted assignment (as defined in Section 12.02) of any interest whatsoever in your area development business hereunder; and, any action by any visitor to any facility operated in conjunction with your area development business hereunder.

As used herein, the phrase “claims, losses, liabilities and costs” includes all claims; causes of action; fines; penalties; liabilities; losses; employment liabilities; compensatory, exemplary, statutory or punitive damages or liabilities; costs of investigation; lost profits; court costs and expenses;

reasonable attorneys' and experts' fees and disbursements; settlement amounts; judgments; compensation for damage to our reputation and goodwill; costs of or resulting from delays; travel, food, lodging and other living expenses necessitated by the need or desire to appear before (or witness the proceedings of) courts or tribunals (including arbitration tribunals), or government or quasi-governmental entities (including those incurred by the Indemnitees' attorneys and/or experts); all expenses of compensation and public notices; and, other such amounts incurred in connection with the matters described. All such losses and expenses incurred under this indemnification provision will be chargeable to and paid by you pursuant hereto, regardless of any actions, activity or defense undertaken by us or the subsequent success or failure of the actions, activity or defense.

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

You agree to give us written notice of any suit, proceeding, claim, demand, inquiry or any other event that could be the basis for a claim for indemnification hereunder by any Indemnitee within three days of your actual or constructive knowledge of it. At your expense and risk, we may elect to assume (but under no circumstance will we be obligated to undertake) the defense and/or settlement of the action, suit, proceeding, claim, demand, inquiry or investigation. However, we will seek your advice and counsel and keep you informed with regard to the defense or contemplated settlements. Our undertaking of defense and/or settlement will in no way diminish your obligation to indemnify us and the other Indemnitees and to hold us and them harmless. If you or any of your affiliates and the Indemnitees (or any one of them) are named as co-defendants, and there is a conflict of interest between them such that they cannot be represented by common counsel, then the Indemnitees may retain separate counsel at your expense and you will promptly reimburse the Indemnitees for all costs and attorneys' fees incurred upon request and as they are incurred.

We will have the right, at any time we consider appropriate, to offer, order, consent or agree to settlements or take any other remedial or corrective actions we consider expedient with respect to the action, suit, proceeding, claim, demand, inquiry or investigation if, in our sole judgment, there are reasonable grounds to do so. You will not settle or compromise any legal action in which any Indemnitee is a defendant without our prior written consent, which we may grant or withhold in our sole discretion and business judgment. Under no circumstances will we or the other Indemnitees be required to seek recovery from third parties or otherwise mitigate their losses to maintain a claim against you. You agree that any failure to pursue recovery from third parties or mitigate loss will in no way reduce the amounts recoverable by us or the other Indemnitees from you. The indemnification obligations of this Section 9.03 will survive the expiration or sooner termination of this Agreement.

9.04 Business Entity Developer Requirements

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

1. Furnish us with all of your formation, organizational and governing documents; a schedule of all current owners (indicating as to each its percentage ownership interest) in the form annexed hereto as Exhibit F; any shareholders, partnership, membership, buy-sell or equivalent agreements and documents; and, a list of all your officers, directors and managers (as applicable).

2. Confine your activities to the operation of your area franchise Business, and your governing documents must provide that your activities are confined exclusively to the operation of

your area franchise Business and the development and operation of multiple franchised Angelina Italian Bakery Business(es).

3. You must promptly notify us in writing of any change in any of the information specified, or in any document referred to, herein.

4. Maintain stop transfer instructions against the transfer on the records of any of your equity securities, and not issue or have outstanding any securities on the face of which the following printed legend does not legibly and conspicuously appear:

> "The transfer of this security is subject to the terms and conditions of an Area Development Agreement with Angelina Franchising LLC, dated _____. Reference is made to the provisions of this Area Development Agreement and to the governing documents of the issuer. Please refer to those documents for the terms of the restrictions."

5. All of your business entity's organizational documents (including any partnership, partnership agreements, incorporation documents, organization/formation documents, bylaws, operating agreements, shareholders agreements, buy/sell or equivalent agreements, and trust instruments) will recite that the issuance or transfer of any interest in you is restricted by the terms of this Agreement, and that the sole purpose for which you are formed (and the sole activity in which you are or will be engaged) is the conduct of a franchised Angelina Italian Bakery Business(es) pursuant to one or more area development and/or franchise agreements from us and that your activities will be exclusively confined to such purpose. Your organizational documents will also include a "Supremacy of Area Development Agreement" clause reciting the following: "To the extent any provision of this Agreement conflicts, violates or is inconsistent with any provision of the Angelina Franchising LLC Area Development Agreement, the parties hereto agree that the provisions of such Area Development Agreement shall supersede the same and that the parties hereto shall enter into such amendments to this agreement as are necessary in order to make the relevant provisions consistent with or non-violative of the provisions of the Angelina Franchising LLC Area Development Agreement."

6. Without our prior written consent (which shall not be unreasonably withheld, delayed or conditioned), you may not permit any mortgage, lien, pledge or other security interest in respect of any of your business entity's shares, equity interests or other ownership interests. Any violation of this restriction will give us the right to terminate this Agreement immediately upon notice to you.

9.05 Best Efforts; Cooperation with Us

You agree to act in good faith and use your best efforts to comply with your obligations under this Agreement, and to cooperate with us in accomplishing the purposes of this Agreement.

9.06 Your Participation in Operations

A. You agree to devote your full time and efforts to the performance of your duties under this Agreement, and a failure to do so will constitute a material breach of this Agreement, which, unless cured as provided in Section 15.03 of this Agreement, will result in this Agreement being terminated in accordance therewith. If you are a business entity, then you must designate a

B. Upon the execution of this Agreement, you must designate, and must retain at all times during the Term, an individual to serve as your area manager to oversee the general development and operation of your Stores and the performance of each of the Store Managers for such Stores (the "**Area Manager**"). The Area Manager must be qualified and approved, in our business judgment, to

oversee multi-unit operations and must have attended and successfully completed, or promptly attend and successfully complete, our Initial Training Program (as described in the first unit Franchise Agreement we sign for your first Angelina Italian Bakery Business, for form of which is attached hereto). The Area Manager must execute the Confidentiality/Non-Competition Agreement attached as Exhibit D to this Agreement. If you are an individual, you must perform all obligations of the Area Manager. If you are a business entity, prior to engaging the services of an Area Manager, you must identify such individual to us for our approval. We must approve your Area Manager and any successor.

1. The Area Manager must maintain a direct or indirect ownership interest of not less than ten percent (10%) in you. Except as may otherwise be provided in this Agreement, the Area Manager's interest in you must be and remain free of any pledge, mortgage, hypothecation, lien, charge, encumbrance, voting agreement, proxy, security interest or purchase right or options. The Area Manager must execute this Agreement, and must be individually, jointly and severally, bound by all your obligations hereunder.

2. You may, at your option and subject to our written consent, designate one or more District Area Managers to work under the supervision of the Area Manager to supervise the operation of all Stores developed and operated by you (and, if applicable, your affiliates) within a geographic subset of all Stores to be developed and operated pursuant to this Agreement (each a "**District Area Manager**"); provided however, that you and your Area Manager will remain fully responsible for any District Area Manager's performance. The District Area Manager, if appointed, must also be identified to us and approved by us, must promptly attend and successfully complete our Initial Training Program (at your expense), and must execute the Confidentiality/Non-Competition Agreement attached as Exhibit D to this Agreement.

3. Unless a District Area Manager is designated pursuant to Section 9.06(B)(2), your Area Manager must devote full time and best efforts to the supervision of the Stores operated by you and, if applicable, your affiliates, and, without our written consent, must not engage in any other business. The foregoing provision will not apply if a District Area Manager is designated, provided, the District Area Manager must devote his or her full time and best efforts to the supervision and operation of the Angelina Italian Bakery Stores conducted by you and, if applicable, your Affiliates.

4. You may also appoint several Store-level managers (each, a "**Store Manager**") to oversee the day-to-day operations of each of the Stores developed and operated by you (and, if applicable, your affiliates) pursuant to this Agreement, in accordance with the terms of the Franchise Agreement for each Store developed hereunder. Each Store Manager must execute such confidentiality and/or non-competition agreement as required by the applicable Franchise Agreement.

5. The Area Manager, any District Area Manager and any Storel Manager must meet our qualifications, as set forth in this Agreement, the Manual, or otherwise in writing and, without limitation, must be empowered with authority to act for and on your behalf.

6. All non-managerial personnel whom you hire to assist you with your area development business must sign our form of Confidentiality Agreement annexed hereto as Exhibit E.

7. You must immediately notify us within five (5) days upon the death, disability or termination of employment of your Area Manager (or any District Area Manager), for any cause or reason, or if your Area Manager (or any District Area Manager) no longer qualifies as such. You must designate a successor or acting Area Manager (or any District Area Manager) promptly and, in any event, no later than ten (10) days following the death, disability or termination of the predecessor

Area Manager (or any District Area Manager). The above protocols and procedures governing your proposal and our approval of your initial Area Manager (or any District Area Manager) shall apply to any successor Area Manager (or any District Area Manager) you may propose. Any successor Area Manager (or any District Area Manager) must possess those credentials set forth in our Manual, must attend and successfully complete our next scheduled Initial Training Program and must attend and successfully complete such other reasonable training at such times as we may specify, all at your expense. The failure to employ and train a successor Area Manager (or any District Area Manager) will constitute a material breach of this Agreement.

9.07 Anti-Terrorism, Anti-Corruption

You represent and warrant to us that, as of the date of this Agreement and at all times during the term hereof, and to your actual or constructive knowledge, neither you, any affiliate of yours, any individual or entity having a direct or indirect ownership interest in you or any such affiliate (including any shareholder, general partner, limited partner, member or any type of owner), any officer, director, manager, or management employee of any of the foregoing, nor any funding source you utilize is or will be identified on the list of the U.S. Treasury's Office of Foreign Assets Control (OFAC); is directly or indirectly owned or controlled by the government of any country that is subject to an embargo imposed by the United States government or by any individual that is subject to an embargo imposed by the United States government; is acting on behalf of any country or individual that is subject to such an embargo; or, is involved in business arrangements or other transactions with any country or individual that is subject to an embargo. You agree that you will immediately notify us in writing immediately upon the occurrence of any event which would render the foregoing representations and warranties incorrect. Notwithstanding anything to the contrary in this Agreement, you may not allow, effect or sustain any transfer, assignment or other disposition of this Agreement to a "Specially Designated National or Blocked Person" (as defined below) or to an entity in which a "Specially Designated National or Blocked Person has an interest. For the purposes of this Agreement, "Specially Designated National or Blocked Person" means: (i) a person or entity designated by OFAC (or any successor officer agency of the U.S. government) from time to time as a "specially designated national or blocked person" or similar status; (ii) a person or entity described in Section 1 of U.S. Executive Order 13224, issued on September 23, 2001; or, (iii) a person or entity otherwise identified by any government or legal authority as a person with whom you (or any of your owners or affiliates) or we (or any of our owners or affiliates) are prohibited from transacting business.

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

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

You are solely responsible for ascertaining what actions you must take to comply with all anti-terrorism and anti-corruption laws, and you specifically acknowledge and agree your indemnification responsibilities as provided in this Agreement pertain to your obligations under this Section 9.07. Any misrepresentation by you under this Section 9.07. or any violation of any anti-terrorism or anti-

corruption laws by you, your owners, or employees will constitute grounds for immediate termination of this Agreement and any other agreement you have entered into with us or any of our affiliates.

10. CONFIDENTIAL INFORMATION

10.01 Restriction on Use of Confidential Information

You agree that you will not, during the Term of this Agreement or thereafter, divulge to or use for the benefit of any other person(s), partnership, proprietorship, association, corporation or entity, any confidential information, knowledge or know-how concerning your or our systems of operation, programs, services, products, customers or practices and/or pertaining to the Angelina Italian Bakery System which may be communicated to you. Any and all information, knowledge, know-how, techniques and information which we, our Affiliates, or their respective officers, designate as confidential will be deemed confidential for the purposes of this Agreement, except information which you can demonstrate came to your attention before our disclosure or which, at or after the time of our disclosure to you, has become a part of the public domain through publication or communication by others.

11. COVENANTS NOT TO COMPETE

11.01 Covenants Not to Compete

You agree that during the Term of this Agreement, and for two (2) years immediately following the expiration or termination of this Agreement for any reason within the geographical area described below, you will not directly or indirectly engage in any other business or activity that operates a bakery or café (i) any of the products or services which now or hereafter are authorized for sale under the Angelina Italian Bakery System (including, without limitation, Italian-influenced baked goods, cake or sandwich items (including croissants, donuts, cheese focaccia, sandwiches and pastries) or component thereof in any manner (whether at wholesale or retail otherwise); (ii) which offers or sells similar or related products or services; or (iii) which offers or sells any other service, product or component which now or in the future is part of the Angelina Italian Baker System, or any confusingly similar service or product (a "Competitive Business").

During the Term and any renewal term (if any) of this Agreement, you are prohibited from directly or indirectly engaging in any Competitive Business as a proprietor, partner, investor, shareholder, director, member, officer, manager, employee, principal, agent, adviser, or consultant. In addition, you agree not to divert any business that should be handled by your franchised business to any other person or entity.

For two (2) years immediately following (a) the expiration or termination or assignment (as defined in Section 12.02, below) of this Agreement for any reason or (b) the date on which all persons restricted by this Section 11.01 begin to comply with this Section 11.01, you are prohibited from directly or indirectly engaging in, aiding, assisting, serving or participating in any Competitive Business as a proprietor, partner, investor, shareholder, director, member, officer, manager, employee, principal, agent, adviser, or consultant, if the other business is located within your Development Area, within twenty (20) miles of the perimeter of your Development Area, or within twenty (20) miles of the perimeter of (or within) any Angelina Italian Bakery Business protected area, market area or Store Location (whether company-owned, franchised or otherwise established and operated).

