

FRANCHISE DISCLOSURE DOCUMENT

NBC Franchisor LLC
a Delaware limited liability company
4560 Belt Line Road, Suite 350
Addison, Texas 75001
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The franchise is to operate gourmet bakeries offering and selling specialty bundt cakes, other food items, and retail merchandise under the “Nothing Bundt Cakes®” mark.

The total investment necessary to begin operation of a Nothing Bundt Cakes® Bakery is \$440,800 to \$636,500, excluding extension fees. This includes \$56,034 to \$58,034 that must be paid to the franchisor and its affiliate.

Franchisor also offers an Area Development Agreement for the establishment and operation of a minimum of two Nothing Bundt Cakes® Bakeries in a specified development area. The Area Development Fee is \$35,000 for the first Bakery developed under the Area Development Agreement and \$30,000 for each additional bakery developed under the Area Development Agreement. The total investment necessary to begin operation of the first Bakery under an area development business for a total of 3 Bakeries is \$500,800 to \$696,500, excluding extension fees. This includes \$116,034 to \$118,034 that must be paid to franchisor or an affiliate in connection with opening the first Bakery.

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 the 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 Jennifer Churchill at 4560 Belt Line Road, Suite 350, Addison, Texas 75001, Jennifer.churchill@nothingbundtcakes.com and (469) 534-3292.

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 an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help inform your decision. 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: October 1, 2021

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits F and G.
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 D 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 Nothing Bundt Cakes Bakery 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 franchise 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 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 that franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit A.

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

Special Risks to Consider About *This Franchise*

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

1. **Out-of-State Dispute Resolution**. The franchise agreement and area development agreement require you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Texas. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Texas than in your own states.
2. **Spousal Liability**. Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
3. **Sales Performance Required**. You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.

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.

THIS MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN

**ADDENDUM TO NBC FRANCHISOR LLC
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF MICHIGAN**

NOTICE

The State of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you.

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchises from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

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

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

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

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

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

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

The fact that there is a notice of this offering on file with the attorney general does not constitute approval, recommendation or endorsement by the attorney general.

Any questions regarding the notice should be directed to the Michigan Department of Attorney General, 670 Law Building, Lansing, MI 48913, (517) 373-7117.

Note: Notwithstanding paragraph (f) above, we intend to, and you agree that we and you will, enforce fully the provisions of the arbitration section of our agreements. We believe that paragraph (f) is unconstitutional and cannot preclude us from enforcing the arbitration provisions.

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

The franchisor is NBC Franchisor LLC, d/b/a Nothing Bundt Cakes (“we,” “us,” or “our”). “You” means the person to whom we grant a franchise. If you are a corporation, partnership, limited liability company, or other entity, “you” includes your owners and principals.

Franchisor

We are a Delaware limited liability company organized on June 14, 2021. Our principal business address is 4560 Belt Line Road, Suite 350, Addison, Texas 75001. We only do business under our corporate name, NBC Franchisor LLC and the trademark “Nothing Bundt Cakes”. We do not and have not engaged in any other line of business. We do not operate businesses of the type being offered under this disclosure document; however, certain of our affiliates do. We began offering Nothing Bundt Cakes bakery franchises (“**Bakeries**”) in August 2021 following the closing of the Securitization Transaction described below. Our list of agents for service of process is attached as Exhibit A to this disclosure document.

Predecessors

Our immediate predecessor and our affiliate is Nothing Bundt Franchising LLC, a Nevada limited liability company formed on May 22, 2006 (“**NBC**”). Its principal business address is 4560 Belt Line Road, Suite 350, Addison, Texas 75001. NBC offered Nothing Bundt Cakes franchises from on or about May 2006 to August 2021. NBC has never offered franchises in any other line of business. NBC has not and does not engage in any other business activities. NBC has not operated businesses of the type being offered under this disclosure document; however, certain of its affiliates have. NBC had one predecessor, Nothing Bundt Franchising, Inc., a Nevada corporation formed on October 27, 2005, and dissolved on May 22, 2006. The principal business address of Nothing Bundt Franchising, Inc., was 6380 S. Valley View Boulevard, Las Vegas Nevada 89118. NBC provides support and services to our franchisees under a management agreement described below.

Parents

We are a direct subsidiary of NBC Funding LLC (“**NBC Funding**”), a Delaware limited liability. NBC Funding is a direct subsidiary of NBC SPV Guarantor, a Delaware limited liability company (“**NBC Guarantor**”). NBC Guarantor is a direct subsidiary of NBC Intermediate LLC, a Delaware limited liability company (“**NBC Intermediate**”). NBC Intermediate is a direct subsidiary of NBC Holdings, LLC, a Nevada limited liability company and our ultimate parent company (“**NBC Holdings**”). The principal business address of each of NBC Funding, NBC Guarantor, NBC Intermediate and NBC Holdings is 4560 Belt Line Road, Suite 350, Addison, Texas 75001. NBC Holdings is owned by private equity funds managed by Roark Capital Management LLC, an Atlanta-based private equity firm. The private equity funds became the owner of NBC Holdings pursuant to a transaction that closed on May 14, 2021.

Affiliates

Our affiliate, NBC Distribution Holder LLC, a Delaware limited liability company (“**NBD Distribution**”), located at 4045 South Buffalo, Suite A101-230, Las Vegas, Nevada 89147, is a designated supplier of certain ingredients and materials necessary to produce Products. NBC Distribution was formed in connection with the Securitization Transaction. Prior to the Securitization Transaction,

Shipp Distribution, LLC (“**Shipp Distribution**”), a Nevada limited liability company formed March 7, 2006 and located at 4045 South Buffalo, Suite A101-230, Las Vegas, NV 89147, was the designated supplier of such ingredients and materials. Neither NBC Distribution nor Shipp Distribution owns or owned or operates or operated a business of the type being franchised and has never offered franchises in this or any other line of business.

Our affiliate, NBC Bakery Holder LLC, a Delaware limited liability company (“**Bakery Holdco**”), located at 4560 Belt Line Road, Suite 350, Addison, Texas 75001, owns and operates affiliate-owned Bakeries. Bakery Holdco was formed in connection with the Securitization Transaction. Prior to the Securitization Transaction, affiliates of NBC owned and operated the affiliate-owned Bakeries identified in Item 20. Neither Bakery Holdco nor such affiliates have ever offered franchises in this or any other line of business.

Our affiliate, GiftingU, Inc. (“**GiftingU**”), is an Arizona corporation with an address at 4560 Belt Line Road, Suite 350, Addison, Texas 75001. GiftingU processes gift card sales and manages reimbursement of redeemed gift cards sold through the national site and which are redeemed at System Bakeries. GiftingU has never operated a business of the type being franchised and has never offered franchises in this or any other line of business.

Except as stated above, neither we nor our parents, affiliates or subsidiaries offer, nor have we or they ever offered, franchises in this or any other line of business and neither we nor they have engaged in any other business activities.

The Securitization Transaction

As a result of a secured financing transaction which closed in July 2021 (the “**Securitization Transaction**”), NBC Holdings and its affiliates were restructured. As part of the restructuring, we became the franchisor of all existing and future Nothing Bundt Cakes Franchise Agreements, Area Development Agreements and related agreements. Ownership and control of all U.S. trademarks and certain intellectual property relating to the operation of Nothing Bundt Cakes Bakeries were also transferred to us.

We became a party to a management agreement with NBC for NBC, the former franchisor of Nothing Bundt Cakes franchises, to provide the required support and services to Nothing Bundt Cakes franchisees under their Franchise Agreements and Area Development Agreements. NBC also acts as our franchise sales agent. However, as the franchisor, we will be responsible and accountable to you to make sure that all services we promise to perform under the Franchise Agreement, Area Development Agreement or other agreement you may sign with us are performed in compliance with the applicable agreement, regardless of who performs these services on our behalf. NBC Holdings and its affiliates may engage in other secured financing transactions in the future.

The Franchise Offered

Each Bakery offers, sells, and delivers specialty bundt cakes and other food items, and retail merchandise (the “**Products**”) to customers (“**Guests**”) using our proprietary System, the characteristics of which include: (a) proprietary recipes and methods for preparing, decorating, and presenting specialty bundt cakes and other baked goods (the “**Proprietary Recipes**”); (b) specifications for Bakery furniture, fixtures, equipment and interior and exterior design; (c) an online order fulfillment system (our “**E-Commerce Program**”); (d) sales techniques; (e) merchandising, marketing, advertising and inventory

management systems; and (f) other general procedures for operating and managing a Bakery (the “System”).

We identify the System by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including, but not limited to, the “Nothing Bundt Cakes®” mark, distinctive trade dress, and such other trade names, trademarks, and service marks as we now or in the future may designate in writing for use in connection with the System (the “Marks”). We continue to develop, use, and control the use of the Marks in order to identify for the public the source of products and services marketed under the System, and to represent the System's high standards of quality, appearance, and service. We reserve the right to create and develop private label products, including cake mixes, gift packages, and related items under the Marks (“**Proprietary Products**”).

Area Development Agreement

In addition to our single-unit offering, we grant qualified individuals the right to own and operate multiple Bakeries in a designated territory through an “**Area Development Agreement**” for a reduced initial franchise fee per Bakery. A copy of our Area Development Agreement is attached as Exhibit C to this disclosure document. You must sign our then-current form of Franchise Agreement for each Bakery developed under an Area Development Agreement, the terms of which may be materially different than the terms of the franchise agreement attached to this disclosure document as Exhibit B.

The E-Commerce Program

If you are compliant with the terms and conditions of your Franchise Agreement, you can participate in our E-Commerce Program, through which you can fulfill online orders placed by Guests on our website, <http://www.nothingbundtcakes.com/> (the “**Website**”), for pickup, delivery, or shipping. See Item 11 for additional details regarding our E-Commerce Program.

Affiliated Franchise Programs

Through control with private equity funds managed by Roark Capital Management, LLC, we are affiliated with the following franchise programs (“**Affiliated Programs**”). None of these affiliates operate a Nothing Bundt Cake franchise.

Focus Brands Inc. (“**Focus Brands**”) is the indirect parent company to 7 franchisors, including: Auntie Anne’s Franchisor SPV LLC (“**Auntie Anne’s**”), Carvel Franchisor SPV LLC (“**Carvel**”), Cinnabon Franchisor SPV LLC (“**Cinnabon**”), Jamba Juice Franchisor SPV LLC (“**Jamba**”), McAlister’s Franchisor SPV LLC (“**McAlister’s**”), Moe’s Franchisor SPV LLC (“**Moe’s**”), and Schlotzsky’s Franchisor SPV LLC (“**Schlotzsky’s**”). All 7 Focus Brands franchisors have a principal place of business at 5620 Glenridge Drive NE, Atlanta, GA 30342 and have not offered franchises in any other line of business.

Auntie Anne’s franchises Auntie Anne’s® shops that offer soft pretzels, lemonade, frozen drinks and related foods and beverages. In November 2010, the Auntie Anne’s system became affiliated with Focus Brands through an acquisition. Auntie Anne’s predecessor began offering franchises in January 1991. As of December 31, 2020, there were approximately 1,140 franchised facilities and 12 affiliate-owned facilities in the United States and approximately 726 franchised facilities operating outside the United States.

Carvel is a leading retailer of branded ice cream cakes in the United States and a producer of premium soft-serve ice cream. The Carvel system became an Affiliated Program in October 2001 and became affiliated with Focus Brands in November 2004. Carvel's predecessor began franchising retail ice cream shoppes in 1947. As of December 31, 2020, there were 311 domestic retail shoppes (including 1 shoppe co-branded in a Schlotzsky's restaurant operated by our affiliate), 37 international retail shoppes, and 5 foodservice locations operated by independent third parties that offer Carvel® ice cream and frozen desserts including cakes and ice cream novelties.

Cinnabon licenses independent third parties to operate domestic and international franchised Cinnabon® bakeries and Seattle's Best Coffee® franchises on military bases in the United States and in certain international countries, and to use the Cinnabon trademarks on products dissimilar to those offered in Cinnabon bakeries. In November 2004, the Cinnabon system became affiliated with Focus Brands through an acquisition. Cinnabon's predecessor began franchising in 1990. As of December 31, 2020, franchisees operated 940 Cinnabon retail outlets in the United States and 706 Cinnabon retail outlets outside the United States and 174 Seattle's Best Coffee units outside the United States. As of December 31, 2020, Cinnabon LLC operated 2 affiliate-owned Cinnabon retail outlet in the United States.

Jamba franchises feature a wide variety of fresh blended-to-order smoothies and other cold or hot beverages and offer fresh squeezed juices and portable food items to customers who come for snacks and light meals. Jamba has offered JAMBA® franchises since October 2018. In October 2018, Jamba became affiliated with Focus Brands through an acquisition. Jamba's predecessor began franchising in 1991. As of December 31, 2020, there were approximately 762 franchised stores in the United States, 67 franchised stores outside the United States, and 5 affiliate-owned stores in the United States.

McAlister's offers full-size and non-traditional fast casual restaurants offering counter-service, on-premises and take-out services featuring a complete or limited line of deli foods, including hot and cold deli sandwiches, baked potatoes, salads, soups, desserts, iced tea and other food and beverage products under the names MCALISTER'S DELI® or MCALISTER'S SELECT®. McAlister's system became an Affiliated Program through an acquisition in July 2005, and the McAlister's system became affiliated with Focus Brands in October 2013. McAlister's or its predecessor have been franchising since 1999. As of December 31, 2020, there were 448 domestic franchised restaurants and 33 affiliate-owned restaurants.

Moe's franchises Moe's Southwest Grill® fast casual restaurants which feature fresh-mex and southwestern food. In August 2007, the Moe's system became affiliated with Focus Brands through an acquisition. Moe's predecessor began offering Moe's franchises in 2001. As of December 31, 2020, there were 679 franchised Moe's restaurants operating in the United States, 1 operating outside the United States, and 2 affiliate-owned Moe's restaurants in the United States.

Schlotzsky's franchises Schlotzsky's® quick-casual restaurants which feature sandwiches, pizza, soups, and salads. Schlotzsky's signature items are its "fresh-from-scratch" sandwich buns and pizza crusts that are baked on-site every day. In November 2006, the Schlotzsky's system became affiliated with Focus Brands through an acquisition. Schlotzsky's restaurant franchises have been offered since 1976. As of December 31, 2020, there were 310 franchised Schlotzsky's restaurants and 23 affiliate-owned Schlotzsky's restaurants.

Inspire Brands ("Inspire Brands") is a global multi-brand restaurant company, launched in February 2018 upon completion of the merger of the Arby's and Buffalo Wild Wings brands. Inspire Brands is a parent company to 7 franchisors, including: Arby's Franchisor, LLC ("Arby's"), Baskin-Robbins Franchising LLC ("Baskin-Robbins"), Buffalo Wild Wings International, Inc. ("Buffalo Wild Wings"), Dunkin' Donuts Franchising LLC ("Dunkin'"), Jimmy John's Franchisor SPV, LLC ("Jimmy

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John's"), Rusty Taco, Inc. ("**Rusty Taco**"), and Sonic Franchising LLC ("**Sonic**"). Arby's, Buffalo Wild Wings, Jimmy John's, Rusty Taco, and Sonic have a principal place of business at Three Glenlake Parkway NE, Atlanta, Georgia 30328. Baskin-Robbins and Dunkin' have a principal place of business at 130 Royall Street, Canton, Massachusetts 02021. Other than as described below for Arby's, all 7 franchisors have not offered franchises in any other line of business.

Arby's is a franchisor of quick-serve restaurants operating under the Arby's® trade name and business system that feature slow-roasted, freshly sliced roasted beef and other deli-style sandwiches. In July 2011, Arby's became an Affiliated Program through an acquisition. Arby's has been franchising since 1965 and, as of January 3, 2021, there were approximately 3,367 Arby's restaurants operating in the United States (2,175 franchised and 1,192 company-owned), and 154 franchised Arby's restaurants operating internationally. Predecessors and former affiliates of Arby's have, in the past, offered franchises for other restaurant concepts including T. J. Cinnamons® stores that served gourmet baked goods. All of the T.J. Cinnamons locations have closed.

Buffalo Wild Wings is a franchisor of sports entertainment-oriented casual sports bars that feature chicken wings, sandwiches, and other products, alcoholic and other beverages, and related services under the Buffalo Wild Wings name ("**Buffalo Wild Wings Sports Bars**") and restaurants that feature chicken wings and other food and beverage products primarily for off-premises consumption under the Buffalo Wild Wings GO name ("**BWW-GO Restaurants**"). Buffalo Wild Wings has offered franchises for Buffalo Wild Wings Sports Bars since April 1991 and for BWW-GO Restaurants since December 2020. As of January 3, 2021, there were 1,205 Buffalo Wild Wings Sports Bars operating in the United States (531 franchised and 674 company-owned) and 72 Buffalo Wild Wings or B-Dubs restaurants operating outside the United States (59 franchised and 13 company-owned). As of January 3, 2021, there was 1 BWW-GO Restaurant operating in the United States (0 franchised and 1 company-owned).

Rusty Taco is the franchisor of Rusty Taco® (formerly R Taco®) restaurants. Rusty Taco has offered franchises for Rusty Taco restaurants since May 2015, but its predecessors have been franchising Rusty Taco restaurants since 2010. As of January 3, 2021, there were 34 Rusty Taco restaurants (30 franchised and 4 company-owned) in operation.

Sonic became an Affiliated Program through an acquisition in December 2018. Sonic has offered franchises for Sonic Drive-In restaurants, which serve hot dogs, hamburgers and other sandwiches, tater tots and other sides, a full breakfast menu and frozen treats and other drinks, since May 2011. As of January 3, 2021, there were 3,522 Sonic Drive-Ins (3,251 franchised and 271 company-owned) in operation.

Jimmy John's is a franchisor of restaurants operating under the JIMMY JOHN'S® trade name and business system that feature high-quality deli sandwiches, fresh baked breads, and other food and beverage products. Jimmy John's became an Affiliated Program through an acquisition in October 2016 and became part of Inspire Brands by merger in 2019. Jimmy John's and its predecessor have been franchising since 1993 and, as of January 3, 2021, had 2,702 restaurants operating in the United States (2,651 franchised and 51 affiliate-owned).

Dunkin' is a franchisor of Dunkin'® restaurants that offer doughnuts, coffee, espresso, breakfast sandwiches, bagels, muffins, compatible bakery products, croissants, snacks, sandwiches and beverages. Dunkin' became an Affiliated Program through an acquisition in December 2020. Dunkin' has offered franchises for Dunkin'® restaurants since March 2006 and, as of December 26, 2020, there were 9,083 franchised Dunkin' restaurants operating in the United States and an additional 3,536 operating in 39 countries.

Baskin-Robbins franchises Baskin-Robbins® restaurants that offer ice cream, ice cream cakes and related frozen products, beverages and other products and services. Baskin-Robbins became an Affiliated Program through an acquisition in December 2020. Baskin-Robbins has offered franchises for Baskin-Robbins® restaurants since March 2006 and, as of December 26, 2020, there were 2,419 franchised Baskin-Robbins restaurants in the United States and an additional 5,322 operating internationally in 51 countries and Puerto Rico.

Primrose School Franchising SPE, LLC (“Primrose”) is a franchisor that offers franchises for the establishment, development and operation of educational child care facilities serving families with children from 6 weeks to 12 years old operating under the Primrose® name. Primrose’s principal place of business is 3200 Windy Hill Road SE, Suite 1200E, Atlanta GA 30339. Primrose became an Affiliated Program through an acquisition in June 2008. Primrose and its affiliates have been franchising since 1988 and as of December 31, 2020 had 445 franchised facilities. Primrose has not offered franchises in any other line of business.

Pet Valu Canada Inc. (“Pet Valu”) is a franchisor that offers franchises for specialty retail stores operating under the trademark “Pet Valu” that sell food and supplies for dogs, cats, birds, fish, reptiles and small animals. Pet Valu’s principal place of business is 130 Royal Crest Court, Markham, Ontario L3R 0A1. Pet Valu became an Affiliated Program through an acquisition in August 2009. Pet Valu has been franchising since 1987. As of January 2, 2021, the Pet Valu enterprise operated stores in Canada under 5 different banners: (i) 492 Pet Valu branded stores with 330 franchised stores and 162 company-owned stores; (ii) 16 Paulmac’s Pet Foods-branded stores consisting of 12 franchised and 4 company-owned stores; (iii) 72 Bosley’s Pet Food Plus-branded stores in British Columbia, Canada consisting of 31 franchised and 41 company-owned stores; (iv) 9 company-owned Tisol-branded stores; and (v) 16 company-owned Total Pet-branded stores. Pet Valu stores have not offered franchises in any other line of business and currently only offers franchises for the operation of Pet Valu stores in Canada. Pet Supermarket, an affiliate of Pet Valu through common ownership and/or control, operated 222 Pet Supermarket company-owned stores at the end of fiscal year 2020.

ME SPE Franchising, LLC (“Massage Envy”) is a franchisor of businesses that offers professional therapeutic massage services, facial services and related goods and services under the name “Massage Envy®” since 2019. Massage Envy’s principal place of business is 14350 North 87th Street, Suite 200, Scottsdale, Arizona 85260. Massage Envy’s predecessor began operation in 2003, commenced franchising in 2010, and became an Affiliated Program through an acquisition in 2012. As of December 31, 2020, there were 1,127 franchised Massage Envy locations operating in the United States. Additionally, Massage Envy’s predecessor previously sold franchises for regional developers, who acquired a license for a defined region in which they were required to open and operate a designated number of Massage Envy locations either by themselves or through franchisees that they would solicit. As of December 31, 2020, there were 11 regional developers operating 12 regions in the United States. Massage Envy has not offered franchises in any other line of business.

CKE Inc. (“CKE”), through two indirect wholly-owned subsidiaries (Carl’s Jr. Restaurants LLC and Hardee’s Restaurants LLC), owns, operates and franchises quick serve restaurants operating under the Carl’s Jr.®, Hardee’s®, Green Burrito® and Red Burrito® trade names and business systems. Carl’s Jr. restaurants and Hardee’s restaurants offer a limited menu of breakfast, lunch and dinner products featuring charbroiled 100% Black Angus Thickburger® sandwiches, Hand-Breaded Chicken Tenders, Made from Scratch Biscuits and other related quick serve menu items. Green Burrito and Red Burrito each offer certain Mexican food products in a quick-serve format. Green Burrito franchises are only offered in conjunction with a Carl’s Jr. Dual Concept Restaurant that incorporates the Green Burrito Dual

Concept System. Red Burrito franchises are only offered in conjunction with a Hardee's Dual Concept Restaurant that incorporates the Red Burrito Dual Concept System. CKE Inc.'s principal place of business is 6700 Tower Circle, Suite 1000, Franklin, Tennessee. In December 2013, CKE Inc. became an Affiliated Program through an acquisition. Hardee's restaurants have been franchised since 1961 and Red Burrito Dual Concept restaurants have been franchised since 2006. As of January 26, 2021, there were 203 company-operated Hardee's restaurants, including 29 Red Burrito Dual Concept restaurants, and there were 1,565 domestic franchised Hardee's restaurants, including 228 Red Burrito Dual Concept restaurants. Additionally, there were 415 franchised Hardee's restaurants operating outside the United States. Carl's Jr. restaurants have been franchised since 1984 and Green Burrito Dual Concept restaurants have been franchised since 1996. As of January 26, 2021, there were 48 company-operated Carl's Jr. restaurants, including 5 Green Burrito Dual Concept restaurants, and there were 1,031 domestic franchised Carl's Jr. restaurants, including 290 Green Burrito Dual Concept restaurants. In addition, there were 566 franchised Carl's Jr. restaurants operating outside the United States, including 1 Green Burrito Dual Concept restaurant. Neither CKE nor its subsidiaries that operate the above-described franchise systems have offered franchises in any other line of business.

Driven Holdings, LLC ("**Driven Holdings**") is the indirect parent company to 10 franchisors, including Meineke Franchisor SPV LLC ("**Meineke**"), Maaco Franchisor SPV LLC ("**Maaco**"), Drive N Style Franchisor SPV LLC ("**DNS**"), Econo Lube Franchisor SPV LLC ("**Econo Lube**"), Merlin Franchisor SPV LLC ("**Merlin**"), CARSTAR Franchisor SPV LLC ("**CARSTAR**"), 1-800-Radiator Franchisor SPV LLC ("**1-800-Radiator**"), Take 5 Franchisor SPV LLC ("**Take 5**"), ABRA Franchisor SPV LLC ("**ABRA**") and FUSA Franchisor SPV LLC ("**FUSA**"). In April 2015, Driven Holdings and its franchised brands at the time (Meineke, Maaco, DNS, Merlin and Econo Lube) became Affiliated Programs through an acquisition. Subsequently, through acquisitions in June 2015, October 2015, March 2016, September 2019, and April 2020, respectively, the 1-800-Radiator, CARSTAR, Take 5, ABRA and FUSA brands became Affiliated Programs. The principal business address of Meineke, Maaco, DNS, Econo Lube, Merlin, CARSTAR, Take 5, ABRA and FUSA is 440 South Church Street, Suite 700, Charlotte, North Carolina 28202. 1-800 Radiator's principal business address is 4401 Park Road, Benicia, California 94510. All 10 franchisors have not offered franchises in any other line of business.

Meineke franchises automotive centers which offer to the general public automotive repair and maintenance services that it authorizes from time to time. These services currently include repair and replacement of exhaust system components, brake system components, steering and suspension components (including alignment), belts (V and serpentine), cooling system service, CV joints and boots, wiper blades, universal joints, lift supports, motor and transmission mounts, trailer hitches, air conditioning, state inspections, tire sales, tune ups and related services, transmission fluid changes and batteries. Meineke and its predecessors have offered Meineke center franchises since September 1972, and Meineke's affiliate has owned and operated Meineke centers on and off since March 1991. As of December 26, 2020, there were 696 Meineke centers, 25 Meineke centers co-branded with Econo Lube, and no company-owned Meineke centers or company-owned Meineke centers co-branded with Econo Lube operating in the United States.

Maaco and its predecessors have offered Maaco center franchises since February 1972 providing automotive collision and paint refinishing. As of December 26, 2020, there were 424 franchised Maaco centers and no company-owned Maaco centers in the United States.

DNS is the franchisor of 3 franchise systems: Drive N Style® franchises, AutoQual® franchises and Aero Colours® franchises. DNS and its predecessors have offered Drive N Style franchises since October 2006. A Drive N Style business offers both interior and exterior reconditioning and maintenance services, exterior paint repair and refinishing services and interior and exterior protection services for

consumer vehicles. As of December 26, 2020, there were 39 Drive N Style franchises and no company-owned Drive N Style businesses in the United States. DNS and its predecessors have offered AutoQual franchises since February 2008. AutoQual businesses offer various services relating to the interior of automotive vehicles, including, among other things, cleaning, deodorizing, dyeing, and masking of carpets, seats, and trim. As of December 26, 2020, there were 14 AutoQual franchises and no company-owned AutoQual businesses in the United States. DNS and its predecessors have offered Aero Colours franchises since 1998. Aero Colours businesses offer various services related to the exterior of automotive vehicles, including paint touch-up, repair and refinishing that is performed primarily on cars at automobile dealerships or at the customer's home or place of business. As of December 26, 2020, there were 6 Aero Colours franchises and no company-owned Aero Colours businesses in the United States.

Merlin franchises Merlin 200,000 Miles Shops® which provide automotive repair services specializing in vehicle longevity, including the repair and replacement of automotive exhaust, brake parts, ride and steering control system and tires. Merlin and its predecessors offered franchises from July 1990 to February 2006 under the name "Merlin Muffler and Brake Shops," and have offered franchises under the name "Merlin 200,000 Mile Shops" since February 2006. As of December 26, 2020, there were 27 Merlin franchises and no company-owned Merlin shops located in the United States.

Econo Lube offers franchises that provide oil change services and other automotive services including brakes, but not including exhaust systems. Econo Lube's predecessor began offering franchises in 1980 under the name "Muffler Crafters" and began offering franchises under the name "Econo Lube N' Tune" in 1985. As of December 26, 2020, there were 14 Econo Lube N' Tune franchises and 18 Econo Lube N' Tune franchises co-branded with Meineke centers in the United States, which are predominately in the western part of the United States, including California, Arizona, and Texas, and no company-owned Econo Lube N' Tune locations in the United States.

1-800-Radiator franchises distribution warehouses selling radiators, condensers, air conditioning compressors, fan assemblies and other automotive parts to automotive shops, chain accounts and retail consumers. 1-800-Radiator and its predecessor have offered 1-800-Radiator franchises since 2004. As of December 26, 2020, there were 192 1-800-Radiator franchises in operation in the United States. 1-800-Radiator's affiliate has owned and operated 1-800-Radiator warehouses since 2001 and, as of December 26, 2020, owned and operated 1 1-800-Radiator warehouse in the United States. 1-800-Radiator has not offered franchises in any other line of business.

CARSTAR offers franchises for full-service automobile collision repair facilities providing repair and repainting services for automobiles and trucks that suffered damage in collisions. CARSTAR's business model focuses on insurance-related collision repair work arising out of relationships it has established with insurance company providers. CARSTAR and its affiliates first offered conversion franchises to existing automobile collision repair facilities in August 1989 and began offering franchises for new automobile repair facilities in October 1995. As of December 26, 2020, there were 395 franchised CARSTAR facilities and no company-owned facilities operating in the United States. CARSTAR has not offered franchises in any other line of business.

Take 5 franchises motor vehicle centers that offer quick service, customer-oriented oil changes, lubrication and related motor vehicle services and products. Take 5 commenced offering franchises in March 2017, although the Take 5 concept started in 1984 in Metairie, Louisiana. As of December 26, 2020, there were 64 franchised Take 5 outlets operating in the United States. An affiliate of Take 5 currently operates approximately 483 Take 5 outlets and outlets that operate under other brands, including Havoline Xpress and Fast Track, many of which may be converted to the Take 5 brand and operating platform in the future.

ABRA franchises repair and refinishing centers that offer high quality auto body repair and refinishing and auto glass repair and replacement services at competitive prices. ABRA and its predecessor have offered ABRA franchises since 1987. As of December 26, 2020, there were 57 franchised ABRA repair centers and no company-owned repair centers operating in the United States.

FUSA franchises collision repair shops specializing in auto body repair work and after-collision services. FUSA has offered Fix Auto shop franchises since July 2020, although its predecessors have offered franchise and license arrangements for Fix Auto shops on and off from April 1998 to June 2020. As of December 26, 2020, there were 171 franchised Fix Auto repair shops operating in the United States, 9 of which are operated by FUSA's affiliate pursuant to a franchise agreement with FUSA.

Driven Holdings is also the indirect parent company to the following franchisors that offer franchises in Canada: (1) **Meineke Canada SPV LP** and its predecessors have offered Meineke center franchises in Canada since August 2004; (2) **Maaco Canada SPV LP** and its predecessors have offered Maaco center franchises in Canada since 1983; (3) **1-800-Radiator Canada, Co.** has offered 1-800-Radiator warehouse franchises in Canada since April 2007; (4) **Carstar Canada SPV LP** and its predecessors have offered CARSTAR franchises in Canada since September 2000; (5) **Take 5 Canada SPV LP** and its predecessor have offered Take 5 franchises in Canada since November 2019; (6) **Driven Brands Canada Funding Corporation** and its predecessors have offered UniglassPlus and Uniglass Express franchises in Canada since 1985 and 2015, respectively, Vitro Plus and Vitro Express franchises in Canada since 2002, and Docteur du Pare Brise franchises in Canada since 1998; (7) **Go Glass Franchisor SPV LP** and its predecessors have offered Go! Glass & Accessories franchises since 2006 and Go! Glass franchises since 2017 in Canada; and (8) **Star Auto Glass Franchisor SPV LP** and its predecessors have offered Star Auto Glass franchises in Canada since approximately 2012. These franchisors have not offered franchises in any other line of business.

As of December 26, 2020, there were: (i) 27 franchised Meineke centers and no company-owned Meineke centers in Canada; (ii) 18 franchised Maaco centers and no company-owned Maaco centers in Canada; (iii) 6 1-800-Radiator franchises and no company-owned 1-800-Radiator locations in Canada; (iv) 324 franchised CARSTAR facilities and 2 company-owned CARSTAR facilities in Canada; (v) 32 franchised Take 5 outlets and 8 company-owned Take 5 outlets in Canada; (vi) 12 franchised UniglassPlus businesses, 18 franchised UniglassPlus/Ziebart businesses, and 3 franchised Uniglass Express businesses in Canada, and 4 company-owned UniglassPlus/Ziebart businesses in Canada; (vii) 15 franchised VitroPlus businesses, 57 franchised VitroPlus/Ziebart businesses, and 4 franchised Vitro Express businesses in Canada, and 2 company-owned VitroPlus businesses and 1 company-owned VitroPlus/Ziebart business in Canada; (viii) 48 franchised Docteur du Pare Brise businesses and 2 company-owned Docteur du Pare Brise businesses in Canada; (ix) 11 franchised Go! Glass & Accessories businesses and no franchised Go! Glass businesses in Canada, and no company-owned Go! Glass & Accessories businesses or Go! Glass businesses in Canada; and (x) 8 franchised Star Auto Glass businesses and no company-owned Star Auto Glass businesses in Canada.

ServiceMaster Systems LLC is the direct parent company to 5 franchisors operating in the United States: AmeriSpec SPE LLC ("**AmeriSpec**"), Furniture Medic SPE LLC ("**Furniture Medic**"), Merry Maids SPE LLC ("**Merry Maids**"), ServiceMaster Clean/Restore SPE LLC ("**ServiceMaster**"), and Two Men and a Truck SPE LLC ("**Two Men and a Truck**"). AmeriSpec, Furniture Medic, Merry Maids, and ServiceMaster became Affiliated Programs through an acquisition in December 2020. These 4 franchisors have a principal place of business at 150 Peabody Place, Memphis, Tennessee 38103-3720 and have never offered franchises in any other line of business. Two Men and a Truck became an Affiliated Program through an acquisition on August 3, 2021. Two Men and a Truck has a principal place

of business at 3400 Belle Chase Way, Lansing, Michigan 48911-4251 and has never offered franchises in any other line of business.

AmeriSpec, a Delaware limited liability company, franchises home and commercial inspection businesses under the AmeriSpec® mark. AmeriSpec's predecessor began offering franchises in 1988. As of December 31, 2020, AmeriSpec had 192 franchises in the United States.

Furniture Medic, a Delaware limited liability company, franchises furniture restoration, repair, and refinishing businesses under the Furniture Medic® mark. Furniture Medic's predecessor began offering franchises in August 1992. As of December 31, 2020, Furniture Medic had 237 franchises in the United States.

Merry Maids, a Delaware limited liability company, franchises residential house cleaning businesses under the Merry Maids® mark. Merry Maids' predecessor began business and started offering franchises in 1980. As of December 31, 2020, Merry Maids had 997 franchises and one company-owned location operating 3 businesses in the United States.

ServiceMaster, a Delaware limited liability company, franchises (i) heavy duty and disaster cleaning for homes and businesses under the ServiceMaster Restore® mark, (ii) commercial and residential cleaning businesses under the ServiceMaster Clean® mark, and (iii) recovery management and disaster restoration businesses under the ServiceMaster Recovery Management® mark. ServiceMaster's predecessor began offering franchises in 1952. As of December 31, 2020, ServiceMaster had 3,181 franchises and 9 company-owned locations operating in the United States.

Two Men and a Truck, a Delaware limited liability company, franchises businesses that provide moving services and related products and services, including packing, unpacking, and the sale of boxes and packing materials. Two Men and a Truck's predecessor began offering franchises in February 1989. As of December 31, 2020, Two Men and a Truck had 276 franchises and 3 company-owned locations operating in the United States.

Affiliates of ServiceMaster Systems LLC also offer franchises for operation outside the United States. Specifically, **ServiceMaster of Canada Limited** offers franchises in Canada and **ServiceMaster Limited** offers franchises in Great Britain. In addition, **TMT Franchising Corp.** offers franchises in Canada, pursuant to a Master Franchise Agreement with Two Men and a Truck.

None of the affiliated franchisors are obligated to provide products or services to you; however, you may purchase products or services from these franchisors if you choose to do so.

Except as described above, we have no other parents, predecessors or affiliates that must be included in this Item.

Market and Competition

Your Bakery will offer Products to the general public throughout the year and compete with traditional bakeries, dessert bakeries, caterers and gift businesses. The market for cakes is well developed and competitive. You will serve the general public and will compete with a variety of businesses, from locally owned bakeries to national and chain businesses.

Industry Regulations

You must comply with all local, state, and federal laws that apply to your Bakery's operations, including health, food handling, sanitation, nutrition, calorie content and other federal, state and local regulations that apply to the restaurant industry generally. You will also be subject to laws or regulations that are not specific to the restaurant industry, but applicable to businesses in general, including zoning laws, labor and employment laws and the Fair Labor Standards Act, workers' compensation laws, business licensing laws, tax regulations, the Americans with Disabilities Act, the Affordable Care Act, anti-terrorism and anti-corruption laws (such as the Patriot Act and the Foreign Corrupt Practices Act), and data protection and privacy laws (such as credit card protection under the U.S. Fair and Accurate Credit Transactions Act, or "FACTA"). If applicable to your Bakery, the Americans with Disability Act requires readily accessible accommodation for disabled persons and therefore may affect your building construction, site elements, entrance ramps, doors, bathrooms, drinking facilities, etc. You must obtain any applicable real estate permits (*e.g.*, zoning), real estate licenses, and operational licenses. You should consult with your attorney concerning those and other local laws and ordinances that may affect the operation of your Bakery. You should investigate these laws that may apply to the restaurant industry and to all businesses in general.

ITEM 2 **BUSINESS EXPERIENCE**

Chief Executive Officer: Kyle Smith

Mr. Smith has served as our Chief Executive Officer since our formation on June 14, 2021. He has also served as Chief Executive Officer of NBC since December 2017. From September 2014 until November 2017, he served as NBC's President. Mr. Smith serves in his present capacities in Addison, Texas.

Chief Financial Officer: Vance Fisher

Mr. Fisher has served as our Chief Financial Officer since our formation on June 14, 2021. He has also served as Chief Financial Officer of NBC since August 2019. From February 2018 until July 2019, he served as Chief Financial Officer for Dunn's River Brands Group of Frisco, Texas. From January 2016 until February 2018, he served as Chief Financial Officer Partner for Tatum Consulting of Dallas, Texas. Mr. Fisher serves in his present capacities in Addison, Texas.

Chief Development Officer of NBC: Chris Bremer

Mr. Bremer has served as NBC's Chief Development Officer since December 2017. From May 2006 until December 2017, he served as Vice President Global/Domestic Franchise Development for Brinker International located in Dallas, Texas. Mr. Bremer serves in his present capacities in Addison, Texas.

Chief Operating Officer of NBC: Julie Klinger

Ms. Klinger has served as NBC's Chief Operating Officer since December 2020. From December 2019 to October 2020, she was the President of J. Klinger Advisory Services, LLC of Winter Garden, Florida. From May 2017 until April 2019, she served as the Regional Vice President of Operations and Vice President Human Resources for Darden Concepts, Inc. of Orlando, Florida. From

October 2010 until May 2017, she served as Vice President of Operations for Brinker International (Chili's Bar & Grill) of Dallas, Texas. Ms. Klinger serves in her present capacities in Addison, Texas.

Chief Marketing Officer of NBC: Angie Eckelkamp

Mrs. Eckelkamp has served as NBC's Chief Marketing Officer since August 2021. From July 2018 to August 2021, Ms. Eckelkamp served as our Vice President of Marketing. From November 2016 to July 2018, Ms. Eckelkamp was NBC's Director of Marketing. From June 2016 to November 2016, she served as Director of Marketing for Bar Louie Restaurants of Addison, Texas. Ms. Eckelkamp serves in her present capacities in Addison, Texas.

Chief Technology Officer: Nachiket Desai

Mr. Desai has served as our Chief Technology Officer since August 2021. From May 2014 until July 2021, he served as VP of Application, BI and UX for Oriental Trading Company (a Berkshire Hathaway Company). Mr. Desai serves in his present capacities in Addison, Texas.

Director of Franchise Sales of NBC: Jennifer Churchill

Ms. Churchill has served as NBC's Director of Franchise Sales since March 2020. From May 2016 until March 2020, she served as Franchise Recruiting & Brand Standards Senior Associate for YUM Brands, Pizza Hut LLC located in Plano, Texas. Ms. Churchill serves in her present capacities in Addison, Texas.

ITEM 3
LITIGATION

Our Disclosures

In the Matter of Nothing Bundt Franchising, LLC, Securities Commissioner of Maryland; Case No. 2021-0013. On March 4, 2021, NBC entered into a consent order with the Maryland Securities Commissioner on account of an October 2020 franchise sale in Maryland when NBC was not effectively registered to sell franchises. In resolving the matter, NBC agreed to offer the franchisee the right to rescind its franchise agreement and to immediately and permanently cease and desist from the offer or sale of franchises in violation of the Maryland Franchise law.

Disclosures Regarding Affiliated Programs

The following affiliates who offer franchises resolved actions brought against them with settlements that involved their becoming subject to currently effective injunctive or restrictive orders or decrees. None of these actions have any impact on us or our brand nor allege any unlawful conduct by us.

The People of the State of California v. Arby's Restaurant Group, Inc. (California Superior Court, Los Angeles County, Case No. 19STCV09397, filed March 19, 2019). On March 11, 2019, our affiliate, Arby's Restaurant Group, Inc. ("**ARG**"), entered into a settlement agreement with the states of California, Illinois, Iowa, Maryland, Massachusetts, Minnesota, New Jersey, New York, North Carolina, Oregon and Pennsylvania. The Attorneys General in these states sought information from ARG on its use of franchise agreement provisions prohibiting the franchisor and franchisees from soliciting or employing each other's employees. The states alleged that the use of these provisions violated the states' antitrust, unfair

competition, unfair or deceptive acts or practices, consumer protection and other state laws. ARG expressly denies these conclusions but decided to enter into the settlement agreement to avoid litigation with the states. Under the settlement agreement ARG paid no money but agreed (a) to remove the disputed provision from its franchise agreements (which it had already done); (b) not to enforce the disputed provision in existing agreements or to intervene in any action by the Attorneys General if a franchisee seeks to enforce the provision; (c) to seek amendments of the existing franchise agreements in the applicable states to remove the disputed provision from the agreements; and (d) to post a notice and ask franchisees to post a notice to employees about the disputed provision. The applicable states instituted actions in their courts to enforce the settlement agreement through Final Judgments and Orders, Assurances of Discontinuance, Assurances of Voluntary Compliance, and similar methods.

The People of the State of California v. Dunkin' Brands, Inc., (California Superior Court, Los Angeles County, Case No. E25636618, filed on March 19, 2019.) On March 14, 2019, our affiliate, Dunkin Brands, Inc. (“DBI”), entered into a settlement agreement with the Attorneys General of 13 states and jurisdictions concerning the inclusion of “no-poaching” provisions in Dunkin’ restaurant franchise agreements. The settling states and jurisdictions included California, Illinois, Iowa, Maryland, Massachusetts, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, Vermont, and the District of Columbia. A small number of franchise agreements in the Dunkin’ system prohibit Dunkin’ franchisees from hiring the employees of other Dunkin’ franchisees and/or DBI’s employees. A larger number of franchise agreements in the Dunkin’ system contain a no-poaching provision that prevents Dunkin’ franchisees and DBI from hiring each other’s employees. Under the terms of the settlement, DBI agreed not to enforce either version of the no-poaching provision or assist Dunkin’s franchisees in enforcing that provision. In addition, DBI agreed to seek the amendment of 128 franchise agreements that contain a no-poaching provision that bars a franchisee from hiring the employees of another Dunkin’ franchisee. The effect of the amendment would be to remove the no-poaching provision. DBI expressly denied in the settlement agreement that it had engaged in any conduct that had violated state or federal law and, furthermore, that the settlement agreement should not be construed as an admission of law, fact, liability, misconduct, or wrongdoing on the part of DBI. The Attorney General of the State of California filed the above-reference lawsuit in order to place the settlement agreement in the public record, and the action was closed after the court approved the parties’ stipulation of judgment.

New York v. Dunkin' Brands, Inc. (N.Y. Supreme Court for New York County, Case No. 451787/2019, filed September 26, 2019). In this matter, the N.Y. Attorney General (“NYAG”) filed a lawsuit against our affiliate, DBI, related to credential-stuffing cyberattacks during 2015 and 2018. The NYAG alleged that the cyber attackers used individuals’ credentials obtained from elsewhere on the Internet to gain access to certain information for DD Perks customers and others who had registered a Dunkin’ gift card. The NYAG further alleged that DBI failed to adequately notify customers and to adequately investigate and disclose the security breaches, which the NYAG alleged violated the New York laws concerning data privacy as well as unfair trade practices. On September 21, 2020, without admitting or denying the NYAG’s allegations, DBI and the NYAG entered into a consent agreement to resolve the State’s complaint. Under consent order, DBI agreed to pay \$650,000 in penalties and costs, issue certain notices and other types of communications to New York customers, and maintain a comprehensive information security program through September 2026, including precautions and response measures for credential-stuffing attacks.

Except for the matters above, 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

Franchise Agreement

You must pay us an initial franchise fee of \$35,000 when you sign a Franchise Agreement (the “**Franchise Fee**”). The Franchise Fee is payable in full and deemed fully earned and non-refundable upon payment. Except as provided in this Item, the Franchise Fee is uniform to all franchisees in our System. We do not offer financing for the Franchise Fee.

Additional Locations for Existing Franchisees

If you are an existing franchise owner and wish to acquire a franchise for another territory, and if you are qualified to purchase an additional franchise, we will reduce the Franchise Fee to \$30,000, which is payable in full upon executing an additional franchise agreement and deemed fully earned and non-refundable upon payment.

Area Development Agreement

In addition to our single-unit offering, we grant qualified individuals the right to own and operate multiple Bakeries in a designated territory through an “Area Development Agreement”. The area development fee (the “**Area Development Fee**”) is \$35,000 for your first Bakery, plus \$30,000 for each additional Bakery developed under the Area Development Agreement. The Area Development Fee is payable to us in the following manner: \$35,000 for your first Bakery, plus \$15,000 for each additional upon the execution of the Area Development Agreement. The remaining \$15,000 for each additional bakery is payable when you sign a franchise agreement for an additional bakery. We will not charge an initial franchise fee for Bakeries developed under the Area Development Agreement.

If you are an existing franchise owner and wish to enter into an Area Development Agreement for multiple Bakeries in a designated territory, the Area Development Fee is reduced to \$30,000 for the first and each additional Bakery developed under the Area Development Agreement. The Area Development Fee is payable to us in the following manner: \$30,000 for your first Bakery, plus \$15,000 for each additional Bakery to be developed upon the execution of the Area Development Agreement. The remaining \$15,000 for each additional bakery is payable when you sign a franchise agreement for an additional bakery.

Initial Purchases

You must purchase certain items from NBC Distribution before your Bakery opens for business, including cake design accessories, dry cake mixes and other ingredients, smallwares and other supplies that are distributed through NBC Distribution. We estimate the cost of these items to be approximately \$16,034. This amount is not refundable.

In addition, you must pay to us the sum of \$5,000 to be spent by us for your grand opening advertising program campaign (the “**Opening Advertising Program**”). This \$5,000 is the minimum

amount to be spent for your grand opening, and you may spend more if you wish. This amount is payable to us upon signing a Franchise Agreement. We may require you to spend up to an additional \$2,000 for your Opening Advertising Program.

Extension Fees

Franchise Agreement

Under Section 4.1 of the Franchise Agreement, you are required to purchase or lease an approved location for the Bakery meeting our standards and specifications (the “**Approved Location**”) within 90 days of the Effective Date of the Franchise Agreement. In the event you do not meet the 90-day site selection deadline as required by Section 4.1 of the Franchise Agreement, we will charge you a fee of \$3,500 on the 90th day via an electronic funds transfer. In the event you open your Bakery within 270 days of the Effective Date of the Franchise Agreement, we will refund the \$3,500 fee. We have the right to terminate your Franchise Agreement if you fail to pay or if we are otherwise unable to process the \$3,500 payment.

Under Section 4.3 of the Franchise Agreement, you must conform the Approved Location to our standards and specifications for the appearance, layout, and design of a Bakery, and fully equip and supply the Bakery pursuant to our standards and specifications and be prepared to open for business within 270 days after the Effective Date of the Franchise Agreement. Provided that you have signed a lease for the Bakery within 270 days of the execution of the Franchise Agreement, we will, upon your written request which is due to us within 30 days of the expiration of the 270-day period, provide you with a single 90-day extension, provided you pay us a non-refundable fee of \$3,500 at the time of your request. We have the right to terminate the Franchise Agreement if you fail to provide us with written request of your desire to obtain an extension or otherwise fail to pay the fee, or if we are unable to withdraw the funds from your bank account via electronic funds transfer.

In the event that you have not signed a lease for the Approved Location within 270 days of the Effective Date of the Franchise Agreement, we will, upon your written request due to us within 30 days of the expiration of the 270-day period, offer you a one-time, 180-day extension to secure and conform an Approved Location to our standards and specifications for the appearance, layout, and design of a Bakery, provided you pay us a non-refundable extension fee of \$10,000 at the time of your request.

If you fail to secure a site meeting our standards and specifications or complete the buildout of the Approved Location within these time frames, including any extension period, we will terminate the Franchise Agreement without refund of any fees to you.

Area Development Agreement

During the term of the Area Development Agreement you may request up to two extensions of 90 days in which to execute an Additional Franchise Agreement under the Mandatory Development Schedule (an “**Extension**”). In order to receive an Extension, you must request the Extension in writing no later than 60 days prior to the expiration of the deadline to execute an Additional Franchise Agreement for an additional Bakery and pay us an extension fee of \$10,000. An extension of time in which to execute an Additional Franchise Agreement under the Mandatory Development Schedule will not affect your deadlines for signing Additional Franchise Agreement for any additional Bakeries to be developed under the Area Development Agreement or extend the term of the Area Development Agreement.

Except as otherwise provided for, all fees stated in this Item 5 are fully earned and non-refundable upon payment.

ITEM 6
OTHER FEES

A. Franchise Agreement

Type of Fee	Amount	Due Date	Remarks
Royalty	5% of Bakery's weekly Net Revenues	Due on Tuesday of each week on Net Revenues during previous week ending Sunday	"Net Revenues" mean all of your revenue from operating your Bakery, including delivery, shipping, and E-Commerce Revenues and revenues made from sales to National Accounts (See Item 11), but excluding taxes collected from Guests and paid to taxing authorities and reduced by amount of any documented refunds, credits, allowances, and charge-backs made by the Bakery in accordance with our standards and specifications. All royalty payments must be made by EFT. (See Note 2)
Marketing Production Fund (the "Fund")	1% of Bakery's weekly Net Revenues	Due on Tuesday of each week on Net Revenues during previous week ending Sunday	See Item 11 for a detailed discussion of the Fund. Contributions to the Marketing Production Fund (the "Marketing Fee") must be paid by EFT.
Local Advertising Fee	3% of Bakery's weekly Net Revenues	Due on Tuesday of each week on Net Revenues during previous week ending Sunday	See Item 11 for a detailed discussion of the Local Advertising Fee. The Local Advertising Fee must be paid by EFT.
Local Cooperative Fund	If we designate a Cooperative Fund for your Territory, you must participate in the Cooperative Fund, and your contributions will be credited towards your Local Advertising Fee payment	Must be spent monthly	If we designate a local cooperative fund ("Cooperative") for your Territory, you must participate and your contributions to the Cooperative will be credited towards the Local Advertising Fee.

Type of Fee	Amount	Due Date	Remarks
Training for Additional or Replacement Operators	\$2,500 per person, plus expenses	Beginning of training	We provide initial training for two people at no additional cost (see Item 11). You must pay this amount for any additional or replacement Operator that you hire. You must also pay all expenses your trainee incurs, including travel, lodging, meals and applicable wages. You must at all times have a full-time Operator certified by us to operate the Bakery.
Additional Training or Assistance during Franchise Term	Our then-current fee, currently \$300 per trainer per day plus expenses for training at our location; \$500 per day plus expenses for training in your Territory	When training or assistance begins	A day is 8 hours of work at the location. Travel time is billed separately on an hourly basis.
Renewal	50% of our then-current Initial Franchise Fee	Upon request for renewal of your franchise	
Transfer in the event of a sale of the Bakery	\$5,000 transfer fee, plus \$5,000 for transfer opening advertising campaign, plus any broker fees or commissions we incur.	Upon request for transfer	You must obtain our approval in connection with any transfer of the Bakery.
Transfer of the ownership interests of franchisee	\$3,500, plus any broker fees or commissions we incur	Upon request for transfer	In the event that you are a corporation, limited liability company or partnership, you must obtain our approval in connection with any transfer of your ownership interests.
Guest Experience Monitor (“GEM”)	Our then-current fee, currently \$462 annually	When billed	Payable by electronic funds transfer as a reimbursement to us. We presently do not charge or collect the GEM fee, however, is subject to change at any time.