It is the intention of these provisions to preclude not only direct competition but also all forms of indirect competition, such as consultation for Competitive Businesses, service as an independent

contractor for Competitive Businesses, or the provision of any assistance or transmission of information of any kind which would be of any material assistance to a competitor. Nothing in this Section will prevent you from owning for investment purposes no more than an aggregate of 5% of the capital stock of any Competitive Business you do not control and whose stock is listed on the New York Stock Exchange or the National Association of Securities Dealers Automated Quotation System. It is the intention of these provisions that any person or entity with any legal or beneficial interest in or traceable to or through you be bound by the provisions of this covenant.

You agree to obtain the execution of our Confidentiality/Non-Competition Agreement (attached hereto as Exhibit D) from the following persons and to cause them to refrain from the competitive activities described above: (a) before employment or any promotion, your Area Managers, any District Area Managers, any personnel you employ who have received or will receive training from us, all your other managerial employees and any other managerial personnel; and (b) if you are a Business Entity, all your officers, directors, equity holders, members and those of any Business Entity directly or indirectly controlling you, at the same time as the execution of this Agreement (or at such later time as they assume such status). You must furnish us with copies of all signed Confidentiality/Non-Competition Agreements no later than ten (10) days following their execution. You also agree to obtain the execution, from all other non-managerial personnel of your area development business hereunder, the "Confidentiality Agreement" attached as Exhibit E to this Agreement, and to cause them to refrain from the competitive activities described above.

You agree to prosecute to the fullest extent permitted by law breaches of any Confidentiality/Non-Competition Agreement or Confidentiality Agreement executed pursuant to this Section 11.01 and you acknowledge our right, to be exercised in our sole business judgment, to ourselves enforce the terms of each executed Confidentiality/Non-Competition Agreement and Confidentiality Agreement.

11.02 Enforcement of Covenants Not To Compete

The covenants not to compete set forth in this Agreement are fair and reasonable, and will not impose any undue hardship on you, since you have other considerable skills, experience and education which afford you the opportunity to derive income from other endeavors. You agree that such covenants not to compete: (a) are reasonable, including, but not limited to, their term, geographical area, and scope of activity to be restrained; (b) are designed to preclude competition which would be unfair to us; and (c) do not impose a greater restraint than is necessary to protect our goodwill and other legitimate business interests. You acknowledge that violation of the covenants not to compete in this Agreement would constitute a material breach of this Agreement and would result in immediate and irreparable injury to us for which no adequate remedy at law will be available. You therefore consent to the entry of an injunction prohibiting any conduct by you in violation of the terms of these covenants not to compete, without the necessity of our posting any bond or security. You agree that it may conclusively be presumed that any violation of the terms of the covenants not to compete was accomplished by and through your unlawful use of our Confidential Information, know-how, methods and procedures. You also agree that any claims you may have against us, whether or not arising from this Agreement, will not constitute a defense to our enforcement of the covenants not to compete in this Agreement. You agree to pay all costs and expenses, including reasonable attorneys' and experts' fees, that we incur in connection with the enforcement of the covenants not to compete set forth in this Agreement.

11.03 Lesser Included Covenants Enforceable At Law

If all or any portion of the covenants not to compete set forth in this Article 11 are held unreasonable, void, vague or illegal by any court or agency with competent jurisdiction over the parties and subject matter, the court or agency will be empowered to revise and/or construe the covenants to fall within permissible legal limits, and should not by necessity invalidate the entire covenants. You agree to be bound by any lesser covenant subsumed within the terms of this Article 11 as if the resulting covenants were separately stated in and made a part of this Agreement.

12. ASSIGNMENT

12.01 Assignment By Us

We will have the right to assign this Agreement, and all of our rights and privileges under this Agreement, to any person, firm, corporation or other entity, provided that, if the assignment results in the performance by the assignee of our functions under this Agreement: the assignee must, at the time of the assignment, be financially responsible and economically capable of performing our obligations under this Agreement, and the assignee must expressly assume and agree to perform these obligations.

You acknowledge that we will have the right to sell our company, our assets, our Marks and/or our System to a third party; sell privately or publicly some or all of our securities; and/or undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring, and that we and our Affiliates have the right to purchase, merge, acquire, be acquired by or affiliate with an existing competitive or non-competitive franchise network, chain or any other business regardless of the location of that network's, chain's or business's facilities, and to operate, franchise or license those businesses and/or facilities as Angelina Italian Bakery Businesses operating under the Marks or any other marks following the purchase, merger, acquisition or affiliation, regardless of the location of these facilities, which may be within the Territory and near your Stores.

We have the right to delegate the performance of any portion or all of our obligations under this Agreement to third party designees, whether these designees are our agents or independent contractors with whom we have contracted to perform these obligations. If we do so, such third-party designees will be obligated to perform the delegated functions for you in compliance with this Section 12.01.

12.02 Assignment By You – General

Your rights and obligations under this Agreement are personal because we have entered into this Agreement in reliance on and in consideration of your singular personal trust, confidentiality, skill and qualifications (or, if you are an entity, the personal trust, confidentiality, skill and qualifications of your owners and employees). Therefore, except as provided below, neither your interest in this Agreement, your rights, privileges or obligations under this Agreement, the franchised Business, the Store, nor any interest in the franchised Business, the Store or a Business Entity Franchisee (including any capital stock, membership, partnership or proprietary interest of you or anyone who controls you), may be assigned, sold, transferred, shared, reconsidered, sublicensed or divided, voluntarily or involuntarily, directly or indirectly, in one or a series of related transactions, by operation of law or otherwise (each, an "**assignment**"), without first obtaining our written consent as provided in this Article 12. Any assignment in violation of this Article 12 will be null, void and of no effect.

In considering any request for an assignment, we may require that you satisfy certain conditions, including, without limitation, any or all of the following:

1. You and your Affiliates shall not (as of the date of the transfer) be in default of this Agreement, or any other agreement or arrangement with us or our Affiliates, and shall have fully satisfied and timely complied with all the terms and conditions of such agreements during their respective terms, all sources of financing the development and operation of your Stores and all material sources of supply of your Stores;

2. You must pay us a transfer fee equal to fifty percent (50%) of our then-current Development Fee (the "**Transfer Fee**") and shall reimburse us for our reasonable costs and expenses associated with the transfer, including, without limitation, training costs, legal and accounting fees and costs and escrow service fees; provided, that you shall not be obligated to pay the Transfer Fee upon a transfer resulting from the death or permanent disability of a Principal only, but you shall be required to reimburse Franchisor's reasonable costs and expenses in such instances including any escrow service fees.

3. The proposed assignee must demonstrate to our satisfaction that the proposed assignee possesses the skills, qualifications, financial condition, background and history, reputation, economic resources, education, managerial and business experience, moral character, credit rating and ability to assume the duties and obligations under this Agreement or any successor agreement, and, at the proposed assignee's expense (which will include our then-current training fee and the cost of the trainees' transportation, lodging, food and other living expenses).

4. The proposed assignee must execute our then-current form of area development agreement and all other agreement we require new developers to sign, which terms and conditions may vary significantly from those in this Agreement for the balance of the term of this Agreement. The term of the new Area Development Agreement will be the balance of the term of this Agreement. The execution of the new Area Development Agreement will terminate this Agreement, except for your guarantees; any of your obligations to us or our Affiliates which remain outstanding and/or unsatisfied; and, the post-termination and post-expiration provisions of this Agreement which, by their nature, are intended to survive.

5. If the proposed assignee is a business entity, we have the absolute right to require any owners or other parties having an interest in the proposed assignee to execute our form of Personal Guaranty substantially in the form attached hereto as Exhibit F.

6. That you furnish us with a copy of any proposed contract of assignment (and any related agreements) and, promptly following execution, furnish to us a copy of the executed contract of assignment (and any related agreements).

7. The lessors or sublessor of your Stores must consent, in writing, to the assignment to the proposed assignee.

8. That neither the proposed assignee nor any of its owners or affiliates directly or indirectly owns, operates or has any interest in, or has a material business relationship with, a Competitive Business of us or any of our Affiliates.

12.03 Assignment By You – To A Business Entity You Form

We will not unreasonably withhold or delay our consent to your assignment to a Business Entity that you form solely for the convenience of entity ownership if all the following conditions are met:

1. The Business Entity is newly formed and each requirement in Sections 9.04 and 18.16 has been satisfied.

2. Each individual involved in the new entity has the same proportionate ownership interest in the new entity as he or she had in your franchised Business(es) before the assignment.

3. You and the new entity sign an agreement with us under which you and the new entity are jointly and severally liable for all the obligations under this Agreement and bound by all the terms, conditions and covenants of this Agreement.

4. Each present and future equity holder in the new entity signs our Confidentiality/Non-Competition Agreement in the form of Exhibit D to this Agreement.

12.04 Assignment By You – Transfer Upon Death or Disability

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

The Estate shall have a reasonable period of time (not to exceed six (6) months) following the death or disability to sell (as applicable) Developer or the area franchise Business in accordance with the provisions of Section 12.02. Until such sale, transfer or assignment is consummated, the Estate may continue the operation of the area franchise Business if: (i) the Estate provides a competent and qualified individual acceptable to us to serve as Area Manager and operate your Angelina Italian Bakery Businesses on a full-time basis, and (ii) this individual assumes full-time operation of the Businesses as Area Manager within one month of the date the person dies or becomes disabled. If the Estate does not designate an Area Manager or the Estate's designated Area Manager does not assume the full-time operation of the franchised Business within one month, this will be a material breach of this Agreement which, unless cured by the Estate as provided in Section 15.03, will result in this Agreement being terminated immediately.

12.05 No Encumbrance

You will have no right to pledge, encumber, hypothecate or otherwise give any third party a security interest in this Agreement, the Franchise Agreements or the Businesses in any manner without our prior written permission, which we may withhold for any reason.

13. MARKS

13.01 Not a License of the Marks

You acknowledge and agree that nothing contained in this Agreement will be deemed to constitute a license to you to use or display any of the Marks in any manner. You will acquire a

limited, non-exclusive license to use the Marks only pursuant to, and to the extent that these rights are granted by, Franchise Agreements executed by you and us pursuant to this Agreement.

13.02 Non-Use of Trade Name

If you are a Business Entity, you may not use our Marks or any confusingly similar words or symbols, in your entity name. In particular, you may not use the words "Angelina Italian Bakery", "Angelina Franchising LLC" or any variant as part of your Business Entity name.

13.03 Injunction

You explicitly affirm and recognize the unique value and secondary meaning attached to the Angelina Italian Bakery System and the Marks. Accordingly, you agree that any non-compliance by you with the terms of this Agreement, or any unauthorized or improper use of the Angelina Italian Bakery System or the Marks by you, will cause irreparable damage to us and other Angelina Italian Bakery franchisees. You therefore agree that if you engage in this non-compliance, or unauthorized and/or improper use of the Angelina Italian Bakery System or Marks, during or after the period of this Agreement, we will be entitled to both temporary and permanent injunctive relief against you from any court of competent jurisdiction, in addition to all other remedies which we may have at law. you consent to the entry of these temporary and permanent injunctions.

14. RELATIONSHIP OF THE PARTIES

14.01 Independent Contractor; No Third-Party Beneficiaries

You are and will be our independent contractor under this Agreement. Nothing in this Agreement may be construed to create a partnership, joint venture, agency, employment or fiduciary relationship of any kind. Neither you nor any of your employees whose compensation you pay may in any way, directly or indirectly, expressly or by implication, be construed to be our employee for any purpose. You will be solely responsible for your employees and all employment related decisions, including, without limitation, decisions concerning wages and benefits, hiring and discharging, training and supervision and work schedules of employees. You are not empowered to, and may not, make any express or implied agreements, warranties, guarantees or representations or incur any debt or other obligations in our name or for our account (or for those of any of our Affiliates). Except as expressly provided in this Agreement, we will have no control or access to your funds or their expenditure or in any other way exercise control over your franchised Business. You must communicate to all your employees that you, not us, are their employer; and you must ensure that no payroll checks or other employment-related documents (such as job applications and W-2s) contain or reference the Marks or our name. Each of the parties will file its own tax, regulatory, and payroll reports with respect to its respective employees and operations, saving and indemnifying the other party hereto of and from any liability of any nature whatsoever by virtue thereof.

You agree to conspicuously identify yourself, your area development business, your franchised Businesses, your Stores, and any other facilities of your franchised Businesses in all dealings with third parties as an independent Angelina Italian Bakery franchised Business and to place notice of independent ownership on all forms, business cards, stationery, advertising, signs and other materials in the manner that we specify and require from time to time, in our Manual or otherwise.

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

You promise that you will not avail yourself of any rights or remedies at law or in equity that may arise from an assertion that: (i) you are our agent, legal representative, subsidiary, joint venturer, partner, employee, or servant; or (ii) we are a joint employer for your employees. If such a claim is brought against us, we may use your covenant in this Section 14.01 as an absolute defense against such claim. Further, if any such claim is brought against us or our affiliates and subsidiaries, and their respective current and former officers, directors, shareholders, partners, employees, predecessors, successors, attorneys, agents, representatives, and assigns, you will indemnify, defend, and hold harmless any such party from and against any such claim.

14.02 Your Required Means of Identification

You agree that you will do business and be identified as an Area Developer, but not an agent of, Angelina Franchising LLC.