Type of Fee	Amount	Due Date	Remarks
Operational Evaluation Fee	Our then-current per diem fee, plus reimbursement of our costs and expenses for subsequent visits. Current per diem fee is \$300	On demand	If a serious Guest infraction or mystery shopper program infraction is reported, we have the right to visit your Bakery immediately and take any steps necessary to correct an infraction. You must pay us a per diem fee for each representative we send to your Bakery, and you must reimburse us all expenses incurred by our representative(s), including any costs related to corrective measures we require or make.
Prohibited Product or Service Fee	\$250 per day of use of unauthorized products or services	If incurred	This is in addition to other remedies available to us. You must cure your default immediately upon our verbal or written notification to you. Once you have been notified, if the prohibited item is again placed in the Bakery, the fee will be applied.
Insurance	Reimbursement of our costs, plus an 18% Administrative Fee	If incurred	If you do not maintain the required insurance coverages, we have the right (but not the obligation) to obtain insurance on your behalf.
Product Purchases from NBC Distribution	Will vary under the circumstances	As incurred	If an EFT is rejected due to insufficient funds, orders may be stopped until amounts are paid in full, or you may be put on COD. Subject to late fees and an NSF charge pursuant to the Franchise Agreement.
Product and Supplier Testing	Costs of Testing	When billed	This covers the costs of testing new products or inspecting new suppliers you propose.
Annual Conference	Will vary based on our costs of establishing and running the conference	As incurred	We may charge you a reasonable fee to attend an annual franchisee convention (besides your travel and living expenses); the fee will depend on our costs of establishing and running the conference.
POS System Ongoing Fees for support and software	The then-current fee, presently \$3,348 for 12 months of service	Annually	You must pay our designated vendor a fee for POS System support and software updates. The fee is subject to change.

Type of Fee	Amount	Due Date	Remarks
Online Ordering	Currently \$99 per month, excluding any third-party charges such as credit card processing, Google Maps, etc.	Monthly	You must pay a monthly fee to participate in the E-Commerce Program, excluding any third-party charges such as credit card processing, Google Maps, etc. The E-Commerce fees are subject to increases in our or our vendor's sole discretion. The E-Commerce Program Fee must be paid by EFT.
Remodeling of Bakery	Costs of remodeling and/or redecorating your Bakery to meet our then-current System Standards, which will be no more than \$25,000/year unless remodeling is related to renewal of your Franchise Agreement	As incurred	We may require you to remodel and/or redecorate your Bakery upon written notice. We will not require any expenditures in any year greater than \$25,000, except if the expenditure is related to renewal of your Franchise Agreement.
Wholesale Account Approval Fee	\$1,500 plus our costs of inspection and expenses including travel costs and per diem	As incurred	The Franchise Agreement does not grant you the right to engage in wholesale distribution. After your first 6 months of operation, we may, at our sole discretion, allow you to distribute products to wholesalers or retailers in your area if you are compliant with the terms of your Franchise Agreement. We must approve the wholesaler and may designate the wholesaler as a National Account if the wholesaler operates multiple locations within and outside of your Territory.

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Type of Fee	Amount	Due Date	Remarks
Insufficient Funds, Interest, Late Fees, Collection Costs, and Default	\$50 for each late payment, plus 18% interest or the highest lawful commercial interest rate; and the cost of any audit if you understate fees by more than 2%; and \$500 per diem plus expenses if we step in to operate your Bakery upon default or if you are unable to meet your scheduled opening date and we need to reschedule opening assistance	When billed	We will attempt an EFT draft every day until all amounts owed to us are paid in full. Late fees are doubled every 30 days' subject to the maximum legal amount. You must pay for our attorneys' fees in enforcing our rights. If we conduct an audit of your books and records, you must pay for the cost of the audit if it reveals you have understated payments due to us by more than 2%.
Liquidated Damages	See Note 4	See Note 4	
Indemnification	Will vary under circumstances	As incurred	You must indemnify us for certain claims or actions arising out of your operation of the Bakery and misuse of our Marks and System.
Site Evaluation	\$500, plus our travel, meal, and lodging expenses	On demand	We will provide one site evaluation at no cost, but if you request or if we need to do additional site evaluations, you must pay us a per diem rate for our representative and reimburse our expenses, including travel, lodging and meals.
Fee for Unauthorized Sales	If you make sales in another franchisee's territory, you must remit 100% of Net Revenues from the sale to the franchisee that owns the territory and make a contribution of \$500 per incident to the Fund.	On demand	Franchisees are prohibited from offering and selling Products within other franchisee's territories. We also have the right to terminate the franchise agreement if you violate another franchisee's territorial rights.
Real Estate Review and Coordination Expenses	\$3,000	On demand	We reserve the right to require you to pay us or our designated suppliers a fee of \$3,000, which will cover our costs associated with site selection and non-legal lease review.

Type of Fee	Amount	Due Date	Remarks
Audit Fee	Cost of audit, plus expenses incurred in connection with the audit (including travel, lodging and wage expenses, and reasonable accounting and legal costs).	When billed	Payable only if we determine, after an audit, that you have understated Net Revenues or the fees due under the Franchise Agreement in any statement or report of more than 2%.
Financial Accounting Fee	\$100	Annually	This covers the cost of the financial reporting site for the System. We presently do not charge or collect the Financial Accounting fee, however, is subject to change at any time.
Master Architect Program Fee	\$500	On demand	If you choose to use an architect outside of our approved vendor list, we may require that our designated architect conduct a final plan review prior to receiving corporate approval. You must pay our designated architect a fee for the final plan review. Should there be any revisions required by our prototype architect, you will be responsible for the costs associated with all plan revisions. You must receive written approval on the final plans from a corporate representative prior to starting construction.
Refrigeration Monitoring Fee	The then-current fee, with an activation fee presently ranging between \$500 - \$600, plus a monthly fee between \$20 - \$40.	Monthly	You must pay our designated vendor the activation fee plus the monthly fee for Refrigeration Monitoring services. We reserve the right to require that the fee be paid directly to us or an affiliate. Such fee is subject to change at any time.
Monthly Music Fee	The then-current fee, presently \$20 per month. Additionally, there is a \$12.00 per month fee for media player lease	Monthly	You must pay our designated vendor a monthly fee for the Bakery's music service. The fee is subject to change.
Digital Menu Board Service	The then-current fee, presently \$35 per month	Monthly	You must pay our designated vendor a monthly service fee for the Bakery's digital menu board.
VoIP Phone Service	The then-current fee, presently \$100 per month, plus any applicable taxes	Monthly	You must pay our designated vendor a monthly service fee for the Bakery's phone equipment and service. The fee is subject to change.

Type of Fee	Amount	Due Date	Remarks
Technology Services Fee	Then current fee, will vary under circumstances	Monthly	You will be required to pay us a monthly service fee to cover the increasing cost of supplying technology solutions to the network and/or to fund the continued development of new and innovative features for the System support site(s). We presently do not charge or collect the Technology Services Fee; however, we reserve the right to do so in the future. Such fees are subject to change at any time.
Failure to Maintain Insurance Fee	Premium plus 18% of the cost of insurance.	As incurred	If you fail to comply with our minimum insurance requirements set forth herein, we have the right to obtain such insurance and keep the same in force and effect, and you must pay us, on demand, the premium cost thereof and an administrative fee equal to 18% of the cost of insurance.

1. Except for the product and service purchases described in Item 8 and as otherwise noted in this Item 6, all fees are uniformly imposed and collected by and payable to us and are non-refundable.

2. You shall input all sales only into the Bakery’s POS System and supply us with all Net Revenues data that we specified in the Franchise Agreement and in our Operations Manuals or as we direct from time to time for the purpose of calculating the weekly Royalty. Each week begins on Monday and ends on Sunday. All Net Revenues data, which is electronically provided to us on a weekly basis through the Bakery’s POS System, shall be certified to be true and correct by you. We shall review the Net Revenues data you provide to us and shall deduct the required Royalty and advertising fees due to us under the Franchise Agreement. Presently, these amounts are collected on Tuesday of each week via an electronic funds transfer program (the “**EFT Program**”) under which we automatically deduct such amounts from your bank account. To make arrangements for EFT, you must sign our current form of Electronic Funds Withdrawal Authorization, which is Exhibit 3 to the Franchise Agreement. You must designate a bank account for use in connection with your Bakery and deposit all Net Revenues into the designated bank account. If we are unable to collect the Net Revenue data through the Bakery’s POS System, we will process an EFT for the subject week in an amount equal to the 9% of the weekly Net Revenues for the previous week based on your point of sales system’s records, which represents Royalties and advertising fees due under the Franchise Agreement, as well as any late fee and interest on past-due amounts as provided for herein. We reserve the right to require you to pay any fees due under the Franchise Agreement by such other means and at such periods as we may specify from time to time, including any payment made to our affiliates.

3. If we terminate your Franchise Agreement for cause, you must pay us, within 15 days after the effective date of termination, liquidated damages equal to the product of (a) the average Royalties that you were obligated to pay us on the Bakery’s Net Revenues for each 4-week period during the 12 months of operation preceding the effective date of termination multiplied by (b) the number of weeks remaining of the term of the Franchise Agreement or 26 (the number of 4-week periods during 2 full years), whichever is higher. Liquidated damages will not exceed \$100,000.

The liquidated damages provision above covers only our damages from the loss of cash flow from lost Royalty payments. It does not cover any other damages to which we might be entitled as a result of your actions or inaction, including damages to our Marks, Confidential Information, reputation with the public and landlords and damages arising from a violation of any provision of the Franchise Agreement other than the Royalty Fee section. 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 the Franchise Agreement other than the Royalty section.

B. AREA DEVELOPMENT AGREEMENT

Type of Fee ⁽¹⁾	Amount	Due Date	Remarks
Transfer Fee	\$5,000	Upon submitting a request for transfer	See Note 2
Indemnification	Amount of claim or judgment	When incurred	You must indemnify us for any claims arising from or related to your Area Development Business. See Note 3
Post-Termination and Post-Expiration Expenses	Costs and expenses associated with ceasing operations and de-identification of the Area Development Business	Upon termination or expiration of the Area Development Agreement	See Note 4

1. Except as otherwise described in this Item, all of the fees listed in Table 6(B) above are uniformly imposed by and payable to us or our affiliates and are non-refundable.

2. If you wish to transfer an interest in the Area Development Agreement, you must pay a Transfer Fee of \$5,000, plus any brokerage commissions we incur in connection with a transfer. To the extent you signed Franchise Agreements for Bakeries in your development area, any transfers of individual Bakeries in the Development Area will be governed by the terms of the franchise agreements for those Bakeries. We do not charge a transfer fee if you transfer your interest in the Area Development Agreement to a wholly owned corporation or limited liability company formed by you solely for the purpose of operating the Area Development business.

3. You and your principals agree to indemnify, defend and hold us, our affiliates, and our respective shareholders, directors, officers, employees, agents, successors and assignees (“**Indemnitees**”) harmless against and reimburse the Indemnitees for all claims, obligations, liabilities and damages, including any and all taxes, directly or indirectly arising out of, in whole or in part from your operation of the Area Development Business, and must reimburse us for all costs incurred in the defense of any action, including attorneys’, attorney assistants’ and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether or not such claims exceed the amount of insurance coverage available through you to us. We have the right to defend any claim against us in the manner as we deem appropriate or desirable, in our sole discretion. Undertaking our own defense does not, in any manner or form, diminish your and each of your principals’ obligation to indemnify the Indemnitees and to hold them harmless. The indemnity will continue in full force and

effect subsequent to and notwithstanding the expiration or termination of the Area Development Agreement.

4. Upon termination, expiration, non-renewal, and/or transfer of the Area Development Agreement, you are responsible for the costs associated with de-identifying yourself and any Bakeries you operate under the Area Development Agreement (to the extent they are terminated) from the System. You must also comply with your post-term covenants against competition discussed in Item 17.

ITEM 7
ESTIMATED INITIAL INVESTMENT

A. YOUR ESTIMATED INITIAL INVESTMENT UNDER THE FRANCHISE AGREEMENT

Type of Expenditure	Amount	When Due	Method of Payment	To Whom Payment is to be Made
Initial Franchise Fee ⁽¹⁾	\$35,000	Upon signing Franchise Agreement	Lump Sum	Us
Extension Fee ⁽¹⁾	\$0 to \$10,000	As Incurred	Lump Sum	Us
Rent and Security Deposit ⁽²⁾	\$6,500 to \$8,500	As Incurred	As Agreed	Landlord; Utility Companies
Bakery Improvements ⁽³⁾	\$155,000 to \$240,000	As Incurred	As Agreed	Outside Suppliers
Architect – Design ⁽⁴⁾	\$9,800 to \$12,500	As Incurred	As Agreed	Designated or Approved Suppliers
Fixtures and Equipment – Front of Bakery ⁽⁵⁾	\$30,000 to \$40,000	As Incurred	As Agreed	Designated or Approved Suppliers
Fixtures and Equipment – Back of Bakery ⁽⁶⁾	\$110,000 to \$125,000	As Incurred	As Agreed	Designated or Approved Suppliers
Exterior Signage ⁽⁷⁾	\$8,000 to \$12,000	As Incurred	As Agreed	Designated or Approved Suppliers
Initial Inventory ⁽⁸⁾	\$20,100 to \$23,800	As Incurred	ACH Upon Shipment of Product or As Agreed	NBC Distribution and Approved Suppliers
Point of Sale System ⁽⁹⁾	\$6,000 to \$11,300	As Incurred	As Agreed	Designated or Approved Suppliers

Type of Expenditure	Amount	When Due	Method of Payment	To Whom Payment is to be Made
Insurance ⁽¹⁰⁾	\$2,800 to \$5,500	As Incurred	As Incurred	Insurance Company
Business License and Permits ⁽¹¹⁾	\$1,500 to \$4,500	As Incurred	As Incurred	Government Agencies
Professional Fees ⁽¹²⁾	\$3,900 to \$11,200	As Incurred	As Agreed	Attorney, Accountant
Opening Advertising Program ⁽¹³⁾	\$5,000 to \$7,000	As Incurred	As Incurred	Us
Training Expenses ⁽¹⁴⁾	\$4,000 to \$7,000	As Incurred	As Incurred	Third Parties
Delivery Vehicle-Monthly lease or loan payment ⁽¹⁵⁾	\$13,200 to \$33,200	As Incurred	As Incurred	Third party vendors
Additional Funds-3 months ⁽¹⁶⁾	\$30,000 to \$50,000	As Incurred	As Incurred	Employees and Suppliers
TOTAL ESTIMATED INITIAL INVESTMENT (including lease costs but not real estate purchase costs) ⁽¹⁷⁾	\$440,800 to \$636,500			

Unless otherwise noted, all amounts listed in the tables above are non-refundable. We do not finance any portion of your initial investment.

Explanatory Notes

1. Initial Franchise Fee; Extension Fee. We describe the initial franchise fee and the extension fees in Item 5.

2. Rent and Security Deposit. Each Bakery location will occupy approximately 2,000 square feet of space. Your rent will depend on geographic location, the Bakery's size, local rental rates, businesses in the area, site profile and desirability, and other factors. Bakery locations for Nothing Bundt Cakes Bakeries typically are on busy retail streets, in strip shopping centers, and other venues in retail, commercial and suburban areas. The location should have adequate facilities to bake, store, and prepare your products and their ingredients and to service your walk-in Guests. The location should be visible, accessible to prospective Guests, and conveniently located to make deliveries in your Territory. The amounts listed above reflect one month's rent and a security deposit, which typically equals one month's rent. Depending on your local jurisdiction, water tap, sewer tap and other similar fees may be required. These fees are not included in our estimate and you should determine if you will have to pay these fees,

and the amount of such fees, before you purchase the franchise. The leasehold improvement ranges will be affected by various factors, such as the location of the Bakery and local market conditions. Your actual costs may or may not include site preparation, demising walls, and utility extensions, depending on the arrangements you negotiate with your landlord. The estimates assume that the landlord will provide connections to adequate electrical, gas, water and sewage service. Some landlords are willing to contribute toward the cost of finish-out, which reduces the overall leasehold improvements costs.

3. Bakery Improvements. Bakery improvement costs, including a modified, above-ground grease trap, electrical, carpentry, and similar work, and contractor's fees, depend on: the Bakery's condition, location, and size; the demand for the site among prospective lessees; the site's previous use; the build-out required to conform the site for your Bakery; and any construction or other allowances the landlord grants. The lower figure assumes that the landlord bears many of the costs of Bakery improvements (even though it then might amortize those costs in your monthly rent). You may not act as your own general contractor but must use a licensed, bonded contractor with food/restaurant build-out experience. Also, if these costs may be negotiated, you may further reduce your costs.

4. Architect Design. You must use an approved architect. Included in these costs are a design site visit, code research and space layout review (front and back of the Bakery) and construction drawings.

5. Fixtures and Equipment – Front of Bakery. This includes interior signage such as promotional/seasonal advertising packages, wall hangings/pictures, point of purchase signage and digital menu board. Also included are lighting, phone system, furnishings, millwork and woodwork, music system, tax, shipping and opening print materials orders. You must have shredder capabilities.

6. Fixtures and Equipment – Back of Bakery. This includes all large kitchen equipment, kitchen small wares, office supplies, the office equipment and crafting computer, and a copier. Any used equipment you wish to purchase must be approved by us.

7. Exterior Signage. This cost is for one (1) exterior Nothing Bundt Cakes approved sign. The variance is the size of the sign and other required materials. This number does not include awnings. We will provide you with a list of approved sign manufacturers, suppliers and distributors that comply with our brand specifications.

8. Initial Inventory. This estimated amount includes cake design accessories, dry cake mix ingredients, smallwares and other supplies that are distributed through our affiliate, NBC Distribution. Our estimate also includes the initial cost of your food order from local suppliers for flavorings, packaging, miscellaneous bakery list items, and linen.

9. POS System. This includes the point-of-sale system (the “POS System”) with the recommended 3 point of sale stations and all associated cables, monitors, printers, and security router, excluding taxes.

10. Insurance. These amounts reflect potential monthly costs. You must obtain and maintain certain types and amounts of insurance. (See Item 8.) Insurance costs depend on policy limits, types of policies, nature and value of physical assets, gross revenue, and number of employees, square footage, location, business contents, and other factors bearing on risk exposure. Insurance costs may be substantially higher in areas of the country subject to natural disasters, like hurricanes. We recommend that you check on insurance rates in your area before you sign the lease for your Bakery.

11. Business License and Permits. These are general estimates for permits and licensing that may be required by local and state governments. Local, municipal, county and state regulations vary on the licenses and permits you will need to operate a Nothing Bundt Cakes Bakery. You will pay these fees to governmental authorities before starting business.

12. Professional Fees. The estimate assumes that you will employ an attorney to help you negotiate your lease for the Bakery premises. In addition, you may choose to employ an attorney, accountant, and other consultants to help you evaluate our franchise offering and your establishment of a new business, and in obtaining all required permits and licenses to establish and operate the Bakery. In addition, you may also form a corporation or other entity to operate the business. Your actual costs may vary substantially, for example, depending on the degree to which you rely upon your advisors and upon the licensing requirements that may apply to your Bakery.

13. Opening Advertising Program. You must pay to us \$5,000 when you execute a franchise agreement and we will spend this amount on an opening advertising program for initial marketing, advertising and promotions in your Territory. Your grand opening must be held within 30 to 45 days after your Bakery opens. The minimum amount to be spent for your Opening Advertising Program will be \$5,000, but you may be required to spend up to \$7,000. This estimate does not cover the cost of samples purchased from other Bakeries to promote the opening of your Bakery.

14. Training Expenses. You will incur expenses associated with our training program. For this training program, we provide instructors and instructional materials at no charge for up to two people, but you must pay for transportation, lodging, food and wages (if you send any employees) for your trainees. The low estimate assumes that the trainees are within driving distance to the training location and don't require a wage. The high estimate assumes that other travel will be needed, and includes travel expenses, although these may vary significantly depending upon factors such as the distance traveled and mode of transportation. Your costs will also vary depending on the nature and style of accommodations, and the number of persons who will attend training. (See Item 11 under the heading "Training" for additional details regarding the program.)

15. Delivery Vehicle. You must buy or lease an approved delivery vehicle and decorate it with our designated vehicle wrap. The range listed above includes an estimated total purchase of the vehicle ranging from \$10,000 to \$30,000 depending on which type of vehicle you choose, plus a full vehicle wrap costing approximately \$3,200. Third party financing is available. Additionally, we offer a partial wrap option which costs between \$1,850 and \$2,200. You may use your existing vehicle if it meets our standards for Bakery deliveries, in which event you will only need to purchase a full or partial vehicle wrap.

16. Additional Funds. This item estimates working capital needed to supplement your first 3 months of operation (other than the items identified separately in the table). This estimate includes the monthly cost of in-store music, POS System ongoing fees, and some system maintenance costs. These expenses include payroll costs but not any draw or salary for you. These figures are estimates, and we cannot guarantee that you will not have additional expenses starting the Bakery. Your costs depend on: whether you follow our methods and procedures; your management skill, experience, and business acumen; local economic conditions; the local market for your products and services; the prevailing wage rate; competition; and the sales level reached during the initial period.

17. Total Estimated Initial Investment. We relied on the experience of NBC, the former franchisor of Nothing Bundt Cakes franchises, in offering and selling franchises since 2006, as well as our experience since becoming the franchisor in July 2021, in developing these estimates and information

provided to us by our franchisees. You should review these figures carefully with a business advisor before deciding to acquire the franchise. We do not offer financing directly or indirectly for any part of the initial investment. These are only estimates, and your costs will vary depending on your creditworthiness, market conditions and competition in your territory, the site you select, and your entrepreneurial and managerial capabilities. You should independently investigate the costs of opening a Bakery in the geographic area in which you intend to open.

B. YOUR ESTIMATED INITIAL INVESTMENT UNDER THE AREA DEVELOPMENT AGREEMENT ⁽¹⁾

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Area Development Fee ⁽²⁾	\$95,000	Lump Sum	\$35,000 plus \$15,000 for each additional bakery upon signing the Area Development Agreement. Remaining \$15,000 due upon signing a franchise agreement for an additional bakery.	Franchisor
Initial Investment for the First Bakery ⁽³⁾	\$405,800 to \$601,500	See Chart in Item 7(A) above.		
Total	\$500,800 to \$696,500			

1. All fees and payments are non-refundable, unless otherwise stated or permitted by the payee.

2. When you sign the Area Development Agreement, you must pay us an area development fee of \$35,000 for your first Bakery, plus \$30,000 for each additional Bakery developed under the Area Development Agreement, which is payable as follows: (a) \$15,000 when you sign the Area Development Agreement; and (b) \$15,000 when you sign a franchise agreement for an additional Bakery. We will not charge an initial franchise fee for Bakeries developed under the Area Development Agreement. The range above represents the Area Development Fee to develop two additional Bakeries. This chart assumes you do not request an extension to the development schedule.

3. This figure represents the total estimated initial investment required to open the first Bakery under your first Franchise Agreement, which includes leases and security deposits, buildout costs, signage costs, training expenses, miscellaneous opening costs, opening inventory, the Opening Advertising Fee, and additional operational funds for a single Bakery (see the Single Unit in Item 7A chart above for additional details).

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate your Bakery in strict conformance with our methods, standards, and specifications which we prescribe in our confidential operating manuals and various other confidential manuals and writings prepared for use by you in operating a Bakery (collectively, the “**Operations Manual**”), and which we may change at our sole discretion. The Operations Manual covers nearly all aspects of your Bakery’s operations, such as food preparation and presentation techniques, employee training, marketing and bakery management. You must ensure your compliance with all such federal, state, and local laws and regulations and must obtain our prior written consent before changing any of our standards or specifications for establishing and operating a Bakery to comply with applicable laws and regulations.

System Standards

We reserve the right to formulate and modify our standards and specifications for operating a Bakery based upon the collective experience of our System operators. Our standards and specifications are described in the Franchise Agreement, the Operations Manual, and other written documents. We have the right, under the Franchise Agreement, to change the standards and specifications applicable to operation of the franchise, including standards and specifications for Products and related services, Product packaging, presentation and delivery, vehicles and vehicle wrapping, signs, furnishings, supplies, fixtures, inventory and equipment by written notice to you or through changes in the Operations Manual. We may issue our standards or specifications for goods and services, and changes to those standards and specifications, in writing directly to you or our approved supplier. You may incur an increased cost to comply with these changes at your own expense. We will notify you of any change to our standards and specifications by way of written amendments to the Operations Manual, emails, and other written communications.

Approved Products and Services

You must only use approved Products and services in operating your Bakery (“**Approved Products and Services**”), including finished Products and product ingredients, mixes, packaging and shipping materials, delivery boxes, smallwares, computer hardware and software, furniture, fixtures, equipment, vehicles and vehicle wrappings, and related goods and services. We will provide you with a list of the Approved Products and Services when you sign a Franchise Agreement. All Approved Products and Services sold through your Bakery must meet our standards and specifications. In order to better: (i) assure the supply or quality of the Approved Products and Services; and/or (ii) enable us to take advantage of marketplace efficiencies, we have the right to require you to purchase Approved Products and Services directly from us, our affiliates, or our approved and designated suppliers. In addition, we may develop certain Proprietary Products which you must purchase from us and offer for sale at your Bakery, including design accoutrements and branded apparel. If you decide to offer products or services other than those we have authorized in connection with operating your Bakery, you must obtain our prior written consent. We currently are not a designated supplier of any goods or services.

Our affiliate, NBC Distribution, is presently the only designated supplier of certain ingredients and mixes for Products, certain furnishings, merchandise, smallwares and decorative design packages associated with operating a Bakery. Neither we nor our officers have an ownership interest in any approved or designated suppliers.

You must at all times maintain sufficient levels of inventory to adequately meet consumer

demand. You must purchase all food and beverage items and other inventory, equipment, fixtures, furnishings, computer hardware and software, product display units, signs, uniforms, supplies, Bakery design and layout services, and materials from us or designated or approved suppliers. You must offer products and services in the manner we prescribe, provide quality customer service, and otherwise operate your Bakery in a manner which will enhance the image intended by us for the System.

You must market, offer, sell, and redeem gift cards in the manner we specify. Only gift cards we authorize may be sold through the Bakery. You must honor the gift cards we authorize at your Bakery without any offset against your Royalty. You must honor the terms of all promotional or discount programs that we may offer to the public for System businesses, and you must comply with any pricing policies we may specify, including minimum and maximum price policies, minimum advertised price policies and unilateral price policies. You must also provide those services and other items that we specify on such terms and at such rates, including free-of-charge, as we may specify.

Approved Suppliers

As stated above, you must use us, our affiliates, or approved and designated suppliers, for all inventory items, merchandise, printing supplies, printed materials, uniforms, brochures, equipment, fixtures, furnishings, product display units, signs, uniforms, supplies, and other goods and services used in connection with operating a Bakery. All previously unapproved products, services, or vendors must be approved by us in writing prior to use. In the event you wish to purchase any unapproved item, including inventory, and/or acquire approved items from an unapproved supplier, you must provide us the name, address and telephone number of the proposed supplier, a description of the item you wish to purchase, a sample of the item, and the purchase price of the item, if known. At our request, you must provide us, for testing purposes, a sample of the item you wish to purchase. If we incur any costs in connection with testing a particular product or evaluating an unapproved supplier at your request, you or the supplier must reimburse our reasonable testing costs, regardless of whether we subsequently approve the item or supplier.

We will use our best efforts to notify you of our approval or disapproval of a particular supplier or product within 10 business days of receiving all requested information. If you do not receive our approval within 30 days after submitting all of the information that we request, the request will be deemed disapproved. We may base our approval of any proposed item or supplier on considerations relating not only directly to the item or supplier itself (such as the quality of products, standards of service, the supplier's reputation in the marketplace, and the supplier's pricing), but also other factors such as the uniformity, efficiency and quality of operation we deem necessary or desirable in our system as a whole, the confidentiality of our standards and specifications, and our ability to earn revenue from your purchase of goods and services. We have no obligation to approve any particular product, services, or source. We have the right to receive payments from suppliers on account of their dealings with you and other franchisees and to use all amounts we receive without restriction (unless instructed otherwise by the supplier) for any purpose. If we approve any previously unapproved product or service, we may require you to purchase the product or service from us, our affiliates, or other approved and designated suppliers. We will not approve an unreasonable number of suppliers if the approval might result in higher costs to System franchisees or prevent the effective or economical supervision of approved suppliers.

Our criteria for approval of a particular supplier or product will be made available upon written request. We may revoke our approval of particular products or suppliers when we determine, in our sole discretion, that such products or suppliers no longer meet our standards. Upon receipt of written notice of such revocation, you must cease purchasing products from such suppliers. You must use products purchased from approved suppliers solely in connection with the operation of your Bakery and not for any

competitive business purpose. We have and may continue to negotiate purchasing arrangements with suppliers in the future. You may not receive a material benefit in the form of renewal rights or rights to additional territories based on the use of our approved products, services, or suppliers.

We and/or our affiliates have the right to derive revenue from your purchases of these products if purchased from us, our affiliates or approved vendors. We estimate that the proportion of your required purchases and leases from us or our designated suppliers, or according to our specifications, to all your purchases and leases in establishing the Bakery will range from 85% to 91%, and in operating the Bakery will range from 83% to 86%.

There currently are no purchasing or distribution cooperatives, but we may establish them in the future.

We are parties to a master services agreement (the “MSA”) with Sysco Corporation, whose headquarters are located at 1390 Enclave Parkway, Houston, TX 77077. Under the MSA, we have designated Sysco as the prime distributor of certain required food and non-food products offered by System franchisees. All Nothing Bundt Cakes franchisees must participate in the program and must purchase products from Sysco under the agreed-upon pricing structure. Sysco has agreed to pay us certain incentives towards our annual convention. None of our owners have an interest in Sysco.

We do not provide material benefits to you (for example, renewal or granting additional franchises) for using designated or approved sources.

We have not derived any revenue from required franchise purchases or leases since our formation in June 2021.

During its fiscal year ended December 27, 2020, Shipp Distribution, the predecessor of NBC Distribution, derived \$52,932,693 from required franchisee purchases and leases.

Advertising

We must approve all advertising, in all creative forms and media, before publication or use. In addition, we will collect the Opening Advertising Fee from you and implement an Opening Advertising Program on your behalf. You must pay us a Local Advertising Fee of 3% of your Net Revenues which shall be used to coordinate advertising, promotions and within your Territory.

Insurance

You must obtain and maintain, at your own expense, the insurance coverage that we periodically require and satisfy other insurance-related obligations. Our insurance obligations will be included in the Operations Manual and may be periodically updated. You must comply with any changed insurance requirements. You currently must have: (a) commercial general liability insurance with minimum limits of \$1,000,000 per occurrence and \$2,000,000 aggregate for bodily injury, property damage, contractual liability, personal injury, advertising injury and a minimum of \$100,000 for damage to premises leased to you; (b) comprehensive automobile liability coverage for all owned, non-owned and hired vehicles with limits of \$1,000,000 Combined Single Limit or \$1,000,000 per person, per accident and \$1,000,000 property damage; (c) property insurance coverage on all furniture, fixtures, equipment, inventory and tenant improvements using 100% Replacement Cost valuation and written on Special Perils form, including coverage for loss of refrigeration, spoilage/contamination, and mechanical and electrical breakdown coverage; (d) business interruption coverage equal to at least 9 months of operating expenses

or an Actual Loss Sustained form; (e) workers' compensation in the amounts required by state law; (f) employer's liability coverage of not less than \$500,000; and (g) a commercial umbrella or excess liability policy with limits of at least \$1,000,000. Premiums depend on the insurance carrier's charges, terms of payment, and your history. All insurance policies must name us and our affiliates that we designate as additional insured parties. Depending on your geographic location, you should consider disaster insurance for hurricanes, earthquakes and flooding. You should consult with an insurance advisor to decide the coverage that is best for you. You must use an insurance company that is satisfactory to us. We may change the amounts and types of coverage as we think best.

All insurance providers must have a Best's Insurance Guide minimum rating of A-VI or better. You must maintain any additional insurance required by your landlord or under applicable law. You must furnish us with certificates of insurance (or, at our request, copies of all insurance policies), evidencing the existence and continuation of the insurance coverage required by the Franchise Agreement. All policies must contain a waiver of subrogation in our favor, and must name us, and any additional parties we designate, as additional insureds, at your cost except with regards to workers' compensation insurance. Under each insurance policy, we must receive at least 30 days' prior written notice of any intent to reduce policy limits, restrict coverage, cancel or otherwise alter or amend said policy. Once obtained, you may not reduce the policy limits, restrict coverage, cancel or otherwise alter or amend the insurance policies without our written consent. You must submit proof of insurance before you begin making leasehold improvements and deliver a complete copy of your then-prevailing policy of insurance within 30 days following the delivery of the certificate of insurance.

Leases and Leasehold Improvements

You must purchase or lease a retail space for your Bakery which meets our standards and specifications for a Bakery. We must approve your location and lease terms before you sign a lease for a Bakery location. We will condition our approval of your lease upon, among other conditions, you and your landlord's signing of a collateral assignment of lease, through which your landlord grants us the rights to assume your rights and obligations under the lease in the event that you breach your lease agreement and/or your Franchise Agreement is terminated or expires. The lease must be, at a minimum, for the initial term of the Franchise Agreement. If you enter into an Area Development Agreement, you are not required to purchase or lease a separate office space from which to operate your Area Development Business.

Computer Hardware and Software Components

You must purchase the computer hardware and software we designate for use in connection with the operation of your Bakery. Please see Items 6, 7, and 11 for more information regarding required computer hardware and software purchases.

Maintenance and Remodeling

You must maintain, repair, refinish, repaint, and replace Bakery furniture, fixtures, equipment, displays, signs, decor, and any other tangible part or property of the Bakery to ensure that the Bakery operates in an efficient manner pursuant to our current standards and specifications. We may require you to make capital modifications to the Bakery to comply with our then-current System Standards. We will not require capital modifications in excess of \$25,000 in any calendar year, unless the modifications are in connection with a renewal of your franchise agreement.

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

OBLIGATION	ARTICLE IN AGREEMENT	ITEM IN DISCLOSURE DOCUMENT
(a) Site selection and acquisition/lease	Franchise Agreement – Article 4, Sections 5.1-5.2, Exhibits 1-2 of the Franchise Agreement Area Development Agreement – Section 1.2, 3.7	Items 7, 8, 11, and 12
(b) Pre-opening purchase/leases	Franchise Agreement – Sections 5.3, 6.1, 6.2, 6.3 Area Development Agreement – Not applicable	Items 5, 7, 8, and 11
(c) Site development and other pre-opening requirements	Franchise Agreement – Article 4 Area Development Agreement Sections 1 and 3	Items 7, 8, and 11
(d) Initial and ongoing training	Franchise Agreement – Section 5.4, Article 7 Area Development Agreement – Not applicable	Items 6, 7, and 11
(e) Opening	Franchise Agreement – Article 4 Area Development Agreement- Section 3.1	Items 11 and 12
(f) Fees	Franchise Agreement – Article 3 Area Development Agreement – Section 2	Items 5, 6, and 7
(g) Compliance with standards and policies/Operating Manual	Franchise Agreement – Section 6.3 Area Development Agreement – Not applicable	Items 8 and 11
(h) Trademarks and proprietary information	Franchise Agreement – Article 8 Area Development Agreement – Section 6	Items 13 and 14
(i) Restrictions on product/services offered	Franchise Agreement – Sections 6.1-6.3 Area Development Agreement – Not applicable	Items 8, 11, 12 and 16
(j) Warranty and customer service requirements	Sections 6.3, 6.8, 6.14 Area Development Agreement – Not applicable	Item 8

OBLIGATION	ARTICLE IN AGREEMENT	ITEM IN DISCLOSURE DOCUMENT
(k) Territorial development and sales quotas	Franchise Agreement – Section 1.5 Area Development Agreement – Section 3	Item 12
(l) On-going product/service purchase	Franchise Agreement – Section 6.1-6.3, Area Development Agreement – Not applicable	Items 6 and 8
(m) Maintenance, appearance, and remodeling requirements	Franchise Agreement – Articles 4 and 6 Area Development Agreement – Not applicable	Items 8, 11, 16, and 17
(n) Insurance	Franchise Agreement – Article 13 Area Development Agreement- Section 8	Items 7 and 8
(o) Advertising	Franchise Agreement – Article 11 Area Development Agreement – Not applicable	Items 6, 7, 8, and 11
(p) Indemnification	Franchise Agreement – Article 18 Area Development Agreement – Section 8.1	Item 6
(q) Owner’s participation/management/staffing	Franchise Agreement – Section 6.3 Area Development Agreement – Section 17	Items 11 and 15
(r) Records/reports	Franchise Agreement – Section 12.1 Area Development Agreement – Not applicable	Item 6
(s) Inspections/audits	Franchise Agreement – Section 12.2 Area Development Agreement – Not applicable	Items 6 and 11
(t) Transfer	Franchise Agreement – Article 17 Area Development Agreement – Section 11	Item 17
(u) Renewal	Franchise Agreement – Section 2.2 Area Development Agreement – Not Applicable	Item 17
(v) Post-termination obligations	Franchise Agreement – Article 15 Area Development Agreement – Section 10	Item 17
(w) Non-competition covenants	Franchise Agreement – Articles 16 Area Development Agreement – Section 12	Item 17
(x) Dispute resolution	Franchise Agreement – Sections 19.1 through 19.5 Area Development Agreement – Section 14	Item 17

OBLIGATION	ARTICLE IN AGREEMENT	ITEM IN DISCLOSURE DOCUMENT
(y) Liquidated damages	Franchise Agreement – Section 15.5 Area Development Agreement – Not applicable	Item 6
(z) Guarantee	Franchise Agreement – Section 22 Area Development Agreement – Section 16	Item 15

ITEM 10
FINANCING

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

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

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

As noted in Item 1, we are party to a management agreement with NBC for the provision of support and services to Nothing Bundt Cakes franchisees. NBC will be providing the training, support, marketing, and other services described in this Item 11 to you on our behalf and will have the authority to exercise many of our rights and perform many of our obligations under the Franchise Agreement and Area Development Agreement. Though we have delegated our rights and responsibilities to NBC, we remain ultimately responsible for all of the support and services required under the Franchise Agreement and Area Development Agreement. References to “we” or “us” in this Item 11 shall include and/or mean NBC on our behalf, as applicable.

A. FRANCHISE AGREEMENT

Pre-Opening Obligations: Before you open the Bakery under the Franchise Agreement, we will undertake the following:

1. **Protected Territory.** We will define the territory within which you must operate the Bakery. (Section 1.2 of the Franchise Agreement).

2. **Standards and Specifications.** We will provide you with specifications and requirements for flooring, signage, shelving, display cases, POS systems, computer hardware, software, and other furniture, fixtures, and equipment necessary to open your Bakery. We will also provide you with specifications for and provide you with a list of approved and designated suppliers from which you agree to purchase the equipment, food, smallwares, and other inventory and supplies necessary for the start-up and ongoing operations of your Bakery. (Section 5.3 of the Franchise Agreement). We do not deliver or install these items.

3. **Operations Manual.** We will loan you a copy of our proprietary and confidential Operations Manual electronically, which we may amend periodically. The Table of Contents to our 314 - page Operations Manual is attached as Exhibit E to this disclosure document. We reserve the right to provide the Operations Manual electronically, such as by CD-ROM or a password protected intranet

website. The contents of the Operations Manual constitute our trade secrets and you cannot disclose them to anyone other than employees of your Bakery who require such information to operate your Bakery. (Section 5.5 of the Franchise Agreement).

4. Site Selection Assistance. We will provide assistance in finding a location as we deem reasonable and appropriate. You must collaborate with our designated licensed commercial real estate broker in connection with the selection and acquisition of a site for the Bakery. You will operate the Bakery at the location agreed upon by you and us. You will enter into the site selection addendum attached as Exhibit 1 to the Franchise Agreement and designate your site selection territory. (Section 4.1 of the Franchise Agreement, Exhibit 1 to the Franchise Agreement). We consider factors such as size, location, nearby commercial and residential development, traffic patterns, demographics, visibility from roadways, and parking space in approving any given site. Your leased/purchased space should be approximately 2,000 square feet, located in a strip center, shopping center, mall, commercial development or other appropriate location. Within 30 days of receiving all required information in connection with site approval process, we will approve or disapprove, in our sole discretion, the site as a location for the Bakery. No proposed site is deemed approved unless we have expressly approved it in writing. We outsource certain aspects of site selection assistance to certain third-party suppliers at no additional cost to you. Their agents may serve as the local broker in markets where they have a presence, or they will assign you to a preferred partner. The use of brokers or real estate agents outside of our required network will not be permitted without our prior written consent. You must obtain a location acceptable to us within 90 days of signing the Franchise Agreement. Failure to do so may result in termination of your Franchise Agreement. (Sections 4, 5.1 of the Franchise Agreement).

5. Lease Review. We must review and approve your lease terms, which we will condition on: (a) you and your landlord signing a Collateral Assignment of Lease, in the form attached as Exhibit 2 to the Franchise Agreement; (b) the economic terms of the Lease; and (c) your full payment of the Franchise Fee. (Section 4.2 and Exhibit 2 of the Franchise Agreement). We reserve the right to require you to pay us or our designated suppliers a fee of \$3,000.00 to cover the costs associated with site selection, non-legal lease review, and a fee of \$500.00 to review of your architectural, mechanical, electrical and plumbing drawings and plans, necessary for building out the Bakery.

6. Initial Training. We will provide the initial training to you and your Operators, as discussed later in this Item. (Section 7 of the Franchise Agreement).

7. Opening Advertising Program. We will conduct your Opening Advertising Program. (Section 3.2 of the Franchise Agreement).

Continuing Obligations – Franchise Agreement: During your operation of the Bakery, we will:

1. Ongoing Assistance. Provide you continuing consultation and advice, as we deem necessary and appropriate regarding the management and operation of the Bakery. We will provide such assistance, in our discretion, by telephone, email and intranet communication. If you require and request additional on-site assistance from us, subject to the availability of our personnel, we will provide you with such assistance at our then cost, currently \$500.00 per day, plus our travel, lodging, meals, and payroll costs associated with providing such on-site service. (Section 5.10 of the Franchise Agreement).

2. Annual Conference. At our discretion, hold an Annual Conference at a location to be selected by us to update franchisees on new developments, allow System franchisees to exchange information with each other and us regarding Bakery operations and programs, and recognize franchisees for their achievements. We will determine the topics and agenda for our Annual Conference. We will

require you to attend the Annual Conference and to pay our then-current registration fee. Currently, there is no registration fee associated with the Annual Conference, but we reserve the right to charge one in the future. All expenses, including your and your employees' transportation to and from the Annual Conference, and lodging, meals, and salaries during the Annual Conference, are your sole responsibility. We may use contributions from the Marketing Production Fund for purposes related to the Annual Conference, including costs related to productions, programs, and materials. (Section 5.9 of the Franchise Agreement).

3. Ongoing Inspections. Inspect the Bakery and observe its operations. (Section 6.4 of the Franchise Agreement.) You and your employees must cooperate with each of our representatives during our inspection and grant our representatives access to all areas of your Bakery. Your cooperation is required whether or not you are notified in advance of the inspection.

4. Refresher Training. Periodically offer refresher training programs and courses and pay our then current fee or tuition for such training. (Section 7.3 of the Franchise Agreement) (See Item 6.)

5. Pricing. We reserve the right, to the fullest extent allowed by applicable law, to establish maximum, minimum or other pricing requirements with respect to the prices that you may charge for Approved Products and Services. (Section 5.6 of the Franchise Agreement).

6. E-Commerce Program. Administer the E-Commerce Program and discussed below. (Section 1.4 of the Franchise Agreement).

7. Marketing Fund and Local Advertising. Administer the Marketing Production Fund and coordinate advertising, promotions and public relations within your Territory as discussed below. (Sections 11.2 and 11.3 of the Franchise Agreement).

8. Development of Standards. In addition, we may, but are not obligated to, continue to update and upgrade the System, including adding to, modifying, or discontinuing any Proprietary Recipe or Product, and developing Proprietary Products for sale through the Bakery. (Section 5.7 of the Franchise Agreement).

Advertising

Marketing Production Fund

As discussed in Item 6, a Marketing Production Fund or “**Fund**” has been established for the common benefit of System Bakeries. You must participate in and contribute 1% of your weekly Net Revenues to the Fund, in the manner we prescribe. We will have the right to use the Fund contributions, in our sole discretion, to develop, produce, and distribute national, regional and/or local marketing materials and to create advertising materials and public relations materials which promote, in our sole judgment, the goods and services offered by Bakeries. We may use the Fund to satisfy any and all costs of maintaining, administering, directing, preparing, and producing advertising, including, without limitation: (a) the cost of preparing and producing media, including, but not limited to, broadcast, print, place-based, digital, social and other media; (b) the cost of reputation management; (c) the cost of public relations activities and advertising agencies; (d) the cost of developing and maintaining an Internet website and a gift card program; (e) the cost of developing Guest loyalty programs; and (f) personnel and other departmental costs for advertising that we internally administer or prepare. While we do not anticipate that any part of Fund contributions will be used for advertising which is principally a solicitation for franchisees, we reserve the right to use the Fund for public relations or recognition of our

brand, for the creation and maintenance of a website, a portion of which can be used to explain the franchise offering and solicit potential franchisees, and to include a notation in any advertisement indicating “Franchises Available.” (Section 11.3 of the Franchise Agreement).

We will use the Fund contributions to develop and prepare advertising materials which we will distribute to franchisees for their placement in the local media or place such advertisements directly ourselves. The advertising will be prepared by us and by outside sources. If we do not spend all Fund contributions by the end of each fiscal year, the funds will be carried forward into the next fiscal year. You must contribute to the Fund regardless of amounts due from other System franchisees. There is no requirement that the Fund be audited. Upon your written request, we will provide you with an unaudited accounting of Fund expenditures within 120 days after the end of each fiscal year. We have the right to incorporate the Fund as a separate business entity. (Section 11.3 of the Franchise Agreement).

We may periodically assist franchisees to maintain high quality standards through Guest surveys, Guest interviews, and other guest experience monitoring initiatives and programs (collectively, “**Surveys**”). The cost of such programs will be borne by the Fund. The cost of these programs may be charged directly to you if your results from a Survey fall below System-established minimum standards for such Surveys. (Section 11.3 of the Franchise Agreement).

We have the sole right to determine how to spend contributions to the Fund, or any funds from any other advertising program, and the sole authority to determine the selection of the advertising materials and programs, provided, however, that we will make a good faith effort to expend such funds in the general best interests of the System on a national or regional basis.

We are not required under the Franchise Agreement to spend any amount of the Fund contributions or other amounts in your Territory and not all System franchisees will benefit directly or on a pro rata basis from our expenditures. We have the right to reimbursement from the Fund contributions for reasonable costs and overhead, if any, as we may incur in activities which are reasonably related to directing and implementing the Fund and advertising programs for franchisees and the System, including costs of personnel for creating and implementing advertising, promotional and marketing programs, and the cost for accounting for the Fund.

During NBC’s fiscal year ended December 27, 2020, Fund contributions were expended as follows: 51% to Production, 36% to Administration, and 13% to Systems maintenance.

We currently do not have an advertising council but reserve the right to form one at any time. Advertising council members will be selected by us in our sole discretion based upon Bakery performance and each individual franchisee’s strengths. We have the right to require that any advertising cooperative and/or franchisee advisory council be formed, changed, dissolved or merged.

Local Advertising and Cooperatives

In addition to the Fund contribution, each week, you must pay us a local advertising fee of 3% of your Net Revenues (“**Local Advertising Fee**”) which shall be used to coordinate advertising, promotions and public relations within your Territory. The Local Advertising Fee is payable in the same manner as the Royalty. The Local Advertising Fee will be accounted separately from the Fund. Local Marketing plans will be developed collaboratively between you and us and presented to the Bakery by November 1st of the then current year, to be effective January 1st of the following year. We will maintain final approval of all marketing and advertising materials and programs. Upon written request, we will provide you with an unaudited accounting of Local Advertising Fee expenditures in your Territory.

In the event of civil disorder, war, fire, natural catastrophe, pandemic, measures of any governmental authority or other similar business disruption event beyond our control (collectively, the “**Disruption Event**”), we will have the right, upon prior written notice to you, to use Local Advertising Fees for regional and national advertising, promotions and public relations efforts. Our right to use Local Advertising Fees beyond your territory and on a regional or national basis shall continue for so long as the Disruption Event remains in place but will not exceed 6 months.

Additionally, you must also actively market and promote your Bakery, the Products, and the System exclusively within your Territory to develop your business. You must use any advertising materials we generate in connection with local advertising. You are permitted to use your own advertising materials if you have submitted them to us for approval at least 15 business days before your use. We will inform you in writing of our approval or disapproval of your proposed advertising materials within 10 business days of submission. (Section 11.2 of the Franchise Agreement).

We have the right to designate any geographical area for purposes of establishing a regional advertising and promotional cooperative (“**Cooperative**”), and to determine whether a Cooperative is applicable to your Bakery. If a Cooperative is established applicable to your Bakery, you must participate in and contribute to the Cooperative. Each Cooperative will be organized for the exclusive purpose of administering regional advertising programs and developing, subject to our approval, standardized advertising materials for use by the members in local advertising. No promotional or advertising plans or materials may be used by a Cooperative or furnished to its members without our prior written approval. All such plans and materials will be submitted to us for approval. Cooperative contributions will be credited towards your Local Advertising Fee, and Cooperative contributions will not exceed the Local Advertising Fee unless a majority of the Cooperative votes to increase that requirement. We may grant to any franchisee, in our sole discretion, an exemption for any length of time from the requirement of membership in a Cooperative, upon written request of such franchisee stating reasons supporting such exemption. Our decision concerning such request for an exemption will be final. Upon the request of a franchisee in the Cooperative, the Cooperative will provide that franchisee a copy of the bill for advertising that the Cooperative received. Neither we nor the Cooperative will prepare an annual accounting of these funds. (Section 11.4 of the Franchise Agreement).

Opening Advertising Program

We will prepare and conduct the Opening Advertising Program for you using the Opening Advertising Fee you pay to us when you execute a franchise agreement. (Section 3.2 of the Franchise Agreement). In addition, you may choose to spend more than we require for the Opening Advertising Program, but any additional promotion you wish to conduct and/or promotional materials you wish to use must first be approved by us. (Section 3.2 of the Franchise Agreement).

Computer, POS System and Electronic Equipment.

You will be required to install the POS System we designate. The currently designated POS System includes various computer hardware and software components and programs, including: 3 terminals, communication software, monitors, printers, and payment processing software. The system that we have designated includes a proprietary software application. This software records and reports all sales, payments, discounts, inventories, purchases, and accounting data. You must also have a functioning email address so that we can send you notices and other electronic communications. All computer systems other than the POS Systems used in your Bakery must be Microsoft Windows based and it is your responsibility to ensure you have proper security applications and controls in place that

include but are not limited to anti-virus software and complex passwords for logon accounts. (Section 6.5 of the Franchise Agreement).

We anticipate that the initial cost for the POS System will be approximately \$7,877.57. If we designate the supplier for the POS System, it will be included in the Manual or otherwise provided in writing. You must upgrade the computer system, and/or obtain service and support, as we require or as is necessary because of technological developments. There are no contractual limitations on the frequency and cost of this obligation. This includes taking all steps, including but not limited to those related to visibility and management of your Bakery's network, that are necessary to ensure that your Bakery is compliant with all Payment Card Industry Data Security Standards (PCI DSS) requirements, as such standards may be revised and modified by the PCI Security Standards Council (see www.pcisecuritystandards.org), or any successor organization or standards that we may reasonably specify. We will not reimburse you for any of these costs, and neither we nor any of our affiliates will be responsible for providing you with any maintenance, updates or upgrades to your computer systems.

We have independent, unlimited access to the information the computer system generates, without compensation to you, and we may share revenue and other data concerning your Bakery with other franchisees in the System. You should receive a seller's warranty on the POS System you purchase, but third parties from whom you purchase the POS System do not have a contractual right or obligation to provide ongoing maintenance, repairs, upgrades, or updates unless you obtain a service contract from the third party or a warranty covering the product. We require you to purchase a service contract that covers POS support currently costs approximately \$3,348 annually, subject to change. (Section 6.5 of the Franchise Agreement).

If and at such time we develop and custom design any software programs for conducting accounting, inventory and point-of-sale functions and related activities ("**Proprietary Software Program**"), you, at your own expense, agree to obtain the computer hardware and licensing required to implement the Proprietary Software Program into your Bakery, and to comply with all specifications and standards prescribed by us regarding the Proprietary Software Program, as provided in the Operations Manual. This software will be proprietary to us and Confidential Information of ours. It is possible that we might not be able to alter the Proprietary Software Program and system to accommodate each and every franchisee of the System, and therefore, at such time that we require the implementation of such software, you will only utilize the program as prescribed by us. At such time as we require the implementation of such software, we or our designee agree to provide ongoing service and support to you regarding the Proprietary Software Program and will lease the software to you at the then-current rates published by us. (Section 6.7 of the Franchise Agreement). We require you to maintain high-speed internet access, and we reserve the right to have independent access to any data you collect electronically. You must install, at your expense, the necessary computer hardware and software to provide us with full and direct electronic access to all of your data, software systems, security camera footage, and related information.

Website, Internet Presence and Intranet.

1. As stated in Item 1, you will participate in our E-Commerce Program through our Website, <http://order.nothingbundtcakes.com/>, through which you will fulfill online orders Guests place on the Website for pick-up, delivery, or shipping pursuant to the terms we negotiate (the "**E-Commerce Program**"). We will designate a territory within your Territory in which you will offer flat rate delivery and or shipping of online orders (the "**Delivery Territory**"), and a larger territory within which you will deliver for a variable delivery rate. All Guest payments will be remitted directly to your designated bank account, net of our or our vendor's then-current website administration fee and then-current payment

processing charge, which are subject to change. We have the right to change the products and services offered through the Website, and designate the prices for goods offered through our Website, and the right to designate a shipping provider for deliveries. We may prohibit you from participating in the E-Commerce Program if you are not compliant with the terms of your agreements with us or our affiliates. We may change the user terms, and methods and times for payment under the E-Commerce Program at our discretion. If you fail to deliver goods or services meeting our standards and specifications within the time frames we offer to Guests under the E-Commerce Program, we may reimburse the Guest, provide gift card/certificates, or otherwise remedy the situation, and you will be responsible for our costs associated with doing so. We may require you to ship cakes from your Bakery to locations outside of your Territory. (Section 1.4 of the Franchise Agreement).