15. DEFAULT AND TERMINATION

15.01 Termination By Us – Automatic Termination Without Notice

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

15.02 Termination By Us Upon Notice – No Opportunity To Cure

You will have materially breached this Agreement and, in addition to all other remedies we have at law or in equity, we will have the right, at our option, to terminate this Agreement and all rights granted under this Agreement, without giving you any opportunity to cure the breach, effective immediately upon your receipt of notice (which, whether sent by overnight courier, personal physical

delivery or any other manner authorized herein, will be deemed to have been received by you upon delivery or first attempted delivery of the notice to you) upon the occurrence of any of the following events:

1. You omitted or misrepresented any material fact in the information that you furnished to us in connection with our decision to enter into this Agreement.

2. We and you agree in writing to terminate this Agreement.

3. You, your Area Manager, any of your District Area Managers, and/or, if you are a business entity, any owner, member, shareholder, director or manager (as applicable) of such entity is convicted of a felony, fraud, crime involving moral turpitude, or any other crime or offense which we reasonably believe is related to your duties under this Agreement and/or your operation of any of the Businesses, or is likely to have an adverse effect on the System, the Marks, the goodwill associated with the Marks or our interest in the System or Marks.

4. You purport or, if you are a business entity, any owner or principal of you purports to transfer any rights or obligations under this Agreement, any interest in you or any of the Businesses to any third party in violation of the terms of this Agreement.

5. You do not comply with the covenant not to compete during the term of this Agreement; violate the restrictions pertaining to the use of Confidential Information contained in this Agreement; or, do not obtain the execution of the additional covenants required in Article 11 of this Agreement.

6. You, your Area Manager and all others required to do so fail to attend or successfully complete our Initial Training Program.

7. You knowingly or through gross negligence: conceal revenues; maintain false books or records; falsify information or otherwise defraud or make false representations to us; or, submit any false report to us.

8. After curing a default which is subject to cure under Section 15.03 below, you commit the same act of default again within six months.

9. You make a willful misrepresentation or do not make a material disclosure required by any governmental authority regarding any matter involving or affecting your obligations under this Agreement or the operations of the Businesses.

10. You interfere or attempt to interfere in any manner with our or our affiliates' contractual relations and/or our relationships with other franchisees; any supplier of you, us or other franchisees; any governmental or quasi-governmental authority; our employees or advertising agencies; or, any third parties.

11. You commit any act or default which materially impairs the goodwill associated with our Marks and which, by its nature, is incurable; or, if the default is curable, you fail to cure the default following delivery of written notice to cure at least seventy-two hours in advance.

12. You do not comply, for a period of fifteen (15) days after notification of non-compliance by us or any governmental or quasi-governmental authority, with any federal, state or local law or regulation applicable to the operation of the franchised Business.

13. You repeatedly fail to comply with one or more requirements of this Agreement, whether or not corrected after notice.

14. You, your Area Manager, or any of your District Area Managers violate any law, rule or regulation, and/or engages in any act or practice, which subjects you and/or us to widespread publicity, ridicule or derision.

15. You use or duplicate any aspect of our System, services, programs or products in an unauthorized fashion.

16. You engage in any business or market any service or product under a name or mark which, in our opinion, is confusingly similar to our Marks.

17. You engage in conduct which reflects materially and unfavorably upon the operation and reputation of the Businesses, us or the Angelina Italian Bakery System.

18. You or any of your owners' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or you or any of your owners otherwise violate any such law, ordinance, or regulation.

19. Per Section 15.05 ("Cross-Default"), you (or any of your owners) fail to cure within the applicable time period any breaches under this Agreement, or any other agreement between you (or any of your affiliates) and us (or any of our affiliates) including, but not limited to, any other area development agreement, franchise agreement, lease or promissory note.

15.03 Termination by Us – Fifteen Days to Cure

Except as specifically provided elsewhere in this Agreement, you will have fifteen (15) calendar days following our delivery of written notice to you to cure any default under this Agreement (or, if the default cannot reasonably be cured within this time, to initiate action to cure the default within such time and complete cure within the shortest reasonable time thereafter) and to provide us with evidence that you have done so. If you have not cured any default within that time, (or, if the default cannot reasonably be cured within such time, you have not initiated action to cure the default within the applicable cure period and thereafter cure the default within the shortest reasonable time thereafter), or any longer period that applicable law may require, then, in addition to all other remedies we have at law or in equity, this Agreement will terminate immediately upon expiration of the applicable cure period, or any longer period required by applicable law, without further notice to you.

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

1. You or any of your affiliates fail, refuse or neglect to pay promptly when due any money owed to us, our affiliates or any lender which has provided financing to your franchised Business. The cure period for this default shall not be the above-referenced fifteen (15) calendar days but, instead, will be five (5) calendar days after we transmit to you a written notice of default. If you fail to cure any such default within such shortened cure period, then this Agreement will terminate immediately upon expiration of the applicable cure period.

2. You fail, refuse or neglect to submit the financial and non-financial reports and other information required to be submitted to us under this Agreement, our Manual or other written notices we transmit to you, or you make any false statements in connection with any reports or other information required to be submitted to us.

3. You fail to maintain your trade accounts in a current status and/or fail to seek to promptly resolve any disputes with trade suppliers.

4. You engage in any business, or market any program, product or service, under a name or mark which, in our opinion, is confusingly similar to the Marks.

5. You fail to pay any taxes due and owing by your franchised Business(es) hereunder (including employee taxes) when due.

6. You do not use our Marks and/or trade dress solely in the manner and for the purposes directed by us in this Agreement, our Manual or otherwise.

7. You do not indemnify us and/or one of the Franchisor Parties as required by this Agreement.

8. By act or omission, you permit a continued violation in connection with the operation of your business hereunder of any law, ordinance, rule or regulation of a governmental agency, in the absence of a good faith dispute over its application or legality and without promptly resorting to an appropriate administrative or judicial forum for relief.

9. You fail to obtain or maintain any required permit, certificate or other governmental approval required either by this Agreement or applicable law, rule or regulation.

10. You employ any individual who is not eligible for employment in the United States under any federal, state, local or other law, rule or regulation.

11. Any Guarantor fails to comply with any of the requirements imposed by or pursuant to the Guarantee addressed in Section 18.16 of this Agreement.

12. You do not devote the amount of your time and attention and/or your best efforts to the performance of your duties of this Agreement necessary for the proper and effective operation of your franchised area development business hereunder.

13. You fail to implement (and, at your expense, take all steps necessary to implement) and thereafter adhere to any new or changed System requirements.

14. A final judgment not subject to appeal is entered against you or any Guarantor and remains unsatisfied for more than thirty (30) days or, if any such judgment is subject to appeal, you do not prosecute such appeal within thirty (30) days (or such shorter period as any law, rule or regulation requires).

15. You fail to comply with any other requirement imposed by this Agreement or our Manual, or otherwise fail to carry out the terms of this Agreement in good faith.

15.04 Description of Default

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

15.05 Cross Default

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

15.06 Notice Required By Law

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

16. OTHER OBLIGATIONS AND RIGHTS ON TERMINATION OR EXPIRATION

16.01 Other Obligations and Rights on Termination or Expiration

The termination of this Agreement upon breach of your development obligations, as set forth in Section 6.01 above, will not terminate any of the Franchise Agreements executed by you before the effective date of termination of this Agreement and for which you have already commenced the franchised Angelina Italian Bakery Business(es) covered by the Franchise Agreement(s), but after the effective date of the termination, you will have no right to develop or operate any additional Angelina Italian Bakery Business without first obtaining our express written consent, which we may withhold without cause.

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

1. Immediately pay all sums due and owing to us or our Affiliates, plus interest, and all sums due and owing to any landlord, employees, taxing authorities, advertising agencies and all other third parties.

2. If we terminate because of your default, pay us all losses and expenses we incur as a result of the default or termination, including all damages, costs, and expenses, and reasonable attorneys' and experts' fees directly or indirectly related thereto, such as (without limitation) lost profits, lost opportunities, damage inuring to our Marks and reputation, travel and personnel costs and the cost of securing a new Area Developer for the Development Area. This obligation will give rise to and remain, until paid in full, a lien in our favor against any and all of assets, property, furnishings, equipment, signs, fixtures and inventory owned by you and any of the Businesses at the time of termination and against any of your money which we are holding or which is otherwise in our possession.

3. Immediately execute all agreements necessary to effectuate the termination in a prompt and timely manner.

4. Strictly comply with the post-termination/post-expiration covenants not to compete set forth in Article 11 of this Agreement.

5. Continue to abide by those restrictions pertaining to the use of our Confidential Information, trade secrets and know-how set forth in Article 10 of this Agreement.

16.02 No Prejudice

The expiration or termination of this Agreement will be without prejudice to our rights against you, and will not relieve you of any of your obligations to us at the time of expiration or termination, or terminate your obligations which by their nature survive the expiration or termination of this Agreement.

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

17.01 Unavoidable Delay or Failure to Perform (Force Majeure)

Any delay in our or your performance of any duties under this Agreement, or any non-performance of such duties, that is not your or our fault (as applicable) or within your or our reasonable control – including, but not limited to, fire; floods, natural disasters; Acts of God; war; civil commotion; any governmental act or regulation; any delays or defaults in deliveries by common carriers and/or postal services and/or overnight couriers; computer network outages; late deliveries or non-deliveries of goods or non-furnishing of services by third party vendors; strikes; and any other similar event beyond such party's control) will not constitute a breach or cause a default under this Agreement, provided, however, that we or you (as applicable) will take all steps reasonably possible to mitigate damages caused by such failure or delay.

Notwithstanding the foregoing, if any such failure or delay continues for more than 180 days, we will have the right at any time thereafter during the continuance of such failure or delay to terminate this Agreement upon 30 days' advance written notice to you.

18. ADDITIONAL PROVISIONS

18.01 Waiver and Delay

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

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

18.02 Notice of Our Alleged Breach

You agree to give us immediate written notice of any alleged breach or violation of this Agreement after you have constructive or actual knowledge of, believe, determine or are of the opinion that there has been an alleged breach of this Agreement by us, including any acts of misfeasance or nonfeasance. If you do not give written notice to us of any alleged breach of this Agreement within one year from the date that you have knowledge of, believe, determine or are of the opinion that there has been an alleged breach by us, then our alleged breach will be considered to be condoned, approved and waived by you and will not be considered to be a breach of this Agreement by us, and you will be permanently barred from commencing any action against us for the alleged breach or violation.

18.03 Our Right To Cure Defaults

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

18.04 Our Withholding of Consent – Your Exclusive Remedy

If you make any claim or assertion that we have unreasonably withheld or delayed any consent or approval to a proposed act by you under the terms of this Agreement, you agree that your sole remedy for the claim will be an action or proceeding to enforce the Agreement provisions, for specific performance or for declaratory judgment.

18.05 Integration of Agreement; No Oral Agreements or Representations

Neither you nor we wish to enter into a business relationship with the other in which any terms or obligations are the subject of alleged oral statements or in which oral statements serve as the basis for creating rights or obligations different than or supplementary to the rights and obligations set forth herein. Accordingly, you and we agree that this Agreement, all Exhibits to this Agreement and all related agreements signed at the same time as this Agreement: constitute the entire agreement between the parties with reference to the subject matter of this Agreement and supersede any and all prior negotiations, understandings, representations and agreements; provided, however, that nothing in this Agreement or any related agreement is intended to disclaim the representations we made in the Franchise Disclosure Document that we provided to you.

No change, modification, amendment or waiver of any of the provisions of this Agreement will be effective and binding upon either party unless it is in writing, specifically identified as an amendment to this Agreement or waiver of any of the provisions of this Agreement, and signed by the party against whom enforcement of such writing is sought.

18.06 Notices

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

of electronic communication to facilitate our giving notices to each other, but only if the mode of communication we specify is capable of affording evidence of delivery or attempted delivery.

Any notice to us will be addressed to us at:

Angelina Franchising LLC
42 West 28th Street, 4th Floor
New York, New York 10001
Attention: Tony Park, Chief Executive Officer

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

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

Notices to You:

_____

_____

_____

_____

Attention: _____

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

18.07 Execution, Construction and Interpretation; Further Acts

A. This Agreement may be executed in multiple counterparts, each of which will be considered an original and all of which together will constitute one and the same instrument. Facsimile execution signatures will be considered as binding and conclusive as if original, provided, however, that any party so executing must use all commercially reasonable efforts to furnish to the other party(ies) the originally executed document(s) at the earliest opportunity.

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

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

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

E. Each reference in this Agreement to a corporation or partnership will also refer to a limited liability company, general or limited partnership, and any other entity or similar organization. Each reference to the organizational documents, shareholders, directors, officers and stock of a corporation in this Agreement will also refer to the functional equivalents of the organizational documents, shareholders, directors, officers and voting and/or equity rights, as applicable, in the case of a limited liability company, general partnership, limited partnership or any other entity or similar organization (this specifically includes members and managers, general and limited partners, membership interests and general and limited partnership interests).

18.08 Business Judgment

You and we recognize, and any mediator or judge is affirmatively advised, that certain provisions of this Agreement describe our right to take (or refrain from taking) certain actions in the exercise of our business judgment based on our assessment of the overall best interests of the Angelina Italian Bakery System. Where such discretion has been exercised, and is supported by our business judgment, neither a mediator nor a judge may substitute his or her judgment for the judgment we have so exercised. "Business judgment" is a defined term for the purposes of this Agreement and is not intended to incorporate principles related to the application of any business judgment rule in a corporate law context.