2. You must have and maintain adequate hardware and software in order to access the Internet at the bit speed we require from time to time. We have the right, but not the obligation, to establish and maintain a website that provides information about the System and the products and services offered by System franchises. We have sole discretion and control over our existing website, <https://www.nothingbundtcakes.com/>. We also have the right, but not the obligation, to create interior pages on our website(s) that contain information about your Bakery and other Bakeries. If we do create such a page, we may require you to prepare all or a portion of the page for your Bakery, at your sole expense, and may require you to use a template that we provide. (Section 6.6 of the Franchise Agreement). We may use Marketing Production Fund contributions to pay or reimburse ourselves for the costs incurred in connection with the development, maintenance and update of our website. (Section 6.6 of the Franchise Agreement).

3. You are prohibited from establishing or maintaining a separate website, or otherwise maintaining a splash page or other presence on the Internet through any current or future social networking or reviews site in connection with the operation of your Bakery, including without limitation, Facebook, Instagram, Snapchat, Yelp, Trip Advisor, LinkedIn, Plaxo, Twitter and YouTube, that uses any variation of the Marks or references the System without our prior written permission. (Section 6.6 of the Franchise Agreement).

4. We have the right to modify our policies regarding both our and your use of Internet websites as we deem necessary or appropriate for the best interests of the System. (Section 6.6 of the Franchise Agreement). We are the registrant of the website <https://www.nothingbundtcakes.com/>, and we or our affiliate will be the sole registrant of any other domain names we decide to register in connection with the System in the future. You are prohibited from registering any domain name that contains words used in, or similar to, any trademark or service mark owned or used by us or our affiliate, or any colorable variation thereof (including any abbreviation, acronym, phonetic variation or visual variation). (Section 6.6 of the Franchise Agreement).

5. You must participate in any System-wide computer network, intranet system or extranet system that we implement and may be required to use such networks to, among other things: (i) process Guest orders for fulfillment; (ii) submit reports to us; (iii) view and print updates to or portions of the Operations Manual; (iv) download approved local advertising materials; (v) communicate with us and other System franchisees; and (vi) complete training. You agree to use such computer network, intranet system or extranet system in strict compliance with the standards, protocols, and restrictions that we include in the Operations Manual or otherwise in writing, including those related to the encryption of confidential information and prohibitions against the transmission of libelous, derogatory or defamatory statements. We reserve the right to charge you a monthly service for certain technology services that we provide to you for the ongoing operation and maintenance of any System-wide computer network,

intranet or extranet system that we implement. We have the right to modify and increase such fees as we deem advisable in our sole discretion.

Opening

We estimate that it will take you approximately 6 to 9 months from the Effective Date of the Franchise Agreement to open your Bakery. The interval may vary depending upon factors including your ability to secure a suitable site and the location and condition of the site.

You are required to purchase or lease an Approved Location for the Bakery meeting our standards and specifications within 90 days of the Effective Date of the Franchise Agreement. (Section 4.1 of the Franchise Agreement). In the event you do not meet the 90-day site selection deadline, we will charge you a fee of \$3,500 on the 90th day via an EFT. However, in the event you open your bakery within 270 days of the Effective Date of the Franchise Agreement, we will refund the \$3,500 fee. We have the right to terminate your Franchise Agreement if you fail to pay or if we are otherwise unable to process the \$3,500 payment.

You must obtain possession of the approved site and be prepared to open the Bakery for business not later than 270 days after you sign the Franchise Agreement. (Section 4.3 of the Franchise Agreement). Provided that you have signed a lease for the Bakery within 270 days of the execution of the Franchise Agreement, we will, upon your written request due to us within 30 days of the deadline, provide you with one 90-day extension to the 270 days provided you pay us a non-refundable fee of \$3,500.

If you fail to request an extension or in the event that you are not able to open your Bakery upon the expiration of the additional 90-day period, we have the right to terminate your Franchise Agreement without refunding any fees to you.

In the event that you have not signed a lease for the Approved Location within 270 days of the Effective Date of the Franchise Agreement, we will, upon your written request due to us within 30 days of the deadline, offer you a one-time extension of 6 months to obtain possession of the approved site and be prepared to open the Bakery for business provided you pay us a non-refundable extension fee of \$10,000. If you fail to request an extension or are not able to open your Bakery upon the expiration of the 6-month period, we have the right to terminate your Franchise Agreement without refunding any fees to you.

An extension will only extend the deadline for opening of the particular Bakery and will not affect your deadlines for opening any other Bakeries as required under your Area Development Agreement's mandatory development schedule.

Training

Two people, which must include you (in the event you are an individual) or your Operator (in the event you are an entity), must attend and complete, to our satisfaction, our initial tuition-free training program. (Section 7.1 of the Franchise Agreement). The required training lasts up to 4 weeks and consists of training in Product preparation and packaging, maintaining financial controls and general bookkeeping procedures, operational techniques, using our required equipment and computer hardware and software, inventory controls, marketing and advertising techniques, and Guest service and maintenance of quality standards. All training will take place at one of our or our affiliate's company bakeries in Dallas, Texas, or any other location we designate. You, your Operator or any other trainees must attend the initial training program at the same time.

In addition, we will provide one of our representatives for up to 5 days at your Bakery for additional training and opening assistance. You are responsible for all training related expenses, including you and your employees' travel, meal, lodging, and payroll expenses associated with attending the initial training program. You must complete training before opening your Bakery. If you or any Operator fails to complete training to our satisfaction, the respective person may repeat the course, or in the case of an employee, you may designate a substitute to attend our next available training program. We may charge our then-current fee for replacement initial training attendees. We have the right to terminate the Franchise Agreement if you fail to complete training to our satisfaction within the time frames we prescribe. If you are approved to expand as a multi-unit franchisee, you will be responsible for the initial training of the management team for your second bakery and beyond. Our initial training program can be summarized as follows:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Orientation/History/Philosophy of Nothing Bundt Cakes	5	0	Dallas, Texas
Use of the Manual	3	0	Dallas, Texas
Pre-Opening Procedures	6	0	Dallas, Texas
Advertising & Marketing	3	3	Dallas, Texas
Management Procedures	6	25	Dallas, Texas
Franchise Reporting Requirements	2	0	Dallas, Texas
Accounting/Record keeping	1	0	Dallas, Texas
Front Counter/Guest Service Procedures	2	15	Dallas, Texas
Baking Procedures	6	34	Dallas, Texas
Crafting Procedures	2	17	Dallas, Texas
Frosting Procedures	3	19	Dallas, Texas
Delivery Procedures	1	0	Dallas, Texas
Inventory Management	3	1	Dallas, Texas
POS System	0	2	Dallas, Texas
Cleaning Procedures	0	2	Dallas, Texas

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Safety Procedures	0	1	Dallas, Texas
Totals	40	119	

The training instructors and their years of experience within the industry and with the System are listed below. The training managers may utilize other employees with appropriate levels of experience to assist them with all aspects of training.

Instructor	Years of Experience in the Industry	Years of Experience with Franchisor or an Affiliate
Julie Klinger	34	1
Jessica Spencer	15	15
Lindsay Escalante	22	2
Le'Darius Polk	10	1
Ana Lee	20	4.5

You must train your other employees using our training materials. We will provide you with training materials for your use in training your personnel. Only the materials we provide can be used by you to train your personnel. Updated training materials will be provided on request. All training materials we produce constitute part of our trade secrets and confidential information. You agree not to challenge our rights in and to any training materials. (Section 7.2 of the Franchise Agreement).

To assist you in the operation of your Bakery, we may offer and require you and/or your employees to attend any additional training programs and refresher courses. You are responsible for you and your personnel's travel, meal, lodging, and payroll expenses associated with attending additional training programs. The additional training programs and refresher courses will be at our then-current tuition for such training. (Section 7.3 of the Franchise Agreement).

B. AREA DEVELOPMENT AGREEMENT

We will designate your development area under the Area Development Agreement. If you enter into an Area Development Agreement, you must follow the time periods for opening set forth in your Area Development Agreement. We will require you to sign our then-current form of Franchise Agreement for each individual Bakery developed under an Area Development Agreement, the terms of which may materially differ from the terms of the Franchise Agreement attached to this disclosure document. Each Bakery will be operated: (i) from a distinct site located within the Development Area; and (ii) within its own Territory that we will define once the site for that Franchised Business has been approved. We will approve sites for additional Bakeries developed under your Area Development Agreement using our then-current site selection criteria.

ITEM 12 **TERRITORY**

Franchise Agreement

You will operate the Bakery from a location which we approve (“**Approved Location**”). At the time you sign the Franchise Agreement, you will enter into our Site Selection Addendum, attached as Exhibit 1 to the Franchise Agreement, which will identify a site selection territory and govern the site selection process.

You may not relocate the Bakery without our prior written consent. If we grant you permission to relocate, or if we determine, not more than 18 months nor less than 12 months prior to the end of any term of your Lease, that the commercial characteristics of your Approved Location no longer meet our criteria for a Nothing Bundt Cakes bakery, you must find another location for your Bakery within your Territory. You must comply with our then-current site selection procedures and construction procedures. In such a circumstance, you must obtain our express written consent to relocation, procure a site acceptable to us within 90 days prior to closing operations at your current Approved Location, and open for business at the new Approved Location within 30 days of closing business at your existing Approved Location. You must comply with our then-current site selection procedures and construction procedures. In the event you are required to relocate as the result of a fire or other casualty, within 90 days following the date of the loss due to fire or other casualty and except to the extent you collect business interruption payments during any transitional period, we will not collect the Royalty on the condition that you comply with these relocation provisions and find a new location approved by us within 90 days of the fire or casualty. If you relocate your Bakery without our prior written consent, we shall have the right to immediately terminate the Franchise Agreement.

We will grant you a protected area within which we will not open another Bakery under the Marks and System (the “**Territory**”), as identified in Data Sheet to the Franchise Agreement. Generally, a territory consists of approximately 100,000 people, and will be defined either as a radius around your Approved Location, or via street boundaries. Your Territory will not be exclusive in terms of marketing rights or clientele. As long as you are compliant with the terms and conditions of your franchise agreement, we will not locate another Bakery operating under the Marks and System within your Territory, whether company-owned or otherwise, except as provided for below.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. We have the right to open or license others the right to open a non-traditional site within the Territory in the event that you do not exercise your right of first refusal as described below. For this reason, your Territory is not deemed exclusive. (Section 4.7 of the Franchise Agreement).

Until your Bakery opens, we reserve the right to deliver and ship, and allow other system franchisees to deliver and ship, Products to Guests located within your Territory. However, once your Bakery opens, and subject to our reserved rights below, no franchisee may deliver or ship Products to Guests located in your Territory and all customer account information should be transferred to you upon your request.

You may deliver and ship Products to Guests located outside of your Territory provided that the Guest is not located within the Territory of another open System Bakery. If the Guest is located within a territory subsequently sold to another System franchisee, upon the opening of such Bakery, you must immediately cease delivering or shipping Products to such Guest and transfer all Guest account

information upon request of the Bakery owner. You cannot, by yourself, through any Guest, courier service, or other agent, knowingly deliver or ship Products within any other open Bakery’s territory, or a corporate territory which we or our affiliates own and operate. If you do, you must remit all Net Revenues earned from the sale directly to the franchisee that owns the territory (or us or our affiliate if a corporate territory) and make a \$500 contribution to the Marketing Production Fund per violation.

You may not advertise or promote your Bakery outside of your Territory without our written consent, which we may revoke at any time and for any reason.

Minimum Performance Criteria

Your Bakery must meet the following minimum annual Net Revenue requirements within the time frames specified below (the “**Minimum Net Revenue Requirement**”):

<u>Performance Period</u>	<u>Minimum Net Revenue Requirement</u>
1 st Year of Operations	\$350,000
2 nd Year of Operations	\$400,000
3 rd Year of Operations	\$450,000
4 th Year of Operations	\$500,000
5 th and Subsequent Years of Operation	\$550,000

The first year of your performance will be pro-rated based on the date of opening. For example, if you open for business on May 1st, your required Minimum Net Revenue Requirement would be \$350,000 divided by 12 months multiplied by 8 months of operations. Thereafter, your Minimum Net Revenue Requirement will be calculated based on your calendar year of operations. We will include revenues from the E-Commerce Program towards your Minimum Net Revenue Requirement in any performance period.

If you do not meet these Minimum Net Revenue Requirements, you must pay the 5% royalty on the difference between the actual Net Revenues and the Minimum Net Revenue Requirement. While failure to meet these Minimum Net Revenue Requirements does not cause you to lose your territorial exclusivity, we have the right to terminate your Franchise Agreement if you fail to meet the Minimum Net Revenue Requirement in any Performance Period.

Area Development Agreement

We grant Area Development Agreements for the right to own and operate multiple Bakeries in a designated area (“**Development Area**”) according to a mandatory development schedule. The size of the Development Area will depend upon the number of Bakeries you and we agree to open. Provided you comply with the terms of the Area Development Agreement and any Franchise Agreements signed for Bakeries within the Development Area, we will not locate another Bakery operating under the Marks, whether franchised or company-owned, in your Development Area during the term of the Area Development Agreement.

Each Bakery must be open per the “**Mandatory Development Schedule**” set forth in Section 2.1 of the Area Development Agreement, which will specify the number of Bakeries to be open and the time frames within which they must be open (“**Development Periods**”). Failure to comply with the Mandatory Development Schedule, including closing Bakeries open during the term of the Area Development Agreement, will result in termination of the Area Development Agreement. However, we

will not include Bakeries in the Territory which are being relocated pursuant to our standards and specifications in determining compliance with the Mandatory Development Schedule. In the event that you fail to meet the Mandatory Development Schedule and the Area Development Agreement is terminated, you will retain your rights to any individual Bakeries for which you have (a) executed Franchise Agreements, and (b) made all appropriate payments to us.

In order to exercise your rights to open each additional Bakery under an Area Development Agreement, you must: (a) be fully compliant with the terms of the Area Development Agreement and any other agreements with us, our affiliates, and our approved and designated suppliers, and have complied with those agreements during their respective terms; (b) have fully met your performance requirements stated in your individual Franchise Agreements, if any; and (c) have satisfied all monetary obligations you owe to us or our affiliates and approved vendors, and pay the remaining \$12,500 of the development fee for each additional bakery opened under the Area Development Agreement. You must also ensure that neither the Area Development Agreement nor any other agreement between you and us has expired or been terminated and sign a general release in our favor. You must meet these conditions at the time of signing a Franchise Agreement for a Bakery, seeking lease approval for additional Bakeries, and requesting permission to open additional Bakeries.

We will require you to sign our then-current form of Franchise Agreement for each individual Bakery developed under an Area Development Agreement, the terms of which may materially differ from the terms of the Franchise Agreement attached to this disclosure document. Each Bakery will be operated: (i) from a distinct site located within the Development Area; and (ii) within its own Territory that we will define once the site for that Franchised Business has been approved. We will approve sites for additional Bakeries developed under your Area Development Agreement using our then-current site selection criteria.

Reserved Rights

The grant of a Bakery under the Franchise Agreement does not include: (i) any right to offer any product or service via e-commerce, except through our authorized E-Commerce Program; (ii) any right to sell products or services at wholesale prices from the Bakery; or (iii) any right to market or distribute Products in any channel of distribution not specifically identified in the Franchise Agreement. We retain all other rights, and may, among other things, on any terms and conditions we deem advisable, and without granting you any rights therein:

- (a) own and operate or license to others the right to own and operate Bakeries at any location(s) outside your Territory under the Marks and System, notwithstanding their proximity to the Territory or the Bakery or their actual or threatened impact on sales at your Bakery;
- (b) own and operate or license to others the right to own and operate bakeries at any location(s) inside or outside your Territory under different marks;
- (c) establish and operate, or licenses others the right to establish and operate, Bakeries at Non-Traditional Sites within the Territory subject to your right of first refusal and as described below;
- (d) sell and distribute, directly or indirectly, or license others to sell and distribute within or outside the Territory, directly or indirectly, any products, services or merchandise, including Products, from any location or to any purchaser or through any alternative

channel or method of distribution including, but not limited to, via retail and wholesale distribution, in supermarkets, convenience stores, club stores and other retail facilities not solely dedicated to the sale of the Approved Products, via mail order and e-commerce channels, as long as these sales are not conducted from a Nothing Bundt Cakes® Bakery operated from a location inside the Territory;

- (e) acquire or be acquired by any other business offering and selling similar goods, regardless of location; and
- (f) engage and license others to engage in any other activities not expressly prohibited by the Franchise Agreement.

We reserve the same rights in the Area Development Agreement concerning the Development Area as described above and otherwise may engage in any other activities not expressly prohibited by the Area Development Agreement.

Alternative Channels of Distribution

At this time, we have not established other channels of distribution for products and services that are the same or similar to the products and services offered at Nothing Bundt Cakes® Bakeries, either under our Marks or under different trademarks, but reserve the right to do so at any time. However, certain products or services from our affiliates, whether currently existing, in research and development, or developed in the future, may be distributed in your Territory/Development Area by us or our affiliates, or our franchisees, licensees or designees, in the manner and through such channels of distribution as we determine at our sole discretion. Alternate channels of distribution include, but are not limited to, sales of cake mixes, cake making kits, kitchen supplies, and aprons and other apparel via the e-commerce channels, through wholesale distribution, through retail and wholesale outlets, supermarkets and via direct marketing and mail order catalog. The Franchise Agreement does not grant you the right to distribute the products as described in this paragraph. At our sole discretion, we reserve the right to share in any of the proceeds from our activities with you through alternate channels of distribution.

Non-Traditional Sites and National Accounts

We will give you a right of first refusal to operate non-traditional sites within your Territory or Development Area, including, but not limited to, mall food courts, airports, hospitals, cafeterias, commissaries, schools, hotels, office buildings, and stadiums, arenas, ballparks, festivals, fairs, supermarket locations, military bases and other mass gathering locations or events (“**Non-Traditional Sites**”). (Section 4.7 of the Franchise Agreement); provided however, we will not open a Non-Traditional Site within your Territory within the first 12 months of the opening of your Bakery. We will provide you written notice of our intent to establish a Non-Traditional Site (the “**Notice**”). You will have the period of time specified in the Notice, or if no time period is specified, 30 days from the date of the Notice in which to exercise your right of first refusal which we may condition on your execution of our then-current franchise agreement (the terms of which may materially vary from the terms of your existing Franchise Agreement) and payment of our then-current initial fee.

We will grant you the right of first refusal provided: (i) you are compliant with any and all agreements with us, our affiliates and our approved and designated suppliers; (ii) the Non-Traditional Site is within the Territory and you meet the landlord’s current requirements for a tenant; and (iii) you meet our criteria for a multi-unit franchise owner. If you do not meet our criteria, fail to timely exercise the

right of first refusal or decline the opportunity to develop a Bakery at the Non-Traditional Site, then we may offer the opportunity to others, including our affiliates, designees, assignees or other franchisees

In addition, we have the right to enter into agreements or approve forms of agreements to provide Products to Non-Traditional Sites located within and outside of your Territory or Development Area, including “**National Accounts**” that, on their own or through agents, franchisees, or licensees, or other third parties own, manage, control or otherwise represent multiple commissary-style locations, including retail or wholesale outlets, novelty gift shops, and large commissaries, regardless of the aggregate contract amount of the services to be performed. We will determine whether a particular Guest constitutes a National Account at our sole discretion, and may include, but is not limited to corporations, organizations, federal and state local government entities and organizations and school systems. If we execute a contract with a National Account that contemplates the provision of services to one or more National Account locations or National Account clientele within or outside of your Territory, we have the right, by ourselves or through other franchisees, licensees, or third parties to provide Products to such location or clientele using the System and Marks. We will provide you with the option to provide Products on the terms that we negotiate, if you are qualified to perform the services and are substantially compliant with the terms of the Franchise Agreement and any addenda.




The Franchise Agreement does not grant you the right to engage in wholesale distribution. After your first 6 months of operation, we may, at our discretion, allow you to distribute products to wholesalers or retailers in your area, if you are compliant with the terms of your Franchise Agreement. We must approve the wholesaler and may designate the wholesaler as a National Account if the wholesaler operates multiple locations within and outside of your Territory. You must pay us our then-current wholesale account approval fee, currently \$1,500, plus our expenses, including travel costs and per diem.

Except as stated above, your Territory not be altered without your approval, and we will not modify your territorial rights within your Territory under any other circumstances. The Franchise Agreement does not contain any provisions under which you might receive any options, rights of first refusal or similar rights to acquire additional franchises within the Territory or in any contiguous areas.

Except as described in Item 1, we do not operate or franchise, or currently plan to operate or franchise, any business under a different trademark that sells or will sell goods or services similar to those that our franchisees sell. However, our affiliates, including the Affiliated Programs described in Item 1 and other portfolio companies that currently are or in the future may be owned by private equity funds managed by Roark Capital Management, LLC, may operate and/or franchise businesses that sell similar goods or services to those that our franchisees sell. Item 1 describes our current Affiliated Programs that offer franchises, their principal business addresses, the goods and services they sell, whether their businesses are franchised and/or company-owned, and their trademarks. All of these other brands (with limited exceptions) maintain offices and training facilities that are physically separate from the offices and training facilities of our franchise network. Most of the Affiliated Programs are not direct competitors of our franchise network given the products or services they sell, although some are, as described in Item 1. All of the businesses that our affiliates and their franchisees operate may solicit and accept orders from customers near your business. Because they are separate companies, we do not expect any conflicts between our franchisees and our affiliates’ franchisees regarding territory, customers and support, and we have no obligation to resolve any perceived conflicts that might arise.

ITEM 13
TRADEMARKS

You will obtain the right to use the following Marks in connection with operating your Bakery, all of which are registered with the U.S. Patent and Trademark Office (“PTO”) on the Principal Register. We currently own all of the trademarks listed in the table below. All required affidavits and renewals have been filed for these Marks.

Mark	Registration Number	Registration Date
	3,309,781	October 9, 2007
Nothing Bundt Cakes	2,697,008	March 18, 2003
Frosting Design	3,526,479	November 4, 2008
Bundtini	3,839,009	August 24, 2010
	4579282	August 5, 2014
	4579284	August 5, 2014

There are no currently effective material determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, any state trademark administrator or court, or any pending infringement, opposition or cancellation proceedings, nor any pending material litigation involving the Marks shown above. There are no agreements currently in effect which significantly limit our right to use or license others the right to use the Marks in any manner material to the System. We are not aware of any superior prior rights or infringing uses that could materially affect your use of the principal Marks.

We may add additional trademarks to the System or discontinue the use of any mark used in connection with the System at any time. You must promptly notify us of any suspected unauthorized use of the Marks, any challenge to the validity of the Marks, or any challenge to our ownership of, our right to use and to license others to use, or your right to use, the Marks. We have the sole right to direct and control any administrative proceeding or litigation involving the Marks, including the right to settle the proceedings or litigation. We have the exclusive right, but not the obligation, to affirmatively prosecute actions against third parties for infringement or threatened infringement of the Marks.

We will defend you against any third-party claim, suit, or demand arising out of your use of the Marks. If we, in our sole discretion, determine that you have used the Marks in accordance with the

Franchise Agreement, we will pay the cost of defending the action, including the cost of any judgment or settlement. If we, in our sole discretion, determine that you have not used the Marks in accordance with the Franchise Agreement, you will be required to pay for the defense or to reimburse us for costs we incurred in providing the defense, including the cost of any judgment or settlement. In the event of any litigation relating to your use of the Marks, you are required to sign all documents and assist us, as we deem necessary, to carry out the defense or prosecution including, without limitation, becoming a nominal party to any legal action. Except to the extent that such litigation is the result of your use of the Marks in a manner inconsistent with the terms of the Franchise Agreement, we will reimburse you for your out-of-pocket costs in performing such acts.

We are not aware of any superior prior rights or infringing uses that could materially affect your use of the Marks in any state; however, a federal trademark registration does not necessarily protect the use of the concerned mark against a prior user in a given relevant market area. Before entering into the Franchise Agreement, you should make every effort to ascertain that there are no existing uses of the Marks or confusingly similar marks being used in the market area where you wish to do business. You should immediately notify us of any confusingly similar marks you discover.

We are the lawful and sole owner of the domain name nothingbundtcakes.com. You cannot register any of the Marks now or hereafter owned by us or any abbreviation, acronym or variation of the Marks, or any other name that could be deemed confusingly similar, as Internet domain names. We retain the sole right to advertise the System on the Internet and to create, operate, maintain and modify, or discontinue using a website using the Marks. You may access our website through your assigned Bakery web page. Except as we may authorize in writing in advance, however, you cannot: (i) link or frame our website; (ii) conduct any business or offer to sell or advertise any products or services on the worldwide web; or (iii) create or register any Internet domain name in connection with your franchise.

You may use only the Marks which we designate and may use them only in the manner we authorize and permit. Any goodwill associated with the Marks or our System, including any goodwill which might be deemed to have arisen through your activities, inures directly and exclusively to our benefit. You may use the Marks only at the Approved Location or in advertising for the Bakery. You must use all Marks without prefix or suffix and in conjunction with the symbols "SM," "TM," "S" or "R," as applicable. You may not use the Marks in connection with the offer or sale of any services or products which we have not authorized for use in connection with the System. You may not use the Marks as part of your corporate or other legal name. We must approve your corporate name and all fictitious names under which you propose to do business in writing before use. You must use your corporate or limited liability company name either alone or followed by the initials "D/B/A" and the business name "Nothing Bundt Cakes®." You must promptly register at the office of the county in which your Bakery is located, or such other public office as provided for by the laws of the state in which your Bakery is located, as doing business under such assumed business name.

All of your advertising must prominently display the Marks and must comply with our standards for using the Marks. All such advertising is subject to our prior written approval which we will not unreasonably withhold. We reserve the right to approve all signs, stationery, business cards, forms, and other materials and supplies bearing the Marks. You may use the Marks including, without limitation, trade dress, color combinations, designs, symbols, and slogans, only in the manner and to the extent specifically permitted by the Franchise Agreement or by our prior written consent. You must submit to us and we must approve all advertising, publicity, signs, decorations, furnishings, equipment or other materials employing the Marks, or related marks, before first publication or use. We will not unreasonably withhold our approval. You must identify yourself as the owner of the Bakery (in the manner we prescribe) in conjunction with any use of the Marks including, without limitation, on invoices,

order forms, receipts, and business stationery, as well as at such conspicuous locations as we may designate in writing at the Bakery premises.

We reserve the right to substitute different Marks for use in identifying the System and Bakeries operating under the System. You must discontinue using all Marks which we have notified you, in writing, have been modified or discontinued within 10 days of receiving written notice and must promptly begin using such additional, modified or substituted Marks at your expense.

Area Development Agreement

The Area Development Agreement does not grant you any independent right to use the Marks. Your right to use the Marks will be governed solely by the terms and conditions of your individual Franchise Agreements with us.

ITEM 14 **PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

We do not own any registered patents or copyrights which are material to the franchise; however, we claim common law copyright and trade secret protection for several aspects of the franchise System, including the Proprietary Recipes and training procedures, our Operations Manual, advertising, and business materials.

There are no current determinations, proceedings or litigation involving any of our copyrighted materials. Should you become aware that any unauthorized third party is using any of our copyrighted materials, we request that you notify us of such unauthorized use. We may revise our Franchise System and any of our copyrighted materials in our discretion and may require that you cease using any outdated copyrighted materials. You will be responsible for printing any revised or new advertising, marketing or other business materials.

During the term of the Franchise Agreement, you will receive information which we consider trade secrets and confidential information. You may not, during the term of the Franchise Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, partnership, association, corporation, or limited liability company any trade secrets, including our Proprietary Recipes and other trade secrets, supplier networks and pricing plans through supplier networks, operating systems, other standards and specifications for product and/or service placement and pricing, price marketing mixes related to products and services offered under the System, copyrighted materials, including the Operations Manual, and other methods, techniques, and know-how concerning the operation of the Bakery (“**Confidential Information**”) you will acquire in your capacity as our franchisee. Guest information, including Guest names, contact information, purchasing histories, and discounts offered to Guests (collectively, “**Guest Information**”) also constitute our trade secrets and confidential information. You must report all required Guest Information into our Guest management database (the “**CRM**”).

We do not presently sell or otherwise disclose Guest Information to third parties. You are prohibited from disclosing Guest Information to third parties for any purpose and must adhere to any privacy policies we may now or in the future establish with respect to Guest information. You may divulge Confidential Information only to employees who must have access to it in order to perform their employment obligations. Your owners, officers, and Operators must sign confidentiality and non-compete agreements stating that they will maintain the confidentiality of information they receive in connection with their employment and restricting their right to work for a competitor while they are

employed by you. Such agreement, which will be in a form that we prescribe, will identify us as a third-party beneficiary to the agreement and give us independent enforcement rights.

The Franchise Agreement provides that if you, your employees, or principals develop any new concept, process or improvement in the operation or promotion of the Bakery, training, operation, or other business materials, you shall promptly notify us and provide us with all necessary related information, without compensation. Any new concept, process or improvement will become our sole property and we shall be the sole owner of all patents, patent applications, trademarks, copyrights and other intellectual property rights related to the new concepts. You and your principals must assign to us any rights you may have or acquire in new concepts you or your employees develop, including the right to modify such concept, process or improvement, and otherwise must waive and/or release all rights of restraint and moral rights to any new concepts you or your employees develop. You and your principals agree to assist us in obtaining and enforcing the intellectual property rights to any new concept, process or improvement in any and all countries and further agree to execute and provide us with all necessary documentation for obtaining and enforcing such rights. You and your principals must irrevocably designate and appoint us as your agent and attorney-in-fact to execute and file any such documentation and to do all other lawful acts to further the prosecution and issuance of patents or other intellectual property rights related to any such concept, process or improvement. In the event that such provisions of the Franchise Agreement are found to be invalid or otherwise unenforceable, you and your principals must grant us a worldwide, perpetual, non-exclusive, fully-paid license to use and sublicense the use of the concept, process or improvement to the extent such use or sublicense would, absent the Franchise Agreement, directly or indirectly infringe on your rights to the new concepts.

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

You must devote your personal full-time attention and best efforts to the management and operation of the Bakery. In the event that you are a corporation, limited liability company or partnership, one of your principals must serve as the operator of the Bakery (the “**Operator**”) and dedicate their full time and attention and best efforts to the day-to-day operations of the Bakery. The Operator must be approved by us and must successfully complete our initial training program and meet our then-current standards for Operators before assuming the position of Operator. An Operator must have full authority to act on your behalf in all dealings with us.

In the event that none of your principals are approved by us to serve as the Operator, or are unable to dedicate their full time and attention to the day-to-day operations of the Bakery, you may appoint a non-principal to serve as the Operator, provided that the non-principal operator meets our then-current standards for Operators, successfully completes our initial training program, and is approved by us before assuming the position of Operator.

Your Operator may, in our sole discretion, be approved for multiple franchise agreements or multiple Bakeries. You will keep us informed at all times of the identity of any employees acting as Operator of a Bakery, and any change in their employment status. Operators are not required to have an equity interest in your Bakery. In any event, you are personally responsible for the operation of your Bakery(s) and your Bakery must at all times be staffed with an Operator who has successfully completed our initial training program.

In the event that an Operator resigns or is otherwise terminated, you will have 60 days to hire a replacement Operator who meets our then-current standards for an Operator and who is approved by us in

writing before hiring. The new Operator must complete initial training to our satisfaction within 30 days after being hired, subject to the availability of our personnel.

Your Operator(s) shall devote full time and best efforts to the day-to-day operation and management of the Bakery and shall not engage in any other business activity without our prior written consent. Your employees will be bound by the confidentiality and non-compete covenants of the Franchise Agreement and shall execute the Confidentiality and Restrictive Covenant Agreement attached as Exhibit 4 to the Franchise Agreement.

You (or if you are a corporation, each of your shareholders; or if you are a partnership, each of your general partners; or, if you are a limited liability company, each of your members), and your/their spouse(s) must sign a Personal Guaranty attached as Exhibit 6 to the Franchise Agreement or Exhibit 2 to the Area Development Agreement, as applicable. In addition, to the extent your financials alone do not qualify you for a franchise, we may require your spouse to execute a personal guaranty, to the extent your spouse's financials are necessary to qualify you for a franchise.

ITEM 16 **RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

You must offer and sell all of the products which we require and only the products which we authorize for the System, in the manner we prescribe, which presently include cakes, baking supplies, design accoutrements, apparel, and related goods and services. You will not offer to sell or provide at or through the Bakery any merchandise, products or services that have not been approved in writing or use the premises for any other purpose other than the operation of the Bakery. You may not use nor sell any Products that do not meet our standards and specifications, unless approved in writing.

You will offer and sell all Products in accordance with our standards and specifications. We have the right to require you to offer and sell additional goods or services as we may designate. There are no limits on our right to do so. You must at all times maintain sufficient levels of inventory to meet and satisfy consumer demand and maintain the goodwill associated with the Marks and System. You must stop using or offering disapproved products or services immediately upon notice that such services or products have been discontinued. If the law prohibits the use or sale of any product or service, use must cease immediately.

Your grant of a Bakery does not include: (i) any right to offer any services via e-commerce, apart from our E-Commerce Program; (ii) any right to establish an independent website or to establish a URL incorporating the Marks or any variation thereof; or (iii) any right to distribute, market, or implement our services in any channel of distribution not specifically identified in the Franchise Agreement.

ITEM 17 **RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION**

THE FRANCHISE RELATIONSHIP

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

	PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
a.	Length of franchise term	2.1	The term shall begin on the date we sign the Franchise Agreement and shall continue until 10 years from the Bakery opening date. In the event you purchase an existing Bakery from an existing franchisee, the term shall be for the remaining unexpired term of the seller's franchise agreement.
b.	Renewal or extension of the term	2.2	One additional 10-year term.
c.	Requirements for you to renew or extend	2.2	You must: (i) provide notice of your renewal no fewer than 3 months and no greater than 9 months prior to the end of the term; (ii) demonstrate to our satisfaction that you have the right to operate the Approved Location for the duration of the renewal term or, if you are unable to continue operating at the Approved Location, secure a substitute location that is acceptable to us; (iii) complete to our satisfaction, no later than 90 days prior to expiration of your then-current term, all maintenance, refurbishing, renovating, updates and remodeling of the Bakery premises, as well as any update to required hardware and software, as necessary to bring the Bakery and all equipment into full compliance with our then-current System standards and specifications for new franchisees; (iv) not be in breach of any provision of the Franchise Agreement, or any other agreement with us, our affiliates, approved/designated suppliers and vendors, and also be in substantial compliance with these agreements during their respective terms; (v) satisfy all monetary obligations you have to us, our affiliates, and approved or designated suppliers/vendors; (vi) execute our then-current form of Franchise Agreement, the terms of which may materially vary from the terms of your current Franchise Agreement, provided that the size of your Territory will not change and pay a renewal fee equal to 50% of our then-current initial franchise fee; (vii) satisfy our then-current training requirements for renewing franchisees at your sole expense, prior to the renewal date; and (viii) execute a general release in favor of us and our affiliates in the form we prescribe.
d.	Termination by you	Not applicable	Not applicable
e.	Termination by us without cause	Not applicable	Not applicable
f.	Termination by us with cause	14.1 -14.4	We can terminate upon any material breach of the Franchise Agreement.
g.	"Cause" defined – curable	14.3 and 14.4	We have the right to terminate the Franchise Agreement after providing you a 15 day cure period if: (a) you fail to pay any monies you owe us or our affiliates; (b) you fail to immediately

	PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
	defaults		<p>endorse and deliver to us any payments due to us from any third party that is erroneously made to you; (c) you fail to maintain sufficient levels of inventory to meet consumer demand; (d) you fail to secure an Approved Location within 90 days from the date you sign the Franchise Agreement or if you do not build out your Bakery to our standards and specifications within two hundred and 270 days from the date you sign the Franchise Agreement, and have not otherwise obtained an extension from us; (e) you fail to operate the Bakery during the months, days and hours that we prescribe; (f) you fail to personally supervise Bakery operations or employ adequate personnel; (g) you fail to maintain our quality controls and standards; (h) you fail to procure or maintain any licenses, certifications, or permits necessary for the operation of your Bakery; (i) you fail to notify us of any change in your banking relationship, including changes to banking institutions or account numbers, or if you siphon any portion of the Gross Sales of your Bakery into a bank account not approved of by us or which is not accessible to us via EFT; (j) you offer any unauthorized or unapproved products or services in connection with the operation of your Bakery; or (k) you order or purchase supplies from unapproved suppliers.</p> <p>Except as stated for above, we have the right to terminate the Franchise Agreement after providing you a 30-day cure period if you fail to perform or comply with any one or more of the terms or conditions of the Franchise Agreement or any other agreement with us or our affiliates.</p>
h.	“Cause” defined – non-curable defaults	14.1 and 14.2	<p>The Franchise Agreement will automatically terminate without notice or an opportunity to cure if: (a) you make an assignment for the benefit of creditors, file a voluntary petition in bankruptcy, are adjudicated bankrupt or insolvent, file or acquiesce in the filing of a petition seeking reorganization or arrangement under any federal or state bankruptcy or insolvency law, or consent to or acquiesce in the appointment of a trustee or receiver for you or the Bakery; (b) proceedings are commenced to have you adjudicated bankrupt or to seek your reorganization under any state or federal bankruptcy or insolvency law, and such proceedings are not dismissed within 60 days, or a trustee or receiver is appointed for you or the Bakery without your consent, and the appointment is not vacated within 60 days; or (c) you purport to sell, transfer or otherwise dispose of your interest in the Franchise Business without our written approval.</p> <p>We have the right to terminate the Franchise Agreement with notice without providing you an opportunity to cure if: (a) you take part in criminal acts or misconduct; (b) you commit fraud or make any material misrepresentations; (c) you make any</p>

	PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
			<p>misrepresentations in connection with the franchise application; (d) you fail to complete our initial training program or any ongoing training program to our satisfaction within the time frames we designate; (e) you receive two or more written notices of default within any 12 month period; (f) you materially breach any other agreement with us or our affiliates, or your landlord, or threaten a material breach of such an agreement, including any lease for the Approved Location, and fail to cure the breach within any applicable cure period; (g) you misuse the Marks or Confidential Information; (h) you violate any health, safety or sanitation law; (i) you violate the in-term restrictive covenants of the Franchise Agreement; (j) a lien or writ of attachment or execution is placed against you and is not released or bonded against within 30 days; (k) you become insolvent; (l) you abandon the Bakery; (m) you misuse our proprietary software; (n) you fail to maintain required insurance; (o) you fail to comply with any governmental notice of non-compliance with any law or regulation within 15 days of the notice; (p) any governmental action is taken against you that results in any obligation upon us; (q) you fail to comply with any anti-terrorist laws; (r) you misuse taxes or other sums held for payment to third parties; (s) there are insufficient funds in your bank account to cover EFT payments 3 or more times in any 12 month period; (t) an audit reveals that you have understated your Royalty or Advertising Requirement payments or expenditures by more than 2%, or you have failed to submit timely reports and/or remittances for any two reporting periods within any 12 month period; (u) you engage in any dishonest, unethical or discriminatory conduct which, in our opinion, reflects adversely on the System, Marks or the Approved Products; (v) you engage in any violent or threatening act towards an employee, customer, or any other person; or (w) you fail to meet the Minimum Net Revenue Requirement in any Performance Period.</p>
i.	Your obligations on termination /non-renewal	15	<p>Upon termination or expiration of the Franchise Agreement, you must: (i) cease all operations under the Franchise Agreement; (ii) promptly pay all sums you owe us; (iii) cease using the Marks and System; (iv) return to us the Operations Manual and all other manuals, proprietary materials, and Confidential Information; (v) cease using and assist in transferring all of your telephone numbers to us; (vi) vacate the Bakery premises if we exercise our rights under the Collateral Assignment of Lease; (vii) return to us all items reflecting the Marks; (viii) cease holding yourself out as our franchisee; (ix) take necessary action to amend or cancel any business name or equivalent registration which contains our trade name or Marks; (x) allow us to inspect your financial records; (xi) comply with the post term covenants contained in the Franchise Agreement; (xii) cease to use in advertising or in any other manner any methods, procedures or techniques associated with us or the</p>

	PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
			System; (xiii) execute periodically any papers, documents, and assurances necessary to effectuate termination or nonrenewal; and (xiv) pay liquidated damages.
j.	Assignment of contract by us	17.1	No restrictions on our right to assign or transfer.
k.	“Transfer” by you – definition	17.2 and 17.3	A sale, transfer or assignment requiring our prior written consent occurs: (i) if you are a corporation, upon any assignment, sale, pledge or transfer of any fractional portion of your voting stock, or any increase in the number of outstanding shares of your voting stock which results in a change in ownership; (ii) if you are a partnership, upon the assignment, sale, pledge or transfer of any fractional partnership ownership interest; or (iii) if you are a limited liability company, upon any assignment, sale, pledge or transfer of any fractional portion of any interest in the limited liability company.
l.	Our approval of transfer by franchisee	17.2 and 17.4	You may not transfer any rights in the franchise without our prior written consent. We have the right to condition our approval of any sale, transfer, assignment or encumbrance as described below.
m.	Conditions for our approval of transfer	17.4	We will approve a proposed transfer if: (i) all of your accrued monetary obligations to us, our affiliates, and our approved and designated suppliers have been paid; (ii) all existing defaults under the Franchise Agreement have been cured; (iii) you execute a general release in favor of us and our affiliates; (iv) you provide us a copy of the executed purchase agreement; (v) the transferee meets our qualifications; (vi) the transferee executes our then-current Franchise Agreement for the remaining unexpired term of the Franchise Agreement; (vii) you or the transferee pays us a \$5,000 transfer fee in the event of a transfer of the Bakery or \$3,500 in the event of a transfer of the ownership interests in franchisee; (viii) the transferee satisfactorily completes our training program; (ix) you comply with the post term provisions of the Franchise Agreement; (x) the transferee obtains all necessary licenses and permits required to operate the Bakery; (xi) to the extent required by the terms of any leases or other agreements, the lessors or other parties must have consented to the proposed transfer; (xii) the transfer is made in compliance with all applicable laws; (xiii) the purchase price and terms of the proposed transfer are not so burdensome to the prospective transferee as to impair or materially threaten its future operation of the Bakery and performance under its Franchise Agreement; (xiv) you must request that we provide the prospective transferee with our current form of disclosure document and we shall not be liable for any representations not included in the disclosure document; (xv) our approval of the transfer shall not constitute a waiver of any claims we may have against the transferring party; (xvi) we shall have the right to disclose to any prospective transferee such revenue reports

	PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
			and other financial information concerning you and your Bakery as you have supplied us; and (xvii) we may withhold or condition our consent to any transfer as we deem appropriate based on the circumstances of the transfer or otherwise.
n.	Our right of first refusal to acquire your business	17.7	We can match any offer for the franchised business. We will notify you within ten (10) business days after receiving notice from you whether we wish to exercise our right to purchase your business.
o.	Our option to purchase your business	15.2	Upon termination or expiration of your agreement, for whatever reason, we have the option to purchase the assets of your business at book value.
p.	Your death or disability	17.5	Upon your death or disability, your rights under the Franchise Agreement may pass to your heirs or legatees, provided that, within 90 days of your death or disability, they agree to assume your obligations under the Franchise Agreement, successfully complete our initial training program, and otherwise meet our satisfaction.
q.	Non-competition covenants during the term of the franchise	16.1	During the term of the Franchise Agreement, neither you, your principals, nor any member of the immediate family of you or your principals may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation: (i) own, maintain, engage in, be employed by, lend money to, extend credit to or have any interest in any other business which operates or licenses the sale of businesses which offer and sell cakes, baked goods, gift packages, novelty items, or any other goods or services authorized or offered for sale by System franchisees, provided, however, that this Section does not apply to your operation of any other Bakery; or (ii) divert or attempt to divert any business or Guest of the Bakery to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks or the System.
r.	Non-competition covenants after the franchise is terminated or expires	16.2	For a period of 2 years after the expiration and nonrenewal, transfer or termination of the Franchise Agreement, regardless of the cause, neither you, your principals, or Operators nor any member of the immediate family of you, your principals or Operators may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation, enter into any business competing in whole or in part with us in granting franchises or licenses to operate businesses which offer and sell cakes, baked goods, gift packages, novelty items, or any other goods or services authorized or offered for sale by System franchisees at the time the Franchise Agreement is terminated or expires and is not otherwise renewed. In addition, for a period of 2 years after the expiration, transfer or termination of the Franchise Agreement, regardless of the cause,

	PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
			neither you, your principals, or Operators, nor any member of the immediate family of you, your principals or Operators may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation own, maintain, engage in, lend money to, extend credit to, have any interest in, or be employed as an officer, director, executive, or principal of: (i) businesses which offer and sell cakes, baked goods, gift packages, novelty items, or any other goods or services authorized or offered for sale by System franchisees at the time the Franchise Agreement is terminated or expires and is not otherwise renewed (a) at the Franchised Business premises, (b) within the Territory, or (c) within a radius of 10 miles of the perimeter of (1) the Territory being granted hereunder or (2) any other Territory licensed by Franchisor or Bakery operated by Franchisor or Franchisor's affiliates as of the date of expiration or termination of the Franchise Agreement; (ii) solicit business from Guests of your former Bakery or contact any of our suppliers or vendors for any competitive business purpose; or (iii) solicit any of our employees, or the employees of our affiliates or any other System franchisee to discontinue employment. The 2 year time period shall be tolled during any default of the non-compete and confidentiality covenants.
s.	Modification of agreement	20.2	The Franchise Agreement may only be modified or amended in writing signed by all parties.
t.	Integration/ merger clause	20.2	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises made outside the disclosure document and franchise agreement may not be enforceable.
u.	Dispute resolution by arbitration or mediation	19.3 and 19.4	You must bring all disputes before our President before bringing a claim before a third party. After exhausting this internal dispute resolution procedure, at our option, all claims or disputes between you and us must be submitted first to mediation in Dallas, Texas in accordance with the American Arbitration Association's Commercial Mediation Rules then in effect.
v.	Choice of forum	19.5	All claims not subject to mediation must be brought before a court of general jurisdiction in Dallas, Texas, or the United States District Court for the Northern District of Texas. You consent to the exclusive personal jurisdiction and venue of any court of general jurisdiction in Dallas, Texas and the United States District Court for the Northern District of Texas, with a jury trial waiver. Please see the State-Specific Addenda attached as Exhibit H to this disclosure document for further details. You agree that there will be no class actions. The parties agree to waive jury trials.
w.	Choice of law	19.2	The Franchise Agreement is governed by the laws of the State of Texas. See the State Specific Addenda attached as Exhibit H to this disclosure document for further details.

THE AREA DEVELOPER RELATIONSHIP

	PROVISION	SECTION IN AREA DEVELOPMENT AGREEMENT	SUMMARY
a.	Length of the Area Development Agreement term	1.1	The term begins upon execution of the Area Development Agreement and ends on the date stated in Section 1.1 of the Area Development Agreement, as negotiated by the parties.
b.	Renewal or extension of the term	Not applicable	Not applicable
c.	Requirements for you to renew or extend	Not applicable	Not applicable
d.	Termination by you	Not applicable	Not applicable
e.	Termination by us without cause	Not applicable	We cannot terminate the Area Development Agreement without cause.
f.	Termination by us with cause	Section 9	<p>We have the right to terminate the Area Development Agreement with cause.</p> <p>No default under the Area Development Agreement shall constitute a default under any franchise agreement you have entered into with us, unless your acts or omissions also violate the terms and conditions of that agreement. Failure to comply with any material term or material condition imposed by a franchise agreement executed in connection your Area Development Agreement will constitute grounds for us to default you under your Area Development Agreement.</p>
g.	"Cause" defined – curable defaults	9.1	The Area Development Agreement may be terminated if you fail to meet your development obligations as set forth in the Mandatory Development Schedule for any single Development Period, and fail to cure such default within 30 days of receiving notice thereof,
h.	"Cause" defined – noncurable defaults	9.1	Your Development Agreement can be terminated by us if: (i) you abandon your development business for 3 consecutive months, or any shorter period that indicates an intent by you to discontinue development of the Bakeries within the Development Area; (ii) you become insolvent or are adjudicated bankrupt, or if any action is taken by Franchisee, or by others against you, under any insolvency, bankruptcy or reorganization act, or if you make an assignment for the benefit of creditors or a receiver is appointed by you; or (iii) any Franchise Agreement that is entered into in order to fulfill your development obligations under the Development Agreement is terminated or subject to termination by us, pursuant to the terms of that Franchise Agreement.

	PROVISION	SECTION IN AREA DEVELOPMENT AGREEMENT	SUMMARY
i.	Your obligations on termination / Non-renewal	10	Upon termination of the Area Development Agreement, you will retain the right to develop and operate Bakeries for which you have signed Franchise Agreements, provided those agreements have not been terminated. Your rights to any Bakeries for which there are no Franchise Agreements and your exclusivity in the Development Area will terminate immediately. Upon termination, we will have the right to develop the Development Area by ourselves or through our franchisees, licensees, or otherwise, at our sole discretion. Upon termination of the Area Development Agreement: (i) you will have no further right to enter into Franchise Agreements to establish and operate Bakeries under the Area Development Agreement; (ii) you must comply with the provisions of your existing Franchise Agreements, to the extent they have not been terminated; (iii) we may operate or grant franchises for the operation of Bakeries in the Development, except to the extent prohibited by your effective Franchise Agreements; (iv) we will retain all fees paid; and (v) we will have no further obligations to you under the Area Development Agreement.
j.	Assignment of contract by us	11	Fully transferable by us.
k.	"Transfer" by you - definition	11.3	A sale, transfer or assignment requiring our prior written consent occurs: (i) if you are a corporation, upon any assignment, sale, pledge or transfer of any fractional portion of your voting stock, or any increase in the number of outstanding shares of your voting stock which results in a change in ownership; (ii) if you are a partnership, upon the assignment, sale, pledge or transfer of any fractional partnership ownership interest; or (iii) if you are a limited liability company, upon any assignment, sale, pledge or transfer of any fractional portion of any interest in the limited liability company.
l.	Our approval of transfer by you	11.2	You may not transfer any rights in the franchise without our prior written consent. We have the right to condition our approval of any sale, transfer, assignment or encumbrance as described below.
m.	Conditions for our approval of transfer	11.4	The proposed transferee must meet our standards as to character, financial resources, and willingness to assume the existing obligations under the Area Development Agreement, sign our then-current form of Area Development Agreement; sign a general release in the form we specify; and pay a transfer fee equal to \$5,000 for any undeveloped areas for which there is no franchise agreement and the transfer fees due under franchise agreements signed pursuant to the Area Development Agreement if those units are transferred.

	PROVISION	SECTION IN AREA DEVELOPMENT AGREEMENT	SUMMARY
n.	Our right of first refusal to acquire your business	11.7	We can match any offer for the Area Development Business. We will notify you, within 30 days after receiving the offer, whether we wish to exercise our right to purchase your business.
o.	Our option to purchase your business	Not applicable	Not applicable
p.	Your death or disability	11.5	Your legal representative shall have the right to continue the Area Developer Business if certain conditions are met.
q.	Non-competition covenants during the term of the Franchise	12.1	During the term of the Area Development Agreement, neither you, your principals, nor any member of the immediate family of you or your principals may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation: (i) own, maintain, engage in, be employed by, lend money to, extend credit to or have any interest in any other businesses which offer and sell cakes, baking related merchandise or apparel, or any other goods or services authorized or offered for sale by System franchisees, provided, however, that this Section does not apply to your operation of any other Bakery; or (ii) divert or attempt to divert any business or Guest of the Bakery to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks or the System.
r.	Non-competition covenants after the Franchise is terminated or expires.	12.2	For a period of 2 years after the expiration and nonrenewal, transfer or termination of the Area Development, regardless of the cause, neither you, your principals, nor any member of the immediate family of you or your principals may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation enter into any business competing in whole or in part with us in granting franchises or licenses to operate businesses which offer and sell cakes, baking related apparel or merchandise, or any other goods or services authorized or offered for sale by System franchisees at the time the Area Development Agreement is terminated or expires and is not otherwise renewed. In addition, for a period of 2 years after the expiration, transfer or termination of the Area Development Agreement, regardless of the cause, neither you, your principals, nor any member of the immediate family of you or your principals may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation own, maintain, engage in, lend money to, extend credit to, have any interest in, or be employed as an officer, director, executive, or

	PROVISION	SECTION IN AREA DEVELOPMENT AGREEMENT	SUMMARY
			principal of: (i) businesses which offer and sell cakes, baking related apparel or merchandise, or any other goods or services authorized or offered for sale by System franchisees at the time the Area Development Agreement is terminated or expires and is not otherwise renewed (a) within the Development Area, or (b) within a radius of 10 miles of the perimeter of (1) the Development Area being granted under the Area Development Agreement or (2) any other Territory or Development Area licensed by Franchisor or Bakery operated by Franchisor or Franchisor's affiliates as of the date of expiration or termination of the Area Development Agreement; (ii) solicit business from Guests of your former Bakery or contact any of our suppliers or vendors for any competitive business purpose; or (iii) solicit any of our employees, or the employees of our affiliates or any other System franchisee to discontinue employment. The two-year time period shall be tolled during any default of the non-compete and confidentiality covenants.
s.	Modification of the Agreement	15.1	The Area Development Agreement may only be modified or amended in writing signed by all parties.
t.	Integration / merger clause	15.1	Only the terms of the Area Development Agreement are binding (subject to state law). Any representations or promises made outside the disclosure document and Area Development Agreement may not be enforceable.
u.	Dispute resolution by arbitration or mediation	14.2 and 14.3	You must bring all disputes before our Chairman of the Board or Chief Executive Officer prior to bringing a claim before a third party. After exhausting this internal dispute resolution procedure, at our option, all claims or disputes between you and us must be submitted first to mediation in Dallas, Texas in accordance with the American Arbitration Association's Commercial Mediation Rules then in effect.
v.	Choice of forum	14.5	All claims not subject to mediation must be brought before a court of general jurisdiction in Dallas, Texas, or the United States District Court for the Northern District of Texas. You consent to the personal jurisdiction and venue of any court of general jurisdiction in Dallas, Texas, and the United States District Court for the Northern District of Texas. Please see the State-Specific Addenda attached as Exhibit H to this disclosure document for further details. You agree that there will be no class actions. The parties waive the right to trial by jury. These provisions may be subject to state law.
w.	Choice of law	14.1	The Area Development Agreement is governed by the laws of the State of Texas. See the State Specific Addenda attached as Exhibit H to this disclosure document for further details. These provisions may be subject to state law.