18.09 Exercise of Rights

You understand and agree that whenever we have reserved a right in this Agreement, we have the uncontrolled and unfettered right to do what we have reserved.

18.10 Severability

Nothing contained in this Agreement may be construed as requiring the commission of any act contrary to law. Whenever there is any conflict between any provision of this Agreement and any present or future statute, law, ordinance or regulation required to be made applicable to this Agreement, the latter will prevail, but the affected provision of this Agreement will be curtailed and limited only to the extent necessary to bring it within the requirement of the law. If any article, section, sentence or clause of this Agreement is held to be indefinite, invalid or otherwise unenforceable, the entire Agreement will not fail for this reason, and the balance of the Agreement will continue in full force and effect. If any court of competent jurisdiction deems any provision of this Agreement (other than for the payment of money) so unreasonable as to be unenforceable as a matter of law, the court may declare a reasonable modification of this Agreement and this Agreement will be valid and enforceable, and the parties agree to be bound by and perform this Agreement as so modified.

18.11 Attorneys' Fees and Costs of Enforcement

The prevailing party will be entitled to recover from the other party reasonable attorneys' fees, experts' fees, court costs and all other expenses of litigation in any action instituted against the other party to secure or protect the prevailing party's rights under this Agreement, to enforce the terms of this Agreement, or in any action commenced or joined in by the other party against the prevailing party. If we incur costs and expenses due to your failure to pay when due amounts owed to us, to submit when due any reports, information, or supporting records, or otherwise to comply with this Agreement, you agree, whether or not we initiate a formal legal proceeding, to reimburse us for all of the costs and expenses that we incur, including, without limitation, reasonable accounting, attorneys' and related fees, including any fees and costs incurred in connection with collection of any amounts due and, obtaining injunctive or other relief for the enforcement of any provisions of this Agreement.

18.12 Governing Law

This Agreement; all relations between us; and, any and all disputes between, on the one hand, you and/or any of your owners, officers, directors, managers, or affiliates, and on the other hand, us and/or any of our owners, officers, directors, managers, or affiliates, whether such dispute sounds in law, equity or otherwise, is to be exclusively construed in accordance with and/or governed by (as applicable) the law of the state of New York without recourse to New York (or any other) choice of law or conflicts of law principles. If we move our principal headquarters to another state, we reserve the right to designate that state's law as governing, again without recourse to that successor state's (or any other) choice of law or conflicts of law principles, upon written notice to you. If, however, any provision of this Agreement is not enforceable under the laws of New York (or a successor state we designate as provided above), and if your franchised Business(es) hereunder are located outside of New York (or such hereafter designated state) and the provision would be enforceable under the laws of the state in which the franchised Business(es) are located, then that provision (and only that provision) will be interpreted and construed under the laws of that state. This Section 18.12 is not intended to invoke, and shall not be deemed to invoke, the application of any franchise, business opportunity, antitrust, unfair competition, fiduciary or any other doctrine of law of the State of New York, or any successor state we designate (as provided above), which would not otherwise apply by its terms jurisdictionally or otherwise but for the within designation of governing law or which, by virtue of its denominated geographic or subject matter scope, would not by its terms otherwise apply.

18.13 Internal Dispute Resolution and Mediation

A. Internal Dispute Resolution. You must first bring any claim or dispute between us and you or any of their respective affiliates to our Legal Department, after providing notice as set forth in Section 18.06 above. Such notice will describe your claim in reasonable detail. We must respond to your notice inquiry within ten (10) business days of receipt or otherwise it is deemed denied. If we request, your Area Manager shall meet with us to attempt to reach resolution of the claim. If such a claim is not resolved within thirty (30) days of such meeting, you may move the claim to mediation as set forth below. We must exhaust this internal dispute resolution procedure before it may bring its dispute before a third party. This agreement to first attempt resolution of disputes internally will survive termination or expiration of this Agreement.

B. Mediation. Except for actions which we may bring in any court of competent jurisdiction (i) for monies owed, (ii) for injunctive or other extraordinary relief, or (iii) involving the possession or disposition of, or other relief relating to, real property, the Marks or the Confidential Information, you and we agree to submit any claim, controversy or dispute between us or any of our Affiliates (and our respective shareholders, officers, directors, agents, representatives and/or employees) and you (and your agents, representatives and/or employees, as applicable) arising out of or related to (a) this Agreement or any other agreement between us and you or you or our respective Affiliates; (b) our relationship with you; or (c) the validity of this Agreement or any other agreement between you, us or your or our Affiliates, to mediation prior to bringing such claim, controversy or dispute in a court or before any other tribunal. The mediation shall be conducted by and under the auspices of the American Arbitration Association ("AAA") in accordance with AAA's Commercial Mediation Rules then in effect, by a mediator mutually agreed upon by the parties and, failing such agreement, appointed by the AAA in accordance with its rules governing mediation. The mediator must be an attorney with at least ten (10) years' experience in franchise law. The mediation shall be held in New York, New York at our headquarters (or at such other location mutually agreed upon by the parties or if no agreement, as determined by the AAA in accordance with its rules governing mediation). The costs and expenses of mediation, including the compensation and expenses of the

mediator (but excluding attorneys' fees and costs incurred by either party), shall be borne by the parties equally. If the parties are unable to resolve the claim, controversy or dispute within ninety (90) days after the mediator has been chosen, then, unless such time period is extended by written agreement of the parties, either party may institute litigation Section 18.14 below.

18.14 Venue

Any action or proceeding brought by us or you (and/or any of our or your respective affiliates, and their respective owners, members, officers, directors or managers) against any such other party, whether sounding in law or equity, will be instituted, litigated through conclusion and, if necessary, appealed through final, irrevocable judgment exclusively in a state or federal district court of competent jurisdiction situated in the state, county and judicial district in which our principal place of business is then located (currently, New York, New York). Any such action or proceeding shall be brought in federal court if federal court jurisdiction exists and, if it does not exist, then in state court. You (and your affiliates, and the owners, members, officers, directors or managers of each of the foregoing) hereby irrevocably submit themselves to the jurisdiction of any such court and waive all questions of personal jurisdiction for the purpose of carrying out this provision. You (and each of your affiliates, and the owners, members, officers, directors or managers of each of the foregoing) agrees that any dispute as to the venue for litigation will be submitted to and resolved exclusively by such aforementioned court. Notwithstanding the foregoing, however, with respect to any action for monies owed, injunctive or other extraordinary or equitable relief, or involving possession or disposition of, or other relief relating to, your franchised Business(es) or area development business hereunder, we may bring such an action in any state or federal district court which has jurisdiction. You, on behalf of yourself and your affiliates, and the owners, members, officers, directors or managers of each of the foregoing, hereby waive and covenant never to assert or claim that the venue designated for litigation by this Agreement is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including any claim under the judicial doctrine of "forum non conveniens"). The parties agree that this Section 18.14 shall not be construed as preventing either party from removing an action or proceeding from state to federal court.

18.15 Punitive Damages

In no event will we be liable to you for punitive damages in any action or proceeding arising out of or relating to this Agreement; any breach, termination, cancellation or non-renewal of this Agreement; or, in any other action or proceeding whatsoever between the parties to this Agreement and/or any of their affiliates. You hereby waive and covenant never to advance any such claim for punitive damages.

18.16 Personal Guaranty

If you are a Business Entity, the following persons must sign our standard form of Personal Guaranty (attached hereto as Exhibit F) at the same time as the execution of this Agreement or at such later time as they assume such status: (a) if you are a corporation or limited liability company, all shareholders or members (as applicable) owning 5% or more of your issued and outstanding stock or membership interests, as applicable; (b) if you are a partnership, all general partners owning a 5% or greater interest in you; and, (c) if you are a limited partnership, the general partner and all shareholders owning a 5% or greater interest in the general partner.

If you are in breach or default under this Agreement, we may proceed directly against each such individual and/or entity (each, a guarantor) without first proceeding against you and without proceeding against or naming in the suit any other guarantors. Your obligations and those of each guarantor will be joint and several. Notice to or demand upon guarantor will be considered notice to

or demand upon you and all guarantors, and no notice or demand need be made to or upon all guarantor. The cessation of or release from liability of you or any guarantor will not relieve any other guarantor from liability under this Agreement, except to the extent that the breach or default has been remedied or money owed has been paid.

18.17 Survival

Any provision of this Agreement which imposes an obligation following the termination or expiration of this Agreement will survive the termination or expiration and will continue to be binding upon the parties to this Agreement.

This Agreement will be binding upon and inure to the benefit of the parties, their heirs, successors and assigns.

18.18 Your Additional Representations and Acknowledgments

You acknowledge, warrant and represent to us that:

1. You understand that we do not represent that you will have the ability to procure any required license, permit, certificate or other governmental authorization that may be necessary or required for you to operate your franchised Businesses or carry out the other activities contemplated by this Agreement.

2. You have received from us a copy of our Franchise Disclosure Document at least fourteen (14) calendar days before the execution of this Agreement or at least fourteen (14) calendar days before the payment by you to us of any consideration in connection with the sale or proposed sale of the area franchise granted by this Agreement.

3. You affirm that all information set forth in all applications, financial statements and submissions to us are true, complete and accurate in all respects, and you expressly acknowledge that we are relying on the truthfulness, completeness and accuracy of this information.

4. You acknowledge that you have received a complete copy of this Agreement and all related attachments and agreements at least seven (7) calendar days prior to the date on which this Agreement was executed. You further acknowledge that you have received the disclosure document required by the Trade Regulation Rule of the Federal Trade Commission entitled "Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures" at least fourteen (14) business days prior to the date on which this Agreement was executed.

5. If you are a business entity (including a corporation, limited liability company, general partnership or limited partnership), you are organized under the laws of the state of your principal place of business (or another state which you have identified to us) and your business entity is in good standing with and qualified to do business in each state and political/governmental subdivision having jurisdiction over your franchised area business hereunder.

6. If you are business entity, you have all requisite power and authority to execute, deliver, consummate and perform all of your obligations under this Agreement, and all necessary business entity proceedings have been duly taken to authorize the execution, delivery and performance of this Agreement. This Agreement has been duly authorized, executed and delivered by you, includes your legal, valid and binding

obligations, and will be binding and enforceable upon you and your successors and assigns in accordance with its terms when executed by both parties.

19. SUBMISSION OF AGREEMENT

19.01 Submission of Agreement

The submission of this Agreement to you does not constitute an offer. This Agreement will become effective only upon the execution of this Agreement by both us and you. Our date of execution will be considered the date of execution of this Agreement.

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

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

[Signature page follows]

Dated: _____

Attest:

_____
Witness/Date

AREA DEVELOPER:

If a Business Entity:

_____
(Name of Entity)

By: _____
Name: _____
Title: _____

If one or more individuals:

By: _____
Print Name: _____
Date: _____

By: _____
Print Name: _____
Date: _____

By: _____
Print Name: _____
Date: _____

This Agreement was executed by Area Developer in the state of _____.

Dated:_____

Attest:

_____
Witness/Date

FRANCHISOR:

ANGELINA FRANCHISING LLC

By: _____
Print Name: _____
Title: _____

STATE ADDENDA TO
ANGELINA FRANCHISING LLC AREA DEVELOPMENT AGREEMENT

CALIFORNIA ADDENDUM TO AREA DEVELOPMENT AGREEMENT

Notwithstanding anything to the contrary set forth in the Area Development Agreement, the following provisions will supersede and apply to all area development agreements offered and sold in the State of California:

1. Section 11.01 of the Area Development Agreement ("Covenants Not to Compete") contains a covenant not to compete, which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

2. Section 18.14 of the Area Development Agreement ("Venue") requires venue to be limited to the laws of the state, county and judicial district in which our principal place of business is then located (which is currently, New York, New York). This provision may not be enforceable under California law.

3. California Business and Professions Code 20000 through 20043 provide rights to the franchisee (and area developer) concerning transfer, termination, or non-renewal of a franchise (and area franchise). If the franchise agreement (or area development agreement) contains a provision that is inconsistent with the law, the law will control.

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

5. With respect to franchises sold in California, a franchisor is prohibited from modifying a franchise agreement, or requiring a general release, in exchange for any assistance related to a declared state or federal emergency.

6. In Section 18.18 of the Area Development Agreement ("Your Additional Representations and Acknowledgments"), subparagraphs 1, 2 and 4 are removed.

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

8. Notwithstanding anything to the contrary in the Area Development Agreement or otherwise, the Franchisor elects to postpone (defer) the payment of franchise fees until all of its pre-opening obligations have been met and the franchisee is opened for business.

[Signature page follows]

Dated:_____

AREA DEVELOPER:

If an entity:

_____
(Name of Entity)

By:_____

Its_____
(Title)

_____
(Print Name)

If an individual:

_____
(Signature)

_____
(Print Name)

_____
(Signature)

_____
(Print Name)

Dated: _____

ANGELINA FRANCHISING LLC

By:_____

Name: _____

Title: _____

MARYLAND ADDENDUM TO AREA DEVELOPMENT AGREEMENT

The following provisions will supersede anything to the contrary in the Area Development Agreement and will apply to all area franchises offered and sold under the laws of the State of Maryland:

1. Any claims arising under the Maryland Franchise Registration and Disclosure Laws must be brought within three years after the grant of the Area Franchise.

2. Section 18.14 of the Area Development Agreement ("Venue") is amended to add the following statement:

   "Notwithstanding anything herein to the contrary, a franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law."

3. The Area Development Agreement is amended to the effect that, pursuant to COMAR 02.02.08.16L, the general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

4. The following sentence is added at the end of Section 18.05 of the Area Development Agreement ("Integration of Agreement; No Oral Agreements or Representations"):

   "This Section is not intended to, nor will it, act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."