ITEM 18
PUBLIC FIGURES

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

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATION

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its 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.

BACKGROUND

This Item sets forth historical net revenue and cost information for our franchised Bakeries which was provided to NBC or us by our franchisees.

As of December 27, 2020, there were 361 franchised Bakeries and 14 company owned Bakeries open and operating in the United States. Part I of this Item sets forth the net revenues of 270 franchised bakeries ("**Included Franchisee Bakeries**") all of which have been operating for at least 24 months as of December 27, 2020. The "**Measurement Period**" in this Part I is January 1, 2019 to December 27, 2020. Included in this Item 19 are 5 franchised Bakeries owned and operated by our founders. We have excluded from Part I net revenue information of the 91 remaining Franchisee Bakeries because these Bakeries were not open and operating for the entire Measurement Period. The information contained in Part I was taken from the POS System.

Part II of this Item sets forth average net revenues, average cost of goods sold, average gross margin, average payroll costs, average occupancy expenses, average advertising expenses, average other expenses, average interest expenses, average depreciation and amortization expenses, average net income and average EBITDA achieved by 236 of the Included Franchisee Bakeries from January 1, 2020 through December 27, 2020 (the "**2020 Calendar Year**"). The 236 Included Franchisee Bakeries provided us or NBC with complete 2020 financial statements prior to the issuance of this disclosure document. 34 of the Franchisee Bakeries were excluded on the basis that they did not provide us or NBC with complete 2020 financial statements before the issuance of this disclosure document.

Part III of this Item sets forth the Average Net Revenues achieved during the first and second full 12 months of business by all 42 franchised Bakeries which opened between January 1, 2018 and December 30, 2018 and have been open a minimum of 24 months as of December 27, 2020.

Neither we nor NBC has audited or independently verified the data submitted by the included bakeries and no assurance can be offered that the data does not contain inaccuracies that an audit might disclose. We will provide you with written substantiation for the financial performance representation upon reasonable request.

Part I: Included Franchisee Bakeries’ Average Net Revenues and Growth in Average Net Revenues during the Measurement Period

Calendar Year	Number of Included Franchisee Bakeries	Average Net Revenues	% Growth in Average Net Revenues	No. of Bakeries Above/Below Average	Median	High Net Revenues	Low Net Revenues
2019	270	\$1,168,968	n/a	117 / 153	\$1,127,873	\$2,791,568	\$414,269
2020	270	\$1,295,169	10.8%	109 / 161	\$1,210,422	\$3,108,047	\$458,198

Notes to Part I

1. “**Net Revenues**” includes all revenues generated from all business conducted at or from a Bakery during the Measurement Period, including amounts received from the sale, shipping and delivery of food items, amounts received through the E-Commerce program and from gift card sales, and other products and services, merchandise, and tangible property of any nature whatsoever, whether in cash or for credit, and whether collected or uncollected. “**Net Revenues**” does not include the amount of any applicable sales tax imposed by any federal, state, municipal or other governmental authority if such taxes are stated separately when the Guest is charged and franchisee pays such amounts as and when due to the appropriate taxing authority. Also excluded from **Net Revenues** are the amount of any documented refunds, chargebacks, credits and allowances given to Guests in good faith pursuant to our standard procedures for issuing such refunds.

2. The “**Average Net Revenues**” for the Included Franchisee Bakeries were calculated by taking the sum of the Included Franchisee Bakeries’ **Net Revenues** and dividing it by the total number of Included Franchisee

3. The “**Percentage Growth in Average Net Revenues**” was calculated by taking the difference between **Average Net Revenues** achieved by the Included Franchisee Bakeries in 2020 and 2019 and dividing it by the **Average Net Revenues** achieved by the Included Franchisee Bakeries in 2019.

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Part II: Average Net Revenues, Average Costs of Goods Sold, Average Gross Margin, Average Payroll Costs, Average Occupancy Costs, Average Advertising Expenses, Average Other Expenses, Average Interest Expenses, Average Depreciation and Amortization Expenses, Average Net Income Average EBITDA and Average Total Franchisee Principal's Benefit.

P&L Category	Average 236 Bakeries		No. of Bakeries Above / Below	Median %
	\$	%		
Net Revenues	\$ 1,307,280		96 / 140	
COGS	304,103	23.3%	111 / 125	23.1%
Average Gross Margin	\$ 1,003,177	76.7%	125 / 111	76.9%
Payroll	415,900	31.8%	112 / 124	31.4%
Occupancy	75,801	5.8%	122 / 114	5.9%
Marketing & Advertising	51,185	3.9%	113 / 123	3.8%
Other Expenses	194,550	14.9%	110 / 126	14.5%
Interest Expense	6,310	0.5%	85 / 151	0.1%
Depreciation & Amortization	16,456	1.3%	94 / 142	0.7%
Taxes	7,073	0.5%	60 / 176	0.2%
Total Expense	\$ 767,277	58.7%	130 / 106	59.7%
Net Income	\$ 235,901	18.0%	112 / 124	17.3%
Add Backs to Net Income Calculate EBITDA:				
Interest Expense	6,310	0.5%	85 / 151	0.1%
Depreciation & Amortization	16,456	1.3%	94 / 142	0.7%
Taxes	7,073	0.5%	60 / 176	0.2%
EBITDA	\$ 265,741	20.3%	112 / 124	19.7%
Reported Franchisee Principal Expenses	46,154	3.5%	90 / 146	1.7%
Total Franchisee Principal's Benefit	\$ 311,895	23.9%	117 / 119	23.8%

Notes to Part II

1. “Net Revenues” includes all revenues generated from all business conducted at or from a Bakery during the 2020 Calendar Year, including amounts received from the sale, shipping and delivery of food items, amounts received through the E-Commerce program and from gift card sales, and other products and services, merchandise, and tangible property of any nature whatsoever, whether in cash or for credit, and whether collected or uncollected. “Net Revenues” does not include the amount of any applicable sales tax imposed by any federal, state, municipal or other governmental authority if such taxes are stated separately when the Guest is charged and franchisee pays such amounts as and when due to the appropriate taxing authority. Also excluded from Net Revenues are the amount of any documented refunds, chargebacks, credits and allowances given to Guests in good faith pursuant to our standard procedures for issuing such refunds. The “Average Net Revenues” is determined by taking the sum of included franchisees Net Revenues and dividing it by 236. For the 2020 Calendar Year, the high Net Revenues reported to us was \$3,122,238 and the low was \$459,560.

2. “COGS” is defined as all direct costs including dry ingredients, packaging and decorating costs. The average presented above is determined by taking the sum of included franchisees costs of goods sold and dividing it by 236. The percentage was determined by dividing the average COGS by Average Net Revenues.

3. **“Average Gross Profit”** is defined as Average Net Revenues less Total Average Cost of Goods Sold. The percentage was determined by dividing the Average Gross Profit by Average Net Revenues.
4. **“Payroll”** is defined as the cost of hourly employees, management labor, and manager salary or bonus payments, but does not include owner salary or draw. The average presented above is determined by taking the sum of Included Franchisees’ Labor Costs and dividing by 236. The percentage was determined by dividing the average Labor Cost by Average Net Revenues.
5. **“Occupancy”** is defined as all charges imposed under the lease agreements, including base rent, percentage rent, and common area maintenance charges. The average presented above is determined by taking the sum of included franchisees Occupancy costs and dividing by 236. The percentage was determined by dividing the average Occupancy cost by Average Net Revenues.
6. **“Advertising”** is defined as the cost of local store marketing efforts, as well as national marketing costs paid for on behalf of the Franchisees. The average presented above is determined by taking the sum of included franchisees Advertising costs and dividing by 236. The percentage was determined by dividing the Advertising costs by Average Net Revenues.
7. **“Other Expenses”** is defined as the sum of other operational costs required to operate the bakery, including but not limited to royalties paid to the franchisor, utility costs, repair and maintenance costs, credit card merchant fees, office supplies and other expenses. The average presented above is determined by taking the sum of Included Franchisees’ Other Expenses and dividing by 236. The percentage was determined by dividing the average Other Expenses by Average Net Revenues.
8. **“Interest Expense”** is defined as financing charges for any outside bank loans being paid by the franchisee to their lender of choice. The average presented above is determined by taking the sum of Included Franchisees’ Interest Expense and dividing by 236. The percentage was determined by dividing the average Interest Expense by Average Net Revenues.
9. **“Depreciation & Amortization”** is defined as non-cash costs to expense over time the capital investments made by franchisees into their bakeries. The average presented above is determined by taking the sum of Included Franchisees’ Depreciation & Amortization and dividing by 236. The percentage was determined by dividing the average Depreciation & Amortization by Average Net Revenues.
10. **“Total Expense”** is defined as the sum of Advertising, Occupancy, Labor, Other Payroll, Other SG&A, Interest Expense, and Depreciation and Amortization expenses. The percentage was determined by dividing the average Total Expense by Average Net Revenues.
11. **“Net Income”** is defined as Average Gross Profit minus Total Expense. The percentage was determined by dividing the average Net Income by Average Net Revenues.
12. **“EBITDA”** is defined as Net Income plus Interest Expenses, Depreciation, Amortization Expenses and Income Taxes. The percentage was determined by dividing the average EBITDA by Average Net Revenues.
13. **“Reported Franchisee Principal Expenses”** is defined as any expenses reported by the franchisee as specifically paid to the Principal benefit such as, but not limited to, Payroll, Consulting Fees, Home Office and Automobile Expenses. The percentage was determined by dividing the average Reported Franchisee Principal Expenses by Average Net Revenues.

14. “**Total Franchisee Principal’s Benefit**” is defined EBITDA plus Reported Franchisee Principal Expenses. The percentage was determined by dividing the average Total Franchisee Principal’s Benefit by Average Net Revenues.

Part III: Average Net Revenues and Percentage Growth in Average Net Revenues for Bakeries opened during 2018.

The table below sets forth the Average Net Revenues and the Percentage Growth in Average Net Revenues achieved by all 42 Bakeries which opened during the 2018 calendar year and which have been open and operating a full 24 months as of December 27, 2020.

Year Bakery Opened	Number of Included Franchisee Bakeries	Average Net Revenues, 1 st 12 Months	Number Above/Below	Median, First 12 Months	Average Net Revenues, 2 nd 12 Months	Number Above/Below	Median, Second 12 Months	% Growth in Average Net Revenues
2018	42	\$885,285	18 / 24	\$840,192	\$1,120,536	19 / 23	\$1,045,191	26.6%

Notes to Part III

1. “**Net Revenues**” includes all revenues generated from all business conducted at or from a Bakery during the first and second full 12 months of business, including amounts received from the sale, shipping and delivery of food items, amounts received through the E-Commerce program and from gift card sales, and other products and services, merchandise, and tangible property of any nature whatsoever, whether in cash or for credit, and whether collected or uncollected. “Net Revenues” does not include the amount of any applicable sales tax imposed by any federal, state, municipal or other governmental authority if such taxes are stated separately when the Guest is charged and franchisee pays such amounts as and when due to the appropriate taxing authority. Also excluded from Net Revenues are the amount of any documented refunds, chargebacks, credits and allowances given to Guests in good faith pursuant to our standard procedures for issuing such refunds. The “**Average Net Revenues**” is determined by taking the sum of included franchisees Net Revenues divided by the number of franchisees included in each table. For the First 12 Months, the High Net Revenues was \$1,821,996 and the low was \$377,749. For the Second 12 Months, the High Net Revenues was \$2,151,749 and the low was \$609,464.

2. “**Average Net Revenues First 12 Months of Operation**” was calculated by taking the sum of the included franchisees’ Net Revenues achieved during the first 12 months of operations and dividing it by the total number of included franchisees. “**Average Net Revenues Second 12 Months of Operation**” was calculated by taking the sum of the included franchisees’ Net Revenues achieved during the second 12 months of operations and dividing it by the total number of included franchisees. The Average Net Revenues reflect the first and second full 12 months of business and does not necessarily reflect sales achieved during any entire calendar year (January through December).

3. The “**Percentage Growth in Average Net Revenues**” was calculated by taking the difference between Average Net Revenues Second 12 Months of Operation and Average Net Revenues First 12 Months of Operation and dividing it by the Average Net Revenues First 12 Months of Operation.

General Notes to Item 19

A. This analysis does not contain complete information regarding costs associated with starting up and operating a Bakery. The data presented in Part I, Part II and Part III is for established

Bakeries open and operating a minimum of 24 months as of December 27, 2020. We do not make any financial performance representations regarding Bakeries operated at Non-Traditional Sites.

B. The figures above do not include certain costs associated with the establishment and operation of a Bakery, including initial franchise fees; build-out and equipment costs; technology and other bakery costs able to be capitalized. The above figures also exclude living expenses. There may be other costs and other expenses not identified in this Item 19. You should conduct an independent investigation of the costs and expenses you will incur in operating your Bakery. Franchisees or former franchisees listed in the disclosure document may be one source of that information

C. Interest expense, interest income, depreciation, amortization and other income or expenses will vary substantially from business to business, depending on the amount and kind of financing you obtain to establish your Bakery. You should consult with your tax advisor regarding depreciation and amortization schedules and the period over which the assets of your Bakery may be amortized or depreciated, as well as the effect, if any, of recent or proposed tax legislation.

D. Rent will vary significantly depending on the location size and condition of the property that you lease.

E. Some outlets have earned this amount. Your individual results may vary. There is no assurance you will do as well.

F. We recommend that you make your own independent investigation to determine whether or not the franchise may be profitable to you. We suggest strongly that you consult your financial advisor or personal accountant concerning financial projections and federal, state and local income taxes and any other applicable taxes that you may incur in operating a Nothing Bundt Cakes® Bakery.

G. Other than the preceding financial performance representation, we do not make any financial performance representations. 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 our management by contacting Mr. Kyle Smith at 4560 Belt Line Road, Suite 350, Addison, Texas 75001, (702) 800-7800, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

As noted in Item 1, NBC was the franchisor of the Nothing Bundt Cakes system prior to the closing of the Securitization Transaction in July 2021.

Table 1
Systemwide Outlet Summary
For years 2018-2020

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2018	234	276	+42
	2019	276	318	+42
	2020	318	362	+44
Company-Owned	2018	6	6	0
	2019	6	13	+7
	2020	13	14	+1
Total Outlets	2018	240	282	+42
	2019	282	331	+49
	2020	331	376	+45

Table 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2018-2020

State	Year	Number of Transfers
California	2018	0
	2019	1
	2020	2*
Colorado	2018	1
	2019	0
	2020	0
Illinois	2018	0
	2019	0
	2020	1
North Carolina	2018	1
	2019	0
	2020	2
Ohio	2018	0
	2019	0
	2020	1

State	Year	Number of Transfers
South Carolina	2018	0
	2019	0
	2020	1
Texas	2018	0
	2019	0
	2020	2
Washington	2018	0
	2019	1
	2020	0
Total	2018	2
	2019	2
	2020	9

**One California unit had a partner buy out the other partner.*

Table 3
Status of Franchised Outlets
For years 2018-2020

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Alabama	2018	3	0	0	0	0	0	3
	2019	3	0	0	0	0	0	3
	2020	3	2	0	0	0	0	5
Arizona	2018	8	0	0	0	0	0	8
	2019	8	1	0	0	0	0	9
	2020	9	0	0	0	0	0	9
Arkansas	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
California	2018	53	5	0	0	0	0	58
	2019	58	2	0	0	*7	0	53
	2020	53	4	0	0	0	0	57
Colorado	2018	9	0	0	0	0	0	9
	2019	9	1	0	0	0	0	10
	2020	10	0	0	0	0	0	10

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Connecticut	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	1	0	0	0	0	1
Florida	2018	14	6	0	0	0	0	20
	2019	20	4	0	0	0	0	24
	2020	24	3	0	0	0	0	27
Georgia	2018	6	2	0	0	0	0	8
	2019	8	2	0	0	0	0	10
	2020	10	2	0	0	0	0	12
Idaho	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
Illinois	2018	17	3	0	0	0	0	20
	2019	20	1	0	0	0	0	21
	2020	21	2	0	0	0	0	23
Indiana	2018	2	1	0	0	0	0	3
	2019	3	1	0	0	0	0	4
	2020	4	3	0	0	0	0	7
Iowa	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	2	0	0	0	0	3
Kansas	2018	4	0	0	0	0	0	4
	2019	4	0	0	0	0	0	4
	2020	4	1	0	0	0	0	5
Kentucky	2018	2	0	0	0	0	0	2
	2019	2	2	0	0	0	0	4
	2020	4	0	0	0	0	0	4
Louisiana	2018	5	0	0	0	0	0	5
	2019	5	2	0	0	0	0	7
	2020	7	0	0	0	0	0	7
Maine	2018	0	0	0	0	0	0	0
	2019	0	1	0	0	0	0	1
	2020	1	0	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Maryland	2018	1	0	0	0	0	0	1
	2019	1	1	0	0	0	0	2
	2020	2	3	0	0	0	0	5
Massachusetts	2018	0	0	0	0	0	0	0
	2019	0	4	0	0	0	0	4
	2020	4	0	0	0	0	0	4
Michigan	2018	2	1	0	0	0	0	3
	2019	3	2	0	0	0	0	5
	2020	5	0	0	0	0	0	5
Minnesota	2018	7	1	0	0	0	0	8
	2019	8	0	0	0	0	0	8
	2020	8	0	0	0	0	0	8
Mississippi	2018	1	1	0	0	0	0	2
	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
Missouri	2018	2	2	0	0	0	0	4
	2019	4	1	0	0	0	0	5
	2020	5	1	0	0	0	0	6
Nebraska	2018	2	1	0	0	0	0	3
	2019	3	0	0	0	0	0	3
	2020	3	0	0	0	0	0	3
Nevada	2018	5	0	0	0	0	0	5
	2019	5	0	0	0	0	0	5
	2020	5	0	0	0	0	0	5
New Jersey	2018	1	1	0	0	0	0	2
	2019	2	1	0	0	0	0	3
	2020	3	2	0	0	0	0	5
New Mexico	2018	1	0	0	0	0	0	1
	2019	1	1	0	0	0	0	2
	2020	2	0	0	0	0	0	2
New York	2018	1	0	0	0	0	0	1
	2019	1	1	0	0	0	0	2
	2020	2	1	0	0	0	0	3

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
North Carolina	2018	9	2	0	0	0	0	11
	2019	11	1	0	0	0	0	12
	2020	12	2	0	0	0	0	14
North Dakota	2018	0	0	0	0	0	0	0
	2019	0	1	0	0	0	0	1
	2020	1	0	0	0	0	0	1
Ohio	2018	7	2	0	0	0	0	9
	2019	9	3	0	0	0	0	12
	2020	12	1	0	0	0	0	13
Oklahoma	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
Oregon	2018	3	0	0	0	0	0	3
	2019	3	0	0	0	0	0	3
	2020	3	1	0	0	0	0	4
Pennsylvania	2018	2	3	0	0	0	0	5
	2019	5	2	0	0	0	0	7
	2020	7	3	0	0	0	0	10
South Carolina	2018	3	2	0	0	0	0	5
	2019	5	1	0	0	0	0	6
	2020	6	0	0	0	0	0	6
South Dakota	2018	0	1	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
Tennessee	2018	7	1	0	0	0	0	8
	2019	8	0	0	0	0	0	8
	2020	8	1	0	0	0	0	9
Texas	2018	42	3	0	0	0	0	45
	2019	45	5	0	0	0	0	50
	2020	50	8	0	0	0	0	58
Utah	2018	2	0	0	0	0	0	2
	2019	2	2	0	0	0	0	4
	2020	4	1	0	0	0	0	5

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Virginia	2018	2	3	0	0	0	0	5
	2019	5	3	0	0	0	0	8
	2020	8	0	0	0	0	0	8
Washington	2018	3	0	0	0	0	0	3
	2019	3	1	0	0	0	0	4
	2020	4	0	0	0	0	0	4
Wisconsin	2018	1	1	0	0	0	0	2
	2019	2	2	0	0	0	0	4
	2020	4	0	0	0	0	0	4
Total (U.S.)	2018	233	42	0	0	0	0	275
	2019	275	49	0	0	6	1	317
	2020	317	44	0	0	0	0	361
Canada	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Grand Total (U.S. and Canada)	2018	234	42	0	0	0	0	276
	2019	276	49	0	0	7	0	318
	2020	318	45	0	0	0	0	363

Table 4
Status of Company/Affiliated-Owned Outlets*
For years 2018-2020

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
California	2018	0	0	0	0	0	0
	2019	0	0	7**	0	0	7**
	2020	7	0	0	0	0	7**
Louisiana	2018	1	0	0	0	0	1
	2019	1	0	0	0	0	1
	2020	1	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Texas	2018	5	0	0	0	0	5
	2019	5	0	0	0	0	5
	2020	5	1	0	0	0	6
Total	2018	6	0	0	0	0	6
	2019	6	0	7	0	0	13
	2020	13	1	0	0	0	14

**In 2019, NBC reacquired 7 franchised bakeries operating in the San Diego area. One of the locations relocated and will reopen in 2021. All of the outlets above are operated by Bakery Holdco.

Table 5
Projected Openings as of December 27, 2020

State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Arkansas	1	1	0
California	3	3	1
Colorado	1	1	0
Florida	8	6	0
Georgia	2	2	0
Illinois	1	0	0
Indiana	2	2	0
Maryland	2	2	0
Michigan	1	1	0
Missouri	1	1	0
Montana	1	1	0
Nevada	1	1	0
New Jersey	3	3	0
New York	3	2	0
North Carolina	3	3	0
Ohio	3	2	0
Oklahoma	2	1	0
Oregon	1	1	0
Pennsylvania	1	1	0
Texas	3	3	0
Utah	1	1	0
Virginia	7	4	0
Washington	4	4	0
Wisconsin	1	0	0

State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Canada	1	0	0
TOTAL	57	46	1

A list of the names of all franchisees and the addresses and telephone numbers of their businesses, as well as franchisees that have not opened their bakeries as of the issuance date of this disclosure document, is provided in Exhibit F to this disclosure document.

The name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee who had a business terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year or who has not communicated with us or our predecessor within 10 weeks of the issuance date of this disclosure document is listed on Exhibit G to this disclosure document. **If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

During the last 3 fiscal years, NBC has had current and former franchisees sign confidentiality provisions that would restrict their ability to speak openly about their experience with the Nothing Bundt Cakes System. You may wish to speak with current and former franchisees but be aware that not all such franchisees will be able to communicate with you.

There are no trademark-specific organizations formed by our franchisees that are associated with the Nothing Bundt Cakes System.

The following independent franchisee organization has asked to be included in this disclosure document: National Bundt Franchise Association, 7106 Dublin Boulevard, Dublin, California 94568, rsanciango@nothingbundtcakes.com.

ITEM 21 **FINANCIAL STATEMENTS**

We were formed on June 14, 2021. Attached is our audited balance sheet dated as of July 30, 2021. We had no significant operations prior to that date. Because we were formed on June 14, 2021, we do not have available, and we cannot yet include, 3 years of audited financial statements.

ITEM 22 **CONTRACTS**

This disclosure document contains all contracts proposed for use or in use regarding the offer of our franchises, including the following agreements:

- Exhibit B – NBC Franchisor LLC Franchise Agreement
- Exhibit 1 - Site Selection Addendum
- Exhibit 2 - Collateral Assignment of Lease
- Exhibit 3 - Electronic Funds Withdrawal Authorization
- Exhibit 4 - Confidentiality and Non-Compete Agreement
- Exhibit 5 - Collateral Assignment of Franchisee’s Telephone Numbers

	Exhibit 6 - Personal Guaranty
Exhibit C –	Area Development Agreement
Exhibit H –	State Specific Addendum
Exhibit I –	Confidentiality and Non-Disclosure Agreement (must be signed in connection with your application to purchase a franchise from us)
Exhibit J –	Franchisee Disclosure Acknowledgment Statement
Exhibit K	Form of General Release

ITEM 23
RECEIPTS

Two copies of an acknowledgment of your receipt for this disclosure document appear as the last pages of the disclosure document. Please date, sign, and return one copy to us and keep the other with this disclosure document for your records.

EXHIBIT A TO THE DISCLOSURE DOCUMENT
LIST OF STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for franchising disclosure/registration laws and for service of process. We may not yet be registered to sell franchises in any or all of these states.

CALIFORNIA

California Department of
Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, CA 90013
(213) 576-7500
Toll Free (866) 275-2677

1515 K Street, Suite 200
Sacramento, CA 95814
(916) 445-7205

1350 Front Street
San Diego, CA 92101
(619) 525-4233

One Sansome Street, Suite 600
San Francisco, CA 94104
(415) 972 – 8565

HAWAII

(state administrator)

Business Registration Division
Department of Commerce and Consumer Affairs
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722

(agent for service of process)

Commissioner of Securities
State of Hawaii
335 Merchant Street
Honolulu, Hawaii 96813
(808) 586-2722

CONNECTICUT

State of Connecticut
Department of Banking
Securities & Business Investments Division
260 Constitution Plaza
Hartford, CT 06103-1800
(860) 240-8230
Agent: Banking Commissioner

ILLINOIS

Franchise Bureau
Office of the Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

INDIANA

(state administrator)

Indiana Secretary of State
Securities Division, E-111
302 Washington Street
Indianapolis, Indiana 46204
(317) 232-6681

(agent for service of process)

Indiana Secretary of State
201 State House
200 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6531

MICHIGAN

(state administrator)
Consumer Protection Division
Antitrust and Franchise Unit
Michigan Department of Attorney General
525 W. Ottawa Street, 6th Floor
Lansing, Michigan 48933
(517) 373-7117

(for service of process)
Corporations Division
Bureau of Commercial Services
Department of Labor and Economic Growth
P.O. Box 30054
Lansing, Michigan 48909

NEW YORK

(state administrator)
Office of the New York State Attorney General
Investor Protection Bureau
Franchise Section
28 Liberty Street, 21st Floor
New York, NY 10005
(212) 416-8236 (phone)

(for service of process)
New York Secretary of State
New York Department of State
One Commerce Plaza
99 Washington Avenue, 6th Floor
Albany, New York 12231-0001
(518) 473-2492

MARYLAND

(state administrator)
Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

(for service of process)
Maryland Securities Commissioner
200 St. Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

MINNESOTA

(state administrator/service of process)
Minnesota Department of Commerce
85 7th Place East, Suite 500
St. Paul, Minnesota 55101-2198
(651) 296-6328

RHODE ISLAND

Securities Division
Department of Business Regulation,
Bldg. 69, First Floor
John O. Pastore Center
1511 Pontiac Avenue
Cranston, Rhode Island 02920
(401) 462-9500

SOUTH DAKOTA

Division of Securities
Department of Revenue & Regulation
445 East Capitol Avenue
Pierre, South Dakota 57501
(605) 773-4823

VIRGINIA

State Corporation Commission
Division of Securities and Retail Franchising
1300 East Main Street, 9th Floor
Richmond, Virginia 23219
(804) 371-9051

(for service of process)
Clerk of the State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, Virginia 23219
(804) 371-9733

WASHINGTON

(state administrator)
Department of Financial Institutions
Securities Division
P.O. Box 9033
Olympia, Washington 98507-9033
(360) 902-8760

(for service of process)
Director, Department of Financial Institutions
Securities Division
150 Israel Road S.W.
Tumwater, Washington 98501

WISCONSIN

(state administrator)
Division of Securities
Department of Financial Institutions
345 W. Washington Ave., 4th Floor
Madison, Wisconsin 53703
(608) 266-1064

(for service of process)
Administrator, Division of Securities
Department of Financial Institutions
345 W. Washington Ave., 4th Floor
Madison, Wisconsin 53703

EXHIBIT B TO THE DISCLOSURE DOCUMENT
FRANCHISE AGREEMENT

FRANCHISE AGREEMENT

**NBC FRANCHISOR LLC,
A DELAWARE LIMITED LIABILITY COMPANY**

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**NBC FRANCHISOR LLC'S
FRANCHISE AGREEMENT
DATA SHEET**

Franchisee: _____

Operator: _____

Guarantors: _____

Effective Date: _____

Approved Location: _____

Territory: _____

Flat Fee Delivery Territory: _____

Telephone Number: _____

Facsimile Number: _____

Initial Franchise Fee: _____

Opening Advertising Fee: _____

The terms of this Data Sheet are hereby incorporated into the attached Franchise Agreement.

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the “Agreement”) is made this _____ day of _____, 201_ (the “Effective Date”), by and between **NBC FRANCHISOR LLC**, a Delaware limited liability company located at 4560 Belt Line Rd, Addison, Texas 75001 (“we”, “us”, or “our”), and _____ (“you” or “your”).

RECITALS

A. We and our principals and affiliates have expended a considerable amount of time, effort, and money to develop a system for the establishment and operation of gourmet bakeries offering and selling specialty bundt cakes, other food items, and retail merchandise (the “Products”) under the “Nothing Bundt Cakes[®]” mark (each a “Bakery”).

B. We grant qualified persons the right to operate a single Bakery.

C. You wish to enter into an agreement with us to obtain the right to operate a Bakery using our proprietary system, the characteristics of which include: (a) proprietary recipes, methods and standards for preparing, decorating, and presenting gourmet cakes and other baked goods (the “Proprietary Recipes”); (b) specifications for Bakery furniture, fixtures, equipment and interior and exterior design, layout and construction; (c) an online order fulfillment system; (d) sales techniques; (e) merchandising, marketing, advertising and inventory management systems; and (f) other general procedures for operating and managing a bakery (the “System”).

D. The System is identified by proprietary trademarks, including “Nothing Bundt Cakes[®]”, our distinctive trade dress and any other trademarks, service marks, logos, and indicia of origin we may now or in the future designate in connection with the System (the “Marks”). The rights to all such Marks as are now, or will hereafter be, designated as part of the System will be owned exclusively by us or our affiliates and will be used by us, our affiliates and System franchisees to identify to the public the source of the products and services marketed thereunder. We may continue to develop, expand, use, control, and add to the Marks and System for the benefit of itself, its affiliates, and its franchisees and licensees in order to identify for the public the source of products and services marketed thereunder and to represent the System's high standards of quality and service.

E. You applied for a franchise, and we have approved your application in reliance on the representations made therein.

F. You acknowledge that adherence to the terms of this Agreement and our standards and specifications are essential to the operation of a Nothing Bundt Cakes[®] Bakery and our System.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises, commitments and understandings set forth herein, and subject to the terms and conditions of this Agreement, the parties agree as follows:

ARTICLE 1
GRANT OF FRANCHISE

1.1 Grant of Franchise.

We hereby grant, upon the express terms and conditions contained in this Agreement, and you hereby accept, a non-exclusive license to establish and operate one Bakery under the System and Marks, and the right to use the System and Marks to operate the Bakery. We have the right to supplement, improve, or otherwise modify the System from time to time at our discretion, and you must comply with all changes, which may include, without limitation, the offer and sale of new or different products and services.

1.2 Protected Territory

Except as otherwise provided for in Sections 1.3 or 4.7 of this Agreement, as long as you are compliant with the terms and conditions hereof, we will not establish or license any third party the right to establish another Nothing Bundt Cakes® Bakery at any location within the protected territory granted to you after a location is chosen for your Bakery and described in the Data Sheet, which is hereby incorporated into the Franchise Agreement (the "Territory"). Your Territory will not be exclusive in terms of marketing rights or clientele (reference Section 4.7). Until your Bakery opens, we reserve the right to deliver and ship, and allow other system franchisees to deliver and ship, Products to customers ("Guest") located within your Territory. However, once your Bakery opens, subject to our reserved rights herein, no franchisee may deliver or ship Products to Guests located in your Territory and all Guest account information should be transferred to you upon your request. Conversely, you may deliver or ship Products to Guests outside of your Territory provided that the Guest is not located within the Territory of another open System Bakery. In the event that a Guest is located within a territory subsequently sold to another System franchisee, upon the opening of such Bakery, you must immediately cease delivering or shipping Products to such Guest and transfer all Guest account information upon request of the Bakery owner. You cannot, by yourself, through any Guest, courier service, or other agent, knowingly deliver or ship Products within any other open Bakery's territory, or a corporate territory which we or our affiliates own and operate. If you do, you must remit all Net Revenues earned from the sale directly to the franchisee that owns the territory (or us or our affiliate if a corporate territory) and make a Five Hundred Dollar (\$500) contribution per violation to the Marketing Production Fund discussed in Section 11.3 below.

1.3 Reserved Rights

The foregoing grant to you does not include: (i) any right to offer any product or service via e-commerce, except through our authorized E-Commerce Program; (ii) any right to sell products or services at wholesale prices from the Bakery; or (iii) any right to market or distribute Products in any channel of distribution not specifically identified in this Agreement. We retain all other rights, and may, among other things, on any terms and conditions we deem advisable, and without granting you any rights therein:

(a) own and operate or license to others the right to own and operate Bakeries at any location(s) outside your Territory under the Marks and System, notwithstanding their proximity to the Territory or the Bakery or their actual or threatened impact on sales at your Bakery;

(b) own and operate or license to others the right to own and operate bakeries at any location(s) inside or outside your Territory under different marks;

(c) establish and operate, or licenses others the right to establish and operate, Bakeries at Non-Traditional Sites within the Territory subject to your right of first refusal, and solicit and complete work for National Accounts as provided for in Section 4.7 of this Agreement;

(d) sell and distribute, directly or indirectly, or license others to sell and distribute within or outside the Territory, directly or indirectly, any products, services or merchandise, from any location or to any purchaser or through any alternative channel or method of distribution including, but not limited to, selling Products via retail and wholesale distribution, in supermarkets, convenience stores, club stores, and other retail facilities not solely dedicated to the sale of the Approved Products, mail order and e-commerce channels, as long as these sales are not conducted from a dedicated Nothing Bundt Cakes® Bakery operated from a location inside the Territory, except as permitted under Section 4.7 below;

(e) acquire or be acquired by any other business offering and selling similar goods, regardless of location; and

(f) engage and license others to engage in any other activities not expressly prohibited by this Agreement.

1.4 E-Commerce Rights

The grant to you includes the right to engage in e-commerce through our website, <http://www.nothingbundtcakes.com/> (the “Website”). Pursuant to the e-commerce program, you will fulfill online orders Guests place on the Website which require pick-up, delivery, or shipping within your Territory pursuant to the terms we negotiate (the “E-Commerce Program”). We will designate a shipping and delivery territory within your Territory in which you will offer delivery of online orders (the “Delivery Territory”), and a larger territory within which you will ship and/or deliver Products for a variable delivery rate. All Guest payments will be remitted directly to your designated bank account, net of our or our vendor’s then-current Website administration fee (the “Website Fee”) and gateway fees, to administer the Website and process payments, which are subject to change. We have the right to change the products and services offered through the Website and the suggested retail price for such goods. We have the right to withhold from payments for Website orders any amounts you owe to us. We may prohibit you from participating in the E-Commerce Program if you are not compliant with the terms of the E-Commerce Program, this Agreement, or any other agreement with us or our affiliates and subsidiaries. We may change the user terms, and methods and times for payment under the E-Commerce Program at our discretion. If you fail to deliver goods or services meeting our standards and specifications within the time frames we offer to Guests under the E-Commerce Program, we may reimburse the Guest, provide gift certificates, or otherwise remedy the situation, and you will be responsible for our costs in doing so. You agree to pay us or our designated supplier the then-current E-Commerce Program fees associated with maintaining the Website and fulfilling Guest orders. We may require you to ship cakes from your Bakery to locations outside of your Territory.

1.5 Minimum Performance Requirements

Your Bakery must meet the following minimum annual Net Revenue requirements within the time frames specified below (the “Minimum Net Revenue Requirement”):

<u>Performance Period</u>	<u>Minimum Net Revenue Requirement</u>
1 st Year of Operations	\$350,000
2 nd Year of Operations	\$400,000
3 rd Year of Operations	\$450,000
4 th Year of Operations	\$500,000
5 th and Subsequent Years of Operation	\$550,000

(a) The first year of your performance will be pro-rated based on the date of opening. For example, if you open for business on May 1st, your required Minimum Net Revenue Requirement would

be Three Hundred and Fifty Thousand Dollars (\$350,000) divided by twelve (12) months multiplied by eight (8) months of operations. Thereafter, your Minimum Net Revenue Requirement will be calculated based on your calendar year of operations.

(b) We will include revenues from the E-Commerce Program towards your Minimum Net Revenue Requirement in any performance period.

(c) If you do not meet these Minimum Net Revenue Requirements, you must pay the five percent (5%) royalty on the difference between the actual Net Revenues and the Minimum Net Revenue Requirement.

(d) We reserve the right to terminate your Franchise Agreement if you fail to meet the Minimum Net Revenue Requirement in any Performance Period.

ARTICLE 2

TERM AND RENEWAL

2.1 Term

Unless sooner terminated as provided in Article 14, the term of this agreement shall continue from the Effective Date until ten (10) years from the Bakery opening date. In the event you purchase an existing Bakery from an existing franchisee, the term shall be for the remaining unexpired term of the seller's franchise agreement.

2.2 Renewal

You have the right to renew this Agreement for one (1) additional ten (10) year period, provided you meet all of the following conditions:

(a) You give us written notice of such election to renew not less than three (3) months or more than nine (9) months prior to the end of such term;

(b) You demonstrate to our satisfaction that you have the right to operate the Bakery at the Approved Location (defined in Section 4.1 below) for the duration of the renewal term; or, if you are unable to operate the Bakery at the Approved Location, you have secured a substitute location meeting our then-current standards and specifications;

(c) Reimage survey will be conducted not more than twelve (12) months, and not less than six (6) months, prior to the expiration of the then-current term to allow for reimage investment planning. You must then complete to our satisfaction all maintenance, refurbishing, renovating, updating, and remodeling of the Bakery premises required to bring the Bakery and all of its equipment into full compliance with our then-current System standards and specifications, including upgrading required hardware and software, no later than 90 days prior to the expiration of the then-current term;

(d) You are not in breach of any of the provisions of this Agreement, or any other agreements between you and us, our affiliates, or our approved or designated suppliers, and you have substantially complied with all such agreements during their respective terms;

(e) You have satisfied all of your monetary obligations towards us, our affiliates, and our suppliers and vendors;

(f) You execute our then-current form of Franchise Agreement, the terms of which may vary materially from the terms of this Agreement, provided that the size of your Territory will not change, and pay us a renewal fee equal to Fifty Percent (50%) of our then-current initial franchise fee;

(g) You satisfy our then-current training requirements, if any, for renewing franchisees at your expense; and

(h) You sign a general release in the form we prescribe, which will not be inconsistent with any applicable state regulations relating to renewals.

ARTICLE 3 **FEES**

3.1 Initial Franchise Fee

In consideration of the franchise granted to you, you must pay us an initial franchise fee of Thirty-Five Thousand Dollars (\$35,000), in full, when you sign this Agreement. If you are an existing franchise owner and have been approved to purchase an additional franchise, the initial franchisee fee shall be reduced to Thirty Thousand Dollars (\$30,000). The initial franchise fee is non-refundable and is deemed fully earned upon payment in consideration of administrative and other expenses we incur in granting the franchise and for our lost or deferred opportunity to franchise others.

3.2 Opening Advertising Program

Upon execution of this Agreement, you must also pay us the sum of Five Thousand Dollars (\$5,000) which we will use to pay for and conduct and Opening Advertising Program to advertise the grand opening of your Bakery. You acknowledge that we may require you to spend up to an additional two thousand dollars (\$2,000) on such Opening Advertising Program. In addition, you may elect to spend additional money for your Opening Advertising Program, provided that all materials used in the Opening Advertising Program will be subject to our prior written approval. This amount is payable to us in a lump sum within 30 days of the opening of your Bakery and is not refundable.

3.3 Royalty

You must pay a weekly royalty fee on Tuesday of each week equal to Five Percent (5%) of your “Net Revenues” during the immediately preceding calendar week (“Royalty”). “Net Revenues” includes all revenues you generate from all business conducted at or from your Bakery during the preceding reporting period, including amounts received from the sale, shipping and delivery of food items, amounts received through the E-Commerce program and from gift card sales, and other products and services, merchandise, and tangible property of any nature whatsoever, whether in cash or for credit, and whether collected or uncollected. “Net Revenues” does not include the amount of any applicable sales tax imposed by any federal, state, municipal or other governmental authority if such taxes are stated separately when the Guest is charged and you pay such amounts as and when due to the appropriate taxing authority. Also excluded from Net Revenues are the amount of any documented refunds, chargebacks, credits and allowances given to Guests in good faith pursuant to our standard procedures for issuing such refunds. All barter and exchange transactions for which you furnish services or products in exchange for goods or services to be provided to you by a vendor, supplier or Guest will be valued at the full retail value of the goods or services provided to you.

3.4 Calculation of Royalty

You shall input all sales only into the Bakery's point of sale system (the "POS System") and supply us with all Net Revenues data that we specified in this Agreement and in our Operations Manuals or as we direct from time to time for the purpose of calculating the weekly Royalty. Each week begins on Monday and ends on Sunday. All Net Revenues data, which is electronically provided to us on a weekly basis through the Bakery's POS System, shall be certified to be true and correct by you. We shall review the Net Revenues data you provide to us and shall deduct the required Royalty and advertising fees due to us in accordance with Section 3.5 of this Agreement. You will make available to us, either through compatible computer communications equipment or some other medium as we designate in its sole discretion, for reasonable inspection at reasonable times, all original books and records that we may deem necessary to ascertain your Net Revenues. We reserve the right to change the manner, form, content, and reporting periods for the submission of Net Revenue data at any time with written notice.

3.5 Manner of Payment

Presently, the Royalty is collected on Tuesday of each week via an electronic funds transfer program (the "EFT Program") under which we automatically deduct the Royalty, advertising fees due to us, and any other amounts owed to us under this Agreement, or any other agreement between you and us from your bank account. You must deposit all Net Revenues from the operation of your Bakery into a designated bank account subject to the EFT Program within one (1) business day after receipt, including cash, checks, and credit card receipts. Prior to opening, you must provide us with your bank's name, address and account number, a voided check from the bank account, and sign and give to us and your bank all documents, including Exhibit 3 to this Agreement, necessary to effectuate the EFT Program and our ability to withdraw funds from such bank account via electronic funds transfer ("EFT"). You must immediately notify us of any change in your banking relationship, including changes in account numbers. If we are unable to collect the Net Revenue data through the Bakery's POS System, we will process an EFT for the subject week in an amount equal to the 9% of the weekly Net Revenues for the previous week based on your POS System's records, which represents Royalties and advertising fees due under this Agreement, as well as any late fee and interest on past-due amounts as provided for herein. We reserve the right to require you to pay any fees due under this Agreement by such other means and at such periods as we may specify from time to time, including any payment made to our affiliates.

3.6 Insufficient Funds and Late Payments

If the funds in your bank account are insufficient to cover any amounts due under this Agreement or otherwise due to us or our affiliates on the date such funds are due, or if you make any late payments or underpay amounts due to us or our affiliates, we have the right to immediately debit from your bank account interest on such amount from the date it was due until all past due amounts are paid, at a rate of the lesser of Eighteen Percent (18%) per annum or the maximum rate permitted by law, plus a fee of Fifty Dollars (\$50). Late fees shall double every thirty (30) days subject to the maximum legal amount. We will run an EFT every day until amounts owed to us and our affiliates are paid in full, and you must pay our then-current insufficient fund charge associated therewith, plus any bank service charges you or we incur. Nothing contained in this Section will prevent us from exercising, in our sole judgment, any other rights or remedies available to us under this Agreement.

3.7 Taxes on Payments.

In the event any taxing authority, wherever located, imposes any future tax, levy or assessment on any payment you make to us, you must, in addition to all payments due to us, pay such tax, levy or assessment.

3.8 Technology Service Fee.

In addition to the fees set forth above, we reserve the right to require that you pay us or our designated vendor(s) fees (which may be collected monthly, quarterly, or annually) associated with maintaining required computer hardware and software, supplying technology solutions, payment card processing services, guest experience and any other technology existing now or developed in the future used in the operation of your Bakery, and such payment shall be made in the manner we or the designated vendor(s) prescribe, as applicable. If we collect these fees directly, the fees must be paid as described in Section 3.5 of this Agreement, or as we otherwise set forth in writing. We reserve the right to change the amount of the fees described in this Section at any time as changes are made to the System's hardware, software and other computer requirements or as required by the third-party service provider(s) or by any regulatory agency.

ARTICLE 4

BAKERY LOCATION

4.1 Approved Location

You must enter into the site selection addendum attached as Exhibit 1 to this Agreement, which will govern the parties' site selection obligations (the "Site Selection Addendum") upon signing this Agreement. You will be required to purchase or lease an Approved Location meeting our standards and specifications within ninety (90) days of the Effective Date (the "Approved Location"). If you have entered into an area development agreement, you must comply with the provisions of the area development agreement regarding opening time frames. The Approved Location must be used solely to operate a Bakery, and not for any other purpose. **OUR APPROVAL OF A LOCATION DOES NOT CONSTITUTE A REPRESENTATION, WARRANTY OR GUARANTEE OF THE COMMERCIAL VALUE OF YOUR LOCATION OR YOUR FINANCIAL SUCCESS IF YOU CHOOSE TO OPERATE A NOTHING BUNDT CAKES BAKERY AT THAT LOCATION.**

4.2 Lease Approval

We have the right to review, evaluate, and approve your lease for the Approved Location (the "Lease") prior to execution. We will condition our approval of any proposed Lease upon, among other things, you and your landlord's execution of a "Collateral Assignment of Lease" in the form attached as Exhibit 2 to this Agreement, which (i) grants us the right, but not the obligation, to assume the Lease upon (a) your default on the Lease, or (b) termination, transfer or expiration of this Agreement, and (ii) authorizes and requires your landlord to disclose to us, upon our request, sales and other information you have furnished to the landlord. You must deliver an executed copy of the Lease and the Collateral Assignment of Lease to us within fifteen (15) days of execution of the Lease. If you are approved to go outside our approved master real estate broker network, we reserve the right to require you to pay us or our designated supplier a fee of Three Thousand Dollars (\$3,000) to cover the costs associated with site selection and non-legal lease review. Neither our review of the Lease nor our acceptance of your proposed site constitutes a representation or guarantee that you will succeed at the selected Approved Location or an expression of our opinion regarding the terms of the Lease. We encourage you to seek independent counsel from a lawyer or business adviser to assist you in selecting a location and negotiating a lease for the Approved Location.

4.3 Bakery Appearance and Construction

You must conform the Approved Location to our standards and specifications for the appearance, layout, and design of a Bakery, and fully equip and supply the Bakery pursuant to our standards and specifications, and commence operation of the Approved Location within two hundred and seventy (270) days after the Effective Date. You are solely responsible for the preparation of architectural and working

drawings necessary to complete construction and/or build-out at the Approved Location and must ensure that the plans meet with applicable ordinances, building codes, permit requirements, and any other applicable local, state, or federal law. We will provide basic layouts. We must approve all architects and plans before you begin construction/build-out. We must approve all subsequent material changes to the plans and drawings before such changes are implemented. We must approve all construction, remodeling plans, specifications, interior and exterior layouts and site plans prior to the beginning of any construction work on your Bakery.

4.3.1 Master Architect Program. We will provide you with a list of approved architects for the preparation of architectural and working drawings necessary to complete construction and/or build-out at the Approved Location. If you choose to use an architect outside of our approved vendor list, we may require that our prototype architect conduct a final plan review prior to receiving corporate approval. You may incur a fee for the final plan review, currently Five Hundred Dollars (\$500), and all fees will be paid directly to our prototype architect. Should there be any revisions required by our prototype architect, you will be responsible for the costs associated with all plan revisions. You must receive our prior written approval of the final plans prior to starting construction and/or build-out of the Approved Location.

4.4 Extension for Site Selection or Build Out

4.4.1 In the event you fail to secure the Approved Location within ninety (90) days of the Effective Date as required by Section 4.1 of this Agreement, we will charge you a fee of Three Thousand Five Hundred Dollars (\$3,500) on the ninetieth (90th) day via an EFT. We have the right to terminate this Agreement if you fail to pay or if we are unable to withdraw the funds from your bank account via EFT. However, in the event you open the Bakery within two hundred seventy (270) days of the Effective Date of the Franchise Agreement, we will refund the Three Thousand Five Hundred Dollars (\$3,500) fee.

4.4.2 In the event you fail to conform the Approved Location to our standards and specifications for the appearance, layout, and design of a Bakery, and fully equip and supply the Bakery pursuant to our standards and specifications, within two hundred seventy (270) days after the Effective Date as required by Section 4.3 of this Agreement, we may terminate this Agreement under Section 14.3(d). Provided that you have signed a lease for the Bakery, we will, upon your written request, due to us within thirty (30) days of the expiration of the two hundred seventy (270) day period, provide you with a single ninety (90) day extension to complete the buildout of the Approved Location, on the condition you pay us a non-refundable fee of Three Thousand Five Hundred Dollars (\$3,500) at the time of the request. We have the right to terminate this Agreement if you fail to provide us with written request of your desire to obtain an extension or otherwise fail to pay the fee, or if we are unable to withdraw the funds from your bank account via an EFT.

4.4.3 In the event that you have not signed a lease for the Approved Location within two hundred seventy (270) days of the Effective Date of this Agreement, we will, upon your written request, due to us within thirty (30) days of the of the expiration of the two hundred seventy (270) day period, offer you a one-time, one hundred eighty (180) day extension, to secure and conform an Approved Location to our standards and specifications for the appearance, layout, and design of a Bakery, provided you pay us a non-refundable extension fee of \$10,000 at the time of your request. We have the right to terminate this Agreement if you fail to provide us with written request of your desire to obtain an extension or otherwise fail to pay the fee, or if we are unable to withdraw the funds from your bank account via EFT.

4.4.4 If you fail to secure a site meeting our standards and specifications or complete the build-out of the Approved Location within the time frames set forth in this Section 4, including any extension period provided for under this Section 4.4, we will terminate this Agreement without refunding any fees to you.

4.5 Signage

You must purchase or lease indoor and outdoor signage, including an electronic menu board, for your Bakery that meets our specifications as to quality and usage of the Marks. You shall enter into maintenance and service agreements regarding the signage with us or designated vendors as we may require and pay any service fees required thereunder. We must approve all signage prior to installation, and you are solely responsible for complying with applicable law and the terms of any lease in installing your signage. You must also display all of the franchising brochures and other marketing materials we designate at your Approved Location in the manner we specify. We will provide you with a list of approved sign manufacturers, suppliers and distributors that comply with our brand specifications.

4.6 Additional Bakeries within Your Territory

Upon your request, we may grant you the right to operate additional Bakeries within the Territory. If you request additional Bakeries within the Territory, we will determine whether such Bakeries must operate as full-service Bakeries that produce Products on-site, or satellite locations which simply display and/or deliver goods baked from a central production Bakery within the Territory. We will determine the maximum number of additional Bakeries permissible within a Territory at our sole discretion. Any additional Bakeries established within the Territory must meet our then-current standards and specifications for a Bakery. You must obtain our written permission before opening any additional Bakeries within the Territory, which we will condition upon: (i) additional performance criteria for the additional location, which we will determine at our sole discretion; (ii) your construction and buildout of the additional location in accordance with our then-current standards; (iii) your designation of a general manager who has successfully completed our initial training program to manage the location; (iv) your execution of a franchise agreement in our then-current form and payment of our then-current initial franchise fee; and (v) your purchase of all supplies, equipment, inventory, signage and other materials required to open the additional location. Nothing in this Section 4.6 grants you any rights to additional Bakeries.

4.7 Non-Traditional Sites and National Accounts

(a) We have the right to establish and operate or license others the right to establish and operate Bakeries at non-traditional sites within your Territory, including, but not limited to, mall food courts, airports, hospitals, cafeterias, commissaries, schools, hotels, office buildings, and stadiums, arenas, ballparks, festivals, fairs, supermarket locations, military bases and other mass gathering locations or events (“Non-Traditional Sites”). We will give you a right of first refusal to establish and operate a Bakery at any Non-Traditional Site we designate, provided that: (i) you are compliant with any and all agreements with us, our affiliates and our approved and designated suppliers; (ii) the Non-Traditional Site is within the Territory and you meet the landlord’s current requirements for a tenant; and (iii) you meet our criteria for a multi-unit franchise owner. We will provide you written notice of our intent to establish a Non-Traditional Site (the “Notice”) in your Territory. You will have the period of time specified in the Notice, or if no time period is specified, thirty (30) days from the date of the Notice in which to exercise your right of first refusal which we may condition upon the requirements of Section 4.7, including but not limited to your execution of our then-current franchise agreement (the terms of which may materially vary from the terms of this Agreement) and payment of our then-current initial fee.

If you do not meet our criteria, fail to timely exercise the right of first refusal or decline the opportunity to develop a Bakery at the Non-Traditional Site, then we may offer the opportunity to others, including our affiliates, designees, assignees or other franchisees the right to operate Non-Traditional Sites in your Territory.

(b) We have the right to enter into agreements or approve forms of agreements to provide Products to Non-Traditional Sites located within and outside of your Territory, including “National Accounts” that, on their own or through agents, franchisees, or licensees, or other third parties, own, manage, control or otherwise represent multiple commissary-style locations, as well as retail or wholesale outlets, novelty gift shops, and large commissaries, regardless of the aggregate contract amount of the services to be performed. We will determine whether a particular Guest constitutes a National Account at our sole discretion and may include, but are not limited to corporations, organizations, federal state and local government entities and organizations, and health and school systems. If we execute a contract with a National Account that contemplates the provision of services to one or more National Account locations or National Account clientele within or outside of your Territory, we have the right, by ourselves or through other franchisees, licensees, or third parties, to provide Products to such location or clientele using the System and Marks. We will provide you with the option to provide Products to National Account locations and clientele located in the Territory on the terms that we negotiate, provided you are qualified to perform the services and are substantially compliant with the terms of this Agreement, any addenda or any other agreement with us or our affiliates. You disclaim any compensation or consideration for work performed by others in the Territory pursuant to this Section 4.7.

4.7.1 This Agreement does not grant you the right to engage in wholesale distribution. After your first six (6) months of operation, we may, at our discretion, allow you to distribute products to wholesalers or retailers in your area if you are compliant with the terms of this Agreement. We must first approve the wholesaler in writing and may designate the wholesaler as a National Account if the wholesaler operates multiple locations within and outside of your Territory. You must pay us our then-current wholesale account approval fee, currently One Thousand Five Hundred Dollars (\$1,500), plus our costs and expenses, including travel costs and per diem, in evaluating a wholesaler.

4.8 Relocation. You may not relocate the Bakery without our prior written consent. If we grant you permission to relocate, or if we determine, not more than eighteen (18) months nor less than twelve (12) months prior to the end of any term of your Lease, that the commercial characteristics of your Approved Location no longer meet our criteria for a Nothing Bundt Cakes bakery, you must find another location for your Bakery within your Territory. You must comply with our then-current site selection procedures and construction procedures. In such a circumstance, you must obtain our express written consent to relocation, procure a site acceptable to us within ninety (90) days’ prior to closing operations at your current Approved Location, and open for business at the new Approved Location within thirty (30) days of closing business at your existing Approved Location. In the event you are required to relocate as the result of a fire or other casualty, within ninety (90) days following the date of the loss due to fire or other casualty and except to the extent you collect business interruption payments during any transitional period, we will not collect the Royalty on the condition that you comply with the relocation provisions set forth in this Section 4.8 and find a new location approved by us within ninety (90) days of the fire or casualty. If you relocate your Bakery without our prior written consent, we shall have the right to immediately terminate this Agreement.

ARTICLE 5

FRANCHISOR’S ASSISTANCE

5.1 Site Approval

We will review and grant or withhold our approval of locations selected by you, in collaboration with our designated licensed commercial real estate broker, in connection with the selection and acquisition of a site for your Bakery, in the manner required by Article 4 of this Agreement.

5.2 Review of Plans and Specifications; Equipment

We will review and approve the plans and specifications for the construction of and all improvements to your Bakery. We will assist you in preparing and must approve all equipment and merchandising layouts for your Bakery.

5.3 Equipment and Merchandise Selection

We will provide you with specifications and requirements for flooring, signage, shelving, display cases, POS systems, computer hardware, software, and other furniture, fixtures, and equipment necessary to open your Bakery. We will also provide you with specifications for and provide you with a list of approved and designated suppliers from which you agree to purchase the equipment, food, smallwares, and other inventory and supplies necessary for the start-up and ongoing operations of your Bakery.

5.4 Training Programs

We will conduct a pre-opening training program as described in Article 7 below. In addition, we may, at our discretion, hold refresher and ongoing training courses. We may require you and your employees to attend training at the location we designate. All expenses, including you and your employee's transportation, meals, and lodging expenses to attend such training, will be your sole responsibility. We will also provide training programs for employees and managers to complete using our intranet system.

5.5 Confidential Operating Manual

We will loan you one copy of our proprietary and confidential Operations Manual and any other manual we may now or hereafter designate for use in operating a Bakery (collectively, the "Operations Manual"). You must operate the Bakery in strict compliance with the Operations Manual, as it may be reasonably changed from time to time. The Operations Manual must remain confidential and our exclusive property. You agree that you will not disclose, duplicate or make any unauthorized use of any portion of the Operations Manual. The provisions of the Operations Manual constitute provisions of this Agreement as if fully set forth herein. You must ensure that your copy of the Operations Manual is current and up to date, and keep a copy of the Operations Manual, electronic or otherwise, on the Bakery's premises at all times. If there is a dispute relating to the contents of the Operations Manual, the master copy that we maintain at our corporate headquarters will control. We reserve the right to disclose updates to the Operations Manual via electronic means, including over our website or any intranet or extranet system established in connection with the System. The standards set forth in this Operations Manual are designed to protect the System and the Marks associated therewith, and not to control the day-to-day operation of the Bakery. You will, at all times, remain responsible for the operation of the Bakery, and all activities occurring at the Bakery. You must hire, train, discipline and otherwise be solely responsible for the Bakery's employees. We are not responsible for, and do not direct or control the conduct of any of your employees.

5.6 Pricing Policy

We reserve the right, to the fullest extent allowed by applicable law, to establish maximum, minimum or other pricing requirements with respect to the prices that you may charge for products and services.

5.7 Development of Standards

We will develop standards, techniques, policies, regulations and procedures regarding the operation of Bakeries, which may include: standards, techniques, regulations or procedures for the creation and presentation of Products offered by the Bakery; modifications to existing Proprietary Recipes and the

addition, substitution, or removal of Proprietary Recipes; guidance on the selection, supervision and training of all personnel; sales, advertising and promotional techniques, programs and procedures; standards and specifications for the appearance of your Bakery; policies or procedures relating to manufacturer's coupons or other rebates or discounts offered by manufacturers; payment, credit, accounting and financial reporting policies and procedures; standards and specifications for the purchase and maintenance of equipment and fixtures; merchandising of items held by you for resale; hours and manner of operations; and/or trademark and signage usage.

5.8 Ongoing Advertising

You must obtain our approval of any advertising materials prepared by you, or at your direction, prior to the production or use of those advertising materials.

5.9 Annual Conference

We will require you to attend the annual conference, for up to three (3) days per year, and to pay our then-current registration fee. All expenses, including you and your employees' travel, meals, and lodging expenses associated with training, will be your responsibility. We will determine the topics and agenda for our Annual Conference. We may use contributions from the Marketing Production Fund for purposes related to the Annual Conference, including costs related to productions, programs, and materials.

5.10 Ongoing Assistance

We will provide you with continuing consultation and advice as we deem necessary and appropriate regarding the management and operation of the Bakery through our employees via telephone, web conferencing and Internet communication. If you require and request additional on-site assistance from us, we will provide you with such assistance at our then-current rates, subject to the availability of our personnel.

5.11 Our Ability to Withhold Services

If you fail to pay any sums due us or our affiliates under this Agreement or under any other agreement between you and us or our affiliates, we can withhold any supervision, assistance or service provided to you under any provision of this Agreement and prohibit you from participating in the E-Commerce Program or servicing National Accounts.

5.12 Delegation

We have the right to outsource the provision of any service to be performed by us under this Agreement to an approved or designated vendor.

ARTICLE 6 YOUR OBLIGATIONS

6.1 Purchasing Requirements

(a) Compliance with Standards. You acknowledge and agree that your obligations set forth in this Agreement and the Operations Manual are reasonable and necessary for the operation of the Bakery and to maintain uniformity throughout the System. You must adhere to the standards and specifications set forth in this Agreement and the Operations Manual and any revisions or amendments to same (including, without limitation, standards and specifications for the offer, sale, shipping, and delivery of Products and

any other goods or services authorized for sale through your Bakery, as well as standards for inventory, merchandise and displays, equipment, fixtures, and signage). You must use signs, furnishings, ingredients and finished food and beverage items, supplies, fixtures, equipment, vehicles and vehicle wraps, and inventory that comply with our then-current standards and specifications, which we establish from time to time. We have the right to change our standards and specifications in our discretion. You acknowledge that you may incur increased costs to comply with such changes at your expense.

(b) Designated and Approved Suppliers. Recognizing that preservation of the System depends upon product and service uniformity and the maintenance of our trade dress, you agree to purchase food and beverage ingredients and finished goods, smallwares, kitchen and other supplies, kitchen equipment, vehicles and vehicle wrappings, vehicle equipment, signs, furnishings, supplies, fixtures, computer hardware and software, and other equipment from us, or from our approved and designated suppliers as we will specify in the Operations Manual or otherwise in writing from time to time. You acknowledge that we, our affiliates, and/or a third party may be one of several, or the only, approved supplier of any item. You further acknowledge and agree that we and/or our affiliates have the right to realize a profit on any items that we, our affiliates, or our approved and designated suppliers supply to you.

(c) Supplier Approval. In the event you wish to purchase any unapproved item and/or acquire approved items from an unapproved supplier, you must provide us with the name, address and telephone number of the proposed supplier, a description of the item you wish to purchase, and the purchase price of the item, if known. At our request, you must provide us with a sample of the item you wish to purchase for testing purposes. If we incur any costs in connection with testing a particular product or evaluating an unapproved supplier at your request, you must reimburse us for our reasonable testing costs, regardless of whether we subsequently approve the item or supplier. We may base our approval of any proposed item or supplier on considerations relating not only directly to the item or supplier itself (such as the quality of products, standards of service, the supplier's reputation in the marketplace, and the supplier's pricing), but also other factors such as the uniformity, efficiency and quality of operation we deem necessary or desirable in our System as a whole, the confidentiality of our standards and specifications, and our ability to earn revenue from your purchases of goods and services. We have no obligation to approve any particular product, services, or source. If you do not receive our approval within thirty (30) days after submitting all of the information that we request, the request will be deemed disapproved. We and our affiliates have the right to receive payments from suppliers because of their dealings with you and other franchisees and to use all amounts we receive without restriction (unless instructed otherwise by the supplier) for any purposes we deem appropriate. We may require you to purchase any previously unapproved product or service from our approved or designated supplier. Nothing herein will require us to approve an unreasonable number of suppliers for a given item, which approval might, in our reasonable judgment, result in higher costs or prevent the effective or economical supervision of approved suppliers. We may revoke our approval of particular products or suppliers when we determine, in our sole discretion, that such products or suppliers no longer meet our standards. Upon receipt of written notice of revocation, you must cease purchasing products from such suppliers. You must use products purchased from approved suppliers solely in connection with the operation of your Bakery and not for any competitive business purpose.

(d) System Suppliers. We may establish business relationships, from time to time, with suppliers who may produce, among other things, certain food and beverage ingredients, finished products, baking kits and equipment, furnishings, fixtures, equipment and inventory according to our proprietary standards and specifications, or private label goods we authorize for sale by System franchisees ("System Suppliers"). You recognize that such products are essential to the operation of the Bakery and to the System generally. You further recognize that your failure to pay System Suppliers may interfere with such suppliers' willingness to supply the System, which may result in other System franchisees' inability to obtain product or ability to obtain product only on less favorable credit terms. Accordingly, you agree to pay System Suppliers as and when due.

(e) Vehicles. We reserve the right to prescribe standards and specifications for delivery vans used in the operation of the Bakery, including the wrapping and refrigeration equipment used in connection with Bakery deliveries.

6.2 Authorized Products and Services

You must offer for sale only those food and beverage items, novelty gifts and gift packages, gift cards, Proprietary Products, and other products and services that we prescribe, and only such products and services that we prescribe and only in accordance with the requirements of this Agreement and the procedures set forth in the Operations Manual. You must prepare, package, deliver, and dispose of such products in accordance with our standards and applicable law. You may not offer any other products for sale, rent, or lease without our prior written authorization. You will at all times maintain sufficient amounts and types of inventory to meet consumer demand. You must offer and sell all private label products that we may now or in the future designate for sale by System franchisees. In addition to our right to terminate this Agreement, you must pay us our then-current prohibited product fee, currently two hundred fifty dollars (\$250) per day, in the event you continue offering unapproved products or services after your receipt of verbal or written notice from us advising you to cease sales of such product or service.

6.3 Operations

(a) You must operate your Bakery for at least those months, hours and days that we specify in the Operations Manual.

(b) You must maintain the Bakery and any vehicles used in connection with the operation of the Bakery in a sanitized, clean, safe and attractive manner, and in accordance with all applicable requirements of law, including all federal, state and local health laws or regulations relating to the offer, sale, shipping, and delivery of food and beverages, as well as gift packages and novelty items, and the Operations Manual. You and your employees must give prompt, courteous, and efficient service to the public and otherwise operate the Bakery to preserve, maintain and enhance the reputation and goodwill of the System.

(c) In order to ensure that all products and services offered by you meet our high-quality standards, and in order to protect the goodwill associated with our System and Marks, all products and services must be made, packaged, and delivered in the manner set forth in the Operations Manual, and must be sold only at retail to guests (except as permitted under Section 4.7.1) and only in conformity with our marketing plan and concept. You acknowledge that such methods are integral to the System and failure to strictly adhere to such standards and specifications will be detrimental to the System and Marks and will constitute a material default of this Agreement.

(d) You will have sole authority and control over the day-to-day operations of the Bakery and your employees and/or independent contractors. You must employ a sufficient number of qualified, competent personnel, offer prompt, courteous and efficient service to the public, and otherwise operate the Bakery in compliance with the System so as to preserve, maintain and enhance the reputation and goodwill of the System. All employees engaged in the operation of your Bakery during working hours must dress in conformance with our standards, must present a neat and clean appearance in conformance with our reasonable standards and must render competent, efficient service to Guests. You agree to be solely responsible for all employment decisions and to comply with all state, federal, and local hiring laws and functions of the Bakery, including, without limitation, those related to hiring, firing, training, wage and hour requirements, compensation, promotion, record-keeping, supervision, and discipline of employees,

paid or unpaid, full or part-time. At no time will you or your employees be deemed to be our or our affiliates' employees.

(e) You agree to operate the Bakery in accordance with the Operations Manual. You must train and adequately instruct your employees prior to opening in accordance with the Operations Manual and must continue such training and instruction for so long as the employee remains with the Bakery. We have the right to require your employees to engage in mandatory training over the Internet periodically at your sole cost and expense. The Operations Manual will set forth the practices, procedures and methods to be utilized in operating a Bakery, and we may require you to conform your practices to national programs, which we may now or in the future design and promulgate as part of our System.

(f) You must devote your personal full-time attention and best efforts to the management and operation of the Bakery. In the event that you are a corporation, limited liability company or partnership, one of your principals must serve as the operator of the Bakery (the "Operator") and dedicate their full time and attention to the day-to-day operations of the Bakery. The Operator must be approved by us and must successfully complete our initial training program and meet our then-current standards for Operators before assuming the position of Operator. In the event that none of your principals are approved by us to serve as the Operator, or are unable to dedicate their full time and attention to the day to day operations of the Bakery, you may appoint a non-principal to serve as the Operator, provided that the non-principal operator meets our then-current standards for Operators, successfully completes our initial training program, and is approved by us before assuming the position of Operator. An Operator must have full authority to act on your behalf in your dealings with us. Your Operator, in our sole discretion, may be approved for multiple franchise agreements or multiple Bakeries. You will keep us informed at all times of the identity of any employees acting as Operator of a Bakery and any change in their employment status. Operators are not required to have an equity interest in your Bakery. In any event, you are personally responsible for the operation of your Bakery and your Bakery must at all times be staffed with an Operator who has successfully completed our training program. In the event that an Operator resigns or is otherwise terminated, you will have sixty (60) days to hire a replacement Operator who meets our then-current standards for an Operator and who is approved by us before hiring. The new Operator must complete training to our satisfaction within thirty (30) days after being hired, subject to the availability of our personnel. Your Operator(s) shall devote full time and best efforts to the day-to-day operation and management of the Bakery and shall not engage in any other business activity without our prior written consent.

(g) You must at all times maintain such working capital as may be reasonably necessary to enable you to properly and fully carry out and perform all of your duties, obligations and responsibilities hereunder and to operate the business in a businesslike, proper and efficient manner.

(h) You must at all times maintain sufficient levels of inventory to adequately meet consumer demand.

6.4 Site Visits

You agree that, in order to maintain the high quality and uniform standards associated with the System and to protect the goodwill and reputation associated with the System and Marks, you will permit us to inspect your Bakery and vehicles used in connection with making deliveries, confer with you and your employees and Guests, check inventory levels and operating methods, and perform any additional on-site inspections which we deem necessary to protect the standards of quality and uniformity of the System and gauge your performance under this Agreement at any time during regular business hours without notice. It is your obligation to make changes to your operational procedures based on our inspection. We may also, at your expense, remove or destroy any item which does not conform to our specifications and/or standards.

If we determine that any condition in the Bakery presents a threat to Guests or public health or safety, we may take whatever measures we deem necessary, including requiring you to immediately close the Bakery until the situation is remedied to our reasonable satisfaction. Our inspections and evaluations may include a “mystery shopper” program from time to time and we reserve the right to charge you the cost of the mystery shopper program and guest experience monitoring program. If you fail any inspection or evaluation, you must pay us our then-current Operational Evaluation Fee, currently Three Hundred Dollars (\$300), as well as the costs and expenses of subsequent “mystery shopper” visits. You must also pay us or our designated vendor the then current guest experience monitoring fee.

6.5 Computer Hardware and Software

(a) You must purchase, license or otherwise obtain and use all computer software programs and applications (“Software”) which we have developed or may develop and/or designate for use for the System and must purchase or otherwise obtain such computer hardware as may be necessary for the efficient operation of the Software, including, without limitation, a POS System and a payment card reader. You must obtain and maintain adequate hardware and Software in order to access the Internet at the bit speed we require. We have the right to require you to update or upgrade computer hardware components and/or Software, as we deem necessary from time to time, with no limitations as to the number or cost of such updates or upgrades. This includes taking all steps, including but not limited to those related to visibility and management of your Bakery’s network, that are necessary to ensure that your Bakery is compliant with all Payment Card Industry Data Security Standards (PCI DSS) requirements, as such standards may be revised and modified by the PCI Security Standards Council (see pcisecuritystandards.org), or any successor organization or standards that we may reasonably specify.

(b) We have the right to require you, at your sole expense, to enter into separate agreements for any required computer hardware and/or Software, including the POS system, as well as maintenance and support contracts, data warehousing and other related applications and activities. We reserve the right to require you to install a “systems backup solution” which backs up critical data in your computer system using an off-premises storage scheme. Notwithstanding the fact that you must buy, use and maintain the computer hardware and Software in accordance with our standards and specifications, you are solely responsible for: (i) the acquisition, operation, maintenance and upgrading of the computer hardware and Software; and (ii) any and all consequences that may arise if the computer hardware and Software is not properly operated, maintained and upgraded. It is your responsibility to ensure that you have and at all times maintain proper security applications and controls in place, including but not limited to anti-virus software and password logon protections.

(c) If we develop or custom design a software program for conducting accounting, inventory and point-of-sale functions and/or related activities (“Proprietary Software Program”), you agree to obtain the Proprietary Software Program, the computer hardware required to implement the Proprietary Software Program into your Bakery, and to comply with all specifications and standards we prescribe regarding the Proprietary Software Program as provided from time to time in the Operations Manual, at your expense. Our computer software and hardware requirements, including all standards and specifications related to Proprietary Software Programs, are our proprietary and Confidential Information. It is possible that we might not be able to alter the Proprietary Software Program to accommodate every franchisee of the System, and therefore, at such time that we require the implementation of such software, you will only utilize the program we prescribe. We have independent, unlimited access to the information the computer system generates, without compensation to you, and we may share revenue and other data concerning your Bakery with other franchisees in the System. You must install, at your expense, the necessary computer hardware and software to provide us with full and direct electronic access to all of your data, software systems, security camera footage, and related information.

6.6 Internet Website

(a) We have established the Website, which provides information about the System and products and services sold under the System. We may use National Advertising Fund contributions to pay or reimburse ourselves for costs incurred in connection with the development, maintenance and update of the Website, or any additional websites we may create in the future in connection with the System. We will be the web master, either directly or through a third party, and will have sole discretion and control over our Website and any future websites we may create (including timing, design, content and continuation).

(b) We will design and provide a web page for the promotion of your Bakery on our Website. You must give us the materials we request to develop, update, and modify your listing. We will remain the web master, either directly or through a third party, and will have absolute discretion and control over such a web page. All information on the Website must be approved by us prior to posting. You are prohibited from maintaining an individual website related to the Bakery, or establishing a URL incorporating any variation of the Marks, without our prior written approval. You cannot violate our privacy policies or user terms posted on our Website. We will own all intellectual property and other rights in the Website and all information it contains (including, without limitation, the domain name or URL for your webpage, the log of “hits” by visitors, and any personal or business data that visitors supply). We may implement and periodically modify System standards relating to the Website and your web page.

(c) You are prohibited from establishing or maintaining a separate website, splash page, blog, social networking page or profile or other presence on the Internet, or otherwise advertising on the Internet or any other public computer network in connection with the Bakery, including any profile on Facebook, Instagram, Snapchat, Yelp, Trip Advisor, Twitter, LinkedIn, Plaxo, YouTube or any other social media, reviews and/or networking site without our prior approval. If such approval is granted by us, you must: (i) establish and operate such Internet site in accordance with System standards and any other policies we designate in the Operations Manual or otherwise in writing from time to time; and (ii) utilize any templates that we provide to you to create and/or modify such site(s).

(d) We have the right to modify the provisions of this Section 6.6 relating to Internet websites as we deem necessary or appropriate in the best interest of the System.

(e) You acknowledge that we and/or our affiliates are the lawful, rightful and sole owner of the Internet domain name nothingbundtcakes.com and any other website we may now or in the future create in connection with the System, and you unconditionally disclaim any ownership interest in such domain names and any other domain names or URLs colorably similar thereto. 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 affiliate or any abbreviation, acronym, phonetic variation or visual variation of those words. You cannot violate the privacy policies on our Website.

6.7 Computer Network, Intranet or Extranet Participation

You must participate in any System-wide computer network, intranet system or extranet system that we implement, and may be required to use such networks to, among other things: (i) process Guest orders for fulfillment; (ii) submit reports to us; (iii) view and print updates to or portions of the Operations Manual; (iv) download approved local advertising materials; (v) communicate with us and other System franchisees; and (vi) complete training. You agree to use the facilities of any such computer network, intranet system or extranet system in strict compliance with the standards, protocols, and restrictions that we include in the Operations Manual, including those related to the encryption of confidential information and prohibitions against the transmission of libelous, derogatory or defamatory statements. We reserve the right to charge you a monthly service for certain technology services that we provide to you for the ongoing

operation and maintenance of any System-wide computer network, intranet or extranet system that we implement. We have the right to modify and increase such fees as we deem advisable in our sole discretion.

6.8 Personal Conduct

You agree to refrain from committing any act or pursuing any course of conduct that is dishonest, unethical, or discriminatory in nature or otherwise tends to bring your Bakery, us, the System, or the Marks into disrepute.

6.9 Best Efforts

You must use your best efforts to promote and increase the demand for the products and services offered by your Bakery. All of your advertising and promotional efforts must be completely factual and conform to the highest standards of ethical advertising. You agree to refrain from any business or advertising practice that may be injurious to the Bakery or the goodwill associated with the Marks and System.

6.10 Telephone

You must obtain a new telephone number and telephone listing at your expense, to be listed under the Nothing Bundt Cakes® name and not under your corporate, partnership, or individual name, to be used exclusively in connection with your operation of the Bakery. Upon the expiration, transfer or termination of this Agreement for any reason, you must terminate your use of such telephone number(s) and listing(s) and assign same to us or our designee. You must answer the telephone in the manner we specify in the Operations Manual. You agree to assign all telephone numbers, fax numbers, and other numbers or listings associated with the Bakery to us, including all Better Business Bureau, Angie's List, Yahoo, Google, Craigslist, Facebook, YouTube, Plaxo and related listings by signing the assignment of telephone numbers attached as Exhibit 5 to this Agreement. We have the right to require you, at your sole expense, to enter into separate agreements with our designated vendors for the Bakery's telephone equipment and service.

6.11 Payment of Debts

You are solely responsible for: (a) selecting, retaining and paying your employees and complying with all state, federal, and local employment laws and regulations, including, without limitation, those related to hiring, firing, training, wage and hour requirements, compensation, promotion, record-keeping, supervision, and discipline of employees, paid or unpaid, full or part-time; (b) paying all invoices for goods and services used in connection with operating the Bakery; and (c) determining whether, and on what terms, to obtain any financing or credit which you deem advisable or necessary to establish and operate the Bakery. You agree to pay all current obligations and liabilities to suppliers, lessors, and creditors on a timely basis. You agree to indemnify us in the event we are held responsible for your debts if we elect to pay your obligations in order to preserve the relationship between System Suppliers and other System franchisees. You agree to make prompt payment of all federal, state and local taxes, including individual and corporate taxes, sales and use taxes, franchise taxes, gross receipts taxes, employee withholding taxes, FICA taxes, personal property and real estate taxes arising from your operation of the Bakery. You agree to indemnify us if we are held responsible for these taxes.

6.12 Compliance with Applicable Laws

You must comply with all applicable federal, state and local laws, ordinances and regulations (including, without limitation, all government regulations relating to the preparation, presentation, shipping,

delivery and disposal of perishable goods, kitchen safety, occupational hazards and health, dispensing of perishable items, consumer protection, trade regulation, worker's compensation, unemployment insurance, withholding and payment of federal and state income taxes and social security taxes and sales, use and property taxes, and the applicable provisions of the Americans with Disabilities Act ("ADA")) regarding the construction, design and operation of the Bakery. You also agree to comply with all applicable laws pertaining to the privacy of the customer, employee, and transactional information ("Privacy Laws"). You further agree to comply with our standards and policies pertaining to Privacy Laws.

6.13 Trade Secrets and Confidential Information

You must maintain the confidentiality of all Confidential Information as set forth in Article 9 below.

6.14 Image

You acknowledge that we have developed a System to offer and sell products which will distinguish the Bakeries from other retail outlets which offer similar goods at different prices and with less attention paid to product quality, packaging, and Guest service. You agree to offer products and services and to operate the Bakery in a manner that emulates and enhances the image we intend for the System. You further acknowledge and agree that each aspect of the System is important not only to you but also to us and to other System franchisees in order to maintain the highest operating standards, achieve system wide uniformity, and increase the demand for the products sold and services rendered by System franchisees. You agree to comply with the standards, specifications and requirements we set forth in order to uniformly convey the distinctive image of a Bakery. You will, in the operation of the Bakery, use only those inventory items and merchandise, signage, displays, shelving, paper, labels, forms and other products and services imprinted with the Marks and colors as prescribed from time to time by us.

6.15 Pending Actions

You must notify us, in writing, within five (5) days of the commencement of any action, suit or proceeding and the issuance of any order, suit or proceeding of any court, agency or other government instrumentality, including the receipt of any notice or citation, which may adversely affect the operation or financial condition of the Bakery.

6.16 Standard Maintenance, System Conformity, and Remodeling

You agree to repair, refinish, repaint, replace, and/or otherwise redo the Bakery, signs, furnishings, fixtures, decor, and any other tangible part or property of the Bakery at your sole expense and at such times we may reasonably direct. We have the right to require you, at your sole expense, to enter into equipment maintenance and monitoring agreements with our designated vendors. We have the right to direct you to remodel, re-equip, and otherwise refurbish your Bakery and vehicles to bring them into conformance with our then-current standards for a Bakery and delivery vehicles at the time we make the request. We will not require any expenditure in any year greater than Twenty-Five Thousand Dollars (\$25,000), except if the expenditure is related to the renewal of this Agreement.

6.17 Licenses, Permits, and Certificates

You must obtain and maintain in force all required licenses, permits and certificates relating to the operation of the Bakery and shall operate the Bakery in full compliance with all applicable laws, ordinances and regulations, workers' compensation and unemployment insurance requirements, and withholding and payment of federal and state income, social security, sales, use, and property taxes.

ARTICLE 7

TRAINING REQUIREMENTS

7.1 Initial Training

Two (2) people, which must include you (in the event you are an individual) or your Operator (in the event you are an entity), must attend and complete, to our satisfaction, our initial tuition-free training program. The required training lasts up to four (4) weeks and consists of training in Product preparation and packaging, maintaining financial controls and general bookkeeping procedures, operational techniques, using our required equipment and computer hardware and software, inventory controls, marketing and advertising techniques, and Guest service and maintenance of quality standards. All training will take place at one of our company bakeries in Dallas, Texas, or any other location we designate. You, your Operator or any other trainees must attend the initial training program at the same time. In addition, we will provide one (1) of our representatives for up to five (5) days at your Bakery for additional training and opening assistance. You are responsible for all training related expenses, including you and your employees' travel, meals, lodging, and payroll expenses associated with attending the initial training program. You must complete training before opening your Bakery. If you or any Operator fails to complete training to our satisfaction, the respective person may repeat the course, or in the case of an employee, you may designate a substitute to attend our next available training program. We may charge our then-current fee for replacement initial training attendees. We have the right to terminate this Agreement if you fail to complete training to our satisfaction within the time frames we prescribe. If you are approved to expand as a multi-unit franchisee, you will be responsible for the initial training of the management team for your second bakery and beyond.

7.2 Training Your Other Employees

You must train your other employees using our training materials. We will provide you with training materials for your use in training your personnel. Only the materials we provide can be used by you to train your personnel. Updated training materials will be provided on request. All training materials we produce constitute part of our trade secrets and confidential information. You agree not to challenge our rights in and to any training materials.

7.3 Ongoing Training Programs

To assist you in the operation of your Bakery, we may offer and require you and/or your employees to attend any additional training programs and refresher courses. You are responsible for you and your personnel's travel, meals, lodging, and payroll expenses associated with attending additional training programs. The additional training programs and refresher courses will be at our then-current tuition for such training.

ARTICLE 8

PROPRIETARY NAMES AND MARKS

8.1 Your Use of Our Marks and Other Proprietary Material

(a) You must only use the Marks we designate, and must use them in only the manner we authorize and permit.

(b) You will use the Marks only for the operation of your Bakery exclusively at the Approved Location, and in advertising your Bakery in the Territory pursuant to our standards and specifications.

(c) You must use the marks without prefix or suffix, and in conjunction with the “TM,” “SM,” “S,” or “®” symbols, as applicable. You are prohibited from using the Marks in connection with the offer or sale of any unauthorized products or services. You may not use the Marks as part of your corporate or other legal name. Your corporate name and all fictitious names under which you propose to do business must be approved by us in writing before use. You must use your corporate or limited liability company name either alone or followed by the initials “D/B/A” and the business name “Nothing Bundt Cakes®.” You must promptly register your Bakery as doing business under an assumed business name at the public office as provided for by the laws of the state in which your Bakery is located.

(d) You must identify yourself as an owner of your Bakery in the manner we specify in conjunction with any use of the Marks including, without limitation, on invoices, order forms, receipts, Guest forms and questionnaires, business stationery, and advertisements, as well as at such conspicuous locations as we may designate in writing at the Bakery premises.

(e) Your right to use the Marks is limited to the uses authorized in this Agreement, and any unauthorized use of the Marks will constitute infringement of our rights.

(f) You will not use the Marks to incur any obligation or indebtedness on our or our affiliates’ behalf.

(g) You will execute any documents we deem necessary to obtain protection for the Marks or to maintain their continued validity and enforceability.

(h) You must promptly notify us of any suspected unauthorized use of our Marks, Proprietary Recipes, the Operations Manual, any proprietary software, our copyrighted material or materials in which we claim a common law copyright interest, any proprietary software we may now or in the future create, and any other intellectual property that we may now or in the future designate in connection with the System (the “Proprietary Materials”), any challenge to the validity of the Marks, or any challenge to our ownership of, our right to use and to license others to use, or your right to use the Proprietary Materials. You acknowledge that we have the sole right to direct and control any administrative proceeding or litigation involving the Marks or Proprietary Materials, including any settlement thereof. We have the right, but not the obligation, to take action against uses by others that may constitute infringement of our rights to the Marks or Proprietary Materials.

8.2 Trademark Acknowledgements

You expressly understand and agree that:

(a) We own all right, title, and interest in and to the Marks and Proprietary Materials, and the goodwill associated with and symbolized by them, and we have the right to use and license others to use the Marks and Proprietary Materials;

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

(c) Your use of the Proprietary Materials does not give you any ownership interest or other interest in or to the Proprietary Materials. During the term of this Agreement and after its expiration or termination, you will not directly or indirectly contest the validity of, our ownership of, or our right to use and license others to use the Marks and other Proprietary Materials;

(d) Any and all goodwill arising from your use of the Proprietary Materials and Marks will inure solely and exclusively to our benefit, and upon expiration or termination of this Agreement, no monetary amount shall be assigned as attributable to any goodwill associated with your use of the System, the Marks, or any other Proprietary Materials;

(e) Except as specified in Article 1 hereof, the license of the Marks granted to you hereunder is nonexclusive and we retain all other rights, including the right to: (i) use the Marks ourselves in connection with selling products and services; (ii) grant others licenses for the Marks; and (iii) develop and establish other systems using the Marks, similar marks, or any other marks, and to grant licenses thereto without providing any rights therein to you; and

(f) We reserve the right in our sole discretion to substitute different proprietary marks for use in identifying the System and the businesses operating thereunder. You must discontinue using any particular Mark within ten (10) days of written notice from us, and begin using any additional, modified, or substituted Mark within the timeframes we specify.

8.3 Trademark Litigation

We will defend you against any third-party claim, suit, or demand arising out of your use of the Marks. If we determine, in our sole discretion, that you have used the Marks in accordance with this Agreement, we will bear the cost of such defense, including the cost of any judgment or settlement. If we, in our sole discretion, determine that you have not used the Marks in accordance with this Agreement, you will bear the cost of such defense, including the cost of any judgment or settlement. In the event of any litigation relating to your use of the Marks, you will execute all documents and do such acts as may, in our opinion, be necessary to carry out such defense or prosecution including, without limitation, becoming a nominal party to any legal action. Except to the extent that such litigation is the result of your use of the Marks in a manner inconsistent with the terms of this Agreement, we agree to reimburse you for your out-of-pocket costs incurred in performing such acts.

ARTICLE 9

CONFIDENTIALITY OF PROPRIETARY INFORMATION

9.1 Non-Disclosure

During the term of this Agreement, you will receive information which we consider our trade secrets and confidential information (“Confidential Information”). You will not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, partnership, association, corporation, or limited liability company any Confidential Information including, without limitation, our Proprietary Recipes and other standards for preparing and packaging Products; our trade secrets, advertising strategies, price marketing mixes related to Products and other food and beverage items offered by Bakeries; supplier networks and pricing arrangements with suppliers; the E-Commerce Program, National Account networks, the Operations Manual and training procedures; sales promotion aids, business forms, merchandising procedures, accounting procedures, marketing reports, inventory systems and copyrighted materials; and other methods, techniques and know-how concerning the operation of the Bakery which may be communicated to you or of which you may be apprised by virtue of your operation of the Bakery. You also acknowledge and agree that certain information, including (i) current Guest and prospective Guest names and addresses; (ii) information about credit extensions to Guests; (iii) Guest purchasing histories; (iv) rates charged to Guests; and (v) Customer Relations Management (“CRM”) reports (subsections (i)-(v) collectively shall be referred to as “Guest Lists”) also constitute our trade secrets and Confidential Information. You may divulge Confidential Information only to those of your employees as must have access to it in order to operate the Bakery. All information, knowledge, know-how,

techniques, and other data which we designate as confidential will be deemed Confidential Information for purposes of this Agreement.

9.2 Employee Non-Disclosure

All Operators and other key personnel must execute covenants that they will maintain the confidentiality of the information they receive in connection with their employment by you at the Bakery premises. Such covenants will be in a form we specify and substantially similar to the Confidentiality and Non-Compete Agreement attached as Exhibit 4 to this Agreement. Employee non-competition covenants must include, without limitation, specific identification of us as a third-party beneficiary of such covenants with independent rights to enforce them.

9.3 New Concepts

If you, your employees, or principals develop any new concept, process or improvement in the operation or promotion of the Bakery, including new recipes and packaging methods, you will promptly notify us, and provide us with all of the information necessary to implement the improvement, without any compensation. Any such concept, process or improvement will become our sole property and we will be the sole owner of all patents, patent applications, trademarks, copyrights and other intellectual property rights related thereto. You and your principals and agents hereby assign to us any rights they may have or acquire therein, including the right to modify such concept, process or improvement, and otherwise waive and/or release all rights of restraint and moral rights therein and thereto. You and your principals and agents agree to assist us in obtaining and enforcing the intellectual property rights to any such concept, process or improvement in any and all countries and further agree to execute and provide us with all necessary documentations for obtaining and enforcing such rights. You and your principals and agents hereby irrevocably designate and appoint us as your agent and attorney-in-fact to execute and file any such documentation and to do all other lawful acts to further the prosecution and issuance of patents or other intellectual property rights related to any such concept, process or improvement. In the event that the foregoing provisions of this Section 9.3 are found to be invalid or otherwise unenforceable, you and your principals and agents hereby grant to us a worldwide, perpetual, non-exclusive, fully-paid license to use and sublicense the use of the concept, process or improvement to the extent such use or sublicense would, absent this Agreement, directly or indirectly infringe your rights therein.

9.4 Customer Data

You must comply with the standards, other directions from us, prevailing industry standards (including payment card industry data security standards), and all applicable laws, as any of them may be modified from time to time, regarding the organizational, physical, administrative and technical measures and security procedures to safeguard the confidentiality and security of Customer Data on your computer systems or otherwise in Franchisee's possession or control and, in any event, employ reasonable means to safeguard the confidentiality and security of Customer Data. If there is a suspected or actual breach of security or unauthorized access involving your Customer Data (a "Data Security Incident"), you must notify us immediately after becoming aware of such actual or suspected occurrence and specify the extent to which Customer Data was compromised or disclosed. You must comply with our instructions in responding to any Data Security Incident. We (and our designated Affiliates) have the right, but no obligation, to control the direction and handling of any Data Security Incident and any related investigation, litigation, administrative proceeding or other proceeding at your expense. We and our Affiliates may, through the access to your computer systems or otherwise, have access to Customer Data. During and after the Term, we and our Affiliates may make any and all disclosures and use the Customer Data in our and their business activities and in any manner that we or they deem necessary or appropriate. You must secure you're your vendors, customers, prospective customers and others all consents and authorizations, and provide them all

disclosures, that applicable law requires to transmit the Customer Data to us or our Affiliates and for us and our Affiliates to use that Customer Data in the manner that this Agreement contemplates.

ARTICLE 10 **MODIFICATION OF THE SYSTEM**

You recognize and agree that we may change or modify the System as presently described in the Operations Manual and the Marks, including the adoption and use of new, modified, and/or substituted Proprietary Recipes, authorized products and services, Marks, other Proprietary Material, and techniques for operating a Bakery. You will accept and use for the purposes of this Agreement any such changes in the System as if they were part of this Agreement as of the Effective Date. You will make such expenditures as such changes or modifications in the System may reasonably require. You will not change, modify, or alter the System in any way without our prior written consent. We have the right to operate, develop, and change the System in any manner that is not specifically prohibited by this Agreement.

ARTICLE 11 **ADVERTISING AND PROMOTION**

11.1 Advertising by You

You have, upon execution of this Agreement, paid to us the sum of Five Thousand Dollars (\$5,000) which we will use to pay for and conduct an Opening Advertising Program to advertise the opening of your Bakery. You acknowledge that we may require you to spend up to an additional Two Thousand Dollars (\$2,000) on such Opening Advertising Program. In addition, you may elect to spend additional money for your Opening Advertising Program, provided that all materials used in the Opening Advertising Program will be subject to our prior written approval. The Opening Advertising Program is considered “local advertising and promotion” and is therefore subject to the restrictions described below. You understand and acknowledge that the Bakery’s grand opening shall be held not later than thirty (30) to forty-five (45) days after the Bakery opens to the public.

11.2.1 Local Advertising

(a) In addition to the Marketing Production Fund contribution described in Section 11.3, each week you must pay us a local advertising fee of three percent (3%) of your Net Revenues (the “Local Advertising Fee”) which shall be used to coordinate advertising, promotions, local listings and public relations within your Territory. The Local Advertising Fee is payable in the same manner as the Royalty. The Local Advertising Fee will be accounted separately from the Marketing Production Fund. Local Marketing plans will be developed collaboratively between you and us, and presented to the Bakery by November 1 of the previous year, to be effective January 1st of the following year. We will maintain final approval of marketing and advertising materials and programs. Upon written request, we will provide you with an unaudited accounting of Local Advertising Fee expenditures in your Territory.

(b) In the event of civil disorder, war, fire, natural catastrophe, pandemic, measures of any governmental authority or other similar business disruption event beyond our control (collectively, the Disruption Event”), we will have the right, upon prior written notice to you, to use Local Advertising Fees for regional and national advertising, promotions and public relations efforts. Our right to use Local Advertising Fees beyond your territory and on a regional or national basis shall continue for so long as the Disruption Event remains in place, but will not exceed six (6) months.

(c) In addition, you recognize the value of advertising and promoting your Bakery, and the importance of standardizing advertising and promotional programs to enhance the goodwill and public

image of your Bakery and the System. Accordingly, you must actively advertise the Bakery, the Products, and the System exclusively in your Territory. Such local advertising expenditures will exclude money spent for discounts, coupon redemptions and the cost of products or services given without charge. The cost of goods sold relative to in-Bakery sampling shall not be applied toward your local advertising expenditures. You may not advertise or promote your Bakery outside of your Territory without our written consent, which we may revoke at any time and for any reason. You must place or display at the Approved Location (interior and exterior) only the signs, emblems, lettering, logos and displays and advertising materials we approve in writing from time to time. You must submit samples of all sales, promotional, and advertising materials you wish to use, including, but not limited to, print, radio and television advertising, signage, supplies and packaging, to us at least fifteen (15) business days prior to publication or use. Such submission will not affect your right to determine the prices at which you sell products and services at the Bakery, except for orders we contract to you to fulfill as part of the E-Commerce Program. We will inform you of our approval or disapproval of any advertising materials within ten (10) business days of receipt. You cannot use any advertising or promotional materials that we have not approved. All advertising must prominently display the Marks and comply with our standards for use of the Marks. We may require you to discontinue the use of any advertising or marketing materials at any time, at your expense.

11.3 Marketing Production Fund

We have established a Marketing Production Fund (the “Fund”) for the common benefit of System franchisees. You must participate in and contribute one percent (1%) of your Net Revenues to the Fund in the same manner as the Royalty due under this Agreement. We have the right to require that any advertising cooperative and/or franchisee advisory council be formed, changed, dissolved or merged.

(a) We will use Fund contributions, in our sole discretion, to develop, produce, and distribute national, regional and/or local advertising and to create advertising materials and public relations programs, which promote, in our sole judgment, the services offered by System franchisees. We have the sole right to determine contributions to and expenditures from the Fund, or any other advertising program, and the sole authority to determine, without limitation, the selection of the advertising materials and programs, provided, however, that we will make a good faith effort to expend Fund contributions in the general best interests of the System on a national or regional basis. We may use the Fund to satisfy any and all costs of maintaining, administering, directing, preparing, and producing advertising, including, without limitation: (i) the cost of preparing, producing and placing media including, but not limited to, broadcast, print, place-based, digital, social and other media, and (ii) the cost of reputation management; (iii) the cost of public relations activities and advertising agencies; (iv) the cost of developing and maintaining an Internet website and a gift card program; (v) the cost of developing Guest loyalty programs; and (vi) personnel and other departmental costs for advertising that we internally administer or prepare. Nevertheless, you acknowledge that not all System franchisees will benefit directly or on a pro rata basis from such expenditures. While we do not anticipate that any part of Fund contributions will be used for advertising which is principally a solicitation for franchisees, we reserve the right to use the Fund for public relations or recognition of our brand, for the creation and maintenance of the Website, a portion of which can be used to explain the franchise offering and solicit potential franchisees, and to include a notation in any advertisement indicating “Franchises Available.”

(b) We may periodically assist franchisees in maintaining high quality standards through Guest surveys, Guest interviews, and other similar initiatives (“Surveys”). The cost of such programs may be borne by the Fund. The cost of these programs may be charged directly to you if your results from a Survey fall below System-established minimum standards for such Surveys. We also have the right to use and publish Guest testimonials in our marketing and promotional efforts.

(c) We have the right to reimburse ourselves from the Fund contributions for such reasonable

costs and overhead, if any, as we may incur in activities reasonably related to the direction and implementation of the Fund.

(d) We will prepare on an annual basis and will make available to you within one hundred twenty (120) days of the end of the fiscal year, a statement of contributions and expenditures for the Fund. The statement will be presented to you upon your written request. The Fund is not required to be independently audited.

11.4 Regional Advertising and Promotional Cooperatives

We have the right to designate any geographical area for purposes of establishing a regional advertising and promotional cooperative (“Cooperative”), and to determine whether a Cooperative is applicable to the Bakery. If a Cooperative is established applicable to the Bakery, you must participate in the Cooperative. In the event we designate a Cooperative for your Territory, your Cooperative contributions will be credited towards your Local Advertising contribution requirements. Cooperative contributions will not exceed the Local Advertising contribution requirement unless a majority of the Cooperative votes to increase that requirement. The following provisions will apply to each Cooperative:

(a) Each Cooperative will be organized and governed in a form and manner, and will commence operation on a date, we approve in advance;

(b) Each Cooperative will be organized for the exclusive purpose of administering regional advertising programs and developing, subject to our approval, standardized advertising materials for use by the members in local advertising;

(c) No promotional or advertising plans or materials may be used by a Cooperative or furnished to its members without our prior approval. All such plans and materials must be submitted to us;

(d) Cooperative activities will be determined by a majority vote of the member franchisees in the Cooperative; and

(e) Each member franchisee must submit to the Cooperative, no later than the 10th of each month, for the preceding month, its respective contribution as provided in this Agreement together with such other statements or reports as we may require or as may be required by the Cooperative with our approval.

We may grant to you an exemption from participating in a Cooperative at our sole discretion, upon your written request stating reasons supporting such exemption. Our decision concerning such requests for exemption will be final.

11.5 Test Marketing

We may conduct marketing research to determine consumer trends and test new products and services. You must participate in such marketing research in the manner we request, including purchasing reasonable amounts of test products or services, and offering, selling, packaging, and delivering test products or services from your Bakery. We will use Fund contributions to develop test products and services.

11.6 Gift Card Program; Pricing and Promotion Programs

You must market, offer, sell, and redeem gift cards in the manner we specify. Only gift cards we authorize may be sold through the Bakery. You must honor the gift cards we authorize at your Bakery without any offset against your Royalty. You must honor the terms of all promotional or discount programs that we may offer to the public for System businesses, and you must comply with any pricing policies we may specify, including minimum and maximum price policies, minimum advertised price policies and unilateral price policies. You must also provide those services and other items that we specify on such terms and at such rates, including free-of-charge, as we may specify.

ARTICLE 12

ACCOUNTING AND BOOKKEEPING RECORDS

12.1 Books and Records

You must maintain for at least five (5) fiscal years from their preparation complete financial records for the operation of the Bakery in accordance with generally accepted accounting principles and must provide us with: (i) a weekly net revenue reports in the form we specify which contains the sales information pertaining to the preceding week including, without limitation, Net Revenues, the mix of products and services sold by the Bakery, Guest Information, and any other additional information which we deem necessary to properly evaluate your performance; (ii) a quarterly balance sheet and profit and loss statement in a format we specify, prepared in accordance with any standard chart of accounts we may designate; (iii) annual financial reports and operating statements in the form we specify, prepared by a certified public accountant or state licensed public accountant, on or before April 15 of each calendar year for the immediately preceding calendar year; (iv) state and local sales tax returns or reports within thirty (30) days after their timely completion; and (v) such other reports as we may require from time to time, in the form we prescribe. You must provide federal, state and local income tax returns for each year in which your Bakery is operated upon request. To assist you in recording and keeping accurate and detailed financial records for reports and tax returns, we may, at our discretion, specify the form in which the business records must be maintained and provide a uniform set of business record-keeping forms for you to use. We will have full access at any time to all of your data, systems, and related information by means of direct access, whether in person or electronically. If you fail to provide any reports to us as required herein or in the Operations Manual, we will have the right, but not the obligation, to have our representative(s) enter the Approved Location and prepare required reports at your sole cost and expense.

12.2 Inspection and Audit

We and our agents will have the right at all reasonable times to examine and copy your books, records, accounts, and/or business tax returns. We also have the right, at any time, to have your books and records audited. If an inspection reveals that you understated Net Revenues or the fees due under this Agreement, you must immediately pay us the understated amount, in addition to interest from the date such amount was due until paid, at the rate of eighteen percent (18%) per annum, or the maximum rate permitted by law, whichever is less. If an inspection discloses an understatement in any statement or report of more than two percent (2%), in addition to repaying us all amounts owed, you must pay for the cost of the audit and reimburse us for our expenses incurred in connection with the audit (including travel, lodging and wages expenses, and reasonable accounting and legal costs). The foregoing remedies shall be in addition to any other remedies we may have.

12.3 Financial Accounting Fee.

We reserve the right to require you to pay us or our designated vendor our then current financial accounting fee, the cost of which covers our required financial reporting intranet or extranet system that we implement.

ARTICLE 13 **INSURANCE**

13.1 Qualified Insurance Carrier

You must obtain and maintain the types and amounts of insurance we prescribe for your Bakery. All insurance policies must be issued by an insurance company with a rating of A-VI or better as reported in the most recent edition of A.M. Best's Insurance reports. Our acceptance of an insurance carrier does not constitute our representation or guarantee that the insurance carrier will be capable of meeting claims during the term of the insurance policy. You agree to carry such additional insurance as required by your Lease or applicable laws and regulations. All insurance policies must name us and any party we designate 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 has been issued to each insured. All insurance policies must contain a waiver of subrogation in our favor.

13.2 Current Insurance Requirements.

Our current minimum insurance requirements, which are subject to change, are as follows:

(a) commercial general liability insurance with minimum limits of one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) aggregate for bodily injury, property damage, contractual liability, personal injury, advertising injury and a minimum of one hundred thousand dollars (\$100,000) for damage to premises leased to you;

(b) comprehensive automobile liability coverage for all owned, non-owned and hired vehicles used in connection with the operation of the Bakery with limits of one million dollars (\$1,000,000) combined single limit or one million dollars (\$1,000,000) per person, per accident and one million dollars (\$1,000,000) property damage;

(c) property insurance coverage on all furniture, fixtures, equipment, inventory and tenant improvements using one hundred percent (100%) replacement cost valuation and written on Special Perils form, including coverage for loss of refrigeration, spoilage/contamination, and mechanical and electrical breakdown coverage;

(d) business interruption coverage equal to at least nine (9) months of operating expenses or an Actual Loss Sustained form;

(e) workers' compensation insurance as prescribed by state law;

(f) employer's liability coverage of not less than five hundred thousand dollars (\$500,000);

(g) a commercial umbrella or excess liability policy with limits of at least one million dollars (\$1,000,000); and

(h) Such other insurance that may be required by us or by the statutes or other laws of the state in which the Bakery is located and operated. Such other insurance may include, but is not limited to, special disaster insurance coverages, such as for hurricanes or earthquakes.

In addition to the continuing insurance requirements described above, you shall have builder's risk insurance during the build-out of the Bakery in replacement value amounts, whether such insurance is provided by your contract or purchased by you. In addition, your contractor shall have commercial liability insurance of at least one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) aggregate.

13.3 No Reduction in Insurance Requirements

You will not reduce the policy limits, restrict coverage, cancel or otherwise alter or amend said policy without our written consent.

13.4 Proof of Insurance Required

You must submit certificates of insurance to us as proof of insurance before you sign a lease for your Bakery. You must deliver a complete copy of your then-prevailing policy of insurance within thirty (30) days following the delivery of the certificate of insurance. If you fail to comply with the minimum insurance requirements set forth herein, we have the right to obtain such insurance and keep the same in force and effect, and you must pay us, on demand, the premium cost thereof and an administrative fee equal to eighteen percent (18%) of the cost of insurance.

ARTICLE 14 **TERMINATION OF FRANCHISE**

14.1 Termination without Notice

This Agreement will automatically terminate without notice or an opportunity to cure upon the occurrence of any of the following:

(a) Voluntary Bankruptcy. If you make an assignment for the benefit of creditors, file a voluntary petition in bankruptcy, are adjudicated bankrupt or insolvent, file or acquiesce in the filing of a petition seeking reorganization or arrangement under any federal or state bankruptcy or insolvency law, or consent to or acquiesce in the appointment of a trustee or receiver for you or the Bakery.

(b) Involuntary Bankruptcy. If proceedings are commenced to have you adjudicated bankrupt or to seek your reorganization under any state or federal bankruptcy or insolvency law, and such proceedings are not dismissed within sixty (60) days, or a trustee or receiver is appointed for you or the Bakery without your consent, and the appointment is not vacated within sixty (60) days.

(c) Unauthorized Transfer. You purport to sell, transfer or otherwise dispose of any entity you create to operate the Bakery or any interest in the Bakery in violation of this Agreement.

14.2 Termination with Notice and Without Opportunity to Cure

We have the right to terminate this Agreement upon notice and without providing you with an opportunity to cure for any of the following breaches or defaults:

(a) Criminal Acts. If you or any of your principals are convicted of or plead guilty or no contest to a felony or take part in any criminal misconduct relevant to the operation of your Bakery.

(b) Fraud. If you or any of your principals commit any fraud or misrepresentation in the operation of your Bakery.

(c) Misrepresentation. If you or any of your principals make any misrepresentation or omission in connection with your franchise application, including but not limited to any financial misrepresentation.

(d) Failure to Complete Training. If you or any of your principals fail to complete initial training set forth in Section 7.1 within the time frames set forth therein.

(e) Repeated Breaches. If we send you two (2) or more notices of default pursuant to Sections 14.3 and/or 14.4 hereof in any twelve (12) month period.