5. In Section 18.18 ("Your Additional Representations and Acknowledgments"), subsections 1 through 4 are deleted.

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

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

8. Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owned by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

[Signature page follows.]

Dated:_____

AREA DEVELOPER:

If an entity:

_____
(Name of Entity)

By:_____

Its_____
(Title)

_____
(Print Name)

If an individual:

_____
(Signature)

_____
(Print Name)

_____
(Signature)

_____
(Print Name)

Dated: _____

ANGELINA FRANCHISING LLC

By:_____
Name: _____
Title: _____

NEW YORK ADDENDUM TO AREA DEVELOPMENT AGREEMENT

Notwithstanding anything to the contrary set forth in the Area Development Agreement, the following provisions will supersede and apply to all area franchises offered and sold under the laws of the State of New York:

1. The fourth sentence of Section 11.02 ("Enforcement of Covenants Not To Compete") of the Area Development Agreement is amended to read as follows:

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

2. The third and fourth sentences of Section 13.03 of the Area Development Agreement ("Injunction") are amended to read as follows:

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

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

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

[Signature page follows.]

Dated:_____

AREA DEVELOPER:

If an entity:

_____
(Name of Entity)

By:_____

Its_____
(Title)

_____
(Print Name)

If an individual:

_____
(Signature)

_____
(Print Name)

_____
(Signature)

_____
(Print Name)

Dated: _____

ANGELINA FRANCHISING LLC

By:_____
Name: _____
Title: _____

VIRGINIA ADDENDUM TO AREA DEVELOPMENT AGREEMENT

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

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

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

[Signature page follows.]

Dated:_____

AREA DEVELOPER:

If an entity:

_____
(Name of Entity)

By:_____

Its_____
(Title)

_____
(Print Name)

If an individual:

_____
(Signature)

_____
(Print Name)

_____
(Signature)

_____
(Print Name)

Dated: _____

ANGELINA FRANCHISING LLC

By:_____

Name: _____

Title: _____

EXHIBIT A

DEVELOPMENT GRANT, DEVELOPMENT SCHEDULE & DEVELOPMENT FEE

DEVELOPMENT GRANT, DEVELOPMENT SCHEDULE & DEVELOPMENT FEE

I. DEEVELOPMENT GRANT, DEVELOPMENT FEE AND NOTICES

Number of Stores Granted For Development	
Total Development Fee:	$
Notice to Developer and the Principals:	_____ _____ _____ Attention: _____ Telephone: _____ Email: _____

II. DEVELOPMENT SCHEDULE

Store	**Development Year**	**Projected Opening Date**	**Balance Due**	**Payment Due Date**	**Deadline for Executing Franchise Agreement**	**Cumulative Total Number of Stores Located in the Development Area Which You Must Have Open and in Operation**
1					Simultaneously with the execution of the Area Development Agreement	
2						
3						
4						
5						
6						
7						
8						
9						
10						

[Signature page follows.]

Dated:_____

AREA DEVELOPER:

If an entity:

_____
(Name of Entity)

By:_____

Name: _____

Title: _____

If an individual:

_____
(Signature)

_____
(Print Name)

_____
(Signature)

_____
(Print Name)

Dated: _____

ANGELINA FRANCHISING LLC

By:_____

Name: _____

Title: _____

EXHIBIT B

DEVELOPMENT AREA

EXHIBIT B

DEVELOPMENT AREA

The Development Area (see Section 3.01) will be as follows: _____
_____
_____
_____
_____
_____

AREA DEVELOPER:	**FRANCHISOR**:
If a Business Entity: _____ (Name of Entity) By: _____ Name: _____ Title: _____ If one or more individuals: By: _____ Print Name: _____ Date: _____ By: _____ Print Name: _____ Date: _____ By: _____ Print Name: _____ Date: _____	ANGELINA FRANCHISING LLC By: _____ Name: _____ Title: _____

EXHIBIT C

FIRST FRANCHISE AGREEMENT TO BE EXECUTED BY AREA DEVELOPER

[SEE FRANCHISE AGREEMENT AND ITS EXHIBITS IN EXHIBIT A TO THIS FRANCHISE DISCLOSURE DOCUMENT]

EXHIBIT D

CONFIDENTIALITY/NON-COMPETITION AGREEMENT

CONFIDENTIALITY/NON-COMPETITION AGREEMENT

NAME: _____

AREA DEVELOPER: _____

HOME ADDRESS: _____

_____

HOME TELEPHONE: _____

CLASSIFICATION: _____

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

_____ ("Area Developer") is an area developer of Angelina Franchising LLC ("Franchisor") pursuant to an Area Development Agreement entered into by Area Developer and Franchisor dated _____ (the "Franchise Agreement"). I agree that, unless otherwise specified, all terms in this Agreement have those meanings ascribed to them in the Franchise Agreement.

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

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

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

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

I further agree that during the term of my employment/service/association/ownership participation, and under the circumstances set forth in the following paragraph, for a period of one year immediately following its expiration or termination for any reason, I will not, directly or indirectly, engage or participate in any other business which engages in any of the activities which the Area Development Agreement contemplates will be engaged in by Area Developer; or, which offers or sells any other service, product or component which now or in the future is part of the System, or any confusingly similar product or service. I agree that I am prohibited from engaging in any competitive business as a proprietor, partner, investor, shareholder, director, officer, employee, principal, agent, advisor, or consultant.

Unless specifically prohibited by applicable law, for a period of two years immediately following the expiration or termination of my employment/service/association/ownership participation, I am prohibited from engaging in any competitive business, if the other business is located within Area Developer's Development Area, within twenty miles of the boundaries of Area Developer's Development Area, or within twenty miles of (or within) the Development Area of any other Angelina Italian Bakery Store (whether Company-owned, franchised or otherwise established and operated).

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

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

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

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

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

I further agree that any litigation arising out of or related to this Agreement; any breach of this Agreement; and, all relations and any and all disputes between myself on the one hand, and Area Developer or Franchisor on the other hand, whether sounding in contract, tort, or otherwise, will be instituted exclusively in a court of competent jurisdiction in New York, New York. I agree that any dispute as to the venue for this litigation will be submitted to and resolved exclusively by a court of competent jurisdiction situated in New York, New York.

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

Witnessed By:

_____
Witness/Date

_____
(Print Name)

_____
(Signature)

_____
(Date)

EXHIBIT E

CONFIDENTIALITY AGREEMENT (NON-MANAGERIAL PERSONNEL)

CONFIDENTIALITY AGREEMENT

NAME: _____

AREA DEVELOPER: _____

HOME ADDRESS: _____

_____

HOME TELEPHONE: _____

RELATION TO AREA DEVELOPER: _____
(Employee, Independent Contractor, Etc.)

_____ ("Area Developer") is an area developer of Angelina Franchising LLC ("Franchisor") pursuant to an Area Development Agreement entered into by Area Developer and Franchisor dated _____ (the "Franchise Agreement"). I agree that, unless otherwise specified, all terms in this Agreement have those meanings ascribed to them in the Franchise Agreement.

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

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

I specifically understand that, without limitation, the following constitute Confidential Information of Franchisor: all information, knowledge, trade secrets or know-how utilized or embraced by the System and/or imparted to you by Franchisor and/or Area Developer (or any of their respective affiliates) which concerns Area Developer's or Franchisor's systems of operation, programs, services, products, customers, practices, materials, books, records, manuals, computer files, databases or software; all elements of the System; all programs, products, services, equipment, technologies, recipes, food and beverage preparation techniques, policies, standards, requirements, criteria and procedures that now or in the future are a part of the System; Franchisor's Manual (including Supplements to the Manual); all specifications, procedures, systems, techniques and activities employed by Franchisor or by Area Developer in the offer and sale of programs, products and/or services at or from the franchised Business; all pricing paradigms established by Franchisor or Area Developer; all of Franchisor's and/or Area Developer's sources (or prospective sources) of supply and all information pertaining to same (including wholesale pricing structures, the contents of sourcing agreements and the identity of suppliers); Franchisor's specifications, and Area Developer's final plans, for the construction, build out, design, renovation, décor, equipment, signage, furniture, fixtures and trade dress elements of Area Developer's Restaurant; the identify of, and all information relating to, the Computer and POS Systems hardware and software utilized by Franchisor and Area Developer; all information pertaining to Franchisor's and Area Developer's advertising, marketing, promotion and merchandising campaigns, activities, materials, specifications and procedures; all customer lists, data and records generated and/or otherwise maintained by the franchised Business; Franchisor's (and, if in the future Franchisor permits, Area Developer's) internet/web protocols, procedures and content (including electronic data, data files, users names and passwords); Franchisor's training and other instructional programs and materials; all elements of Franchisor's recommended staffing, staff training and staff certification policies and procedures; all communications between Franchisor and Area Developer; additions or improvements to, deletions from and modifications and variations of the components of the System and the other systems and methods of

operations which Franchisor employs now or in the future; research, development and test programs for products, services and operations; and, all other information, knowledge and know-how which either Franchisor or its affiliates, now or in the future, designate as confidential.

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

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

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

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

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

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

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

Witnessed By:

_____
Witness/Date

_____
(Print Name)

_____
(Signature)

_____
(Date)

EXHIBIT F

PERSONAL GUARANTY OF

ANGLEINA FRANCHISING LLC AREA DEVELOPMENT AGREEMENT

PERSONAL GUARANTY OF
ANGELINA FRANCHISING LLC AREA DEVELOPMENT AGREEMENT

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

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

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

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

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

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

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

It is understood and agreed by the undersigned that the provisions, covenants and conditions of this Guaranty shall inure to the benefit of the Franchisor, its successors and assigns. This Guaranty may be assigned by Franchisor voluntarily or by operation of law without reducing or modifying the liability of the undersigned hereunder.

This Guaranty is to be exclusively construed in accordance with and/or governed by the law of the State of New York without recourse to New York (or any other) choice of law or conflicts of law principles. If, however, any provision of this Guaranty would not be enforceable under the laws of New York, and if the business franchised under the Area Development Agreement is located outside of New York and the provision would be enforceable under the laws of the state in which the franchised business is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Guaranty is intended to invoke the application of any franchise, business opportunity, antitrust, "implied covenant", unfair competition, fiduciary or any other doctrine of law of the State of New York or any other state, which would not otherwise apply.

Any litigation arising out of or related to this Guaranty will be instituted exclusively in a court of competent jurisdiction in New York, New York. The undersigned agree that any dispute as to the venue for this litigation will be submitted to and resolved exclusively by a court of competent jurisdiction situated in New York, New York. The undersigned hereby waive and covenant never to assert or claim that said venue is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any claim under the judicial doctrine of forum non conveniens).

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

IN WITNESS WHEREOF, each of the undersigned has executed this Guaranty effective as of the date of the Area Development Agreement.

Attest:

By:_____ _____
Signature

_____
Printed Name

_____

_____
Address

Attest:

By:_____ _____
Signature

_____
Printed Name

_____

_____
Address

Attest:

By:_____ _____
Signature

_____
Printed Name

_____

_____
Address

EXHIBIT G

GENERAL RELEASE – TERMINATION

GENERAL RELEASE

To all to whom these Presents shall come or may Concern, Know That _____ [a corporation organized under the laws of the State of _____][an individual domiciled in the State of _____] as RELEASOR, in consideration of ANGELINA FRANCHISING LLC's furnishing of certain confidential information in connection with the Area Development Agreement between RELEASOR and ANGELINA FRANCHISING LLC (the "Area Development Agreement"), but such Area Development Agreement terminating in accordance with its terms and provisions, and other good and valuable consideration, hereby releases and discharges ANGELINA FRANCHISING LLC as RELEASEE; RELEASEE'S corporate parents, subsidiaries or affiliates; and, the respective officers, directors, shareholders, agents, attorneys, contractors and employees of each of the foregoing (in their corporate and individual capacities), along with RELEASEE'S heirs, executors, administrators, successors and assigns, from all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims and demands whatsoever, in law, admiralty or equity, which against the RELEASEE, the RELEASOR, RELEASOR'S heirs, executors, administrators, successors and assigns ever had, now have or hereafter can, shall or may have, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the day of the date of this RELEASE arising out of or related to the Area Development Agreement, including, without limitation, claims arising under federal, state and local laws, rules and ordinances; provided, however, that nothing contained in this release is intended to disclaim or require RELEASOR to waive reliance on any representation that RELEASEE made in the Franchise Disclosure Document that RELEASEE provided to RELEASOR; and provided further that all liabilities arising under Indiana Code Sec. 23-2-2.7, the Maryland Franchise Registration and Disclosure Law and the Washington Franchise Investment Protection Act, RCW 19.100 and the rules adopted thereunder are excluded from this release, and that all rights enjoyed by RELEASOR under said Area Development Agreement and any causes of action arising in his, her or its favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law, Section 687.4 and 687.5 be satisfied. If RELEASOR is domiciled or has his or her principal place of business in the State of California, then RELEASOR hereby expressly waives and relinquishes all rights and benefits under Section 1542 of the California Civil Code, which provides: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

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

This RELEASE may not be changed orally.