(f) Breach of Other Agreements. If you or any of your principals materially breach any other agreement with us or our affiliates or your landlord, or threaten any material breach of any such agreement, including the Lease, and fail to cure such breach within any permitted period for cure.

(g) Misuse of the Marks or Confidential Information. If you or any of your principals materially violate any provisions hereof pertaining to the Marks, Proprietary Materials, or our Confidential Information or misuse the same.

(h) Violation of Health Code. If you violate any health, safety or sanitation law, ordinance or regulation in the preparation, presentation, or delivery of any good or service through your Bakery or operate the Bakery in a manner that presents a health or safety hazard to Guests, or the general public.

(i) Violation of In-term Restrictive Covenant. If you violate the in-term restrictive covenant set forth in Section 16.1 below, or if you knowingly distribute Products within another franchisee's territory in violation of Section 1.2 above.

(j) Liens. If a levy of writ of attachment or execution, or any other lien, is placed against you, any partnership, limited liability company, or corporation you create to operate the Bakery, or any of your principals or any of their assets which are not released or bonded against within thirty (30) days.

(k) Insolvency. If you or any of your principals guaranteeing your obligations under this Agreement become insolvent.

(l) Abandonment. If you voluntarily or otherwise abandon the Bakery. The term "abandon" includes any conduct which indicates a desire or intent to discontinue operating the Bakery in accordance with the terms of this Agreement and will apply in any event if you fail to operate the Bakery as a Nothing Bundt Cakes® Bakery for a period of two (2) or more consecutive days without our prior written approval.

(m) Proprietary Software. If you misuse or make unauthorized use of any proprietary software we develop for use in connection with the System.

(n) Insurance. If you fail to maintain insurance or repay us for insurance we pay for, or if you otherwise fail to adhere to the requirements of Section 13.

(o) Government Regulations. If you fail, within fifteen (15) calendar days after notification of non-compliance by federal, state or local government authorities to comply with any law or regulation applicable to the Bakery.

(p) Government Actions. If any government action is taken against you that results in any obligation upon us which in our sole judgment is uneconomical, not in the best interests of us, or would result in us having an unintended relationship or obligation.

(q) Anti-Terrorist Activities. If you fail to comply with the provisions of Section 20.6 below.

(r) Personal Use of Bakery Property. If you take employee taxes, FICA, insurance revenue or benefits, or any other assets of the Bakery for personal use.

(s) Insufficient Funds. If there are insufficient funds in your bank account to cover a check or EFT payment to us or our affiliates three (3) or more times within any twelve (12) month period.

(t) Under-reporting of Net Revenues. If any audit reveals that you have understated your Net Revenues, Royalty and other payments due to us by more than two percent (2%), or if you have failed to submit timely reports and/or remittances for any two (2) reporting periods within any twelve (12) month period, or if you fail to report Guest Information as provided for in the Operations Manual three (3) or more times in any twelve (12) month period.

(u) Other Conduct Reflecting Adversely on System. If you engage in any dishonest, unethical, or discriminatory conduct which, in our opinion, reflects adversely on the System, the Marks, or the products offered through the System.

(v) Violent Acts. If you or any of your principals engage in any violent or threatening act towards and employee, customer, or any other person.

(w) Failure to Meet Minimum Net Revenue Requirement. If you fail to meet the Minimum Net Revenue Requirement in any Performance Period.

(x) Unauthorized Transfer. You or any owner makes an unauthorized assignment of the Bakery, your Nothing Bundt Cake franchise or any ownership interest in you.

14.3 Termination with 15 Days' Notice and Opportunity to Cure

We have the right to terminate this Agreement if any of the following defaults remain uncured after expiration of the fifteen (15) day cure period:

(a) Nonpayment. If you fail to pay as and when due any sums owed to us, any of our affiliates, or any of our system suppliers or vendors.

(b) Endorsement of Checks. If you fail to immediately endorse and deliver to us any payments due to us from any third party that are erroneously made to you.

(c) Failure to Maintain Sufficient Inventory Level. Unless otherwise caused due to vendor delays or issues, if you fail to maintain sufficient levels of inventory to meet consumer demand and deliver goods and services to Guests in a timely manner, pursuant to our standards and specifications.

(d) Failure to Secure Approved Location. If you fail to secure an Approved Location within ninety (90) days of the Effective Date or if you do not build out your Bakery to our standards and specifications as set forth in Section 4.3 of this Agreement within two hundred and seventy (270) days after the Effective Date and have not otherwise obtained an extension from us.

(e) Interruption of Service. If you fail to maintain the prescribed months, days or hours of operation at the Bakery, or cease to service Guests through the E-Commerce Program.

(f) Failure to Personally Supervise Bakery Operations or Employ Adequate Personnel. If you fail to personally supervise day-to-day operation of the Bakery or fail to employ a sufficient number of qualified, competent personnel as we may require from time to time.

(g) Quality Control. If you fail to maintain the strict quality controls reasonably required by this Agreement and/or the Operations Manual.

(h) Licenses and Permits. If you fail to procure or maintain any licenses, certifications, or permits necessary for the operation of your Bakery.

(i) Banking Changes. If you fail to notify us of any change in your banking relationships, including changes to your banking institutions or account numbers, or if you siphon any portion of the Net Revenues of your Bakery into a bank account not approved of by us or which is not accessible to us via EFT.

(j) Unauthorized Products or Services. If you offer any unauthorized or discontinued products or services at or from the Bakery.

(k) Unapproved Purchases. If you order or purchase supplies, signs, furnishings, fixtures, equipment or inventory from an unapproved supplier.

14.4 Termination with 30 Days' Notice and Opportunity to Cure.

We have the right to terminate this Agreement if you fail to perform or comply with (i) any one or more of the terms or conditions of this Agreement and such non-compliance is not otherwise cover in another provision of this Section 14 and you fail to cure such default prior to expiration of the thirty (30) day cure period or (ii) any other agreement between you and us or our Affiliates and such non-compliance is not cured within the cure period, if any, in the terms of such other agreement.

14.5 Step In Rights

In addition to our right to terminate this Agreement, and not in lieu of such right or claim we may have against you, if you fail to cure any default within the applicable cure period specified above (if any), we have the right, but not the obligation, to enter the Bakery premises and exercise complete authority with respect to the operation of the Bakery until such time as we, at our discretion, determine that the default has been cured and you are otherwise compliant with this Agreement. If we exercise our right described in this Section 14.5, you must pay us our then current per diem charge and reimburse us for all reasonable costs and overhead, if any, incurred in connection with our operation of your Bakery including, without limitation, costs of personnel for supervising and staffing the Bakery and their travel and lodging accommodations. If we undertake to operate the Bakery pursuant to this Section 14.5, you agree to indemnify and hold us (and our representative(s) and employees) harmless from and against any fines, claims, suits or proceedings which may arise out of our operation of the Bakery.

14.6 Non-Waiver

Our delay in exercising or failing to exercise any right or remedy under this Agreement or our acceptance of any late or partial payment due hereunder will not constitute a waiver of any of our rights or remedies against you.

ARTICLE 15
YOUR OBLIGATIONS UPON TERMINATION OR EXPIRATION

15.1 Effects of Termination

Upon termination of this Agreement, regardless of the cause, or upon expiration and nonrenewal or transfer of this Agreement, you must, at your expense, comply with all of the following:

- (a) Immediately cease operations under this Agreement;
- (b) Immediately pay us and our affiliates and approved and designated suppliers all monies owed;
- (c) Immediately discontinue use of the Proprietary Recipes, Marks, other Proprietary Materials, and our Confidential Information;
- (d) Immediately return the Operations Manual and all other Proprietary Materials and Confidential Information loaned to you, and immediately and permanently cease the use of such information and materials;
- (e) Immediately cease using all telephone numbers, web sites, and listings used in connection with the operation of the Bakery, and direct all telephone agencies and listing companies to transfer all numbers and listings, electronic or otherwise, to us or our designee pursuant to the conditional Assignment of Telephone Numbers attached hereto as Exhibit 5, or, if we direct, disconnect such numbers within fifteen (15) calendar days of termination or expiration of this Agreement;
- (f) If we exercise a collateral assignment of lease, arrange for the transfer of the Lease to us within fifteen (15) days of the termination or expiration of this Agreement and vacate the premises;
- (g) Immediately surrender all stationery, printed matter, signs, advertising materials and other items containing the Marks and all items which are a part of the trade dress of the System immediately, as we direct, no later than five (5) calendar days after this Agreement is terminated or otherwise expires;
- (h) Immediately cease to hold yourself out as our franchisee;
- (i) Take such action as will be necessary to amend or cancel any assumed name, business name or equivalent registration which contains any trade name or other Mark we licensed to you and furnish us with satisfactory evidence of your compliance with this obligation within fifteen (15) calendar days after the termination, expiration or transfer of this Agreement;
- (j) Permit us to make a final inspection of your financial records, books, and other accounting records within one (1) month of the effective date of termination, expiration, or transfer;
- (k) Comply with all of the provisions of this Agreement that survive, expressly or impliedly, the Term, including your covenants to maintain the confidentiality of the Confidential Information, covenant against competition, and your indemnity obligations, all of which will survive the transfer, termination or expiration of this Agreement;
- (l) Cease to use in advertising or in any other manner, any methods, procedures or techniques associated with us or the System; and

(m) Execute from time to time any necessary papers, documents, and assurances to effectuate the intent of this Article 15.

15.2 Our Option to Purchase Assets

Upon the termination or expiration of this Agreement, we or any party we designate will have the option, but not the obligation, to purchase any property used in connection with operation of the Bakery by providing you with written notice of our election within thirty (30) calendar days after such termination or expiration and paying you the book value for such property within sixty (60) calendar days of such notice. For purposes of this paragraph, “book value” means the amount you actually paid for the property less depreciation (calculated by using the straight-line depreciation method on a ten (10) year depreciation schedule irrespective of the depreciation method or schedule you use for accounting purposes). Notwithstanding the foregoing, to the extent that we exercise our right to purchase any personal property that is subject to a lease or finance agreement, the purchase price will be net of the remaining amounts due under the lease agreement or financing arrangement, including prepayment penalties. We will be entitled to offset the purchase price by amounts you owe to us and our affiliates, and any payments necessary to acquire clear title to property or for any other debt. If we exercise our option to purchase, pending the closing of such purchase, we have the right to appoint a manager to maintain the operation of the Bakery or may require you to close the Bakery during such period without removing any assets. You are required to maintain in force all insurance policies required under this Agreement until the date of such closing. We have the unrestricted right to assign our rights under this Section 15.2. We will be entitled to all customary warranties and representations in connection with our purchase of your property, including, without limitation, representations and warranties as to ownership and condition of and title to the property; liens and encumbrances on the property; validity of contracts and agreements; and liabilities affecting the property, contingent or otherwise. We may exclude from the personal property purchased under this Section 15.2 cash or its equivalent and any equipment, signs, inventory, materials and supplies that are not reasonably necessary (in function or quality) to the Bakery operations or that we have not approved as meeting our then-current standards for a Bakery.

15.3 Damages, Costs, and Expenses

If this Agreement is terminated due to your default, you will promptly pay us for all damages, costs and expenses, including reasonable attorneys’ fees, that we incur as a result of the default, which obligation will give rise to and remain, until paid in full, a lien in our favor against any and all of the Bakery’s personal property, furnishings, equipment, signs, fixtures and inventory related to the operation of the Bakery.

15.4 Savings Clause

To the extent that it is determined by any court or any other tribunal having jurisdiction over the subject matter of this Agreement that any provision of this Agreement provides for notice less than that required by applicable law, or provides for termination, cancellation or non-renewal other than in accordance with applicable law, such provision, to the extent that it is determined by such court or other tribunal to be not in accordance with applicable law, will be deemed to be modified to the extent that such court or other tribunal determines to be necessary to bring such provision into accordance with applicable law.

15.5 Liquidated Damages

Upon our termination of this Agreement for cause, you agree to pay us within fifteen (15) days after the effective date of this Agreement’s termination, in addition to the amounts owed under Section

15.1, liquidated damages equal to the product of (i) the average Royalties that you were obligated to pay us on the Bakery's Net Revenues for each four (4) week period during the twelve (12) months of operation preceding the effective date of termination multiplied by (ii) the number of weeks remaining of the term of this Agreement or twenty-six (26) (the number of four-week periods during two (2) full years), whichever is higher; provided, however, that liquidated damages payable pursuant to this Section 15.5 shall not exceed One Hundred Thousand Dollars (\$100,000). The parties (and their owners) acknowledge and agree that it would be impracticable to determine precisely the damages we will incur from this Agreement's termination and the loss of cash flow from Royalty payments due to, among other things, the complications of determining how much the Royalty payments would have grown over what would have been the remaining term of this Agreement. You acknowledge and agree that these liquidated damages provision is a reasonable, good faith pre-estimate of those damages. The liquidated damages provision above covers only our damages from the loss of cash flow from lost Royalty payments. It does not cover any other damages to which we might be entitled as a result of your actions or inaction, including damages to our Marks, Confidential Information, reputation with the public and landlords and damages arising from a violation of any provision of this Agreement other than the Royalty Fee section. You and your owners agree that these 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 section.

ARTICLE 16 **COVENANTS**

You acknowledge that as a participant in our System, you and your employees and principals will receive proprietary and confidential information and materials, trade secrets, and access to the unique methods, procedures and techniques for operating a Bakery that we have developed. Therefore, to protect us, the System, and other System franchisees, you agree as follows:

16.1 In-Term Non-Compete

During the term of this Agreement, neither you nor your owners, officers, directors, principals, or Operators, nor any member of your immediate family or the immediate family of your owners, officers, directors, principals, and Operators who work at the business may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

(a) Own, maintain, engage in, be employed as an officer, director, or principal of, lend money to, extend credit to or have any interest in any other business which operates or licenses the sale of businesses which offer and sell offering cakes, baking-related apparel or merchandise, or any other goods or services authorized or offered for sale by System franchisees, provided, however, that this Section does not apply to your operation of any other Bakery under the System; or

(b) Solicit the Bakery's Guests, our National Accounts, or contact our suppliers or vendors for any competitive purpose.

16.2 Post-Term Non-Compete

For a period of two (2) years after the expiration, nonrenewal, transfer or termination of this Agreement, regardless of the cause, neither you nor your owners, officers, directors, principals, Operators, nor any member of your immediate family or the immediate family of your owners, officers, directors, principals, or Operators who work at the business may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

(a) Enter into any business competing in whole or in part with us in granting franchises or

licenses for businesses that offer and sell cakes, baking-related apparel or merchandise, or any other goods or services authorized or offered for sale by System franchisees at the time this Agreement is terminated or otherwise not renewed;

(b) Own, maintain, engage in, be employed as an officer, director, or principal of, lend money to, extend credit to or have any interest in any other business which operates or licenses the sale of businesses offering or selling cakes, baking-related apparel or merchandise, or any other goods or services authorized or offered for sale by System franchisees at the time this Agreement is terminated or otherwise expires and is not renewed: (i) at the Approved Location premises; (ii) within the Territory; or (iii) within a ten (10) mile radius of (a) the Territory being granted hereunder or (b) any other Territory licensed by us as of the date of expiration or termination of this Agreement; or

(c) Solicit the Bakery's Guests or contact any of our suppliers or vendors for any competitive business purpose.

16.3 Intent and Enforcement

It is the parties' intent that the provisions of this Article 16 be judicially enforced to the fullest extent permissible under applicable law. Accordingly, the parties agree that any reduction in scope or modification of any part of the noncompetition provisions contained herein will not render any other part unenforceable. In the event of the actual or threatened breach of this Article 16 by you, any of your principals, or any member of the immediate family of you or your principals, we will be entitled to an injunction restraining such person(s) from any such actual or threatened breach. You acknowledge that the covenants contained herein are necessary to protect the goodwill of the Bakery, other System franchisees, and the System as a whole. You further acknowledge that the covenants contained in this Article 16 are necessary to protect our procedures and know-how transmitted during the term of this Agreement. You agree that in the event of the actual or threatened breach of this Article 16, our harm will be irreparable, and that we have no adequate remedy at law to prevent such harm. You acknowledge and agree on your behalf and on behalf of the persons who are liable under this Article 16 that each has previously worked or been gainfully employed in other careers and that the provisions of this Article 16 in no way prevent any such person from earning a living. You further acknowledge and agree that the time limitation of this Article 16 will be tolled during any default under this Article.

16.4 Your Employees

You will ensure that your principals, employees and members of their immediate families who have access to our Confidential Information, including your owners, officers, and Operators, will sign and comply with the Confidentiality and Non-Compete Agreement attached as Exhibit 4 hereto, or as we, in our sole discretion, otherwise prescribe. You must provide us with a copy of each executed agreement.

16.5 No Defense

You hereby agree that the existence of any claim you may have against us, whether or not arising from this Agreement, will not constitute a defense to our enforcement of the covenants contained in this Article 16. You agree to pay all costs and expenses (including reasonable attorneys' fees) which we incur in connection with the enforcement of this Article 16.

16.6 Conclusive Presumption

If you or any of the shareholders, officers, directors or partners of any entity established by you to operate your Bakery engages in the operation of a competing business in violation of Article 16, it will be conclusively presumed that such person(s) or entity is using our trade secrets in such business.

ARTICLE 17 **ASSIGNMENT**

17.1 Our Right to Transfer

This Agreement inures to our benefit and our successors and assigns. We have the right to sell, transfer, assign, and/or encumber all or any part of our assets or interest in, and rights and obligations under this Agreement in our absolute discretion, without obtaining your consent. You represent that you have not signed this Agreement in reliance on any particular shareholder, director, officer, or employee remaining with us in any capacity.

17.2 Your Right to Transfer

You understand and acknowledge that the rights and duties set forth in this Agreement are personal to you, and that we have entered into this Agreement in reliance on your personal attributes and financial capacity. You will not, without our prior written consent, by operation of law or otherwise, sell, assign, transfer, convey, give away, pledge, mortgage, or otherwise encumber any interest in this Agreement, nor offer, permit or suffer the same. You agree that any attempted or completed sale, assignment, transfer, or other act referred to in this Article 17 without our prior written consent will be null and void and will constitute a material breach, which is good cause for immediate termination of this Agreement, without prior notice or opportunity to cure that material breach.

17.3 Definition of Transfer

A sale, transfer or assignment requiring our prior written consent shall be deemed to occur: (i) if you attempt to sell, transfer, assign, or encumber any portion of the Bakery or any interest in this Agreement or the Bakery; (ii) if you are a corporation, upon any assignment, sale, pledge or transfer of any fractional portion of your voting stock or any increase in the number of outstanding shares of your voting stock which results in a change of ownership; (iii) if you are a partnership, upon the assignment, sale, pledge or transfer of any fractional partnership ownership interest; or (iv) if you are a limited liability company, upon the assignment, sale, pledge or transfer or any interest in the limited liability company. Any new partner, shareholder, or member or manager owning an interest in you will be required to personally guarantee your obligations under this Agreement. A transfer pursuant to (ii) and (iv) above shall not be subject to our right of first refusal as set forth in Section 17.7 below.

17.4 Conditions to Our Consent to Transfer

If you wish to engage in any transfer described in Section 17.3, you must provide us with written notice of the proposed transfer, setting forth in detail the nature of the items to be transferred, the name, address and background of the proposed transferee, the consideration for the transfer and any other information that we may reasonably require. A copy of any agreements relating to the proposed transfer must accompany the notice. After reviewing the notice, we will decide whether to grant our consent, which will not be unreasonably withheld. We will condition our approval of the transfer upon the fulfillment of the following conditions:

(a) The proposed transferee must follow the same application procedures as a new franchisee and must: (i) meet and satisfy our then-current educational, managerial and business standards; (ii) possess

a good moral character, business reputation and credit rating; (iii) have the aptitude and ability to conduct the business to be transferred; and (iv) have adequate financial resources and capital to meet the performance obligations under this Agreement; however, transferee cannot be in the same business as us as either a licensor, independent operator or licensee of any other bakery or chain of bakeries which is similar in nature or in competition with us, except that the transferee may be our existing franchisee.

(b) We have not exercised the right of first refusal pursuant to Section 17.7 hereof.

(c) All of your accrued monetary obligations towards us and our affiliates and system suppliers have been paid in full.

(d) You have cured all existing defaults under this Agreement, or any other agreement between you and us, our affiliates, and our approved and designated suppliers and vendors, within the period permitted for cure and have substantially complied with all such agreements during their respective terms.

(e) You agree to comply with your post-termination obligations in this Agreement, including but not limited to your confidentiality, non-compete, and indemnity obligations contained in this Agreement.

(f) A transfer fee of Five Thousand Dollars (\$5,000) must be paid to us in the event of a transfer under Section 17.3(i); a transfer fee of Three Thousand Five Hundred Dollars (\$3,500) must be paid to us in the event of a transfer under Section 17.3(ii), (iii) and (iv), in full to cover our administrative and other expenses incurred in connection with the transfer, plus any brokerage fees or commissions we incur. We will not charge an initial franchise fee in connection with a transfer. Additionally, you or the buyer must pay us the sum of \$5,000 for a transfer opening advertising campaign.

(g) The transferee must satisfactorily complete our initial training program at the transferee's expense within the timeframe we specify.

(h) The proposed transferee must execute our then-current form of franchise agreement for the remaining unexpired term of this Agreement.

(i) You must provide us with a copy of the executed purchase agreement, which must include the transferee's assumption of and agreement to faithfully perform all of your obligations under this Agreement.

(j) You have brought the premises to our then-current standards before the transfer, including updating or upgrading the Bakery's signage, furniture, fixtures and equipment, interior and exterior décor, and layout.

(k) You and your principals (if you are a partnership, corporation, or limited liability company) and the transferee (if it has had any relationship with us and/or our affiliates) must execute a general release under seal, in a form satisfactory to us, of any and all claims against us, our affiliates, and our respective officers, directors, shareholders, and employees, in their corporate and individual capacities, provided that this release will not be inconsistent with any applicable state statute regulating franchising.

(l) The transferee must obtain, within the time limits we specify, and maintain thereafter all permits and licenses required for the operation of the Bakery.

(m) To the extent required by the terms of any leases or other agreements, all required consents must be obtained.

(n) The transfer must be made in compliance with any laws that apply to the transfer, including state and federal laws governing the offer and sale of franchises.

(o) The purchase price and the terms of the proposed transfer must not be so burdensome to the prospective transferee as to impair or materially threaten its future operation of the Bakery and performance under its franchise agreement.

(p) You must request that we provide the prospective transferee with our current form of franchise disclosure document. You must indemnify us for any representations you make to any transferee.

(q) We have the right to disclose to any prospective transferee any revenue reports and other financial information concerning the Bakery that you provide to us.

(r) In any event, we may withhold or condition our consent to any transfer as we deem appropriate based on the circumstances of the transfer or otherwise.

17.5 Transfer on Death or Incapacity

(a) In the event of your death, disability or incapacitation (or the death, disability or incapacitation of your managing owner, partners, shareholders, members, or personal guarantors), your legal representative, or your partner's or guarantor's respective legal representative, as applicable, will have the right to continue operating the Bakery as a franchisee under this Agreement if: (i) within forty- five (45) days from the date of death, disability or incapacity (the "45 Day Period"), such person has obtained our written approval and has executed our then-current franchise agreement for the unexpired term of the franchise, or has furnished a personal guaranty of any partnership, corporate or limited liability company franchisee's obligations towards us and our affiliates; and (ii) such person successfully completes our training program (which we will provide at our then-current tuition rate). Such assignment by operation of law will not be deemed in violation of this Agreement, provided such heirs or legatees accept the conditions imposed by the Franchise Agreement and are acceptable to us.

(b) We are under no obligation to operate the Bakery, or to incur any obligation on behalf of any incapacitated franchisee, during or after the 45 Day Period. If necessary, you (or your legal representative, as applicable) will appoint a previously approved acting interim manager to operate the Bakery during the 45 Day Period if your managing owner is incapacitated. In the event of the death, disability, absence or otherwise of your managing owner, we may (but are not required to) operate the Bakery on your behalf and at your expense for such period of time (and under such terms and conditions) as we determine, including paying out the assets and/or revenues of the Bakery to cover any or all past, current and/or future obligations of the Bakery (including any amounts owed to us and our affiliates) in such priorities as we determine from time-to-time in our absolute discretion. We may pay ourselves a reasonable amount out of the Bakery as reimbursement for our management services and other costs. We may obtain approval of a court or mediator for any such arrangements, with the attorneys' fees and other costs incurred in connection with obtaining such approval to be charged against the assets and/or revenues of your Bakery. You (and/or your estate) will indemnify us against any costs and/or liabilities we incur in connection with, or related in any way to, the operation (or otherwise) of your Bakery.

17.6 Transfer to a Controlled Entity

You may assign or transfer your interest in this Agreement to a corporation, limited liability company or general or limited partnership formed by you for such purpose (a "Controlled Entity"), without our prior written consent, and without according us the right of first refusal required under Section 17.7 of

this Agreement, provided that: (a) you, at all time, own and control not less than fifty one percent (51%) of the voting power of the Controlled Entity; (b) the Controlled Entity conducts no business other than the operation of Bakery; (c) all owners of the Controlled Entity possess good moral character; and (d) any shareholder, general partner or member of the Controlled Entity must agree to be personally liable under this Agreement and execute our then-current Assignment and Assumption Agreement and personal guarantee.

17.7 Our Right of First Refusal

If you have received and desire to accept a signed, bona fide offer from any third party to purchase any interest in any legal entity you create to operate the franchise (including any partnership, limited liability company or corporation), the Bakery or your interest in this Agreement, you must notify us in writing of each such offer, including a signed a copy of the offer. We will have the right and option, exercisable within ten (10) days after we receive the notice, to notify you in writing that we intend to purchase the assets of the Bakery or your interest in this Agreement on the same terms and conditions offered by the third party. If the third party offers property, we will be entitled to offer cash or cash equivalents equal to the fair market value of the property. If we exercise our option, closing will occur within sixty (60) days after we dispatch notice of our intent to exercise this option. If we do not exercise our option but have not consented to the proposed transfer as required under Section 17.4, and the terms of the offer from the third party go unaccepted, or if the offer from the third party is materially altered, or if the transaction is not consummated and closed within six (6) months with the same third party, this right of first refusal will again pertain and we must, in each instance, be notified in writing of the terms offered and again have thirty (30) days from the date of our receipt of the notice, to notify you that we intend to purchase on such modified terms. If we fail to exercise this option, the terms of this Article 17 will govern any subsequent transfer.

17.8 Consent Not Waiver of Claims

Our consent to a transfer granted hereunder does not constitute a waiver of any claims we may have against you, nor will our consent to a transfer be deemed a waiver of our right to demand exact compliance with any of the terms of this Agreement or any future agreements that we enter into with the transferee.

ARTICLE 18 **RELATIONSHIP OF THE PARTIES/INDEMNIFICATION**

18.1 Independent Contractors

You are an independent contractor responsible for full control over the internal management and daily operation of your Bakery, and neither party to this Agreement is the agent, principal, partner, employee, employer or joint venture partner of the other party. You must not act or represent yourself as our agent, partner, employee, or joint venture partner, directly or by implication. You must not incur any obligation on our behalf or in our name. All of your stationery, business cards and contractual agreements entered must contain your corporate name and a conspicuously displayed notice in the place we designate that you operate your bakery as an independently owned and operated franchised business and that you independently own and operate the Bakery as a System franchisee. Nothing in this Agreement authorizes you to make any contract, agreement, warranty, or representation on our behalf, or to incur any debt or other obligation in our name and we will not, in any event, assume liability for, or be deemed liable hereunder as a result of, any such action, nor will we be liable by reason of any of your acts or omissions in the operation of the franchised business or for any claim or judgment arising therefrom against us. Neither this Agreement nor our course of conduct is intended, nor may anything in this Agreement (nor our course of conduct) be construed to state or imply that we are the employer of your employees and/or

independent contractor, nor vice versa. You further acknowledge that we have no responsibility to ensure that the Bakery is developed and operated in compliance with all applicable laws, ordinances, and regulations, and that we shall have no liability in the event the development or operation of the Bakery violates any law, ordinance or regulation.

18.2 Indemnification

From and after the Effective Date, you and your principals, jointly and severally, shall indemnify us and our Affiliates and their respective officers, directors, stockholders, members, managers, partners, employees, agents, attorneys, contractors, legal predecessors, legal successors, and assigns of each of the forgoing entities/individuals (in their corporate and individual capacities) (collectively, all such individuals and entities are referred to herein as the “Our Indemnitees”) and hold Our Indemnitees harmless to the fullest extent permitted by applicable laws, from any and all Losses and Expenses incurred in connection with any litigation or other form of adjudicatory procedure, claim, demand, investigation, or formal or informal inquiry (regardless of whether it is reduced to judgment) or any settlement thereof which arises directly or indirectly from, or as a result of, a claim of a third party in connection with the selection, development, ownership, operation or closing of the Bakery, including your failure to perform any covenant or agreement under this Agreement or any activities of yours on or after the Effective Date, or any claims by any **of your employees arising out of or relating to his or her employment with you (collectively, “Event”)**, and regardless of whether it resulted from any strict or vicarious liability imposed by law on Our Indemnitees; provided, however, that this indemnity will not apply to any liability arising from a breach of this Agreement by any of Our Indemnitees or the gross negligence or willful acts of any of Our Indemnitees (except to the extent that joint liability is involved, in which event the indemnification provided herein will extend to any finding of comparative or contributory negligence attributable to you).

Promptly after the receipt by any of Our Indemnitees of notice of the commencement of any action against Our Indemnitee by a third party (such action, a “Third-Party Claim”), Our Indemnitee will, if a claim with respect thereto is to be made for indemnification pursuant to this Section 18.2 give a claim notice to you with respect to such Third-Party Claim. No delay or failure on the part of Our Indemnitee in so notifying you will limit any liability or obligation for indemnification pursuant to this Section 18.2, except to the extent of any material prejudice to you with respect to such claim caused by or arising out of such delay or failure. We will have the right to assume control of the defense of such Third-Party Claim, and you and your principals will be responsible for the costs incurred in connection with the defense of such Third-Party Claim. You and your principals will furnish us with such information as it may have with respect to such Third-Party Claim (including copies of any summons, complaint or other pleading which may have been served on such party and any written claim, demand, invoice, billing or other document evidencing or asserting the same) and will otherwise cooperate with and assist us in the defense of such Third-Party Claim. The fees and expenses of counsel incurred by us will be considered Losses and Expenses for purposes of this Agreement. We may as we deems necessary and appropriate take such actions to take remedial or corrective action with respect thereof as may be, in our reasonable discretion, necessary for the protection of Our Indemnitees or the collective Bakeries within our System. We will not agree to any settlement of, or the entry of any judgment arising from, any Third-Party Claim without the prior written consent of you and your principals, which will not be unreasonably withheld, conditioned or delayed. Any settlement or compromise of any Third-Party Claim must include a written release from liability of such claim for all Our Indemnitees. For purposes of this Section 18.2, “Losses and Expenses” means losses, liabilities, claims, penalties, damages (compensatory, exemplary, and punitive), fines, payments, attorneys’ fees, experts’ fees, court costs, costs associated with investigating and defending against claims, settlement amounts, judgments, assessments, compromises, compensation for damages to our reputation and goodwill, and all other costs associated with any of the foregoing losses and expenses. Section 18.2 will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

ARTICLE 19 **ENFORCEMENT**

19.1 Severability and Substitution of Valid Provisions

If any provision of this Agreement is deemed invalid or inoperative for any reason, that provision shall be deemed modified to the extent necessary to make it valid and operative or, if it cannot be so modified, it shall then be severed, and the remainder of that provision shall continue in full force and effect as if this Agreement had been signed with the invalid portion so modified or eliminated, provided, however, that if any part of this Agreement relating to payments due to us, our affiliates, or the protection of the Proprietary Materials and/or Confidential Information, including the Operations Manual and our other trade secrets, is declared invalid or unenforceable, then we, at our option, may terminate this Agreement immediately upon written notice to you.

19.2 Choice of Law

This Agreement will be governed by and construed in accordance with the laws of the State of Texas (without reference to its conflict of laws principles).

19.3 Internal Dispute Resolution

You must first bring any claim or dispute between you and us to our President and provide us with thirty (30) days' notice and opportunity to cure. You must exhaust this internal dispute resolution procedure before you may bring your dispute before a third party. This agreement to first attempt resolution of disputes internally will survive termination or expiration of this Agreement.

19.4 Mediation

At our option, all claims or disputes between you and us or our affiliates arising out of or in any way relating to this Agreement or any other agreement between you and us or our affiliates, or any of the parties' respective rights and obligations arising from such agreements, which are not first resolved through the internal dispute resolution procedure set forth in Section 19.3 above, must be submitted first to mediation in Dallas, Texas under the auspices of the American Arbitration Association ("AAA"), in accordance with AAA's Commercial Mediation Rules then in effect. Before commencing any legal action against us or our affiliates with respect to any such claim or dispute, you must submit a notice to us, which specifies, in detail, the precise nature and grounds of such claim or dispute. We will have a period of thirty (30) days following receipt of such notice within which to notify you whether we or our affiliates elect to exercise our option to submit claims or disputes to mediation. You may not commence any action against us or our affiliates with respect to any such claim or dispute in any court unless we fail to exercise our option to submit such claim or dispute to mediation, or such mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of our written declaration. Our right to mediate, as set forth herein, may be specifically enforced by us. Each party will bear its own cost of mediation and we will share mediation costs equally. This agreement to mediate will survive any termination or expiration of this Agreement. The parties agree that there will be no class action mediation.

The parties will not be required to first attempt to mediate a controversy, dispute, or claim through mediation as set forth in this Section 19.4 if such controversy, dispute, or claim concerns an allegation that a party has violated (or threatens to violate, or poses an imminent risk of violating):

(1) Any federally protected intellectual property rights in the Marks, E-Commerce Program, the System, Proprietary Materials, Proprietary Software, or in any Confidential Information;

(2) Any claims pertaining to or arising out of any warranty issue;

(3) Any of the restrictive covenants contained in this Agreement; or

(4) Any claims to collect past due amounts owed to us or our affiliates.

19.5 Injunctive Relief and Selection of Venue for Litigation

Nothing contained in this Agreement will prevent us from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction and/or other emergency relief available to safeguard and protect our interests, without bond, against conduct or threatened conduct that will cause us loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary and permanent injunctions. If injunctive relief is granted, your only remedy will be the court's dissolution of the injunctive relief. If the injunctive relief was wrongfully issued, you expressly waive all claims for damages you incurred as a result of the wrongful issuance. The parties expressly agree to the exclusive jurisdiction and venue of any court of general jurisdiction in Dallas, Texas, and the jurisdiction and venue of the United States District Court for the Northern District of Texas. You acknowledge that this Agreement has been entered into in the State of Texas, and that you are to receive valuable and continuing services emanating from our headquarters in Texas, including but not limited to training, assistance, support and the development of the System. In recognition of such services and their origin, you hereby irrevocably consent to the personal jurisdiction of the state and federal courts of Texas set forth above. The parties agree that all proceedings will be conducted on an individual, not a class-wide basis, and that any proceeding between you, your guarantors, and we or our affiliates or employees may not be consolidated with any other proceeding between us and any other party or entity.

19.6 Third-Party Beneficiaries

Our officers, directors, shareholders, agents and/or employees are express third-party beneficiaries of the provisions of this Agreement, including the mediation provision set forth in Section 19.4, each having authority to specifically enforce the right to mediate claims asserted against such person(s) by you.

19.7 No Right to Offset

You are prohibited from withholding all or any part of any payment to us or any of our affiliates on the grounds of our alleged non-performance or as an offset against any amount we or our affiliates may allegedly owe you under this Agreement or any related agreements.

19.8 Limitation on Action

You further agree that no cause of action arising out of or under this Agreement may be maintained by you against us unless brought before the expiration of one (1) year after the act, transaction or occurrence upon which such action is based or the expiration of one (1) year after you become aware of facts or circumstances reasonably indicating that you may have a claim against us hereunder, whichever occurs sooner, and that any action not brought within this period will be barred as a claim, counterclaim, defense, or set-off. You hereby waive the right to obtain any remedy based on alleged fraud, misrepresentation, or deceit by us, including, without limitation, rescission of this Agreement, in any mediation, judicial, or other

adjudicatory proceeding arising hereunder, except upon a ground expressly provided in this Agreement, or pursuant to any right expressly granted by any applicable statute expressly regulating the sale of franchises, or any regulation or rules promulgated thereunder.

19.9 Waiver of Punitive Damages

You hereby waive, to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) against us arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agree that, in the event of a dispute, your recovery is limited to actual damages. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions will continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.

19.10 Jury Trial Waiver

THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER WILL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR YOUR PURCHASE OF A FRANCHISE OR ANY GOODS OR SERVICES FROM US OR OUR AFFILIATES.

19.11 Waiver of Obligations

Either party to this Agreement may, by written instrument, unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice to the other or another effective date stated in the notice of waiver. Any waiver granted will be without prejudice to any other rights they have, will be subject to continuing review, and may be revoked at any time and for any reason effective upon delivery of ten (10) days' prior written notice.

19.12 Our Rights are Cumulative

Our rights under this Agreement are cumulative, and the exercise or enforcement of any right or remedy under this Agreement will not preclude the exercise or enforcement of any other right or remedy which we are entitled by law to enforce.

ARTICLE 20 **MISCELLANEOUS**

20.1 Binding Effect

This Agreement is binding upon the parties and their respective executors, administrators, heirs, beneficiaries, permitted assigns, and successors in interest. Subject to our right to modify the Operations Manual and System standards, this Agreement may not be modified except by a written agreement signed by your and our duly authorized officers.

20.2 Entire Agreement

This Agreement contains the entire Agreement of the parties. There are no representations either oral or written, except those contained in this Agreement. This written Agreement includes all representations between the parties. This agreement may not be modified except by a written document signed by both parties. Nothing in the Agreement is intended to disclaim the representations we made in the franchise disclosure document furnished to you.

20.3 Construction of Language

The language of this Agreement shall be construed according to its fair meaning, and not strictly for or against either party. All words in this Agreement refer to whatever number or gender the context requires. If more than one party or person is referred to as “you”, their obligations and liabilities shall be joint and several. Headings are for reference purposes and do not control interpretation. Reference to your “immediate family” means your spouse, parents, children and siblings and your spouse’s parents, children and siblings. Reference to your “principals” means your partners, officers, directors, shareholders, members and managers, as applicable. References to “we”, “us” or “our” includes our successors, assigns or transferees.

20.4 Additional Documentation

At our request, you must from time to time and without further consideration execute and deliver such other documentation or agreements and take such other action as we may reasonably require in order to make the transactions contemplated herein. In the event that you fail to comply with the provisions of this Section, you hereby appoint us as your attorney-in-fact to execute any and all documents on your behalf, reasonably necessary to effectuate the transactions contemplated herein.

20.5 Force Majeure

Neither you, we, nor our affiliates will be liable for loss or damage or deemed to be in breach of this Agreement or any related agreement if such party’s failure to perform its obligations is not the fault nor within the reasonable control of the party due to perform but results from, without limitation, fire, flood, natural disasters, acts of God, epidemics, pandemics or outbreak of communicable disease, quarantines, national or regional emergencies, other governmental acts or orders, or civil disorders. Any delay resulting from any such cause will extend the time of performance for the period of such delay or for such other reasonable period of time as the parties agree in writing or will excuse performance, in whole or in part, as we deem reasonable.

20.6 Anti-Terrorist Activities.

You certify that neither you nor your owners, principals, employees or anyone associated with you is listed in the Annex to Executive Order 13224. You agree not to hire or have any dealings with a person listed in the Annex. You certify that you have no knowledge or information that, if generally known, would result in you or your owners, principals, employees, or anyone associated with you being listed in the Annex to Executive Order 13224 as amended or superseded. You agree to comply with and/or assist us to the fullest extent possible in our efforts to comply with the Anti-Terrorism Laws (as defined below). In connection with such compliance, you certify, represent, and warrant that none of your property or interests is subject to being “blocked” under any of the Anti-Terrorism Laws and that you and your owners or principals are not otherwise in violation of any of the Anti-Terrorism Laws. You are solely responsible for ascertaining what actions must be taken by you to comply with all such Anti-Terrorism Laws, and you specifically acknowledge and agree that your indemnification responsibilities as provided in Section 18.2 of this Agreement also pertain to your obligations under this Section 20.7. Any misrepresentation by you under this Section or any violation of the Anti-Terrorism Laws by you or your owners, principals or

employees shall constitute grounds for immediate termination of this Agreement and any other agreement you have entered into with us or our affiliates. As used herein, “Anti-Terrorism Laws” means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any Governmental Authority (including without limitation, the United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war.

20.7 Attorneys’ Fees

If you are in breach of any monetary or non-monetary material obligation under this Agreement or any related agreement between you and us and/or our affiliates, and we engage an attorney to enforce our rights (whether or not formal judicial proceedings are initiated), you must pay all of our reasonable attorneys’ fees, court costs and litigation expenses we incur. If you institute any legal action to interpret or enforce the terms of this Agreement, and your claim in such action is denied or the action is dismissed, we are entitled to recover our reasonable attorneys’ fees, and all other reasonable costs and expenses incurred in defending against same, and to have such an amount awarded as part of the judgment in the proceeding.

20.8 Uniformity

You acknowledge that current and future franchisees may operate under different forms of agreement, and our obligations towards them may differ materially in certain circumstances.

20.9 Numbers and Genders

Any gender references in this Agreement include the masculine, feminine and neuter. Any numeric reference also includes the singular or plural, as the case may be.

20.10 Captions and Headings

The Article and Section headings herein are for convenience only and do not affect the construction of the terms of this Agreement.

20.11 Time is of the Essence

TIME IS OF THE ESSENCE IN THIS AGREEMENT.

20.12 Counterparts

This Agreement may be executed in one or more counterparts, each of which will constitute a duplicate original.

20.13 Binding Upon Successors

This Agreement is binding upon and inures to the benefit of the heirs, personal representatives, and the permitted successors and assigns of you and us except to the extent explicitly provided to the contrary in this Agreement. Nothing in this Agreement is intended to confer any rights or benefits on anybody other than the parties to this Agreement and their permitted successors and assigns.

20.14 No Recourse

You acknowledge and agree that except as provided under an express statutory liability for such conduct, none of our past, present or future directors, officers, employees, incorporators, members, partners, stockholders, subsidiaries, Affiliates, controlling parties, entities under common control, ownership or management, vendors, service providers, agents, attorneys or representatives will have any liability for (a) any of our obligations or liabilities relating to or arising from this Agreement, (b) any claim against us based on, in respect of, or by reason of, the relationship between you and us, or (c) any claim against us based on any of our alleged unlawful act or omission. For the avoidance of doubt, this provision constitutes an express waiver of any claims based on a theory of vicarious liability, unless such vicarious claims are authorized by a guarantee of performance or statutory obligation. It is not meant to bar any direct contractual, statutory or common law claim that would otherwise exist.

ARTICLE 21 **NOTICES**

Any notice or demand given or made under this Agreement must be served as follows:

(a) If given to us, it must be sent by certified mail, registered mail, or overnight delivery addressed to:

NBC FRANCHISOR LLC
4560 Belt Line Rd
Addison, Texas 75001
Attention: CEO/President

or at such other address as we may designate by notice given as required by this Section; and

(b) If to you, either (i) via certified or registered mail, which will be deemed delivered on the date such notice is submitted for delivery to the United States Post Office; (ii) via express overnight courier such as FedEx or UPS on such express courier's first attempted delivery of the notice; or (iii) via email or fax on the date the notice is transmitted.

ARTICLE 22 **GUARANTEES OF PRINCIPALS AND THEIR SPOUSES**

If you are a corporation, limited liability company, or general or limited partnership, or other legal entity, or if subsequent to the execution of this Agreement, you assign this Agreement to a corporation, limited liability company, general or limited partnership, or other legal entity, all of your owners and their spouses must personally and unconditionally guarantee without notice, demand, or presentment, the payment of all of your monetary obligations under this Agreement, and any other agreement between you and us and/or our affiliates, as if each were an original party to this or any other agreement in their individual capacity. If you are an individual, your spouse must do the same. All such personal guarantors further agree to be bound by the restrictions on your activities upon transfer, termination, or expiration and nonrenewal of this Agreement as if each were an original party to this Agreement in the personal guarantor's individual capacity. All such personal guarantors and their spouses must execute a continuing personal guarantee in the form attached hereto as Exhibit 6.

ARTICLE 23
FRANCHISEE REPRESENTATIONS AND ACKNOWLEDGEMENTS

23.1 No Authority

NO SALESPERSON, REPRESENTATIVE OR OTHER PERSON HAS THE AUTHORITY TO BIND OR OBLIGATE US EXCEPT OUR AUTHORIZED OFFICER BY A WRITTEN DOCUMENT. YOU ACKNOWLEDGE THAT NO REPRESENTATIONS, PROMISES, INDUCEMENTS, GUARANTEES, OR WARRANTIES OF ANY KIND WERE MADE BY US OR ON OUR BEHALF WHICH INDUCED YOU INTO ENTERING INTO THIS AGREEMENT. YOU UNDERSTAND THAT WHETHER YOU SUCCEED AS A FRANCHISEE IS DEPENDENT ON YOUR EFFORTS AND BUSINESS JUDGMENT, THE PERFORMANCE OF YOUR EMPLOYEES, MARKET CONDITIONS, AND VARIABLE FACTORS BEYOND OUR CONTROL OR INFLUENCE. YOU FURTHER UNDERSTAND THAT SOME FRANCHISEES ARE MORE OR LESS SUCCESSFUL THAN OTHER FRANCHISEES AND THAT WE HAVE MADE NO REPRESENTATION THAT YOU WILL DO AS WELL AS ANY OTHER FRANCHISEE.

23.2 Receipt

YOU ACKNOWLEDGE RECEIPT OF THE NBC FRANCHISOR LLC FRANCHISE DISCLOSURE DOCUMENT WITHIN FOURTEEN (14) CALENDAR DAYS PRIOR TO THE EXECUTION OF THIS AGREEMENT. YOU FURTHER ACKNOWLEDGE THAT YOU RECEIVED A COMPLETED COPY OF THIS AGREEMENT, AND ALL RELATED AGREEMENTS ATTACHED TO THE FRANCHISE DISCLOSURE DOCUMENT, WITH ANY CHANGES TO SUCH AGREEMENTS UNILATERALLY AND MATERIALLY MADE BY NBC FRANCHISOR LLC, AT LEAST SEVEN (7) CALENDAR DAYS PRIOR TO THE DATE ON WHICH THIS AGREEMENT AND ALL RELATED AGREEMENTS WERE EXECUTED.

23.3 Opportunity for Review by You and Your Advisors

YOU ACKNOWLEDGE THAT WE HAVE RECOMMENDED, AND THAT YOU HAVE HAD THE OPPORTUNITY TO OBTAIN, REVIEW OF THIS AGREEMENT AND THE FRANCHISE DISCLOSURE DOCUMENT BY YOUR LAWYER, ACCOUNTANT, OR OTHER BUSINESS ADVISOR BEFORE EXECUTING THIS AGREEMENT.

23.4 Execution of Agreement

EACH OF THE UNDERSIGNED PARTIES WARRANTS THAT IT HAS THE FULL AUTHORITY TO SIGN AND EXECUTE THIS AGREEMENT. IF YOU ARE A PARTNERSHIP OR CORPORATION, THE PERSON EXECUTING THIS AGREEMENT ON YOUR BEHALF WARRANTS TO US, BOTH INDIVIDUALLY AND IN SUCH PERSON'S CAPACITY AS A PARTNER OR OFFICER, THAT ALL OF THE PARTNERS OF THE PARTNERSHIP OR ALL OF THE SHAREHOLDERS OF THE CORPORATION, AS APPLICABLE, HAVE READ AND APPROVED THIS AGREEMENT, INCLUDING ANY RESTRICTIONS WHICH THIS AGREEMENT PLACES UPON RIGHTS TO TRANSFER THEIR INTEREST IN THE PARTNERSHIP OR CORPORATION.

23.5 No Personal Liability

You agree that the fulfillment of any and all of our obligations written in this Agreement or based on any oral communications which may be ruled to be binding in a Court of Law will be our sole responsibility and none of our agents, representatives, nor any individuals associated with us will be

personally liable to you for any reason. This is an important part of this Agreement. You agree that that nothing that you believe you or your representatives have been told by us or our representatives will be binding unless it is written in this Agreement. This is an important part of this Agreement. Do not sign this Agreement if there is any question concerning its contents or any representations made.

23.6 No Guarantee of Earnings

You understand that we and any of our representatives and/or agents that you have met have not made and are not making any guarantees as to the extent of your success in operating a Bakery, and have not and are not in any way representing or promising any specific amount of earnings or profits in association with your Bakery.

ARTICLE 24 **SECURITY INTEREST**

You hereby grant us a security interest (“Security Interest”) in all of the furniture, fixtures, equipment, signage, and realty (including your interests in all real property and personal property leases) of the Bakery, together with all similar property now owned or hereafter acquired, and additions, substitutions, replacements, proceeds, and products thereof, wherever located, used in connection with the Bakery. All items in which a security interest is granted are referred to as the “Collateral,” and secure any indebtedness against us or our affiliates (the “Indebtedness”). Upon default and termination of your rights under this Agreement, we will have the immediate right to possession and use of the Collateral. In addition to any other rights or remedies we may have, you agree that, with the occurrence of any default set forth above, the full amount remaining unpaid on the Indebtedness secured shall, at our option and without notice, become due and payable immediately, and we will then have the rights, options, duties, and remedies of a secured party thereunder, and we will have the rights and duties of a creditor, including, without limitation, our right to take possession of the Collateral and, without legal process, to enter any premises where the Collateral may be found. Any sale of the Collateral may be conducted by us in a commercially reasonable manner. Reasonable notification of the time and place of any sale shall be satisfied by mailing to you pursuant to the notice provisions set forth above.

[signatures on following page]

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Agreement this _____ of _____ 20__ by which Agreement shall be effective as of the Effective Date.

FRANCHISEE:

By: _____
Name: _____
Title: _____

FRANCHISOR:

NBC FRANCHISOR LLC

By: _____
Name: _____
Title: _____

**NBC FRANCHISOR LLC
FRANCHISE AGREEMENT
EXHIBIT 1
SITE SELECTION ADDENDUM
(see attached)**

Exhibits to NBC Franchisor LLC Franchise Agreement

EAST/184814824

EXHIBIT 1
TO THE NBC FRANCHISOR LLC
FRANCHISE AGREEMENT
SITE SELECTION ADDENDUM

This agreement is entered into this _____ day of _____, 20__ by and between NBC FRANCHISOR LLC (“we”, “us” or “our”) and _____ (“you”).

BACKGROUND

On _____, the parties entered into a franchise agreement (the “Franchise Agreement”) pursuant to which you obtained the right and undertook the obligation to operate a Nothing Bundt Cakes® bakery (the “Bakery”). The parties desire to supplement its terms as set forth below.

AGREEMENT

NOW THEREFORE, the parties agree as follows:

1. Within ninety (90) days after the effective date of the Franchise Agreement, you must obtain a site, at your expense, for the Bakery (the “Site”), which we must approve as hereinafter provided. The site must be within the following territory: _____ (the “Site Selection Territory”). Time is of the essence.
2. Before your acquisition of a Site by purchase or lease, you must submit to us, in the form we specify, a completed site review and any other information or materials we may reasonably require, and a letter of intent or other evidence satisfactory to us which confirms your favorable prospects for obtaining a site within sixty (60) days after execution of this Site Selection Addendum. We will have thirty (30) days from the receipt of such information from you to approve or disapprove, in our sole discretion, any proposed site as a Site. No proposed site will be deemed approved unless we have expressly approved it in writing.
3. We will furnish to you such site selection guidelines, consultation and on-site evaluation as we deem advisable as part of our evaluation of your request for site approval. We are not required to provide on-site evaluations. If we deem it necessary, however, we may conduct up to one (1) on-site visit at our cost. You must pay our travel, meals, and lodging expenses associated with any additional on-site visits we deem necessary, plus our then-current per diem fees for such services, currently \$500.
4. We outsource certain aspects of site selection assistance to certain third-party suppliers at no additional cost to you. Their agents may serve as the local broker in markets where they have a presence, or they will assign you to a preferred partner. You may not use brokers or real estate agents outside of our required network without our prior written consent.
5. If you occupy the Site pursuant to a lease, we must approve the lease and the lease must contain a collateral assignment in the form attached as Exhibit 2 to your Franchise Agreement.

Exhibits to NBC Franchisor LLC Franchise Agreement

EAST/184814824

6. After we have approved a site for the Bakery in writing and you acquire the site, the site will constitute the Approved Location referred to in Article 4 of the Franchise Agreement and referenced on the data sheet to the Franchise Agreement.

7. You acknowledge and agree that our approval of a site does not constitute an assurance, representation, or warranty of any kind, express or implied, as to the suitability of the site for the Bakery or for any other purpose. Our approval of the site indicates only that we believe that the site complies with acceptable minimum criteria established by us solely for our purposes at the time of evaluation. Both parties to this Agreement acknowledge the application of criteria that have been effective with respect to other sites and premises may not be predictive of potential for all sites and that, subsequent to our approval of a site, demographic and/or economic factors, such as competition from other similar businesses, included in or excluded from our criteria, could change, thereby altering the potential of a site. Such factors are unpredictable and are beyond our control. We will not be responsible for the failure of a site approved by us to meet your expectations as to revenue or operational criteria. You further acknowledge and agree that your acceptance of a Site for the operation of the Bakery is based on your own independent investigation of the suitability of the Site.

8. This Site Selection Addendum constitutes an integral part of the Franchise Agreement between the parties hereto, and the terms of this Site Selection Addendum will be controlling with respect to the subject matter hereof. Except as modified or supplemented by this Site Selection Addendum, the terms of the Franchise Agreement are hereby ratified and confirmed.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum on the day and year first above written.