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

RELEASOR

[SEAL]

By_____

ACKNOWLEDGMENT FOR CORPORATE RELEASOR

STATE OF _____

ss.:

COUNTY OF _____

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

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

Notary Public

_____

My Commission expires: _____

(NOTARIAL SEAL)

ACKNOWLEDGMENT FOR INDIVIDUAL RELEASOR

STATE OF _____

ss.:

COUNTY OF _____

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

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

Notary Public

_____

My Commission expires: _____

(NOTARIAL SEAL)

EXHIBIT H

GENERAL RELEASE - RENEWAL

GENERAL RELEASE

To all to whom these Presents shall come or may Concern, Know That _____ [a corporation organized under the laws of the State of _____][an individual domiciled in the State of _____] as RELEASOR, in consideration of the execution by ANGELINA FRANCHISING LLC of a Renewal Agreement renewing the area development franchise between RELEASOR and ANGELINA FRANCHISING LLC (the "Area Development Agreement"), and other good and valuable consideration, hereby releases and discharges ANGELINA FRANCHISING LLC as RELEASEE; RELEASEE'S corporate parents, subsidiaries or affiliates; and, the respective officers, directors, shareholders, agents, attorneys, contractors and employees of each of the foregoing (in their corporate and individual capacities), along with RELEASEE'S heirs, executors, administrators, successors and assigns, from all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims and demands whatsoever, in law, admiralty or equity, which against the RELEASEE, the RELEASOR, RELEASOR'S heirs, executors, administrators, successors and assigns ever had, now have or hereafter can, shall or may have, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the day of the date of this RELEASE arising out of or related to the Area Development Agreement, including, without limitation, claims arising under federal, state and local laws, rules and ordinances; provided, however, that nothing contained in this release is intended to disclaim or require RELEASOR to waive reliance on any representation that RELEASEE made in the Franchise Disclosure Document that RELEASEE provided to RELEASOR; and provided further that all liabilities arising under Indiana Code Sec. 23-2-2.7, the Maryland Franchise Registration and Disclosure Law and the Washington Franchise Investment Protection Act, RCW 19.100 and the rules adopted thereunder are excluded from this release, and that all rights enjoyed by RELEASOR under said Area Development Agreement and any causes of action arising in his, her or its favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law, Section 687.4 and 687.5 be satisfied. If RELEASOR is domiciled or has his or her principal place of business in the State of California, then RELEASOR hereby expressly waives and relinquishes all rights and benefits under Section 1542 of the California Civil Code, which provides: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

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

This RELEASE may not be changed orally.

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

RELEASOR

[SEAL]

By_____

ACKNOWLEDGMENT FOR CORPORATE RELEASOR

STATE OF _____

ss.:

COUNTY OF _____

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

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

Notary Public

_____

My Commission expires: _____

(NOTARIAL SEAL)

ACKNOWLEDGMENT FOR INDIVIDUAL RELEASOR

STATE OF _____

ss.:

COUNTY OF _____

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

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

Notary Public

_____

My Commission expires: _____

(NOTARIAL SEAL)

EXHIBIT I

GENERAL RELEASE - ASSIGNMENT

GENERAL RELEASE

To all to whom these Presents shall come or may Concern, Know That _____ [a corporation organized under the laws of the State of _____][an individual domiciled in the State of _____] as RELEASOR, in consideration of the consent of ANGELINA FRANCHISING LLC to the Assignment of the Area Development Agreement between RELEASOR and ANGELINA FRANCHISING LLC (the "Area Development Agreement") to _____, and other good and valuable consideration, hereby releases and discharges ANGELINA FRANCHISING LLC as RELEASEE, RELEASEE'S corporate parents, subsidiaries or affiliates and the respective officers, directors, shareholders, agents, attorneys, contractors and employees of each of the foregoing entities (in their corporate and individual capacities), and RELEASEE'S heirs, executors, administrators, successors and assigns, from all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims and demands whatsoever, in law, admiralty or equity, which against the RELEASEE, the RELEASOR, RELEASOR'S heirs, executors, administrators, successors and assigns ever had, now have or hereafter can, shall or may have, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the day of the date of this RELEASE, including, without limitation, claims arising under federal, state and local laws, rules and ordinances; provided, however, that nothing contained in this release is intended to disclaim or require RELEASOR to waive reliance on any representation that RELEASEE made in the Franchise Disclosure Document that RELEASEE provided to RELEASOR; provided further that all liabilities arising under Indiana Code Sec. 23-2-2.7, the Maryland Franchise Registration and Disclosure Law and the Washington Franchise Investment Protection Act, RCW 19.100 and the rules adopted thereunder are excluded from this release, and that all rights enjoyed by RELEASOR under said Area Development Agreement and any causes of action arising in his, her or its favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law, Section 687.4 and 687.5 be satisfied. If RELEASOR is domiciled or has his or her principal place of business in the State of California, then RELEASOR hereby expressly waives and relinquishes all rights and benefits under Section 1542 of the California Civil Code, which provides: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

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

This RELEASE may not be changed orally.

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

RELEASOR

[SEAL]

By_____

ACKNOWLEDGMENT FOR CORPORATE RELEASOR

STATE OF _____

ss.:

COUNTY OF _____

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

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

Notary Public

_____

My Commission expires: _____

(NOTARIAL SEAL)

ACKNOWLEDGMENT FOR INDIVIDUAL RELEASOR

STATE OF _____

ss.:

COUNTY OF _____

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

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

Notary Public

_____

My Commission expires: _____

(NOTARIAL SEAL)

EXHIBIT J

STATEMENT OF OWNERSHIP INTERESTS AND AREA DEVELOPER'S PRINCIPALS

STATEMENT OF OWNERSHIP INTERESTS AND

AREA DEVELOPER'S PRINCIPALS

A. The following is a list of all shareholders, partners, members or other investors owning a direct or indirect interest in Area Developer, a description of the nature of their interest and their ownership percentage:

NAME	NATURE OF INTEREST	OWNERSHIP PERCENTAGE

B. The name and contact information of the Operating Principal:

Name: _____

Address: _____

_____

Phone Number: _____

Email Address: _____

[Signature page follows.]

FRANCHISOR:

ANGELINA FRANCHISING LLC

By: _____
Name: _____
Title: _____
Date: _____

AREA DEVELOPER:

If an entity:

_____
(Name of Entity)

By: _____

Name: _____

Title: _____

If an individual:

_____
(Signature)

_____
(Print Name)

_____
(Signature)

_____
(Print Name)

EXHIBIT C TO DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

ANGELINA FRANCHISING LLC
(A Limited Liability Company)

FINANCIAL STATEMENTS

YEARS ENDED
DECEMBER 31, 2024, 2023 AND 2022

ANGELINA FRANCHISING LLC
(A Limited Liability Company)
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

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CITRINCOOPERMAN®

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Certified Public Accountants

50 Rockefeller Plaza
New York, NY 10020
T 212.697.1000 **F** 212.202.5107
citrincooperman.com

INDEPENDENT AUDITOR'S REPORT

To the Member
Angelina Franchising LLC

Opinion

We have audited the accompanying financial statements of Angelina Franchising LLC (a limited liability company), which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of operations and member's equity (deficit) and cash flows for each of the years in the three-year period ended December 31, 2024, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Angelina Franchising LLC as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2024, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

"Citrin Cooperman" is the brand under which Citrin Cooperman & Company, LLP, a licensed independent CPA firm, and Citrin Cooperman Advisors LLC serve clients' business needs. The two firms operate as separate legal entities in an alternative practice structure. The entities of Citrin Cooperman & Company, LLP and Citrin Cooperman Advisors LLC are independent member firms of the Moore North America, Inc. (MNA) Association, which is itself a regional member of Moore Global Network Limited (MGNL). All the firms associated with MNA are independently owned and managed entities. Their membership in, or association with, MNA should not be construed as constituting or implying any partnership between them.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Citrin Cooperman & Company, LLP

New York, New York
April 24, 2025

"Citrin Cooperman" is the brand under which Citrin Cooperman & Company, LLP, a licensed independent CPA firm, and Citrin Cooperman Advisors LLC serve clients' business needs. The two firms operate as separate legal entities in an alternative practice structure. The entities of Citrin Cooperman & Company, LLP and Citrin Cooperman Advisors LLC are independent member firms of the Moore North America, Inc. (MNA) Association, which is itself a regional member of Moore Global Network Limited (MGNL). All the firms associated with MNA are independently owned and managed entities. Their membership in, or association with, MNA should not be construed as constituting or implying any partnership between them.

ANGELINA FRANCHISING LLC
(A Limited Liability Company)
BALANCE SHEETS
DECEMBER 31, 2024 AND 2023

	2024	2023
ASSETS		
Current assets:		
Cash	$ 25,100	$ 150,110
Accounts receivable	4,430	-
Due from member	57,294	-
Total current assets	86,824	150,110
Property and equipment, net	135,450	-
Operating lease right-of-use assets	442,497	-
Other asset:		
Security deposit	10,000	-
TOTAL ASSETS	$ 674,771	$ 150,110
LIABILITIES AND MEMBER'S DEFICIT		
Current liabilities:		
Accounts payable and accrued expenses	$ 48,171	$ 35,794
Due to member	-	51,301
Operating lease liability	60,000	-
Total current liabilities	108,171	87,095
Long-term liabilities:		
Deferred revenues	200,000	100,000
Operating lease liability, net of current portion	382,497	-
Total long-term liabilities	582,497	100,000
Total liabilities	690,668	187,095
Commitments and contingencies (Notes 7 and 8)		
Member's deficit	(15,897)	(36,985)
TOTAL LIABILITIES AND MEMBER'S DEFICIT	$ 674,771	$ 150,110

See accompanying notes to financial statements.

ANGELINA FRANCHISING LLC
(A Limited Liability Company)
STATEMENTS OF OPERATIONS AND MEMBER'S EQUITY (DEFICIT)
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

	2024	2023	2022
Revenues:			
Franchise fees	$ 150,000	$ -	$ -
Royalty income	82,017	-	-
Total revenues	232,017	-	-
Selling, general and administrative expenses	210,929	57,376	32,310
Net income (loss)	21,088	(57,376)	(32,310)
Member's equity (deficit) - beginning	(36,985)	20,391	126,628
Member contributions	-	-	302,156
Member distributions	-	-	(376,083)
MEMBER'S EQUITY (DEFICIT) - ENDING	$ (15,897)	$ (36,985)	$ 20,391

See accompanying notes to financial statements.

ANGELINA FRANCHISING LLC
(A Limited Liability Company)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

	2024	2023	2022
Cash flows from operating activities:			
Net income (loss)	$ 21,088	$ (57,376)	$ (32,310)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation	17,300	-	-
Non-cash lease expense	60,000	-	-
Changes in operating liabilities:			
Accounts receivable	(4,430)	-	-
Due from member	(57,294)	-	-
Due from Licensor	-	27,796	(27,796)
Security deposit	(10,000)	-	-
Accounts payable and accrued expenses	12,377	28,360	3,934
Due to member	(51,301)	51,301	-
Deferred revenues	100,000	100,000	-
Operating lease liability	(60,000)	-	-
Net cash provided by (used in) operating activities	27,740	150,081	(56,172)
Cash used in investing activity:			
Purchases of property and equipment	(152,750)	-	-
Cash flows from financing activities:			
Member contributions	-	-	302,156
Member distributions	-	-	(376,083)
Net cash used in financing activities	-	-	(73,927)
Net increase (decrease) in cash	(125,010)	150,081	(130,099)
Cash - beginning	150,110	29	130,128
CASH - ENDING	$ 25,100	$ 150,110	$ 29
Supplemental disclosures of cash flow information:			
Operating lease liability arising from obtaining right-of-use assets	$ 484,650	$ -	$ -

See accompanying notes to financial statements.

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Angelina Franchising LLC (the "Company") was formed on March 5, 2021, as a New York limited liability company to sell franchises pursuant to a license agreement dated March 26, 2021, between the Company and Angelina TM Holding LLC (the "Licensor"), an entity related to the Company by common ownership and control. Pursuant to the Company's standard franchise agreement, franchisees will operate "Angelina Italian Bakery" stores, which are fast casual bakeries specializing in Italian pastries and baked goods.

The Company is a limited liability company and, therefore, the member is not liable for the debts, obligations or other liabilities of the Company, whether arising in contract, tort or otherwise, unless the member has signed a specific guarantee.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

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

Use of estimates

The preparation of the Company's financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Variable interest entities

In accordance with the provisions of the Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2018-17, *Consolidation (Topic 810): Targeted Improvements to Related Party Guidance for Variable Interest Entities ("ASU 2018-17"),* FASB no longer requires nonpublic companies to apply variable interest entity guidance to certain common control arrangements, including leasing arrangements under common control. The Company has applied these provisions to the accompanying financial statements and has determined that the entity disclosed in Note 9, meets the conditions under ASU 2018-17 and, accordingly, is not required to include the accounts of the related party in the Company's financial statements.

Income taxes

As a single-member limited liability company and, therefore, a disregarded entity for income tax purposes, the Company's assets and liabilities are combined with and included in the income tax return of the member. Accordingly, the accompanying financial statements do not include a provision or liability for federal or state income taxes.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Uncertain tax positions

The Company recognizes and measures its unrecognized tax benefits in accordance with FASB Accounting Standards Codification ("ASC") 740, *Income Taxes*. Under that guidance, management assesses the likelihood that tax positions will be sustained upon examination based on the facts, circumstances and information, including the technical merits of those positions, available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available or when an event occurs that requires a change. There were no uncertain tax positions at December 31, 2024 and 2023.

Revenues and cost recognition

The Company derives its revenues from franchise fees, royalties, marketing fund revenue, transfer fees, renewal fees and other fees.

Franchise fees and royalties

Contract consideration from franchisees primarily consists of initial or renewal franchise fees, sales-based royalties, sales-based marketing fund fees and transfer fees payable by a franchisee for the transfer of its franchise unit to another franchisee. The initial franchise fees are nonrefundable and collected when the underlying franchise agreement is signed by the franchisee. Sales-based royalties and marketing fund fees are payable weekly. Renewal and transfer fees are payable when an existing franchisee renews the franchise agreement for an additional term or when a transfer to a third party occurs, respectively.

The Company's primary performance obligation under the franchise agreement mainly includes granting certain rights to access the Company's intellectual property and a variety of activities relating to opening a franchise unit, including site selection, training and other such activities commonly referred to collectively as "pre-opening activities." The Company has determined that certain training provided to the franchisee is not brand specific and provides the franchisee with relevant general business information that is separate and distinct from the operation of a company-branded franchise unit. The portion of training services provided that is not brand specific is deemed to be distinct as it provides a benefit to the franchisee and is not highly interrelated or interdependent to the access of the Company's intellectual property, and therefore is accounted for as a separate distinct performance obligation. All other pre-opening activities have been determined to be highly interrelated and interdependent to the access of the Company's intellectual property and therefore are accounted for as a single performance obligation, which is satisfied by granting certain rights to access our intellectual property over the term of each franchise agreement.

The Company estimates the stand-alone selling price of training services that are not brand specific using an adjusted market assessment approach. The Company first allocates the initial franchise fees and the fixed consideration, under the franchise agreement to the stand-alone selling price of the training services that are not brand specific and the residual, if any, to the right to access the Company's intellectual property. Consideration allocated to training services that are not brand specific are recognized ratably as the training services are rendered.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and cost recognition (continued)

Franchise fees and royalties (continued)

Initial and renewal franchise fees allocated to the right to access the Company's intellectual property are recognized as revenue on a straight-line basis over the term of the respective franchise agreement.

Royalties are earned based on a percentage of franchisee's gross revenues. Franchise royalties represent sales-based royalties that are related entirely to the use of the Company's intellectual property and are recognized as franchisee sales occur and the royalty is deemed collectible.

Marketing fund contribution

The Company will maintain a marketing fund contribution established to collect and administer funds contributed for use in advertising and promotional programs for franchise units. Marketing fund fees will be collected from franchisees based on a percentage of franchisee gross revenues. The Company has determined that it acts as a principal in the collection and administration of the marketing fund contribution and therefore will recognize the revenues and expenses related to the marketing fund contribution on a gross basis. The Company has determined that the right to access its intellectual property and administration of the marketing fund contribution will be highly interrelated and therefore are accounted for as a single performance obligation. As a result, revenues from the marketing fund contribution will represent sales-based royalties related to the right to access the Company's intellectual property, which will be recognized as franchisee sales occur. When marketing fund fees exceed the related marketing fund expenses in a reporting period, advertising costs will be accrued up to the amount of marketing fund revenues recognized.

Other revenues

The Company will recognize revenue from other fees and other services provided to the franchisees as a single performance obligation, when the services are rendered.

Incremental costs of obtaining a contract

The Company will capitalize direct and incremental costs, principally consisting of commissions, associated with the sale of franchises and amortize them over the term of the franchise agreement.

Accounts receivable

Accounts receivable are stated at the amount the Company expects to collect. The Company maintains allowances for credit losses for estimated losses resulting from the inability of some of its franchisees to make required payments. Unbilled accounts receivable, which are included in accounts receivable, represent amounts the Company has an unconditional right to receive payment for, although invoicing is subject to contractual billing requirements. The Company assesses collectibility by reviewing accounts receivable and its contract assets on a collective basis where similar risk characteristics exist. In determining the amount of the allowance for credit losses, management considers historical collectibility and makes judgments about the creditworthiness of the pool of franchisees based on credit evaluations. Current market conditions and reasonable and supportable forecasts of future economic conditions are considered in adjusting the historical losses to determine the appropriate allowance for

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts receivable (continued)
credit lossess. Uncollectible accounts are written off when all collection efforts have been exhausted. There were no allowance for credit losses at December 31, 2024, 2023 and 2022.

Property and equipment
Property and equipment are carried at cost, less accumulated depreciation. Expenditures for maintenance and repairs are expensed currently, while renewals and betterments that materially extend the life of an asset are capitalized. The cost of assets sold, retired, or otherwise disposed of, and the related allowance for depreciation, are eliminated from the accounts, and any resulting gain or loss is recognized.

Depreciation is provided using the straight-line method over the estimated useful lives of the assets as follows:

Machinery and equipment	5 years
Furniture and fixtures	7 years
Leasehold improvements	Shorter useful life or lease-term

Long-lived assets that are subject to amortization, including the Company's right-of-use assets, are reviewed for potential impairment whenever events or circumstances indicate that carrying amounts may not be recoverable. If the sum of the expected future undiscounted cash flows is less than the carrying amount of the asset, the Company recognizes an impairment loss based on the estimated fair value of the asset. The Company did not identify an impairment adjustment as of December 31, 2024 and 2023.

Leases
The Company has an operating lease agreement for office space through August 31, 2033. The Company determines if an arrangement is a lease at the inception of the contract. At the lease commencement date, each lease is evaluated to determine whether it will be classified as an operating or finance lease. For leases with a lease term of 12 months or less (a "Short-term" lease), any fixed lease payments are recognized on a straight-line basis over such term, and are not recognized on the balance sheets.

Lease terms include the noncancelable portion of the underlying lease along with any reasonably certain lease periods associated with available renewal periods, termination options and purchase options. The Company has a lease agreement with lease and non-lease components, which are generally accounted for separately with amounts allocated to the lease and non-lease components based on stand-alone prices. The Company uses the risk-free discount rate when the rate implicit in the lease is not readily determinable at the commencement date in determining the present value of lease payments. The lease agreement does not contain any material residual value guarantees or material restrictive covenants.

Advertising
Advertising costs are expensed as incurred and amounted to $29,174 and $13,142 for the years ended December 31, 2024 and 2023, respectively. There were no advertising costs incurred for the year ended December 31, 2022.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent events

In accordance with FASB ASC 855, *Subsequent Events,* the Company has evaluated subsequent events through April 24, 2025, the date on which these financial statements were available to be issued. There were no material subsequent events that required recognition or disclosure in the financial statements.

NOTE 3. FRANCHISED OUTLETS

The following data reflects the status of the Company's franchised outlets as of and for the year ended December 31:

	2024	2023	2022
Franchises sold	5	2	-
Franchises terminated	-	-	-
Franchises purchased	-	-	-
Franchised outlets in operation	3	1	-

NOTE 4. REVENUES AND RELATED CONTRACT BALANCES

Disaggregated revenues

The Company derives its revenues from franchisees located throughout the United States. The economic risks of the Company's revenues are dependent on the strength of the economy in the United States, and the Company's ability to collect on its contracts. The Company disaggregates revenue from contracts with customers by timing of revenue recognition by type of revenue, as it believes this best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. All revenues earned for the year ended December 31, 2024, was point in time. There were no revenues for the years ended December 31, 2023 and 2022.

Contract balances

Contract assets include accounts receivable. The balance as of December 31, 2024, amounted to $4,430. There were no accounts receivable balance as of December 31, 2023 and 2022.

Contract liabilities are comprised of unamortized initial and renewal franchise fees received from franchisees, which are presented as "Deferred revenues" in the accompanying balance sheets. A summary of significant changes in deferred revenues is as follows:

	2024	2023
Deferred revenues - beginning of year	$ 100,000	$ -
Revenue recognized during the year	(150,000)	-
Current year deferred revenue additions	250,000	100,000
Deferred revenues - end of year	$ 200,000	$ 100,000

NOTE 4. REVENUES AND RELATED CONTRACT BALANCES (CONTINUED)

Contract balances (continued)

At December 31, 2024, revenues expected to be recognized over the remaining term of the associated franchise agreements are as follows:

Year ending December 31:	Amount
2025	$ -
2026	-
2027	-
2028	-
2029	-
Thereafter	200,000
Total	$ 200,000

Deferred revenues consisted of the following:

	2024	2023
Franchise units not yet opened	$ 200,000	$ 100,000
Opened franchise units	-	-
Total	$ 200,000	$ 100,000

NOTE 5. CONCENTRATIONS OF CREDIT RISK

Cash

Financial instruments that potentially expose the Company to concentration of credit risk consist primarily of cash. The Company's cash is placed with a major financial institution. At times, amounts held with this financial institution may exceed federally-insured limits. Management believes that this policy limits the Company's exposure to credit risk.

Revenues and accounts receivable

Three franchisees accounted for 100% of the Company's revenues during the year ended December 31, 2024, and two franchisees accounted for 100% of the Company's accounts receivable at December 31, 2024.

NOTE 6. PROPERTY AND EQUIPMENT

Property and equipment, net consisted of the following at December 31,:

	2024	2023
Machinery and equipment	$ 28,906	$ -
Furniture and fixtures	7,859	
Leasehold improvements	115,985	-
	152,750	-
Less: accumulated depreciation	17,300	-
Property and equipment, net	$ 135,450	$ -

Depreciation expense amounted to $17,300 for the year ended December 31, 2024. There were no depreciation expense for the year ended December 31, 2023.

NOTE 7. COMMITMENTS AND CONTINGENCIES

Operating lease

During 2024, the Company entered into a lease agreement for an office space expiring on August 31, 2033. The Company recorded operating lease expense of $60,000, for the year ended December 31, 2024.

Maturities of lease liabilities at December 31, 2024, are as follows:

Year ending December 31:	Amount
2025	$ 60,000
2026	60,000
2027	60,000
2028	60,000
2029	60,000
Thereafter	220,000
Net minimum lease payments	520,000
Less: amount representing interest	77,503
Present value of lease liabilities	442,497
Less: current portion	60,000
Operating lease liability - net of current portion	$ 382,497

Supplemental cash flow information related to leases for the year ended December 31, 2024, was as follows:

Cash paid for amounts included in measuring operating lease liabilities:	
Operating cash flows from operating leases	$ 60,000
Variable lease payments	$ 3,333
Average operating lease terms and discount rates were as follows:	
Weighted-average remaining lease term (in years)	8.67
Weighted-average discount rate (%)	3.88

NOTE 8. MARKETING FUND CONTRIBUTION

The Company reserves the right to establish a marketing fund contribution for the Company. Franchisees would be required to contribute up to 2% of their weekly gross sales to be placed into the marketing fund contribution in accordance with the signed franchise agreement. Marketing funds collected are to be expended for the benefit of the franchisees and for administrative costs to administer the funds, all at the discretion of the Company. As of December 31, 2024, the Company has not yet established a marketing fund contribution.

NOTE 9. RELATED-PARTY TRANSACTIONS

License agreement

On March 26, 2021, the Company entered into a 20-year non-exclusive license agreement with the Licensor for the use of the registered name "Angelina Italian Bakery" (the "license agreement"), which will be renewed automatically for additional consecutive terms of 20 years after the initial 20-year term unless the parties mutually agree otherwise. Pursuant to the license agreement, the Company acquired the right to sell and operate Angelina Italian Bakery franchises in the United States of America, and the right to collect franchise fees, royalties and other fees from franchisees. In accordance with the license agreement, the Company will be required to pay the Licensor a license fee based on the Company's net revenue, as defined. The Company was not charged a license fee for each of the years in the three-year period ended December 31, 2024.

Due from/to member

In the ordinary course of business, the Company periodically advances funds to and receives funds from the member of the Company. No interest is charged on these advances. Advances to and from the member are unsecured. Management has made an arrangement with the member to settle the balance owed within the next 12 months of the balance sheet date. At December 31, 2024, the balance due from member amounted to 57,294. At December 31, 2023, the balance due to the member amounted to $51,301.

EXHIBIT D TO DISCLOSURE DOCUMENT
LIST OF ANGELINA ITALIAN BAKERY FRANCHISEES

LIST OF FRANCHISEES AS OF DECEMBER 31, 2024:

JS Bakery Corp
Jin Choi / Stacy Yoon
450 Lexington Ave, New York NY 10017
(646) 682-9497

42 W 28th St LLC
Jin Choi / Stacy Yoon
42 W 28th St, New York NY 10001
(646) 484-6270

Coco 3rd Ave LLC
Aziz Laze
1649 3rd Ave, New York NY 10128
(646) 370-1394

LIST OF FRANCHISEES WHO EXITED THE ANGELINA FRANCHISE SYSTEM AS OF DECEMBER 31, 2024:

Divine Food & Entertainment LLC - Franchise closed in January 2024
Paritosh Patyal
660 Fulton St, Brooklyn NY 11217
(732) 737-5997

LIST OF FRANCHISEES WHO SIGNED AN AGREEMENT BUT DID NOT OPEN AS OF DECEMBER 31, 2024:

NT Angelina 7 TSQ
Diane Ahn
7 Times Square, New York NY 10036
(646) 360-3625

SYY Fort Lee Inc
Susanto Kuang
142 Linwood Plaza, Fort Lee NJ 07024
(201) 429-2289

Angelina Union Square LLC
Ayman Alzandani
25 Union Square W, New York NY 10003
(917) 994-4250

Lucky Levens LLC
Stefano Troia
1100 Lexington Ave, New York, NY 10017
(917) 626-3631

EXHIBIT E TO FRANCHISE DISCLOSURE DOCUMENT

STATE FRANCHISE ADMINISTRATORS

STATE FRANCHISE ADMINISTRATORS

CALIFORNIA

California Commissioner of the
Department of Financial
Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, California 90013-2344
(866) 275-2677

HAWAII

Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs,
Business Registration Division,
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

ILLINOIS

Chief – Franchise Bureau
Office of Attorney General
State of Illinois
500 South Second Street
Springfield, Illinois 62706

INDIANA

Franchise Section
Indiana Securities Commission
302 West Washington Street, Room E-111
Indianapolis, Indiana 46204

MARYLAND

Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2020

MICHIGAN

Consumer Protection Division
Antitrust and Franchise Unit
Michigan Department of Attorney General
670 Williams Building
525 W. Ottawa Street
Lansing, Michigan 48913

MINNESOTA

Minnesota Department of Commerce
Securities-Franchise Registration
85 7th Place East, Suite 280
St. Paul, Minnesota 55101-2198

NEW YORK

NYS Department of Law
Investor Protection Bureau
28 Liberty St. 21st Fl.
New York, New York 10005
212-416-8236

NORTH DAKOTA

North Dakota Securities Department
600 East Boulevard Avenue
State Capitol, 14th Floor, Dept. 414
Bismarck, North Dakota 58505=0510
701-328-4712

RHODE ISLAND

Division of Securities
1511 Pontiac Avenue
John O. Pastore Complex – Building 69-1
Cranston, Rhode Island 02920

SOUTH DAKOTA

Department of Labor and Regulation
Division of Insurance
Securities Regulation
124 S Euclid, Suite 104
Pierre, South Dakota 57501

VIRGINIA

State Corporation Commission
Division of Securities and Retail Franchising
1300 East Main Street, 9th Floor
Richmond, Virginia 23219
(804-371-9051)

WASHINGTON

Securities Division
Department of Financial Institutions
P.O. Box 41200
Olympia, WA 98504-1200
360-902-8760

WISCONSIN

Securities and Franchise Registration
Wisconsin Securities Commission
201 W. Washington Avenue – Third Fl.
Madison, Wisconsin 53703

EXHIBIT F TO DISCLOSURE DOCUMENT

AGENTS FOR SERVICE OF PROCESS

EXHIBIT F
AGENTS FOR SERVICE OF PROCESS

If a state is not listed below, Angelina Franchising LLC has not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed below in which Angelina Franchising LLC has appointed an agent for service of process.