Dated: _____

NBC FRANCHISOR LLC

By: _____

Name: _____

Title: _____

FRANCHISEE

By: _____

**EXHIBIT 2
TO THE NBC FRANCHISOR LLC FRANCHISE AGREEMENT
COLLATERAL ASSIGNMENT OF LEASE**

FOR VALUE RECEIVED, the undersigned (“Assignor”) hereby assigns and transfers to NBC Franchisor LLC (“Assignee”), all of Assignor’s right, title and interest as tenant in, to and under the lease, attached hereto as Exhibit 1 (the “Lease”) respecting premises commonly known as _____ (“Bakery Site”). This Assignment is for collateral purposes only and except as specified herein, Assignee has no liability or obligation of any kind whatsoever arising from or in connection with this Assignment or the Lease unless Assignee takes possession of the premises demised by the Lease pursuant to the terms hereof and assumes the obligations of Assignor thereunder.

Assignor represents and warrants to Assignee that it has full power and authority to so assign the Lease and its interest therein and that Assignor has not previously assigned or transferred, and is not obligated to assign or transfer, any of its interest in the Lease or the Bakery Site demised thereby.

Upon a default by Assignor under the Lease or under the franchise agreement entered into between Assignee and Assignor (the “Franchise Agreement”), or in the event of a default by Assignor under any document or instrument securing the Franchise Agreement, or upon expiration or termination of the Franchise Agreement or this Collateral Assignment of Lease, Assignee has the right and is hereby empowered to take possession of the Bakery Site, expel Assignor therefrom, and, in such event, Assignor will have no further right, title or interest in the Lease. Assignor hereby authorizes the lessor to disclose to Assignee, upon its request, sales and other information furnished to the lessor by Assignor.

Assignor agrees that it will not suffer or permit any surrender, termination, amendment or modification of the Lease without the prior written consent of Assignee. Throughout the term of the Franchise Agreement and any renewals thereto, Assignor agrees that it must elect and exercise all options to extend the term of or renew the Lease not less than thirty (30) days prior to the last day that the option must be exercised, unless Assignee otherwise agrees in writing.

If Assignee does not otherwise agree in writing, and upon failure of Assignor to so elect to extend or renew the Lease as aforesaid, Assignor hereby appoints Assignee as its true and lawful attorney-in-fact to exercise such extension or renewal options in the name, place and stead of Assignor for the purpose of effecting such extension or renewal.

ASSIGNOR:

Dated: _____

SIGNED AND SEALED this __
day of _____, 20____

Notary Public: _____

CONSENT AND AGREEMENT OF LESSOR

The undersigned lessor under the aforescribed Lease hereby:

(a) Agrees to notify Assignee in writing of and upon the failure of Assignor to cure any default by Assignor under the Lease;

(b) Agrees that Assignee has the right, but must not be obligated, to cure any default by Assignor under the Lease within thirty (30) days after delivery by lessor of notice thereof in accordance with paragraph (a) above;

(c) Consents to the foregoing Collateral Assignment and agrees that if Assignee takes possession of the Bakery Site and confirms to Lessor the assumption of the Lease by Assignee as tenant thereunder, Lessor must recognize Assignee as tenant under the Lease; and

(d) Agrees that Assignee may further assign the Lease to a person, firm or corporation who must agree to assume the tenant's obligations under the Lease and who is reasonably acceptable to lessor, and upon such assignment Assignee will have no further liability or obligation under the Lease as assignee, tenant or otherwise.

LESSOR: _____

By: _____
Title: _____

**EXHIBIT 3
NBC FRANCHISOR LLC
FRANCHISE AGREEMENT**

ELECTRONIC FUNDS WITHDRAWAL AUTHORIZATION

_____ (Name of Legal Entity)
_____ (ID Number)

The undersigned depositor (“**Depositor**”) hereby authorizes NBC Franchisor LLC (“**Franchisor**”) to initiate debit entries and/or credit correction entries, electronic or otherwise, to the undersigned Depositor’s checking and/or savings account(s) indicated below and the depository designated below (“**Depository**”) to debit or credit such account(s) pursuant to Franchisor’s instructions. This Authorization does not grant any ownership or control over the Depositor’s account, except as provided in this Authorization. This authorization shall remain in full force and effect until terminated in writing by Franchisor. Depositor shall provide Franchisor, in conjunction with this authorization, a voided check from the below-referenced account.

Depository	Branch	
City	State	Zip Code
Bank Transit/ABA Number	Account Number	

Depositor

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT 4

TO THE NBC FRANCHISOR LLC FRANCHISE AGREEMENT CONFIDENTIALITY AND NON-COMPETITION AGREEMENT (for trained employees, shareholders, officers, directors, general partners, members and managers of Franchisee)

In consideration of my being a _____ of _____, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree that:

1. Pursuant to a Franchise Agreement dated _____, 20__ (the "Franchise Agreement"), _____ (the "Franchisee") has acquired the right and franchise from NBC Franchisor LLC (the "Company") to establish and operate a Nothing Bundt Cakes® bakery (the "Bakery") and the right to use in the operation of the Bakery the Company's trade names, service marks, trademarks, logos, emblems, and indicia of origin (the "Marks") as they may be changed, improved and further developed from time to time in the Company's sole discretion, only at the following authorized and approved location: _____ (the "Approved Location").

2. The Company, as the result of the expenditure of time, skill, effort and resources, has developed and owns a distinctive format and system (the "System") relating to the establishment and operation of Bakeries, which feature and offer for sale to the public decorated bundt cakes and other related gift items. The Company possesses certain proprietary and confidential information relating to the operation of the System, which includes certain proprietary trade secrets, methods, techniques, formats, specifications, systems, procedures, methods of business practices and management, sales and promotional techniques and knowledge of, and experience in, the operation of the Bakery (the "Confidential Information").

3. Any and all information, knowledge, know-how, and techniques which the Company specifically designates as confidential shall be deemed to be Confidential Information for purposes of this Agreement.

4. As _____ of the Franchisee, the Company and Franchisee will disclose the Confidential Information to me in furnishing to me training programs, the Operations Manual, and other general assistance during the term of the Franchise Agreement.

5. I will not acquire any interest in the Confidential Information, other than the right to utilize it in the operation of the Bakery during the term of the Franchise Agreement, and the use or duplication of the Confidential Information for any use outside the System would constitute an unfair method of competition.

6. The Confidential Information is proprietary, involves trade secrets of the Company, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I shall hold in strict confidence all Confidential Information and all other information designated by the Company as confidential. Unless the Company otherwise agrees in writing, I will disclose and/or use the Confidential Information only in connection with my duties as _____ of the Franchisee, and will continue not to disclose any such information even after I cease to be in that position and will not use any such information even after I cease to be in that position unless I can demonstrate that such information has

become generally known or easily accessible other than by the breach of an obligation of Franchisee under the Franchise Agreement.

7. Except as otherwise approved in writing by the Company, I will not, while in my position with the Franchisee, for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation or limited liability company: (a) own, maintain, engage in, be employed as an officer, director, or principal of, lend money to, extend credit to or have any interest in any other business which operates or licenses the sale of businesses which derive 20% or more of their revenues from the sale of cakes, baking-related apparel or merchandise, or any other goods or services authorized or offered by the Company for sale by its franchisees; provided, however, that this Section will not apply to my operation of any other Bakery under the Company's System; or (b) solicit the Bakery's Guests or contact any of the Company's suppliers or vendors for any competitive business purpose.

8. Except as otherwise approved in writing by the Company, I will not, for a period of two years after my position with the Franchisee expires or is terminated, for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation or limited liability company:

- (a) Own, maintain, engage in, be employed as an officer, director, or principal of, lend money to, extend credit to or have any interest in any other business which operates or licenses the sale of businesses which derive 20% or more of their revenue, from the sale of cakes, baking-related apparel or merchandise, or any other goods or services authorized or offered by the Company for sale by its franchisees at the time this Agreement is terminated or otherwise expires and is not renewed: (i) at the Approved Location premises; (ii) within the Franchisee's territory; or (iii) within a ten (10) mile radius of (a) the Franchisee's territory; or (b) any other territory licensed by the Company as of the date of expiration or termination of this Agreement; or
- (b) Solicit the Bakery's Guests or contact any of the Company's suppliers or vendors for any competitive business purpose.

The prohibitions in this Section 8 do not apply to my interests in or activities performed in connection with a Nothing Bundt Cakes® Bakery. This restriction does not apply to my ownership of less than a five percent (5%) beneficial interest in the outstanding securities of any publicly held corporation.

9. I agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which the Company is a party, I expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

10. I understand and acknowledge that the Company shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof and I agree to comply forthwith with any covenant as so modified.

11. The Company is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with the Franchisee. I am aware that my violation of this Agreement will cause the Company and the Franchisee irreparable harm; therefore, I acknowledge and agree that the Franchisee and/or the Company may apply for the issuance of an injunction preventing me from violating this Agreement, and I

agree to pay the Franchisee and the Company all the costs it/they incur(s), including, without limitation, legal fees and expenses, if this Agreement is enforced against me. Due to the importance of this Agreement to the Franchisee and the Company, any claim I have against the Franchisee or the Company is a separate matter and does not entitle me to violate, or justify any violation of this Agreement.

12. This Agreement shall be construed under the laws of the State of Texas. The only way this Agreement can be changed is in writing signed by both the Franchisee and me.

Signature

Name

Address

Title

ACKNOWLEDGED BY FRANCHISEE

By: _____

Name: _____

Title: _____

EXHIBIT 5

**TO THE NBC FRANCHISOR LLC
FRANCHISE AGREEMENT
COLLATERAL ASSIGNMENT OF TELEPHONE NUMBERS AND LISTINGS**

1. _____, doing business as “Nothing Bundt Cakes®”, (“Assignor”), in exchange for valuable consideration provided by NBC Franchisor LLC (“Assignee”), receipt of which is hereby acknowledged, hereby conditionally assigns to Assignee all telephone numbers, facsimile numbers, domain names, as well as any listings associated therewith, utilized by Assignor in the operation of its Nothing Bundt Cakes® Bakery at Assignor’s above-referenced address (the “Assigned Property”). The Assigned Property includes the following:

Telephone Number(s): _____

Facsimile Number(s): _____

Domain Name(s) (as permitted by Franchisor under the Franchise Agreement): _____

Social media webpages (including, but not limited to, pre-existing Facebook, Twitter, LinkedIn, Plaxo, and YouTube pages): _____

2. The conditional agreement will become effective automatically upon termination or expiration of Assignor’s franchise. Upon the occurrence of that condition, Assignor must do all things required by the telephone company and/or domain name registrar to assure the effectiveness of the assignment of Assigned Property as if the Assignee had been originally issued such Assigned Property and the usage thereof.

3. Assignor agrees to pay the telephone company and/or domain name registrar, on or before the effective date of assignment, all amounts owed for the use of the Assigned Property up to the date this Assignment becomes effective. Assignor further agrees to indemnify Assignee for any sums Assignee must pay the telephone company to effectuate this agreement and agrees to fully cooperate with the telephone company and/or domain name registrar, as well as the Assignee, in effectuating this assignment.

ASSIGNOR:

BY: _____
TITLE: _____

Date: _____

ASSIGNEE:

NBC FRANCHISOR LLC

By: _____

EXHIBIT 6
TO THE NBC FRANCHISOR LLC
FRANCHISE AGREEMENT
PERSONAL GUARANTY
(see attached)

ARTICLE I PERSONAL GUARANTY

The undersigned persons (individually and collectively “you”) hereby represent to NBC Franchisor LLC (“Franchisor”) that you are either: (a) the general partner of [**insert here the name of the franchisee entity**] (“Franchisee”); (b) all of the shareholders, partners, limited partners, or members in the Franchisee; or (c) the spouse of Franchisee or Franchisee’s owner whose financials were required in order for Franchisee to qualify for a Nothing Bundt Cakes® franchised bakery (a “Bakery”). In consideration of the grant by Franchisor to the Franchisee of a franchise pursuant to the franchise agreement to which this Personal Guaranty is attached (the “Franchise Agreement”), each of you hereby agree, in consideration of benefits received and to be received by each of you, jointly and severally, and for yourselves, your heirs, legal representatives and assigns, to be firmly bound by all of the terms, provisions and conditions of the foregoing Franchise Agreement, and any other agreement between Franchisee and Franchisor and/or its affiliates, and do hereby unconditionally guarantee the full and timely performance by Franchisee of each and every obligation of Franchisee under the aforesaid Franchise Agreement or other agreement between Franchisor and Franchisee, including, without limitation, any indebtedness to Franchisor or its affiliates of Franchisee arising under or by virtue of the aforesaid Franchise Agreement and that you (jointly and individually) will not permit or cause any change in the percentage of Franchisee owned, directly or indirectly, by any person, without first obtaining the written consent of Franchisor prior to said proposed transfer, which consent must not be unreasonably withheld, and without first paying or causing to be paid to Franchisor the transfer fee provided for in said Franchise Agreement, if applicable, and without otherwise complying with the transfer provisions of the foregoing Franchise Agreement.

ARTICLE II CONFIDENTIALITY

During the term of this Personal Guaranty, you will receive information which Franchisor considers a trade secret and confidential information (“Confidential Information”). You will not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, partnership, association, corporation, or limited liability company any Confidential Information including, without limitation, Franchisor’s Proprietary Recipes and other standards for preparing and packaging goods and services offered by the bakery, Franchisor’s trade secrets, advertising strategies, price marketing mixes related to food and beverage items offered by Bakeries, supplier networks and pricing arrangements with suppliers, the E-Commerce Program, National Account networks, the Operations Manual and training procedures and materials, sales promotion aids, business forms, merchandising procedures, accounting procedures, marketing reports, inventory systems, copyrighted materials, and other methods, techniques and know-how concerning the operation of the Bakery which may be communicated to you or of which you may be apprised by virtue of your operation of the Bakery or in connection with your relationship with Franchisee and your role as a guarantor of the Franchise Agreement. You also acknowledge and agree that certain information, including (i) current Guest and prospective Guest names and addresses, (ii) information about credit extensions to Guests, (iii) Guest purchasing histories, (iv) rates charged to Guests (subsections (i)-(iv) collectively “Guest Lists”), and (v) sources of suppliers, also constitute Franchisor’s trade secrets and Confidential Information.

ARTICLE III COVENANTS AGAINST COMPETITION

Section 3.1 During the Term of the Franchise Agreement. During the term of the Franchise Agreement, neither you, nor your principals, officers, directors, nor any members of your family or the

family of your officers, directors, or principals may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

a) Own, maintain, engage in, be employed as an officer, director, or principal of, lend money to, extend credit to or have any interest in any other business which licenses businesses offering and selling cakes, baked goods, gift packages, novelty items, or any other goods or services authorized or offered for sale by System franchisees, provided, however, that this Section does not apply to the said parties' operation of a Bakery; or

b) Divert or attempt to divert any business or Guest of the Bakery to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks or the System.

Section 3.2 After the Term of the Franchise Agreement. For a period of two (2) years after the expiration, transfer or termination of this Personal Guaranty or the Franchise Agreement, regardless of the cause, neither you, nor your principals, officers, directors, nor any member of your immediate family or the immediate family of your officers, directors, or principals may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

a) Enter into any business competing in whole or in part with Franchisor granting franchises or licenses businesses offering and selling cakes, baked goods, gift packages, novelty items, or any other goods or services authorized or offered for sale by System franchisees at the time this Agreement is terminated or otherwise expires and is not renewed;

b) Own, maintain, engage in, be employed as an officer, director, or principal of, lend money to, extend credit to or have any interest in any other business which operates or licenses others the right to operate businesses offering and selling cakes, baked goods, gift packages, novelty items, or any other goods or services authorized or offered for sale by System franchisees at the time the Franchise Agreement is terminated or otherwise expires and is not renewed: (i) at the Bakery premises; (ii) within the Territory; or (iii) within a 10 mile radius of (a) the Territory being granted hereunder or (b) any other Territory licensed by Franchisor as of the date of expiration or termination of this Personal Guaranty or the Franchise Agreement; or

c) Divert or attempt to divert any business or Guest of the Bakery to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks or the System.

Section 3.3 Intent and Enforcement. It is the parties' intent that the provisions of this Article III be judicially enforced to the fullest extent permissible under applicable law. Accordingly, the parties agree that any reduction in scope or modification of any part of the noncompetition provisions contained herein will not render any other part unenforceable. In the event of the actual or threatened breach of this Article III by you, any of your principals, or any members of their immediate family, Franchisor will be entitled to an injunction restraining such person from any such actual or threatened breach. You agree that in the event of the actual or threatened breach of this Article III, Franchisor's harm will be irreparable and that Franchisor has no adequate remedy at law to prevent such harm. You acknowledge and agree that each of you has previously worked or been gainfully employed in other careers and that the provisions of this Article III in no way prevent you from earning a living. You further acknowledge and agree that the time limitation of this Article III will be tolled during any default under this Guaranty.

**ARTICLE IV
DISPUTE RESOLUTION**

Section 4.1 Acknowledgment. You acknowledge that this Personal Guaranty is not a Franchise Agreement and does not confer upon you any rights to use the Franchisor's proprietary marks or its system.

Section 4.2 Governing Law. This Personal Guaranty will be deemed to have been made in and governed by the laws of the state of Texas (without reference to its conflict of laws principals).

Section 4.3 Internal Dispute Resolution. You must first bring any claim or dispute arising out of or relating to the Franchise Agreement or this Personal Guaranty to Franchisor's President. You agree to exhaust this internal dispute resolution procedure before bringing any dispute before a third party. This agreement to engage in internal dispute resolution first will survive the termination or expiration of this Personal Guaranty.

Section 4.4 Mediation. At Franchisor's option, all claims or disputes between you and Franchisor arising out of, or in any way relating to, this Personal Guaranty or the Franchise Agreement or any other agreement by and between you and Franchisor, or any of the parties' respective rights and obligations arising from such agreements must be submitted first to mediation in Dallas, Texas, under the auspices of the American Arbitration Association ("AAA"), in accordance with AAA's Commercial Mediation Rules then in effect. Before commencing any legal action against Franchisor or its affiliates with respect to any such claim or dispute, you must submit a notice to Franchisor, which specifies, in detail, the precise nature and grounds of such claim or dispute. Franchisor will have a period of thirty (30) days following receipt of such notice within which to notify you as to whether Franchisor or its affiliates elects to exercise its option to submit such claim or dispute to mediation. You may not commence any action against Franchisor or its affiliates with respect to any such claim or dispute in any court unless Franchisor fails to exercise its option to submit such claim or dispute to mediation, or such mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by Franchisor. Franchisor's rights to mediation, as set forth herein, may be specifically enforced by Franchisor. Each party will bear its own cost of mediation and the parties will share the cost of mediator. This agreement to mediate at our option will survive the termination or expiration of the Franchise Agreement. There will be no class action mediation.

a) The parties will not be required to first attempt to mediate a controversy, dispute, or claim through mediation as set forth in this Section 4 if such controversy, dispute, or claim concerns an allegation that a party has violated (or threatens to violate, or poses an imminent risk of violating):

(1) Any federally protected intellectual property rights in the Marks, the System, Proprietary Materials, Proprietary Software, or in any Confidential Information;

(2) Any claims arising out of or pertaining to any warranty issued;

(3) Any of the restrictive covenants contained in this Personal Guaranty; or

(4) Any claims to collect past due amounts owed to Franchisor or its affiliates.

Section 4.5 Third-Party Beneficiaries. Franchisor's officers, directors, shareholders, agents and/or employees are express third-party beneficiaries of the Franchise Agreement and this Personal Guaranty,

and the mediation provisions contained herein, each having authority to specifically enforce the right to mediate and arbitrate claims asserted against such person(s) by you.

Section 4.6 Injunctive Relief. Nothing contained in this Personal Guaranty will prevent Franchisor from applying to or obtaining from any court having jurisdiction, without bond, a writ of attachment, temporary injunction, preliminary injunction and/or other emergency relief available to safeguard and protect Franchisor's interest prior to the filing of any mediation proceeding or pending the trial or handing down of a decision or award pursuant to any mediation or judicial proceeding conducted hereunder.

Section 4.7 Jurisdiction and Venue. With respect to any proceeding not subject to mediation, the parties expressly agree to submit to the jurisdiction and venue of any court of general jurisdiction in Dallas, Texas, and the jurisdiction and venue of the United States District Court for the Northern District of Texas. The parties agree that all proceedings will be conducted on an individual, not a class-wide basis, and that any proceeding between you, your guarantors, and Franchisor or its affiliates or employees may not be consolidated with any other proceeding between Franchisor and any other person or entity.

Section 4.8 Jury Trial Waiver. THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER WILL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS PERSONAL GUARANTY OR THE FRANCHISE AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR YOUR PURCHASE FROM FRANCHISOR OF THE FRANCHISE AND/OR ANY GOODS OR SERVICES.

Section 4.9 Waiver of Punitive Damages. You waive to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) which you may have against us arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agree that in the event of a dispute, your recovery will be limited to actual damages. If any other term of this Personal Guaranty is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions will continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.

Section 4.10 Limitation on Action. You agree that no cause of action arising out of or under this Personal Guaranty or the Franchise Agreement may be maintained by you unless brought before the expiration of one (1) year after the act, transaction or occurrence upon which such action is based or the expiration of one (1) year after you become aware of facts or circumstances reasonably indicating that you may have a claim against Franchisor, whichever occurs sooner, and that any action not brought within this period will be barred as a claim, counterclaim, defense or set-off.

Section 4.11 Attorneys' Fees. In the event Franchisor engages an attorney to enforce its rights under the Franchise Agreement, this Personal Guaranty, or any related agreement between you and Franchisor and/or its affiliates (whether or not formal judicial proceedings are initiated), you must pay all of Franchisor's reasonable attorneys' fees, court costs and litigation expenses. If you institute any legal action to interpret or enforce the terms of this Agreement, and your claim in such action is denied or the action is dismissed, Franchisor is entitled to recover its reasonable attorneys' fees, and all other reasonable costs and expenses incurred in defending against same, and to have such an amount awarded as part of the judgment in the proceeding.

Section 4.12 Nonwaiver. Franchisor’s failure to insist upon strict compliance with any provision of this Personal Guaranty and the Franchise Agreement will not be a waiver of Franchisor’s right to do so, any law, custom, usage or rule to the contrary notwithstanding. Delay or omission by Franchisor respecting any breach or default will not affect Franchisor’s rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Personal Guaranty will be cumulative. Franchisor’s election to exercise any remedy available by law or contract will not be deemed a waiver or preclude exercise of any other remedy.

Section 4.13 Severability. The parties agree that if any provisions of this Personal Guaranty may be construed in two ways, one of which would render the provision illegal or otherwise voidable or unenforceable and the other which would render it valid and enforceable, such provision will have the meaning which renders it valid and enforceable. The language of all provisions of this Personal Guaranty will be construed according to fair meaning and not strictly construed against either party. The provisions of this Personal Guaranty are severable, and this Personal Guaranty will be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein, and partially valid and enforceable provisions will be enforced to the extent that they are valid and enforceable. If any material provision of this Personal Guaranty will be stricken or declared invalid, the parties agree to negotiate mutually acceptable substitute provisions. In the event that the parties are unable to agree upon such provisions, Franchisor reserves the right to terminate this Personal Guaranty.

Section 4.14 Construction of Language. Any term defined in the Franchise Agreement which is not defined in this Personal Guaranty will be ascribed the meaning given to it in the Franchise Agreement. The language of this Personal Guaranty will be construed according to its fair meaning, and not strictly for or against either party. All words in this Personal Guaranty refer to whatever number or gender the context requires. If more than one party or person is referred to as you, their obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation.

Section 4.15 Successors. References to “Franchisor” or “the undersigned,” or “you” include the respective parties’ successors, assigns or transferees.

Section 4.16 No Personal Liability. You agree that fulfillment of any and all of Franchisor’s obligations written in this Personal Guaranty or in the Franchise Agreement or based on any oral communications which may be ruled to be binding in a court of law will be Franchisor’s sole responsibility and none of Franchisor’s agents, representatives, nor any individuals associated with Franchisor’s franchise company will be personally liable to Franchisee or you for any reason.

PERSONAL GUARANTORS

SPOUSES

EXHIBIT C TO THE DISCLOSURE DOCUMENT
AREA DEVELOPMENT AGREEMENT

AREA DEVELOPMENT AGREEMENT

BETWEEN

NBC FRANCHISOR LLC
(a Delaware limited liability company)

and

(a _____)
State of Formation and Type of Entity

Phone Number (_____) _____ - _____

Fax Number (_____) _____ - _____

Date _____

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EXHIBITS:

- A Single Unit Franchise Agreement
- B Guaranty

AREA DEVELOPMENT AGREEMENT

THIS AREA DEVELOPMENT AGREEMENT (“Agreement”) is made and entered into the ____ day of _____, 20__ (the “Effective Date”), by and between NBC Franchisor LLC, a Delaware limited liability company whose principal address is 4560 Belt Line Rd, Addison, Texas 75001 (hereinafter “we” or “us”), and _____ (“you”).

BACKGROUND

A. We and our principals and affiliates have expended a considerable amount of time, effort, and money to develop a system for the establishment and operation of gourmet bakeries offering and selling specialty bundt cakes, other food items, and retail merchandise (the “Products”) under the “Nothing Bundt Cakes[®]” mark (each a “Bakery”).

B. Bakeries operate using our proprietary system, the characteristics of which include: (a) proprietary recipes and methods for preparing, decorating, and presenting gourmet cakes and baking-related apparel and merchandise (the “Proprietary Recipes”); (b) specifications for Bakery furniture, fixtures, equipment and interior and exterior design; (c) an online order fulfillment system; (d) sales techniques; (e) merchandising, marketing, advertising and inventory management systems; and (f) other general procedures for operating and managing a Bakery (the “System”).

C. The System is identified by proprietary trademarks, including “Nothing Bundt Cakes[®]”, our distinctive trade dress and any other trademarks, service marks, logos, and indicia of origin we may now or in the future designate in connection with the System (the “Marks”). The rights to all such Marks as are now, or will hereafter be, designated as part of the System will be owned exclusively by us or our affiliates and will be used by us, our affiliates and System franchisees to identify to the public the source of the products and services marketed thereunder. We may continue to develop, expand, use, control, and add to the Marks and System for the benefit of itself, its affiliates, and its franchisees and licensees in order to identify for the public the source of products and services marketed thereunder and to represent the System's high standards of quality and service.

D. We offer franchises to qualified individuals for the right to operate a single or multiple Bakeries under the System and Proprietary Marks.

E. You have applied for the right to develop multiple Bakeries pursuant to the Mandatory Development Schedule set forth herein (the “Area Development Business”), and we have approved your application in reliance on the representations made therein.

F. You acknowledge that adherence to the terms of this Agreement and our standards and specifications are essential to the operation of an Area Development Business, your Bakeries, and our System.

NOW, THEREFORE, the parties, in consideration of the mutual promises, commitments and understandings set forth in and subject to the terms and conditions of this Agreement, the parties agree as follows:

SECTION 1
GRANT; DEVELOPMENT AREA

1.1 We hereby grant, and you hereby accept the exclusive right for a term of __ years (the “Term”) to develop Bakeries (as provided below) in the area identified in Section 1.2 of this Agreement (the “Development Area”) in strict accordance with the Mandatory Development Schedule set forth in Section 3 of this Agreement. Each Bakery will operate according to the terms of a separate individual Franchise Agreement (“Franchise Agreement”). A copy of our current form of Franchise Agreement is attached hereto as Exhibit A, which we may modify from time to time.

1.2 The Development Area is defined as follows:

Except as otherwise provided for in this Agreement, as long as you are compliant with the terms and conditions of this Agreement and any other Agreement with us, during the Term we will not establish or license to third parties the right to establish Nothing Bundt Cakes® Bakeries at any location within your Development Area. Your Development Area will not be exclusive in terms of marketing rights.

1.3 The foregoing grant to you does not include: (i) any right to offer any product or service via e-commerce; (ii) any right to sell products or services at wholesale prices from the Bakery; or (iii) any right to market or distribute Products in any channel of distribution not specifically identified in your respective Franchise Agreements. We retain all other rights, and may, among other things, on any terms and conditions we deem advisable, and without granting you any rights therein:

1.3.1 Establish, and license others the right to establish, Bakeries at any location outside the Development Area under the Proprietary Marks and System;

1.3.2 Own and operate or license to others the right to own and operate bakeries at any location(s) inside or outside the Development Area under different marks;

1.3.3. Own and operate businesses, or market similar products and services, at any location(s) inside the Development Area under different marks, or to license to others the right to own and operate businesses, or market similar products and services at any location(s) inside the Development Area under different marks;

1.3.4 Sell and distribute, or license others to sell and distribute, directly or indirectly, any products, services or merchandise, including Products, from any location or to any purchaser, through any alternative channel or method of distribution including, but not limited, sales via retail and wholesale distribution, in supermarkets, convenience stores, club stores or other retail facilities not solely dedicated to the sale of Products, via mail order and e-commerce channels, so long as such sales are not conducted from a Bakery operated from a location inside the Development Area;

1.3.5 Acquire or be acquired by businesses offering and selling similar goods, regardless of location;

1.3.6 Operate non-traditional sites as set forth in Section 1.4 below; and

1.3.7 Engage in any other activities not expressly prohibited by this Agreement.

1.4 We have the right to operate Bakeries at non-traditional sites within your Development Area, including, but not limited to, mall food courts, airports, hospitals, cafeterias, commissaries, schools, hotels, office buildings, and stadiums, arenas, ballparks, festivals, fairs, supermarket locations, military bases and other mass gathering locations or events (“Non-Traditional Sites”). We will grant you a right of first refusal to operate a Bakery at any Non-Traditional Site we designate, provided that: (i) you are compliant with any and all agreements with us, our affiliates and our approved and designated suppliers; (ii) the Non-Traditional Site is within the Development Area and you meet the landlord’s current requirements for a tenant, and (iii) you meet our criteria for a multi-unit franchise owner. You will have thirty (30) days from the date of our notice in which to exercise your right of first refusal, which we may condition, pursuant to Section 3.5, on your execution of our then-current Franchise Agreement and payment of our then current fee. If you do not meet our criteria, fail to timely exercise the right of first refusal or decline the opportunity to develop a Bakery at the Non-Traditional Site, then we may offer the opportunity to others, including our affiliates, designees, assignees or other franchisees.

In addition, we have the right to enter into agreements or approve forms of agreements to provide Products to Non-Traditional Sites within and outside of your Development Area, including to “National Accounts” that on their own or through agents, franchisees, or licensees, or other third parties own, manage, control or otherwise represent multiple commissary-style locations, and include retail or wholesale outlets, novelty gift shops, and large commissaries, regardless of the aggregate contract amount of the services to be performed. We will determine whether a particular Guest constitutes a National Account at our sole discretion, and may include, but is not limited to corporations, organizations, federal and state local governments entities and organizations and school systems. If we execute a contract with a National Account that contemplates the provision of services to one or more National Account locations or National Account clientele within or outside of the Development Area, we have the right, by ourselves or through other franchisees, licensees, or third parties to provide Products to National Accounts using the System and Proprietary Marks. We may but are not obligated to provide you with the option to provide Products on the terms that we negotiate, if you are qualified to perform the services and are substantially compliant with the terms of this Agreement and any addenda. You disclaim any compensation or consideration for work performed by others in the Development Area pursuant to this Section 1.4

1.5 You will have no right under this Agreement to franchise others under the Proprietary Marks or System.

SECTION 2

DEVELOPMENT FEE

2.1 In consideration of the rights granted under this Agreement, you must pay us an Area Development fee of \$ _____, equal to (a) \$35,000 for the first Bakery developed under this Agreement plus (b) \$30,000 for each additional Bakery you agree to develop under this Agreement (the “Development Fee”). The Development Fee is payable as follows: \$35,000 for your first Bakery plus \$15,000 for each additional Bakery upon the execution of this Agreement, and \$15,000 upon executing a Franchise Agreement for each additional Bakery. We will not charge an initial franchise fee for Bakeries developed under this Agreement. The Development Fee and any portion thereof is deemed fully earned and nonrefundable upon payment to cover administrative and other expenses incurred by us and for the development opportunity lost or deferred as a result of the rights granted to you under this Agreement.

2.2 Contemporaneous with the execution of this Agreement, you shall execute the initial Franchise Agreement (the “Initial Franchise Agreement”) for your Initial Bakery (the “Initial Bakery”).

2.3 This Agreement is not a Franchise Agreement for the license to operate Bakeries under the System, and you will have no right to use our System and Proprietary Marks in any manner by virtue of this

Agreement, other than as necessary to develop the Development Area pursuant to our then-current form of Franchise Agreement.

2.4 Notwithstanding subparagraph 2.3 above, you may own and operate individual Bakeries under the System within the Development Area upon the execution of our then-current form of Franchise Agreement, and payment of the remainder of the Development Fee due for each additional Bakery open to be opened under this Agreement.

SECTION 3
MANDATORY DEVELOPMENT SCHEDULE

3.1 Subsequent to your signing of this Agreement and the Initial Franchise Agreement, and for so long as you are not in default of this Agreement or any other condition identified in Section 3.7 of this Agreement, or any other Franchise Agreement or other agreement with us and/or our affiliates, you will execute additional Franchise Agreements in our then current form (the “Additional Franchise Agreements”), the terms of which may materially differ from the terms of the Initial Franchise Agreement, within 90 days of the opening of the prior Bakery (i.e. within 90 days of the opening of the Initial Bakery, you shall sign an Additional Franchise Agreement for the development of the second Bakery to be opened under the Mandatory Development Schedule). You shall open the Bakeries pursuant to the terms of the Franchise Agreement in accordance with the following schedule (the “Mandatory Development Schedule”):

Development Period	Number of Additional Franchise Agreements to be Executed During the Development Period	Number of Bakeries to Open During the Development Period	Cumulative Number of Bakeries Open
By: _____ (Within __ Months of this Agreement)			
By: _____ (Within __ Months of this Agreement)			
By: _____ (Within __ Months of this Agreement)			

3.2 The opening of any Bakeries in excess of the minimum number required in any “Development Period” will be credited to the subsequent time period.

3.3 During the term of this Agreement you may request up to two extensions of 90-days, in which to execute an Additional Franchise Agreement under the Mandatory Development Schedule (an “Extension”). In order to receive an Extension, you must request the Extension in writing no later than 60-days prior to the expiration of the deadline to execute an Additional Franchise Agreement for the additional Bakery and pay us an extension fee of \$10,000. An extension of time in which to execute an Additional Franchise Agreement under the Mandatory Development Schedule will not affect your deadlines for signing

Additional Franchise Agreement for any additional Bakeries under this Agreement or extend the term of this Agreement.

3.4. You hereby acknowledge and agree that the Mandatory Development Schedule contained herein is a fair and reasonable period for the development of Bakeries within the Development Area and is an accurate reflection of market demand without over saturation of our services and products offered under the System.

3.5 If you fail to comply with the Mandatory Development Schedule described in this Section 3, this Agreement will be terminated upon notice from us to you. You will retain the right to develop and operate Bakeries for which you have signed Franchise Agreements and will retain the territorial rights prescribed in your Franchise Agreement for the Bakery, provided that this Agreement was not terminated as a result of your failure to comply with the terms of your existing Franchise Agreement(s). Your rights to develop and operate any Bakery for which there is no Franchise Agreement and your exclusivity in the Development Area will terminate immediately. Thereafter, we have the right to develop the Development Area ourselves, or through others by the sale of another Area Development Business in the Development Area, or otherwise at our sole discretion.

3.6 You must open the minimum cumulative number of Bakeries in the Development Area within the time frame prescribed in the Mandatory Development Schedule. You agree that you will ensure the cumulative number of Bakeries prescribed in each development period remain open and operating throughout the term of this Agreement. Failure of the prescribed cumulative number of Bakeries to be open and operating in the Development Area during each Development Period will be deemed a material default of this Agreement and grounds for termination.

3.7 On or before the date you are required to execute an Additional Franchise Agreement under the Mandatory Development Schedule and as a condition to exercising such right, all of the following conditions must be satisfied:

3.7.1 You are fully compliant with the terms of this Agreement, all existing Franchise Agreements and any other agreement between you and us, our affiliates, our approved/designated suppliers and vendors at the time of notifying us of your intent to sign a franchise agreement for and open an additional Bakery;

3.7.2 You have substantially complied with the provisions of all such agreements during their respective terms;

3.7.3 You have met your performance requirements as set forth in your existing Franchise Agreements;

3.7.4 You have satisfied all monetary obligations you owe us, our affiliates, and/or our approved/designated suppliers and vendors, and have paid us the remaining \$12,500 Development Fee for the additional Bakery;

3.7.5 You retain at least a 51% ownership interest in any Bakery. In no event will you relinquish control over each entity operating each Bakery.

3.7.6 Neither this Agreement, nor any other agreement between you and us has expired or been terminated.

SECTION 4
AREA DEVELOPER'S OBLIGATIONS

In addition to your obligation to meet the Mandatory Development Schedule described in paragraph 3 above, you covenant and agree to perform the following in a diligent and timely manner:

4.1 You must maintain such levels of working capital as necessary to operate your Area Development Business to be owned or operated within the Development Area.

4.3 You have the sole responsibility for performing all of your obligations arising out of the Area Development Business pursuant to this Agreement, including, but not limited to, the payment when due of any and all taxes levied or assessed by reason of such operation.

4.4 In all public records, in your relationship with other persons, and in any documents, you will indicate clearly the independent ownership of your business and that the operations of the Area Development Business are separate and distinct from the operation of a Bakery.

4.5 During the term of this Agreement, you will receive information which we consider our trade secrets and confidential information ("Confidential Information"). You will not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, partnership, association, corporation, or limited liability company any Confidential Information including, without limitation, our Proprietary Recipes and other standards for preparing and packaging Products; our trade secrets, advertising strategies, price marketing mixes related to Products and other food and beverage items offered by Bakeries; supplier networks and pricing arrangements with suppliers; the E-Commerce Program, National Account networks, the Operations Manual and training procedures; sales promotion aids, business forms, merchandising procedures, accounting procedures, marketing reports, inventory systems and copyrighted materials; and other methods, techniques and know-how concerning the operation of the Bakery which may be communicated to you or of which you may be apprised by virtue of your operation of the Bakery. You also acknowledge and agree that certain information, including (i) current customer ("Guest") and prospective Guest names and addresses; (ii) information about credit extensions to Guests; (iii) Guest purchasing histories; (iv) rates charged to Guests; and (v) CRM reports (subsections (i)-(v) collectively shall be referred to as "Guest Lists") also constitute our trade secrets and Confidential Information. You may divulge Confidential Information only to those of your employees as must have access to it in order to operate the Area Development Business or a Bakery. All information, knowledge, know-how, techniques, and other data which we designate as confidential will be deemed Confidential Information for purposes of this Agreement.

4.6 You must comply with all requirements of federal, state and local laws, rules and regulations.

SECTION 5
RENEWAL

This Agreement is not renewable.

SECTION 6
USE OF SYSTEM AND PROPRIETARY MARKS

6.1 You acknowledge that this Agreement does not grant you any right to use the Proprietary Marks and that we own the mark "Nothing Bundt Cakes®" and all other Proprietary Marks associated with our System, and that only we, and our designated franchisees have the right to use such Proprietary Marks and such

other trade names, trademarks, service marks and copyrights as may presently exist or be acquired and licensed for use by us, along with ancillary signs, symbols or indicia used in connection or conjunction with said Proprietary Marks. Any goodwill arising from your use of the Proprietary Marks in the Development Area pursuant to single unit Franchise Agreement(s) will inure solely to our benefit, and you disclaim any right to compensation for such goodwill.

6.2 You acknowledge, and will not contest, infringe or harm our exclusive ownership and rights to each and every aspect of the System. Your right to market the System and establish and sell Bakeries is specifically limited to the Development Area, and is subject to our supervision and control, as provided herein. Your rights will terminate upon the expiration or termination of the Agreement for any reason whatsoever.

6.3 You acknowledge that the Proprietary Marks constitute a significant aspect of the System and you agree that such Proprietary Marks will not be used as the name, or part of any name, of any corporation, partnership or any entity under which you or any franchisee within the Development Area transacts any business. Your use of the Proprietary Marks is subject to our control and approval in every other respect pursuant to your single-unit Franchise Agreement(s).

SECTION 7

RELATIONSHIP OF THE PARTIES

7.1 The grant herein does not make you our agent, partner, legal representative or employee, and you and we expressly agree that you are an independent contractor. You do not have the right to bind us, to transact any business or make any promises or representations on our behalf, except as herein expressly provided. You will at all times represent yourself only as an independent contractor who has been appointed and licensed as an Area Developer. Neither this Agreement nor the relationship between the parties hereto constitutes a partnership or a joint venture between you and us. It is understood, acknowledged and agreed by the parties hereto that they do not intend to create by this Agreement any type of subfranchise or area director or area representative agreement. If any state regulatory agency deems you to be a subfranchisee, we will assume responsibility for all necessary franchise registration filings on your behalf and will assume all costs for such necessary filing with appropriate state agencies. Neither this Agreement nor our course of conduct is intended, nor may anything in this Agreement (nor our course of conduct) be construed to state or imply that we are the employer of your employees and/or independent contractor, nor vice versa.

7.2 Subject to any provisions contained in this Agreement to the contrary, the parties' relationship with respect to your ownership and operation of Bakeries within the Development Area will be governed by the individual Franchise Agreement(s) you execute with us.

SECTION 8

INDEMNIFICATION AND INSURANCE

8.1 You and your principals agree to indemnify, defend, and hold us, our affiliates, and our respective shareholders, directors, officers, employees, agents, successors and assignees ("Indemnitees") harmless against and to reimburse us for all claims, obligations, liabilities and damages ("Claims"), including any and all taxes, directly or indirectly arising out of, in whole or in part: (a) the operation of your Area Development Business and Bakeries, including the use, condition, or construction, equipping, decorating, maintenance or operation of any Bakeries, the sale of any food, beverages, and merchandise, and your advertising; (b) the use of the Proprietary Marks and other proprietary material; (c) the transfer of any interest in this Agreement or your Bakery in any manner not in accordance with this Agreement; (d) the infringement, alleged infringement, or any other violation or alleged violation by you or any of your principals of any patent, mark or copyright or other proprietary right owned or controlled by third parties; or (e) libel, slander or any other form of defamation of us, the System or any Area Developer operating under the System, by you or by

any of your principals. For purposes of this indemnification, "Claims" will mean and include all obligations, actual, consequential, punitive and other damages, and costs reasonably incurred in the defense of any action, including attorneys', attorney assistants' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether or not the claims exceed the amount of insurance coverage available through you to us. We will have the right to defend any claim against it in the manner as we deem appropriate or desirable in our sole discretion. Any undertaking by us will, in no manner or form, diminish your and each of your principals' obligation to indemnify the Indemnities and to hold them harmless. This indemnity will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

8.2 You will be responsible for all loss or damage originating from or arising in connection with the operation of your area development business, and for all claims or demands for damages to property or for injury, illness or death of persons, directly or indirectly, resulting from said operation, and agrees to indemnify and hold us harmless against and from any of these claims, loss or damage.

8.3 You must maintain insurance as required under your individual franchise agreements for Bakeries to be open within the Development Area.

SECTION 9

DEFAULT AND TERMINATION

9.1 **Default and Termination.** Franchisor will have the right, at its option, to terminate this Agreement and all rights granted to you hereunder, without affording you any opportunity to cure such default, effective upon written notice to you, upon the occurrence of any of the following events: (i) if you fail to meet your development obligations as set forth in the Mandatory Development Schedule for any single Development Period, and fail to cure such default within 30 days of receiving notice thereof, or otherwise abandon your Area Development Business for three (3) consecutive months, or any shorter period that indicates an intent by you to discontinue development of Bakeries within the Development Area; (ii) if you become insolvent or are adjudicated bankrupt, or if any action is taken against you under any insolvency, bankruptcy or reorganization act, or if you make an assignment for the benefit of creditors or a receiver is appointed for you; or (iii) if any Franchise Agreement that is entered into in order to fulfill your development obligations under this Agreement is terminated or subject to termination by us, pursuant to the terms of that Franchise Agreement.

9.2 **Non-waiver.** Our delay in exercising or failing to exercise any right or remedy under this Agreement or our acceptance of any late or partial payment due hereunder will not constitute a waiver of any of our rights or remedies against you.

SECTION 10

AREA DEVELOPER'S OBLIGATIONS FOLLOWING TERMINATION

Upon termination or expiration of this Agreement for any reason, the parties agree that:

10.1. You will not directly or indirectly at any time or in any manner identify yourself or any business as a current or former Area Developer, licensee, or dealer of, or as otherwise associated with us, or directly or indirectly use any of our Proprietary Marks, any colorable imitation thereof or other indicia of a Bakery in any manner or for any purpose, or utilize for any purpose any trade name, trademark, service mark or other commercial symbol that suggests or indicates a connection or association with us, our affiliates, franchisees, and Area Developers, except in connection with any effective Franchise Agreements with Franchisor;

10.2 You will comply with the restrictive covenants set forth in Section 12 below.

10.3 You will retain the right to develop and operate Bakeries for which you have signed a Franchise Agreement, provided that this Agreement was not terminated as a result of your failure to comply with the terms of your existing Franchise Agreement(s). Your rights to any Bakeries for which there are no Franchise Agreements and your exclusivity in the Development Area will terminate immediately. Upon termination, we will have the right to develop the Development Area ourselves, or through our franchisees, licensees, or otherwise, at your sole discretion.

10.4 All of your obligations which expressly or by their nature survive the expiration or termination of this Agreement will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature expire.

SECTION 11 **TRANSFER OF INTEREST**

11.1 We have the right to sell, transfer, assign and/or encumber all or any part of our assets and our interest in, and rights and obligations under, this Agreement in our sole discretion.

11.2 You understand and acknowledge that the rights and duties set forth in this Agreement are personal to you, and that we have entered into this Agreement in reliance on your personal attributes and financial capacity. You will not, without our prior written consent, by operation of law or otherwise, sell, assign, transfer, convey, give away, pledge, mortgage, or otherwise encumber any interest in this Agreement, nor offer, permit or suffer the same. You agree that any attempted or completed sale, assignment, transfer, or other act referred to in this Section 11.2 without our prior written consent will be null and void and will constitute a material breach which is good cause for immediate termination of this Agreement, without prior notice or opportunity to cure that material breach.

11.3 For purposes of this Agreement, each of the following will be deemed to be a transfer of this Agreement: (a) any sale, assignment, transfer or other conveyance by you or your owners, with or without consideration, of any right or interest granted to you by this Agreement; (b) any pledge, encumbrance or the grant of any security interest of any right or interest granted to you by this Agreement, without our prior written consent; (c) any sale at judicial sale or under power of sale, conveyance or retention of collateral in satisfaction of debt, or other procedure to enforce the terms of any pledge, encumbrance or security interest in this Agreement which results in disposition of all or any portion of your interest in this Agreement; and (d) if you form a Controlled Entity to operate the Area Development Business upon the terms and conditions set forth in Section 11.6 of this Agreement, the terms of this Section 11.3 will apply to any sale, resale, pledge, assignment, transfer or encumbrance of the voting stock of, or other ownership interest in, the Controlled Entity which would, alone or together with other related, previous, simultaneous or proposed transfers, result in a change of you “control” within the meaning of the Securities Exchange Act of 1934 and the regulations thereunder. Transfers of individual Bakeries will be governed by their respective Franchise Agreements.

11.4 If you wish to transfer any interest granted to you by this Agreement, you must give written notice of the proposed transfer to us, setting forth in detail the nature of the interest to be transferred, the name, address and background of the proposed transferee, the consideration for the transfer and any other information that we may reasonably require. The notice must also include a copy of any agreement(s) relating to the proposed transfer. Within 10 days from our receipt of the notice, we will determine whether to grant our consent to such transfer. Our consent will not be unreasonably withheld, provided that all of the conditions below are met:

11.4.1 The proposed transferee must follow the same application procedures as a new Area Developer and must meet and satisfy the same standards of character, business experience, credit standing, health, financial strength and any other criteria then used by us for new Area Developers;

11.4.2 We have not exercised the right of first refusal granted to it in Section 11.7 of this Agreement.

11.4.3 All of your accrued monetary obligations to us and our subsidiaries and affiliates under this Agreement and all other agreements must be paid in full.

11.4.4 You must not be in default under this Agreement and any other agreements with us or our affiliates.

11.4.5 You agree to remain obligated under the provisions contained in Section 10 as if this Agreement had been terminated on the date of transfer.

11.4.6 At least one person employed by the transferee must have completed our training course.

11.4.7 You pay a transfer fee of \$5,000, plus any brokerage commissions we incur in connection with any transfer.

11.4.8 The transferee Area Developer signs our then-current Area Development Agreement for the remainder of the Mandatory Development Schedule and Term.

11.4.9 You sign a general release in the form we prescribe, which will not be inconsistent with any applicable state regulations relating to renewals.

11.5 Transfer on Death or Incapacity.

11.5.1 In the event of your death, disability or incapacitation (or the death, disability or incapacitation of your managing owner, partners, shareholders, members, or personal guarantors), your legal representative, or your partner's or guarantor's respective legal representative, as applicable, will have the right to continue operating the Area Development Business as an Area Developer under this Agreement if: (i) within forty five (45) days from the date of death, disability or incapacity (the "45 Day Period"), such person has obtained our written approval and has executed our then-current franchise agreement for the unexpired term of the franchise, or has furnished a personal guaranty of any partnership, corporate or limited liability company franchisee's obligations towards us and our affiliates; and (ii) such person successfully completes our training program (which we will provide at our then-current tuition rate). Such assignment by operation of law will not be deemed in violation of this Agreement, provided such heirs or legatees accept the conditions imposed by this Agreement and any Franchise Agreements then in effect, and are acceptable to us.

11.5.2 We are under no obligation to operate the Area Development Business, or to incur any obligation on behalf of any incapacitated franchisee, during or after the 45 Day Period. If necessary, you (or your legal representative, as applicable) will appoint a previously approved acting interim manager to operate the Area Development Business during the 45 Day Period, if you or your owners are incapacitated. In the event of the death, disability, absence or otherwise of your owners, we may (but are not obligated to) operate the Area Development Business on your behalf

and at your expense for such period of time (and under such terms and conditions) as we determine, including paying out the assets and/or revenues of the Area Development Business to cover any or all past, current and/or future obligations of the Area Development Business (including any amounts owed to us and our affiliates) in such priorities as we determine from time-to-time in our absolute discretion. We may pay ourselves a reasonable amount out of the Area Development Business as reimbursement for our management services and other costs. We may obtain approval of a court or mediator for any such arrangements, with the attorneys' fees and other costs incurred in connection with obtaining such approval to be charged against the assets and/or revenues of the Area Development Business. You and/or your estate will indemnify us against any costs and/or liabilities we incur in connection with, or related in any way to, the operation (or otherwise) of the Area Development Business.

11.6 If you are an individual and desire to assign your rights under this Agreement to a corporation or limited liability company, and if all of the following conditions are met, we will consent to the transfer without assessing the transfer fee set forth in Section 11.4.7 and such assignment will not be subject to our right of first refusal:

11.6.1 The corporation or limited liability company is newly organized and its activities are confined to operating the franchised business;

11.6.2 You are and at all times remain, the owner of 51% of the outstanding shares of the corporation or a controlling interest in the limited liability company;

11.6.3 The corporation or limited liability company agrees in writing to assume all of your obligations hereunder; and

11.6.4 All stockholders of the corporation, or members and managers of the limited liability company, as applicable, personally guarantee prompt payment and performance by the corporation or limited liability company of all of your obligations to us and our affiliates, under this Agreement and any other agreement between you and us and/or our affiliates and execute a noncompetition agreement.

11.7 If you propose to transfer either this Agreement or all, or substantially all, of the assets used in connection with the Area Development Business, you must first offer to sell such interest to us on the same terms and conditions as offered by such third party. You must obtain from the third party and provide to us a statement in writing, signed by the third party and you, of the terms of the offer ("Letter of Intent"). If Franchisor elects not to accept the offer within a ten (10) day period, you will have a period not to exceed sixty (60) days to complete the transfer described in the Letter of Intent subject to the conditions for approval set forth in herein. You are prohibited from making any sale or transfer as contemplated under the Letter of Intent without first complying with this Section 11. Any material change in the terms of the offer shall be deemed a new proposal subject to our right of first refusal. So long as you have obtained our prior written consent, which shall not be unreasonably withheld, a transfer to an existing partner or shareholder, or a transfer as a result of the death, disability or incapacitation of a shareholder or partner, in accordance with the provisions set forth below, is not subject to our first right of refusal.

11.8 Our consent to a transfer of your interest in this Agreement does not constitute a waiver of any claims we may have against you, nor does our consent to a transfer constitute a waiver of our right to demand exact compliance with any of the terms of this franchise by the transferee Area Developer.

SECTION 12 **COVENANTS**

You acknowledge that as a participant in our System, you will receive proprietary and confidential information and materials, trade secrets, and the unique methods, procedures and techniques which we have developed. Therefore, to protect us and all our other area developers and franchisees, you agree as follows:

12.1 During the term of this Agreement. During the term of this Agreement, neither you, your officers, directors, or principals, nor any member of your immediate family or the immediate family of your officers, directors, or principals may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

12.1.1 Own, maintain, engage in, lend money to, extend credit to, have any interest in, or be employed as an officer, director, executive, or principal of any other business offering cakes, baking-related apparel or merchandise, or any other goods or services authorized or offered for sale by System franchisees; provided, however, that this Section does not apply to your operation of any other Bakery; or

12.1.2 Divert or attempt to divert any business or customers of your individual Bakeries to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks or the System. You hereby acknowledge and agree that all customer lists and other customer information are our trade secrets.