There may also be additional agents appointed in some of the states listed below.

CALIFORNIA

California Commissioner of the
Department of Financial
Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, California 90013-2344

HAWAII

Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs,
Business Registration Division,
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

ILLINOIS

Attorney General of the State of Illinois
500 South Second Street
Springfield, Illinois 62706

INDIANA

Indiana Secretary of State
201 State House
200 West Washington Street
Indianapolis, Indiana 46204

MARYLAND

Maryland Securities Commissioner
200 St. Paul Place
Baltimore, Maryland 21202-2020

MICHIGAN

Michigan Department of Commerce
Corporations and Securities Bureau
6586 Mercantile Way
Lansing, Michigan 48909

MINNESOTA

Commissioner of Commerce
Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101-2198

NEW YORK

Secretary of State of the State of New York
99 Washington Avenue
Albany, New York 12231

NORTH DAKOTA

Securities Commissioner
North Dakota Securities Department
600 East Boulevard Avenue
State Capitol, 14th Floor, Dept. 414
Bismarck, North Dakota 58505-0510
701-328-4712

RHODE ISLAND

Director of Department of Business Regulation
1511 Pontiac Avenue
John O. Pastore Complex – Building 69-1
Cranston, Rhode Island 02920

SOUTH DAKOTA

Department of Labor and Regulation
Division of Insurance
Securities Regulation
124 S Euclid, Suite 104
Pierre, South Dakota 57501

VIRGINIA

Clerk, Virginia State Corporation Commission
1300 East Main Street
Richmond, Virginia 23219
(804-371-9733)

WASHINGTON

Director of Financial Institutions
Department of Financial Institutions
150 Israel Rd. SW
Tumwater, WA 98501

WISCONSIN

Administrator, Division of Securities
Department of Financial Institutions
201 W. Washington Avenue – Third Fl.
Madison, Wisconsin 53703

EXHIBIT G TO DISCLOSURE DOCUMENT

ANGELINA ITALIAN BAKERY - TABLE OF CONTENTS OF OPERATIONS MANUAL

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This Operations Manual contains confidential information, remains the property of Angelina TM Holdings Inc., and is protected under International Copyright Laws.

EXHIBIT H TO DISCLOSURE DOCUMENT

STATE ADDENDA TO FRANCHISE DISCLOSURE DOCUMENT

CALIFORNIA ADDENDUM TO DISCLOSURE DOCUMENT

Registration of this franchise does not constitute approval, recommendation, or endorsement by the Commissioner of the Department of Financial Protection and Innovation.

OUR WEBSITES HAVE NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of California:

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

The State of California has codified regulations specific to the food service industry which may be applicable to you. You may refer to California Plan Check Guide for Retail Food Facilities at http://www.ccdeh.com/resources/documents/food-safety-guidelines-1/152-california-plan-check-guide-for-retail-food-facilities-2/file. For further requirements, please see the California Retail Food Code at http://www.cdph.ca.gov/services/Documents/fdbRFC.pdf.

FAST FOOD ACT

The following is added to Item 1 of the FDD:

Franchisees located in California are required to comply with all applicable California labor laws, including labor laws that may apply to certain fast food restaurant industry employees. (Please note that this is only applicable to restaurants that are part of a restaurant chain of at least 60 establishments nationwide.) Specifically, California franchisees operating certain fast food restaurants must comply with Part 4.5.5 (commencing with Section 1474) of Division 2 of the California Labor Code (codifying Assembly Bill No. 1228) which established the California Fast Food Council ("CFFC") which has the authority to increase the hourly minimum wage subject to certain limitations, and to set forth requirements, limitations, and procedures for adopting and reviewing fast food restaurant health, safety, and employment standards in California.

ITEM 5 INITIAL FEES

The Department of Financial Protection and Innovation requires that the franchisor defer the collection of all initial fees from California franchisees until the franchisor has completed all its pre-opening obligations and franchisee is open for business.

ITEM 6 OTHER FEES

1. The highest interest rate permitted under California law is 10%.

ITEM 7 ESTIMATED INITIAL INVESTMENT

FAST FOOD ACT

The following is added to Item 7 of the FDD:

Compliance with the bill law may increase your expenses (including increased wages) and the amount of your initial investment. You may review the Department of Industrial Relations website at Fast Food Minimum Wage Frequently Asked Questions (ca.gov) for further information and consult with an attorney specializing in labor law in determining any additional costs.

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

The Antitrust Law Section of the Office of the California Attorney General views maximum price agreements as per se violations of the Cartwright Act. As long as this represents the law of the State of California, we will not interpret the Franchise Agreement as permitting or requiring maximum price limits.

ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

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

3. The Franchise Agreement contains a provision requiring application of the laws of New York. This provision may not be enforceable under California law.

4. The Franchise Agreement requires venue to be limited to New York. This provision may not be enforceable under California law.

5. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

6. You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

7. California Corporations Code, Section 31125 requires us to give you a disclosure document, approved by the Department of Financial Protection and Innovation before we ask you to consider a material modification of your franchise agreement.

8. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

9. California Corporations Code, Section 31119, states that it is unlawful to sell any franchise in California that is subject to registration under this law without first providing to the prospective franchisee, at least 14 days prior to the execution by the prospective franchisee of any binding franchise or other agreement, or at least 14 days prior to the receipt of any consideration, whichever occurs first, a copy of the offering circular, together with a copy of all proposed agreements relating to the sale of the franchise.

10. Neither the franchisor nor any person or franchise broker disclosed in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a *et seq.*, suspending or expelling such persons from membership in such association or exchange.

11. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of

Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

OTHER

California's Franchise Investment Law (Corporations Code Sections 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.

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

MARYLAND ADDENDUM TO DISCLOSURE DOCUMENT

The following provisions will supersede anything to the contrary in the Franchise Disclosure Document or Franchise Agreement and will apply to all franchises offered and sold under the laws of the State of Maryland:

ITEM 5 INITIAL FEES

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

ITEM 12 TERRITORY

The following sentence is added at the end of the paragraph in Item 12 concerning our reservation of territorial rights which begins "Under the terms of the Franchise Agreement, you waive and release any claims, demands or damages arising from or related to any of the activities described above":

> "These waivers and releases are not intended to nor will they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law. These waivers and releases will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law."

ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

1. The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. A franchisee may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Laws must be brought within three years after the grant of the Franchise.

3. The provision of the Franchise Agreement that provides for termination upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

OTHER

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

NEW YORK ADDENDUM TO DISCLOSURE DOCUMENT

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

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT P OR YOUR PUBLIC LIBRARY FOR SOURCES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY, INCLUDING THE NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271.

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS PROSPECTUS.

THE FRANCHISOR REPRESENTS THAT THE PROSPECTUS DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT.

ITEM 2. BUSINESS EXPERIENCE

Item 2 of the Disclosure Document lists the directors, principal officers and other executives who will have management responsibility in connection with the operation of the Franchisor's business relating to the franchises offered by this disclosure document, with a statement for each regarding his principal occupations over the past five years.

ITEM 3. LITIGATION

Neither the Franchisor, its affiliates nor any person named in Item 2 above has pending any administrative, criminal or material civil action (or a significant number of civil actions irrespective of materiality) alleging a violation of any franchise law, securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property or comparable allegations.

Neither the Franchisor, its affiliates nor any person named in Item 2 above has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten year period immediately preceding the application for registration, has been convicted of a misdemeanor or pleaded nolo contendere to a misdemeanor charge or been held liable in a civil action by final judgment or been the subject of a material complaint or other legal proceeding, if such misdemeanor conviction or charge or civil action, complaint or other legal proceeding involved violation of any franchise law, securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property or comparable allegations.

Except as disclosed in Item 3 of the FDD, neither the Franchisor, its affiliates, nor any person named in Item 2 above is subject to any currently effective injunctive or restrictive order or decree relating to franchises in general or the franchise offered or under any federal, state or Canadian franchise, securities, antitrust, trade regulation or trade practice law as a result of a concluded or pending action or proceeding brought by a public agency.

ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

1. You may utilize whatever legal rights you may possess to suspend or discontinue operations due to a breach by the Franchisor and you may terminate the Agreement on any grounds available by law.

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

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

3. The requirements of Section 12.04 and Section 24.01 of the Franchise Agreement that you consent to the entry of an injunction are modified in the State of New York to provide only that you consent to the seeking of such an injunction.

4. The following sentence is added at the end of the section entitled "Modification" in Item 17 of the Disclosure Document:

   "However, any new or different requirement set forth will not unreasonably increase your obligations or place an excessive economic burden on your operations."

OTHER

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

Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

VIRGINIA ADDENDUM TO THE DISCLOSURE DOCUMENT

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for use in the Commonwealth of Virginia shall be amended as follows:

ITEM 5 INITIAL FEES

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

Additional Disclosure: The following statements are added to Item 17. h

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

OTHER

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

EXHIBIT I TO DISCLOSURE DOCUMENT

STATE EFFECTIVE DATES PAGE

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	not effective
Illinois	not effective
Indiana	not effective
Maryland	Pending
Michigan	not effective
Minnesota	not effective
New York	May 5, 2025
North Dakota	not effective
Rhode Island	not effective
South Dakota	not effective
Virginia	August 15, 2025
Washington	not effective
Wisconsin	not effective

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

EXHIBIT J TO DISCLOSURE DOCUMENT

RECEIPTS

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Angelina Franchising LLC offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Angelina Franchising LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the state agency listed on Exhibit E.

The franchisor is Angelina Franchising LLC, located at 42 West 28th Street, 5th Floor, New York, New York 10001. Its telephone number (212) 687-7100.

Issuance date: April 29, 2025.

The franchise seller for this offering is Toni Park, Alessandro Calemme, Miranda Francis, Faidon Kefaleas_____ c/o Angelina Franchising LLC, 42 West 28th Street, 4th Floor, New York, New York 10001, (212) 687-7100.

Angelina Franchising LLC authorizes the respective state agencies identified on Exhibit F to receive service of process for it in the particular state.

I received a disclosure document dated April 29, 2025, that included the following Exhibits:

EXHIBIT A	FRANCHISE AGREEMENT AND RELATED MATERIALS
EXHIBIT B	AREA DEVELOPMENT AGREEMENT AND RELATED MATERIALS
EXHIBIT C	FINANCIAL STATEMENTS
EXHIBIT D	LIST OF FRANCHISEES
EXHIBIT E	STATE ADMINISTRATORS
EXHIBIT F	AGENTS FOR SERVICE OF PROCESS
EXHIBIT G	TABLE OF CONTENTS OF OPERATIONS MANUAL
EXHIBIT H	STATE ADDENDA TO DISCLOSURE DOCUMENT
EXHIBIT I	STATE EFFECTIVE DATES PAGE
EXHIBIT J	RECEIPTS

Dated: _____

PROSPECTIVE FRANCHISEE:

If a corporation or other business entity:

_____
(Name of Entity)

By: _____

Its _____
(Title)

_____
(Print Name)

If an individual:

_____
(Signature)

_____
(Print Name)

_____
(Signature)

_____
(Print Name)

You may return the signed receipt either by signing, dating, and mailing it to Angelina Franchising LLC at 42 West 28th Street, 4th Floor, New York, New York 10001 or by electronically executing, dating and returning it through the electronic signature platform that we require.

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Angelina Franchising LLC offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

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EXHIBIT J	RECEIPTS

Dated: _____

PROSPECTIVE FRANCHISEE:

If a corporation or other business entity:

_____
(Name of Entity)

By:_____

Its_____
(Title)

_____
(Print Name)

If an individual:

_____
(Signature)

_____
(Print Name)

_____
(Signature)

_____
(Print Name)

PLEASE KEEP THIS RECEIPT FOR YOUR RECORDS.