12.2 Post Termination Non-Compete.

12.2.1 For a period of two (2) years after the expiration and nonrenewal, transfer or termination of this Agreement, regardless of the cause, neither you, your officers, directors, or principals, nor your immediate family nor any member of the immediate family of your officers, directors, or principals may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation enter into any business competing in whole or in part with us in granting franchises or licenses for businesses offering cakes or baking-related apparel or merchandise, or any other goods or services authorized or offered for sale by System franchisees at time this Agreement is terminated or expires.

12.2.2 For a period of two (2) years after the expiration, transfer or termination of this Agreement, regardless of the cause, neither you, your officers, directors, or principals, nor any member of the immediate family of the immediate family of your officers, directors, or principals may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

12.2.2.1 Own, maintain, engage in, lend money to, extend credit to, have any interest in, or be employed as an officer, director, executive, or principal of any other business offering cakes, or baking-related accessories or merchandise, or any other goods or services offered or authorized for sale by System franchisees at the time this Agreement is terminated or otherwise expires, (1) within the Development Area; or (2) within a radius of ten (10) miles of the perimeter of (a) the Development Area being granted hereunder or (b) any other Development Area or Territory licensed or operated by us as of the date of expiration or termination of this Agreement; or

12.2.2.2 Solicit business from customers of your former Bakery(s) (if we elect to exercise our cross-default rights under this Agreement) or contact any of our suppliers or vendors for any competitive business purpose.

12.3 Nothing in this Section 12 is intended to prohibit you from operating Bakeries pursuant to effective Franchise Agreements with us.

12.4 It is the parties' intent that the provisions of this Section 12 be judicially enforced to the fullest extent permissible under applicable law. Accordingly, the parties agree that any reduction in scope or modification of any part of the noncompetition provisions contained herein shall not render any other part unenforceable. In the event of the actual or threatened breach of this Section 12 by you, any of your principals, or any member of the immediate family of you or your principals, we will be entitled to an injunction restraining such person from any such actual or threatened breach. You agree that in the event of the actual or threatened breach of this Section 12, our harm will be irreparable and that we have no adequate remedy at law to prevent such harm. You acknowledge and agree on your own behalf and on behalf of the persons who are liable under this Section 12 that each has previously worked or been gainfully employed in other careers and that the provisions of this Section 12 in no way prevent any such person from earning a living. You further acknowledge and agree that the time limitation of this Section 12 shall be tolled during any default under this Section.

SECTION 13
NOTICES

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by certified or registered mail to the respective parties at the addresses set forth above unless and until a different address has been designated by written notice to the other party.

Notices to us:	NBC Franchisor LLC 4560 Belt Line Road, Suite 350 Addison, Texas 75001 ATTENTION: CEO/President
Copy to:	DLA Piper LLP (US) 1201 W. Peachtree Street, Suite 2800 Atlanta, Georgia 30309 Attention: Richard G. Greenstein
Notices to you:	_____ _____ _____

Any notice by certified or registered mail shall be deemed to have been given at the date and time of mailing.

SECTION 14
DISPUTE RESOLUTION

14.1 This Agreement shall be deemed to have been made in the State of Texas and shall be construed according to the laws of Texas, without regard to its choice of law provisions.

14.2 You must first bring any claim or dispute between you and us to our President, with thirty (30) days written notice and opportunity to cure. You must exhaust this internal dispute resolution

procedure before Franchisee may bring Franchisee's dispute before a third party. This agreement to first attempt internal dispute resolution shall survive termination or expiration of this Agreement.

14.3 At our option, all claims or disputes between us or our affiliates and you arising out of, or in any way relating to, this Agreement or any other agreement by and between us or our affiliates and you, or any of the parties' respective rights and obligations arising from such agreement, must be submitted first to mediation in Dallas, Texas, under the auspices of the American Arbitration Association ("AAA"), in accordance with AAA's Commercial Mediation Rules then in effect. Before commencing any legal action against us or our affiliates with respect to any such claim or dispute, you must submit a notice to us, which specifies, in detail, the precise nature and grounds of such claim or dispute. We will have a period of 30 days following receipt of such notice within which to notify you whether we or our affiliates elect to exercise our option to submit such claim or dispute to mediation. You cannot commence any action against us or our affiliates with respect to any such claim or dispute in any court unless we fail to exercise our option to submit such claim or dispute to mediation, or such mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of our written declaration by. We may specifically enforce our right to mediation. Each party shall bear its own cost of mediation and the parties shall share mediation costs equally. This agreement to mediate at our option shall survive termination or expiration of this Agreement.

14.3.1 The parties shall not be required to first attempt to mediate a controversy, dispute, or claim through mediation as set forth in this Section 14 if such controversy, dispute, or claim concerns an allegation that a party has violated (or threatens to violate, or poses an imminent risk of violating):

- a) Any federally protected intellectual property rights in the Proprietary Marks, the System, or in any Confidential Information;
- b) Any claims arising out of or pertaining to any warranty issued; or
- c) Any of the restrictive covenants contained in this agreement.

14.4 Our officers, directors, shareholders, agents and/or employees are express third-party beneficiaries of this Agreement and the mediation other dispute resolution provisions contained herein, each having authority to specifically enforce the right to mediate and litigate claims asserted against such person(s) by you.

14.5 Nothing contained in this Agreement shall prevent us from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction and/or other emergency relief available to safeguard and protect our interests. The parties expressly agree to the jurisdiction and venue of any court of general jurisdiction in Dallas, Texas, and the jurisdiction and venue of the United States District Court for the Northern District of Texas. You acknowledge that this Agreement has been entered into in the State of Texas, and that you are to receive valuable and continuing services emanating from our headquarters in Dallas, Texas, including but not limited to training, assistance, support and the development of the System. In recognition of such services and their origin, you hereby irrevocably consent to the personal jurisdiction of the state and federal courts of Texas as set forth herein. The parties agree that all proceedings will be conducted on an individual, not a class-wide basis, and that any proceeding between you, your guarantors, and we or our affiliates or employees may not be consolidated with any other proceeding between us and any other party or entity.

14.6 The you further agree that no cause of action arising out of or under this Agreement may be maintained by you against us unless brought before the expiration of one (1) year after the act, transaction

or occurrence upon which such action is based or the expiration of one (1) year after you become aware of facts or circumstances reasonably indicating that you may have a claim against us, whichever occurs sooner, and that any action not brought within this period shall be barred as a claim, counterclaim, defense or set-off.

14.7 You waive, to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) which you may have against us arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agrees that in the event of a dispute, your recovery shall be limited to actual damages. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.

14.8 If you are in breach of any monetary or non-monetary material obligation under this Agreement or any related agreement between you and us and/or our affiliates, and we engage an attorney to enforce our rights (whether or not formal judicial proceedings are initiated), you must pay all of our reasonable attorneys' fees, court costs and litigation expenses we incur. If you institute any legal action to interpret or enforce the terms of this Agreement, and your claim in such action is denied or the action is dismissed, we are entitled to recover our reasonable attorneys' fees, and all other reasonable costs and expenses incurred in defending against same, and to have such an amount awarded as part of the judgment in the proceeding.

14.9 Our failure to insist upon strict compliance with any provision of this Agreement shall not be a waiver of our right to do so, any law, custom, usage or rule to the contrary notwithstanding. Delay or omission by us respecting any breach or default shall not affect our rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Agreement shall be cumulative. Our election to exercise any remedy available by law or contract shall not be deemed a waiver or preclude exercise of any other remedy.

14.10 No Personal Liability. You agree that fulfillment of any and all of our obligations written in this Agreement or based on any oral communications which may be ruled to be binding in a Court of Law shall be our sole responsibility and none of our owners, officers, agents, representatives, nor any individuals associated with our franchise company shall be personally liable to you for any reason. This is an important part of this Agreement. You agree that nothing that you believe you have been told by us or our representatives will be binding unless it is written in this Agreement. This is an important part of this Agreement. Do not sign this Agreement if there is any question concerning its contents or any representations made.

14.11 Jury Trial Waiver. WITH RESPECT TO ANY PROCEEDING NOT SUBJECT TO MEDIATION, THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THE PERSONAL GUARANTY OR THIS AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR YOUR PURCHASE FROM US OF ANY FRANCHISE, OPTION AND/OR ANY GOODS OR SERVICES.

SECTION 15
SEVERABILITY AND CONSTRUCTION

15.1. This Agreement contains the entire agreement between the parties concerning the Area Development Business; no promises, inducements or representations not contained in this Agreement have been made, nor shall any be of any force or effect, or binding on the parties. Modifications of this Agreement must be in writing and signed by both parties. We reserve the right to change our policies, procedures, standards, specifications or manuals at our discretion. Nothing in the Agreement is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

15.2. Any provisions of this Agreement which may be reasonably interpreted to impose any obligation after termination or expiration hereof shall survive such termination or expiration and be binding upon the parties.

15.3. The parties agree that if any provisions of this Agreement may be construed in two ways, one of which would render the provision illegal or otherwise voidable or unenforceable and the other which would render it valid and enforceable, such provision shall have the meaning, which renders it valid and enforceable. The language of all provisions of this Agreement shall be construed according to fair meaning and not strictly construed against either party. The provisions of this Agreement are severable, and this Agreement shall be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein, and partially valid and enforceable provisions shall be enforced to the extent that they are valid and enforceable. If any material provision of this Agreement shall be stricken or declared invalid, the parties agree to negotiate mutually acceptable substitute provisions. In the event that the parties are unable to agree upon such provisions, we reserve the right to terminate this Agreement.

15.4. The term “you” shall be construed to refer to the male or female gender in all cases where you are an individual, masculine or feminine modifiers and pronouns notwithstanding. The term “principals” shall include your general and limited partners, if you are a partnership, your officers, directors and shareholders, if you are a corporation, and your members and managers, if you are a limited liability company. The paragraph captions are inserted only for convenience and reference, and are not intended to define, limit or describe the scope, intent or language of this Agreement or any provisions hereof.

15.5. This Agreement shall be binding upon the parties and their heirs, executors, personal representatives, successors and assigns. All signatories to this Agreement and all partners of a partnership Area Developer, all officers, directors and shareholders of a corporate Area Developer, and all members and managers of a limited liability company, shall be jointly and severally liable for the performance of all terms, covenants and conditions hereof.

15.6 You acknowledge and agree that except as provided under an express statutory liability for such conduct, none of our past, present or future directors, officers, employees, incorporators, members, partners, stockholders, subsidiaries, Affiliates, controlling parties, entities under common control, ownership or management, vendors, service providers, agents, attorneys or representatives will have any liability for (a) any of our obligations or liabilities relating to or arising from this Agreement, (b) any claim against us based on, in respect of, or by reason of, the relationship between you and us, or (c) any claim against us based on any of our alleged unlawful act or omission. For the avoidance of doubt, this provision constitutes an express waiver of any claims based on a theory of vicarious liability, unless such vicarious claims are authorized by a guarantee of performance or statutory obligation. It is not meant to bar any direct contractual, statutory or common law claim that would otherwise exist.

SECTION 16
GUARANTY OF OBLIGATIONS

If you are a corporation, or subsequent to execution hereof, you assign this Agreement to a corporation (or if you are a partnership, or subsequent to execution hereof, you assign this Agreement to a partnership, all general partners and their spouses, or if you are a limited liability company, or subsequent to execution hereof you assign this Agreement to a limited liability company, all members and managers and their spouses) hereby personally and unconditionally guarantee without notice, demand, or presentment, the payment of all of your monetary obligations under this Agreement, and any other agreement between you and us and/or our affiliates, as if each were an original party to this or any other agreement in his or her individual capacity. All such personal guarantors further agree to be bound by the restrictions upon your activities upon transfer, termination, or expiration and nonrenewal of this Agreement as if each were an original party to this Agreement in his or her individual capacity. All such personal guarantors and their spouses must execute a continuing personal guarantee in the form attached hereto as Exhibit B.

SECTION 17
ACKNOWLEDGEMENTS

17.1 The success of the business venture contemplated to be undertaken by you by virtue of this Agreement is speculative and depends, to a large extent, upon your ability as an independent businessman, and your active participation in the daily affairs of the business as well as other factors. We do not make any representations or warranty, express or implied, as to the potential success of the business venture contemplated hereby.

17.2 You acknowledge that it has entered into this Agreement after making an independent investigation of our operations and not upon any representation as to gross revenues, volume, potential earnings or profits which you in particular might be expected to realize, nor has anyone made any other representation which is not expressly set forth herein, to induce you to accept this license and execute this agreement.

17.3 You represent that you have read this Agreement in its entirety and that it has been given the opportunity to clarify any provisions that it did not understand and to consult with an attorney or other professional advisor. You further represent that you understand the terms, conditions and obligations of this Agreement and agrees to be bound thereby.

17.4 You hereby acknowledge that your timely development of Bakeries in the Development Area in accordance with the Minimum Performance Schedule is of material importance to you and us. You agree, as a condition of the continuance of the rights granted hereunder, to develop and open Bakeries within the Development Area in accordance with the Minimum Performance Schedule, to operate such Bakeries pursuant to the terms of the Franchise Agreements and to maintain all such Bakeries in operation continuously. We agree to diligently act upon any request of or approval from us and any material delay in your ability to meet the Minimum Performance Schedule which is directly caused by our failure to act diligently upon a request for approval shall not constitute a default hereunder. Further, a failure or delay in performance by any party to this Development Agreement shall not be a default hereunder if such failure or delay arises out of or results from a Force Majeure, which for purposes of this Development Agreement shall be defined as fire, flood, natural disasters, acts of God, epidemics, pandemics or outbreak of communicable disease, quarantines, national or regional emergencies, other governmental acts or orders, or civil disorders.

[signatures on following page]

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have duly executed and delivered this Agreement the date and year first written above.

NBC FRANCHISOR LLC

By: _____

Name: _____

Title: _____

AREA DEVELOPER:

By: _____

Name: _____

Title: _____

**NBC FRANCHISOR LLC
AREA DEVELOPMENT AGREEMENT**

**EXHIBIT A
SINGLE UNIT FRANCHISE AGREEMENT**

**NBC FRANCHISOR LLC
AREA DEVELOPMENT AGREEMENT**

**EXHIBIT B
PERSONAL GUARANTY**

(TO BE EXECUTED BY AREA DEVELOPER'S OWNERS IF AREA DEVELOPER IS A PARTNERSHIP, LIMITED LIABILITY COMPANY, CORPORATION, OR OTHER LEGAL ENTITY)

NOTE: IF AREA DEVELOPER IS A CORPORATION, EACH OF AREA DEVELOPER'S SHAREHOLDERS AND THEIR SPOUSES MUST EXECUTE THE FOLLOWING UNDERTAKING. IF AREA DEVELOPER IS A PARTNERSHIP, EACH OF AREA DEVELOPER'S GENERAL PARTNERS AND THEIR SPOUSES MUST EXECUTE THE FOLLOWING UNDERTAKING. IF AREA DEVELOPER IS A LIMITED LIABILITY COMPANY, EACH OF AREA DEVELOPER'S MEMBERS AND MANAGERS AND THEIR SPOUSES MUST EXECUTE THE FOLLOWING UNDERTAKING.

**ARTICLE I
PERSONAL GUARANTY**

The undersigned persons (individually and collectively "you") hereby represent to NBC Franchisor LLC ("Franchisor") that you are all of the shareholders of the Area Developer, or all of the general partners of the Area Developer, or all of the members and managers, or the spouse of any such shareholder, general partner, or member or manager of _____ ("Area Developer"), as the case may be. In consideration of the grant by Franchisor to the Area Developer as herein provided, each you hereby agree, in consideration of benefits received and to be received by each of you, jointly and severally, and for yourselves, your heirs, legal representatives and assigns, to be firmly bound by all of the terms, provisions and conditions of the foregoing NBC Franchisor LLC Area Developer Agreement, and any other agreement between you and us and/or its affiliates, and do hereby unconditionally guarantee the full and timely performance by Area Developer of each and every obligation of Area Developer under the aforesaid Area Developer Agreement or other agreement between Franchisor and Area Developer, including, without limitation, any indebtedness of Area Developer arising under or by virtue of the aforesaid Area Developer Agreement and that you (jointly and individually) will not permit or cause any change in the percentage of Area Developer owned, directly or indirectly, by any person, without first obtaining the written consent of Franchisor prior to said proposed transfer, which consent must not be unreasonably withheld, and without first paying or causing to be paid to Franchisor the transfer fee provided for in said Area Developer Agreement, if applicable, and without otherwise complying with the transfer provisions of the foregoing Area Developer Agreement. You further agree to be bound by the in-term and post-term covenants against competition of the aforesaid Area Developer Agreement.

**ARTICLE II
CONFIDENTIALITY**

During the initial and any renewal terms of the Area Developer Agreement and this Guaranty, you will receive information, which Franchisor considers its trade secrets and confidential information ("Confidential Information"). You shall not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, partnership, association, corporation, or limited liability company any Confidential Information and trade secrets, including, without limitation, Franchisor's

Proprietary Recipes and other standards for preparing and packaging Products, Franchisor's trade secrets, advertising strategies, price marketing mixes related to Products and other food and beverage items offered by Bakeries, supplier networks and pricing arrangements with suppliers, the E-Commerce Program, National Account networks, the Operations Manual and training procedures, sales promotion aids, business forms, merchandising procedures, accounting procedures, marketing reports, inventory systems, copyrighted materials, and other methods, techniques and know-how concerning the operation of the Bakery which may be communicated to you or of which you may be apprised by virtue of your position as a Guarantor of the Area Developer. You also acknowledge and agree that certain information, including (i) current customer ("Guest") and prospective Guest names and addresses; (ii) information about credit extensions to Guests; (iii) Guest purchasing histories; (iv) rates charged to Guests; and (v) CRM reports (subsections (i)-(v) collectively shall be referred to as "Guest Lists") also constitute our trade secrets and Confidential Information. Any and all information, knowledge, know-how, techniques, and other data, which Franchisor designates as confidential, will be deemed Confidential Information for purposes of this Agreement.

ARTICLE III NON-COMPETITION

You acknowledge that as a participant in the Franchisor's System, you will receive proprietary and confidential information and materials, trade secrets, and the unique methods, procedures and techniques which Franchisor has developed. Therefore, to protect Franchisor and all Franchisor's franchisees, you agree as follows:

1) During the Term of the Area Developer Agreement and this Guaranty. During the term of the Area Developer Agreement and this Personal Guaranty, neither you, nor your principals, officers, directors, nor any member of their immediate family may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

(a) Own, maintain, engage in, lend money to, extend credit to, have any interest in, or be employed as an officer, director, executive, or principal of any other business offering cakes, or baking-related apparel and merchandise, or other goods or services offered or authorized for sale by System franchisees; provided, however, that this Section does not apply to your operation of any other Bakery; or

(b) Divert or attempt to divert business or customers of any Area Developer-owned Bakeries to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks or the System.

2) After the Term of the Area Development Agreement.

(a) For a period of two (2) years after the expiration and nonrenewal, transfer or termination of the Area Development Agreement, regardless of the cause, neither you, your officers, directors, or principals, nor any member of their immediate family may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation enter into any business competing in whole or in part with Franchisor in granting franchises or licenses to operate businesses offering and selling cakes, or baking-related apparel or merchandise, or any other goods or services offered or authorized for sale by System franchisees at the time the Area Development Agreement is terminated or otherwise expires and is not renewed.

(b) For a period of two (2) years after the expiration and nonrenewal, transfer or termination of this Agreement, regardless of the cause, neither you, your principals, nor any member of their immediate

family may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

(i) Own, maintain, engage in, be employed by, lend money to, have any interest in, or be employed as an officer, director, executive, or principal of any other businesses offering and selling cakes, or baking-related apparel or merchandise, at the time the Agreement is terminated or otherwise expires and is not renewed, (i) within the Development Area; or (ii) within a radius of ten (10) miles of the perimeter of (a) the Development Area being granted under the Area Development Agreement; or (b) any other Development Area, or Territory licensed by Franchisor as of the date of expiration or termination of the Area Development Agreement;

(ii) Solicit business from customers of Area Developer's former Bakery (if Franchisor elects to exercise its cross-default rights under the Area Development Agreement); or

(iii) Contact any of Franchisor's suppliers or vendors for any competitive business purpose.

3) **Intent and Enforcement.** It is the parties' intent that the provisions of this Article III be judicially enforced to the fullest extent permissible under applicable law. Accordingly, the parties agree that any reduction in scope or modification of any part of the noncompetition provisions contained herein shall not render any other part unenforceable. In the event of the actual or threatened breach of this Article III by you, any of your principals, or any members of their immediate family, Franchisor shall be entitled to an injunction restraining such person from any such actual or threatened breach. You agree that in the event of the actual or threatened breach of this Article III, Franchisor's harm will be irreparable and that Franchisor has no adequate remedy at law to prevent such harm. You acknowledge and agree on your own behalf and Area Developer's behalf that each of you have previously worked or been gainfully employed in other careers and that the provisions of this Article III in no way prevent you from earning a living. You further acknowledge and agree that the time limitation of this Article III shall be tolled during any default under this Guaranty.

ARTICLE IV DISPUTE RESOLUTION

1) **Acknowledgment.** You acknowledge that this Guaranty is not an Area Developer Agreement or Franchise Agreement and does not confer upon you any rights to use the Franchisor's proprietary marks or its system.

2) **Governing Law.** This Guaranty shall be deemed to have been made in and governed by the laws of the state of Texas.

3) **Internal Dispute Resolution.** You must first bring any claim or dispute arising out of or relating to the Area Developer Agreement or this Personal Guaranty to Franchisor's Chief Executive Officer and/or President. You agree to exhaust this internal dispute resolution procedure before bringing any dispute before a third party. This agreement to resolve all disputes internally shall survive expiration or termination of the Area Development Agreement.

4) **Mediation.** At Franchisor's option, all claims or disputes between you and Franchisor arising out of, or in any way relating to, this Personal Guaranty or the Area Development Agreement or any other agreement by and between you and the Franchisor, or any of the parties' respective rights and obligations arising from such agreements, which are not first settled by the internal dispute resolution procedure set

forth in Section 3 above, must be submitted first to mediation in Dallas, Texas, under the auspices of the American Arbitration Association (“AAA”), in accordance with AAA's Commercial Mediation Rules then in effect. Before commencing any legal action against Franchisor or its affiliates with respect to any such claim or dispute, you must submit a notice to Franchisor, which specifies, in detail, the precise nature and grounds of such claim or dispute. Franchisor will have a period of 30 days following receipt of such notice within which to notify you as to whether Franchisor or its affiliates elects to exercise its option to submit such claim or dispute to mediation. You may not commence any action against Franchisor or its affiliates with respect to any such claim or dispute in any court unless Franchisor fails to exercise its option to submit such claim or dispute to mediation, or such mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by Franchisor. Franchisor's rights to mediation, as set forth herein, may be specifically enforced by Franchisor. Each party shall bear its own cost of mediation and the parties shall share the cost of mediator. This agreement to mediate at Franchisor’s option shall survive termination or expiration of the Area Development Agreement.

- a) The parties shall not be required to first attempt to mediate a controversy, dispute, or claim through mediation as set forth in this Section 4 if such controversy, dispute, or claim concerns an allegation that a party has violated (or threatens to violate, or poses an imminent risk of violating):
 - i. Any federally protected intellectual property rights in the Proprietary Marks, the System, or in any Confidential Information;
 - ii. Any claims arising out of or pertaining to any warranty issued;
 - iii. Any of the restrictive covenants contained in this agreement;
 - iv. Any claims to collect past due amounts owed to us or our affiliates.

5) **Third Party Beneficiaries.** Franchisor’s officers, directors, shareholders, agents and/or employees are express third-party beneficiaries of the Area Developer Agreement and this Guaranty, and the mediation and other dispute resolution provisions contained herein, each having authority to specifically enforce the right to mediate and litigate claims asserted against such person(s) by you.

6) **Injunctive Relief.** Nothing contained in this Guaranty shall prevent Franchisor from applying to or obtaining from any court having jurisdiction, without bond, a writ of attachment, temporary injunction, preliminary injunction and/or other emergency relief available to safeguard and protect Franchisor’s interest prior to the filing of any mediation or judicial proceeding or pending the trial or handing down of a decision or award pursuant to any mediation or judicial proceeding conducted hereunder.

7) **Jurisdiction and Venue.** With respect to any proceeding not subject to mediation, the parties expressly agree to submit to the jurisdiction and venue of any court of general jurisdiction in Dallas, Texas, and the jurisdiction and venue of the United States District Court for the Northern District of Texas.

8) **Jury Trial Waiver.** WITH RESPECT TO ANY PROCEEDING NOT SUBJECT TO MEDIATION, THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS PERSONAL GUARANTY OR THE AREA DEVELOPER AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR YOUR PURCHASE FROM FRANCHISOR OF THE FRANCHISE, OPTION AND/OR ANY GOODS OR SERVICES.

9) **Waiver of Punitive Damages.** You waive to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) which you may have against us arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agree that in the event of a dispute, your recovery shall be limited to actual damages. If any other term of this Personal Guaranty is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.

10) **Limitation on Action.** You agree that no cause of action arising out of or under this Guaranty or the Area Development Agreement may be maintained by you unless brought before the expiration of one (1) years after the act, transaction or occurrence upon which such action is based or the expiration of one (1) year after you become aware of facts or circumstances reasonably indicating that you may have a claim against the Franchisor, whichever occurs sooner, and that any action not brought within this period shall be barred as a claim, counterclaim, defense or set-off.

11) **Attorneys' Fees.** In the event Franchisor engages an attorney to enforce its rights under the Franchise Agreement, this Personal Guaranty, or any related agreement between you and Franchisor and/or its affiliates (whether or not formal judicial proceedings are initiated), you must pay all of Franchisor's reasonable attorneys' fees, court costs and litigation expenses. If you institute any legal action to interpret or enforce the terms of this Agreement, and your claim in such action is denied or the action is dismissed, Franchisor is entitled to recover its reasonable attorneys' fees, and all other reasonable costs and expenses incurred in defending against same, and to have such an amount awarded as part of the judgment in the proceeding.

12) **Nonwaiver.** Franchisor's failure to insist upon strict compliance with any provision of this Personal Guaranty and the Area Developer Agreement shall not be a waiver of Franchisor's right to do so, any law, custom, usage or rule to the contrary notwithstanding. Delay or omission by Franchisor with respect to any breach or default shall not affect Franchisor's rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Guaranty shall be cumulative. Franchisor's election to exercise any remedy available by law or contract shall not be deemed a waiver or preclude exercise of any other remedy.

13) **Severability.** The parties agree that if any provisions of this Guaranty may be construed in two ways, one of which would render the provision illegal or otherwise voidable or unenforceable and the other which would render it valid and enforceable, such provision shall have the meaning, which renders it valid and enforceable. The language of all provisions of this Guaranty shall be construed according to fair meaning and not strictly construed against either party. The provisions of this Guaranty are severable, and this Guaranty shall be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein, and partially valid and enforceable provisions shall be enforced to the extent that they are valid and enforceable. If any material provision of this Guaranty shall be stricken or declared invalid, the parties agree to negotiate mutually acceptable substitute provisions. In the event that the parties are unable to agree upon such provisions, Franchisor reserves the right to terminate this Guaranty.

14) **Construction of Language.** Any term defined in the Area Developer Agreement which is not defined in this Guaranty will be ascribed the meaning given to it in the Area Developer Agreement. The language of this Guaranty will be construed according to its fair meaning, and not strictly for or against either party. All words in this Guaranty refer to whatever number or gender the context requires. If more than one party or person is referred to as you, their obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation.

15) **Successors.** References to “Franchisor” or “the undersigned,” or “you” include the respective parties’ successors, assigns or transferees.

16) **No Personal Liability.** You agree that fulfillment of any and all of Franchisor’s obligations written in this Guaranty or in the Area Developer Agreement or based on any oral communications which may be ruled to be binding in a court of law shall be Franchisor’s sole responsibility and none of Franchisor’s agents, representatives, nor any individuals associated with Franchisor’s franchise company shall be personally liable to Area Developer or you for any reason.

PERSONAL GUARANTORS

SPOUSES

EXHIBIT D TO THE DISCLOSURE DOCUMENT
FINANCIAL STATEMENTS



NBC Franchisor LLC

Consolidated Financial Statement As of July 30, 2021

NBC Franchisor LLC

Consolidated Financial Statement

As of July 30, 2021

NBC Franchisor LLC

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Independent Auditor’s Report

To the Board of Directors and Member of
NBC Franchisor LLC
Dallas, TX

Opinion

We have audited the consolidated financial statement of NBC Franchisor LLC and its subsidiaries (the “Company”), which comprises the consolidated balance sheet as of July 30, 2021 and the related notes to the consolidated financial statement.

In our opinion, the accompanying consolidated financial statement presents fairly, in all material respects, the financial position of the Company as of July 30, 2021 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of the consolidated financial statement in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company’s ability to continue as a going concern within one year after the date that the consolidated financial statement is issued or available to be issued.

Auditor’s Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the consolidated financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 consolidated financial statement.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statement.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 consolidated financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company'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.

September 28, 2021

BDO USA, LLP

Consolidated Balance Sheet

NBC Franchisor LLC
Consolidated Balance Sheet

As of July 30, 2021

Assets

Cash and cash equivalents	500,000
Intangible assets - net	627,837,260
Goodwill	343,098,918

Total assets	\$ 971,436,178
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Liabilities and Member's Equity

Current liabilities

Deferred revenue	\$ 1,882,500
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Total current liabilities	1,882,500
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Member's equity	969,553,678
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Total liabilities and member's equity	\$ 971,436,178
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See accompanying notes to consolidated financial statement.

NBC Franchisor LLC

Notes to Consolidated Financial Statement

1. Organization and Description of Business

NBC Franchisor LLC (“we”, “our” and the “Company”), a special purpose Delaware limited liability company, was organized on June 14, 2021, with no operations until July 30, 2021. The Company is a direct, wholly owned subsidiary of NBC Funding LLC (the “Issuer”), which is a special purpose Delaware limited liability company that is a direct, wholly owned subsidiary of NBC SPV Guarantor LLC (“SPV Holdco”) and an indirect, wholly owned subsidiary of NBC Holdings, LLC (“Parent”).

The Company was formed in connection with a financing transaction (the “Securitization Transaction”), which was completed on July 30, 2021 (see Note 3), and will serve as the “franchisor” of the Nothing Bundt Cakes Brand and own all Franchise Assets, which includes all franchise agreements and intellectual property related to the business. The Company grants the rights to own and operate Nothing Bundt Cakes Stores, which specialize in selling decorated bundt cakes and other related gift items. The Company grants each franchisee a transferable right and license to use the “System,” the proprietary marks, and to market, sell, and provide the approved products in accordance with the System. The System consists of certain trademarks, service marks, and commercial symbols, including the mark “Nothing Bundt Cakes,” certain store design décor and images, all of which the Company may modify from time to time.

2. Summary of Significant Accounting Policies

COVID-19

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. It is uncertain as to the full magnitude that the pandemic will have on the Company’s financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Company is not able to estimate the effects of the COVID-19 outbreak on its future results of operations, financial condition, or liquidity.

Basis of Accounting

The consolidated financial statement and accompanying notes are prepared on the accrual basis of accounting in conformity with generally accepted accounting principles in the United States of America (“U.S. GAAP”). The consolidated financial statement of the Company include the financial statements of all majority-owned subsidiaries. All intercompany transactions and balances have been eliminated. This financial statement presents the opening balance of the accounts as of July 30, 2021, the date of operation commencement.

Use of Estimates

The preparation of the consolidated financial statement in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statement, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NBC Franchisor LLC

Notes to Consolidated Financial Statement

Cash and Cash Equivalents

Cash equivalents, if any, consist of liquid investments with maturities of three months or less at the time of purchase.

Income Taxes

The Company is a single-member limited liability company for federal and state income tax purposes with all income tax liabilities and/or benefits of the Company being passed through to Nothing Bundt Franchising, LLC (the “Manager”).

As such, no recognition of federal or state income taxes for the Company will be provided for in the consolidated financial statement of the Company.

Goodwill

In January 2014, the FASB issued Accounting Standards Update (“ASU”) No. 2014-02, *Accounting for Goodwill*, a consensus of the Private Company Council. The amendments in this ASU allow for an accounting alternative for the subsequent measurement of goodwill. Entities within the scope of the amendments can elect to amortize goodwill on a straight-line basis over 10 years or less than 10 years, if the entity demonstrates that another useful life is more appropriate. The Company has chosen to adopt the ASU as of July 30, 2021.

On March 30, 2021, the FASB issued ASU 2021-03, *Intangibles—Goodwill and Other (Topic 350): Accounting Alternative for Evaluating Triggering Events*. The amendments in ASU 2021-03 provide private companies with an accounting alternative to perform the goodwill impairment triggering event evaluation as required in ASC 350-20, *Intangibles—Goodwill and Other—Goodwill*, as of the end of the reporting period, whether the reporting period is an interim or annual period. An entity that elects this alternative is not required to monitor for goodwill impairment triggering events during the reporting period but, instead, should evaluate the facts and circumstances as of the end of each reporting period to determine whether a triggering event exists and, if so, whether it is more likely than not that goodwill is impaired. The amendments in ASU 2021-03 are effective on a prospective basis for fiscal years beginning after December 15, 2019. The Company adopted the standard in 2020 and noted there were no triggering events in relation to goodwill impairment evaluation. See further detail of goodwill in Note 4.

Intangible Assets

Intangible assets consist of tradenames and franchise agreements. Franchise agreements are stated at their estimated fair value at the date of acquisition, less amortization. Franchise agreements are amortized over their estimated useful lives of 15 years using the straight-line method. Tradenames are stated at their estimated fair value at the date of acquisition less any recognized impairment losses, and tradenames are not amortized, as their useful lives are considered indefinite, but are subject to annual impairment testing. See further detail of intangible assets in Note 4.

NBC Franchisor LLC

Notes to Consolidated Financial Statement

Revenue Recognition and Deferred Revenue

The Company has adopted ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)* and all subsequent ASUs that modified Topic 606. The new guidance clarifies the principles used to recognize revenue for all entities and requires companies to recognize revenue when it transfers goods or services to a customer in an amount that reflects the consideration to which a company expects to be entitled.

FASB issued ASU 2021-02, *Franchisors - Revenue from Contracts with Customers (Subtopic 952-606)*, creating a practical expedient that simplifies the identification of performance obligations for private company franchisors for certain pre-opening services. If the practical expedient is elected, the pre-opening services provided by a franchisor to a franchisee can be accounted for as a single performance obligation, distinct from the franchise license. Pre-opening services per ASU 2021-02 are defined as follows:

1. Assistance in the selection of a site
2. Assistance in obtaining facilities and preparing the facilities for their intended use, including related financing, architectural, and engineering services, and lease negotiation
3. Training of the franchisee's personnel or the franchisee
4. Preparation and distribution of manuals and similar material concerning operations, administration, and record keeping
5. Bookkeeping, information technology, and advisory services, including setting up the franchisee's records and advising the franchisee about income, real estate, and other taxes or about regulations affecting the franchisee's business
6. Inspection, testing, and other quality control programs

The Company elected to apply the practical expedient allowed by ASU 2021-02, and has elected to account for all qualifying pre-opening activities as a single performance obligation. The revenues recognized associated with performing pre-opening services approximated the amount of the franchise fees charged to franchisees. As a result, the amounts subject to deferral and subsequent amortization is considered immaterial.

Franchise agreements are granted to franchise owners for an initial term of 10 years with an option to renew. The franchise agreements include promises to provide a license for using the Company's brand intellectual property, a list of approved suppliers, certain training programs, an operation manual, and to maintain the advertising fund. These performance obligations are highly interrelated, not considered to be individually distinct, and therefore the Company accounts for them under Topic 606 as a single performance obligation.

The Company's primary cash flows associated with its franchise agreements are as follows:

- Franchise fees revenue - The Company executes franchise agreements that set the terms of its arrangements with each franchisee. Generally, the franchise agreement requires the franchisee pay an initial, non-refundable fee of \$35,000 for the first franchise and \$25,000 for each additional franchise purchased. Franchise and area development fees, which are typically received prior to completion of the revenue recognition process, are initially recorded as deferred revenue. These franchise fees, which are nonrefundable, are recognized as revenue at the time all material services required to be provided by the Company have been substantially performed. Transfer fee income is recognized upon completion of the transfer of the franchise between franchisees. Extension fee income is recognized upon receipt. Refer below on revenue recognition under Topic 606.

NBC Franchisor LLC

Notes to Consolidated Financial Statement

- Royalty fees revenues - Royalty fees revenues represent sales-based royalties that are related entirely to performance obligations under the franchise agreement and are recognized in the period in which the sales occur. Sales-based royalties are variable consideration related to performance obligations to franchise owners to maintain the intellectual property being licensed. The Company collects these fees from existing franchise owners. These fees are 5% of each franchise owners' gross sales.
- Grand opening marketing fee - The Company and the franchisee collaborate on the marketing and advertising plans to determine how the grand opening funds will be spent locally which are exclusive to one location, thus benefitting only the specific franchisee. The grand opening marketing fee is distinct as the franchisee derives benefit when provided with the readily available franchise right which is concurrently transferred.
- Advertising fund fee - The Company receives advertising fund fees from its franchisees based on franchisee sales. The franchise agreements restrict the uses of the advertising fund fees for the purposes of promoting the Nothing Bundt Cakes brand generally and in local markets. The advertising fund may be used by the Company to supplement franchisee marketing efforts including, but not limited to, advertising in markets that the Company deems appropriate, to fund certain system-wide training and marketing events, or to otherwise benefit the Nothing Bundt Cakes brand.
- Other - The Company, as part of the franchise agreement, may provide additional services, including a technology fee, POS Support fee, opening assistance and additional training. These services are recognized as revenue when these services are performed.

Under Topic 606 and its practical expedient *ASU 2021-02*, recognition of initial franchisee fees is deferred and recognized at a point in time when the pre-opening services have been provided to the franchisees and upon the store opening. In the event a franchise agreement is terminated, any remaining deferred fees are recognized in the period of termination.

Current deferred franchise fee revenue represents franchise openings scheduled during fiscal year 2021.

Fair Value of Non-Financial Assets

In accordance with FASB ASC 820, *Fair Value Measurements*, certain assets are carried at fair value and are categorized based on the level of judgment associated with the inputs used to measure their fair value. The standard establishes a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1 - Inputs are unadjusted quoted market prices in active markets for identical assets or liabilities at the measurement date.

Level 2 - Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date for the duration of the instrument's anticipated life.

Level 3 - Inputs are unobservable and therefore reflect management's best estimate of the assumptions that market participants would use in pricing the asset or liability.

NBC Franchisor LLC

Notes to Consolidated Financial Statement

The Company's non-financial assets measured at fair value on a non-recurring basis include other intangible assets reported in connection with business combinations and impairment evaluations. If the Company deems a quantitative impairment assessment necessary, other indefinite life intangible assets are measured for impairment on an annual basis. The trade names and systems in place are valued using the relief from royalty method and the franchise relationships and national account relationships are valued using the multi-period excess earnings method. The future projections and estimates used for the valuations are considered Level 3 inputs.

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842). This ASU requires lessees to recognize lease assets and lease liabilities generated by contracts longer than a year on their balance sheet. The ASU also requires companies to disclose in the footnotes to their financial statement information about the amount, timing, and uncertainty for the payments they make for the lease agreements. ASU 2016-02 is effective for private companies for annual periods and interim periods within those annual periods beginning after December 15, 2021. Early adoption is permitted for all entities. The Company is currently evaluating the impact of the new guidance on its consolidated financial statement and related disclosure.

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. ASU 2016-13 amends the impairment model by requiring entities to use a forward-looking approach based on expected losses to estimate credit losses on certain types of financial instruments, including trade receivables. In November 2018, the FASB issued ASU No. 2018-19, Codification Improvements to Topic 326, Financial Instruments - Credit Losses ("ASU 2018-19"), which clarifies that receivables arising from operating leases are accounted for using lease guidance and not as financial instruments. In April 2019, the FASB issued ASU No. 2019-04, Codification Improvements to Topic 326, Financial Instruments - Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments ("ASU 2019-04"), which clarifies the treatment of certain credit losses. In May 2019, the FASB issued ASU No. 2019-05, Financial Instruments - Credit Losses (Topic 326): Targeted Transition Relief ("ASU 2019-05"), which provides an option to irrevocably elect to measure certain individual financial assets at fair value instead of amortized cost. In November 2019, the FASB issued ASU No. 2019-11, Codification Improvements to Topic 326, Financial Instruments - Credit Losses ("ASU 2019-11"), which provides guidance around how to report expected recoveries. ASU 2016-13, ASU 2018-19, ASU 2019-04, ASU 2019-05 and ASU 2019-11 (collectively, "ASC 326") are effective for fiscal years beginning after December 15, 2022, with early adoption permitted. The Company is currently evaluating the impact this guidance will have on its consolidated financial statement.

3. Securitization Transaction

In conjunction with the Securitization Transaction, the Issuer issued an aggregate principal amount of \$335 million Series 2021-1 Fixed Rate Secured Notes (the "Secured Notes").

The Secured Notes were issued in two tranches, the \$280 million Series 2021-1 2.989% Fixed Rate Class A-2 Senior Secured Notes and the \$55 million Series 2021-1 4.970% Fixed Rate Class B Senior Subordinated Secured Notes. Both tranches have an anticipated repayment date of July 2026 and a final maturity date of July 2051. The Secured Notes are secured by substantially all of the assets of and guaranteed by NBC SPV Guarantor LLC and its subsidiaries (collectively the "Securitization Entities"). All other affiliated entities are referred to as "Non-Securitization Entities". The net proceeds from the Securitization Transaction, after transaction expenses, were distributed to

NBC Franchisor LLC

Notes to Consolidated Financial Statement

Parent to repay substantially all of its outstanding indebtedness and to terminate all commitments thereunder, and for general corporate purposes.

On July 30, 2021, Nothing Bundt Franchising, LLC (the “Manager”) contributed to the Company substantially all of its intellectual property, including all trademarks and internet domains (collectively, the “Securitization IP”), as well as all franchise agreements, development agreements, and all rights to develop and expand substantially all franchising and licensing activities with respect to the Nothing Bundt Cakes brand (collectively, the “Franchise Assets”).

The Company received an initial capital contribution of \$969,553,678 consisting of \$500,000 in Cash and cash equivalents, \$627,837,260 in intangible assets, \$343,098,918 Goodwill and \$1,882,500 unearned revenue liability.

The contributions of the Franchise Assets are between entities under common control and are recorded at book value. No gain or loss has been realized on the transactions.

On July 30, 2021, the Company entered into the management agreement (the “Management Agreement”) with the Manager to perform certain services on behalf of the Company, including, among other things, collecting franchisee payments, managing the operations, and performing certain franchising, marketing, and operational and reporting services, as well as managing the intangible assets on behalf of the Company. In exchange for providing such services, the Manager will be entitled to receive certain management fees on a weekly basis.

The Issuer is dependent on the Company for sufficient cash flows from their securitized operations to service debt, remit management fees to the Manager, and pay certain other ongoing costs related to the Securitization Transaction.

4. Goodwill and Intangible Assets

Intangible assets consist of Tradenames and Franchise agreements - ongoing royalty agreements and Franchise agreements - exclusive product sourcing rights. Franchise agreements are stated at their estimated fair value at the date of acquisition, less amortization. Intangible assets are amortized over their estimated useful lives of 15 years using the straight-line method.

When events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable, the Company evaluates, for impairment, the carrying value of definite lived intangible assets by comparing the carrying value to the anticipated future undiscounted cash flows expected to be generated from the use of the intangible assets. If the carrying amount is not recoverable, a loss is recorded in the amount the carrying value exceeds the fair market value of the assets.

As of July 30, 2021, intangible assets were contributed to the Company. Accordingly, there was no change in control and therefore the Company concluded that the guidance in ASC 805 Business Combinations was not applicable. As such, any assets and liabilities contributed to the new companies were recorded at the carrying value from the contributing entities on the date of the contribution. Any subsequent amortization of such assets will be recorded on the Company’s financial statements.

NBC Franchisor LLC

Notes to Consolidated Financial Statement

Intangible assets as of July 30, 2021, consist of the following:

Amortizable intangible assets:	Useful life (in years)	Carrying Amount
Tradenames	Indefinite	409,000,000
Franchise agreements	15	218,837,260
Goodwill	10	343,098,918
Total		\$ 970,936,178

Definite-lived intangible assets were recorded at the carrying value from the contributing entities on the date of the contribution, as the entities are under common control. There has been no amortization yet recorded for the Company, and accordingly, no accumulated amortization is presented above.

Indefinite-lived intangible assets were recorded at the carrying value from the contributing entities on the date of the contribution, as the entities are under common control. No impairment was identified as of July 30, 2021.

Estimated amortization expense for the subsequent five years is as follows:

Years ending July 31,

2022	\$ 39,204,279
2023	49,859,100
2024	49,859,100
2025	49,859,100
2026	49,859,100
Thereafter	323,295,499
Total	\$ 561,938,178

5. Related Party Transactions

The Company is a sub-guarantor of debt held by the Issuer and substantially all assets serve as collateral of Issuer-held debt.

As discussed in Note 3, the Company entered into the Management Agreement with the Manager to perform certain services on behalf of the Company. In exchange for the services, the Company pays a management fee that is variable based on revenues and is estimated to be \$5.2M over the next 12 months.

6. Subsequent Events

In preparing these financial statements, the Company evaluated events that occurred through September 28, 2021, the date these consolidated financial statements were available to be issued, for potential recognition or disclosure. There have been no other material events noted during this period that would either impact the results reflected herein or the Company's results going forward.

**EXHIBIT E TO THE DISCLOSURE DOCUMENT
OPERATIONS MANUAL TABLE OF CONTENTS**



Confidential

Operations Manual

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Updated: October 2021 (Please refer to the franchisee intranet website for our most recently updated version(s) of this document.)

BUSINESS ADDRESS

NBC Franchisor LLC
DBA Nothing Bundt Cakes
4560 Belt Line Road
Suite 350
Addison, Texas 75001
Phone: 866.482.8638

<http://www.nothingbundtcakes.com>

TRADEMARKS

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**EXHIBIT F TO THE DISCLOSURE DOCUMENT
LIST OF FRANCHISEES**

OPEN FRANCHISEES AS OF DECEMBER 27, 2020

***Denotes Multi-Unit Area Developers**

Bakery DMA	Entity Name	Franchisees	Franchisee Phone (personal)	Bakery Address	City	State	Zip
ALABAMA							
Huntsville – Decatur (Florence)	NBC Inc.	Shefali Patel Kumar Patel*	256-883-1113 256-652-0001	2710 Carl T. Jones Drive	Huntsville	AL	35802
Birmingham (Anniston & Tuscaloosa)	Hole Lot of Cakes, Inc.	Carrie McFerran* Arnold Soni*	703-895-7379 205-520-3183	310 Summit Blvd. Suite 100	Birmingham	AL	35243
Birmingham (Anniston & Tuscaloosa)	Hole Lot of Cakes	Carrie McFerran* Arnold Soni*	703-895-7379 205-520-3183	3780 River Chase Village Suite 600	Hoover	AL	35244
	Doxa Ciasto, LLC	Jack Gabriel Mona Gabriel	936-675-0132 936-675-0619	3255 Airport Blvd Suite 120	Mobile	AL	36606
Birmingham (Anniston and Tuscaloosa)	T-Town NBC, LLC	Melinda Mason Dan Mason	214-533-6481 214-232-1917	1395 McFarland Blvd East	Tuscaloosa	AL	35404
ARIZONA							
Phoenix (Prescott)	DRB Cakes, LLC	Robert Kelly* Donna Zwarych*	602-448-4165 520-404-6407	5890 W. Thunderbird Road, Suite 101	Glendale	AZ	85306
Phoenix (Prescott)	The Hole Cake, LLC	Jan Newton* Mark Newton*	425-214-3535 415-279-1859	2285 E. Baseline Road, #103	Gilbert	AZ	85234
Phoenix (Prescott)	RBN Cakes, LLC	Robert Kelly* Donna Zwarych*	602-448-4165 520-404-6407	13824 West McDowell Road	Goodyear	AZ	85395
Phoenix (Prescott)	The Rock Bakery, LLC	Rocky Rebert Theresa Rebert	480-735-9312 480-278-5257	4722 E. Ray Road	Phoenix	AZ	85044
Phoenix (Prescott)	Holee Cakes, LLC	Sue Singer*	480-696-0061	4290 E. Indian School, Suite 101	Phoenix	AZ	85018
Phoenix (Prescott)	Suzie Q Sweets, LLC	Sue Singer*	480-696-0061	17025 N. Scottsdale Road #110	Scottsdale	AZ	85255
Phoenix (Prescott)	BNR Cakes, LLC	Donna Zwarych* Robert Kelly*	520-404-6407 602-448-4165	15332 West Bell Rd	Surprise	AZ	85374

Bakery DMA	Entity Name	Franchisees	Franchisee Phone (personal)	Bakery Address	City	State	ZIP
Tucson (Sierra Vista)	Cactus Cakes Corporation	Kay Stubbs* Bruce Stubbs*	214-551-9679 214-551-9679	7278 N. Oracle Rd.	Tucson	AZ	85704
Tucson (Sierra Vista)	Cactus Cakes Too, LLC	Kay Stubbs* Bruce Stubbs*	214-551-9679 214-551-9679	5420 Broadway Blvd., Ste. 254	Tucson	AZ	85711
ARKANSAS							
Little Rock – Pine Bluff	Little Rock Cakes, LLC	Stacy Lindsey	214-336-0422	12312 Chenal Parkway, Suite 2	Little Rock	AR	72211
Ft. Smith – Fayetteville – Springdale - Rogers	Pigtown Bakery, Inc.	Joel Neece Shannon Neece	972-567-6453 214-616-1873	4409 W. Walnut Street	Rogers	AR	72756
CALIFORNIA							
Los Angeles	Bundtastic Trio, Inc.	Trinh Hinson* James Hyland*	714-656-7585 714-853-4511	1050 E. Imperial Highway, Ste C2 & C3	Brea	CA	92821
Bakersfield	FDRC, LLC	Chiral Desai* Dixit Desai*	925-216-4629 925-339-3333	600 Coffee Road Suite S & T	Bakersfield	CA	93309
San Francisco – Oakland – San Jose	VegasRose, LLC	Rick Sanciangco* Kellie Sanciangco*	702-203-5900 702-324-7120	6061-B Lone Tree Way	Brentwood	CA	94513
Monterrey - Salinas	Retro Enterprises, LLC	Jeff Joseph* Cristina Joseph*	408-630-9577 408-890-0708	3555 Clares Street, Ste. YY	Capitola	CA	95010
Chico-Reding	Centennial Summit Industries, Inc.	Keith Bussey Lara Bussey	817-999-5172 817-875-6257 530-966-5981 580-966-1597	2061 Dr. Martin Luther King Jr Pkwy Suite 167	Chico	CA	95928
Los Angeles	Hey Batter Batter Frost, LLC	Esther Cuellar Charles Cuellar Cindy Hak Susanne Eberly	562-400-1729 562-972-7358 714-270-5205 714-356-6942	4200 Chino Hills Parkway #395	Chino Hills	CA	91709
Fresno - Visalia	Linka Corporation	Linda Stuve* Kurt Stuve*	408-410-8480 408-410-8480	635 W. Herndon Ave. suite 100	Clovis	CA	93612
Los Angeles	Cake Love Co.	Travay Roberts	619-602-7281	926 E. Ontario Avenue, Ste. 104	Corona	CA	92881
San Francisco – Oakland – San Jose	The Hole Cake Marin, LLC	Jan Newton* Waverly Newton	425-214-3535 425-214-3636	47 Tamal Vista Blvd., Suite G	Corte Madera	CA	94925

Bakery DMA	Entity Name	Franchisees	Franchisee Phone (personal)	Bakery Address	City	State	ZIP
Los Angeles	T&E's Cake Shop, Inc.	Martin Rocha Ralph Barton	949-547-9434 310-633-4963	270 E. 17th St. #4	Costa Mesa	CA	92627
San Francisco – Oakland – San Jose	Lam and Pang, LLC	Linda Lam	650-300-2233	221 Lake Merced Blvd.	Daly City	CA	94015
San Francisco – Oakland – San Jose	RK Cakes, LLC	Rick Sanciangco* Kellie Sanciangco*	702-203-5900 702-324-7120	6601 Dublin Blvd Ste N	Dublin	CA	94568
Sacramento - Stockton - Modesto	Tim's Cakery, LLC	Irfan Mehmood* Toheeda Mehmood*	504-872-1700 209-612-7822	8234 Laguna Blvd., Ste 130	Elk Grove	CA	95758
San Francisco – Oakland – San Jose	Sweet Success LLC	Alisa Greene Staci Wilson-Reilly	925-667-7112 415-290-1260	5745 Christie Ave	Emeryville	CA	94608
San Francisco – Oakland – San Jose	Brown's Cakey, Inc.	Barbara Brown	916-715-0179	2793 E. Bidwell Street, Suite 200	Folsom	CA	95630
San Francisco – Oakland – San Jose	FDRC, LLC	Chiral Desai* Dixit Desai*	925-216-4629 925-393-3333	39052 Fremont Hub	Fremont	CA	94538
Fresno-West	Linka Corporation	Kurt Stuve Kaela Yadav Linda Stuve Mohit Yadav	408-813-7185 559-288-3236 408-410-8480 559-284-1459	6493 N Riverside Dr, Suite 101	Fresno-West	CA	93722
Glendale	Bonnie B's Sweet Beginnings, Inc.	Bonnie Abel Jeff Abel	818-523-4331 818-522-4331	215 N Glendale Ave	Glendale	CA	91206
Santa Barbara – Santa Maria – San Luis Obispo	BDBE, Inc.	Beverly Doman Brian Doman Beth Enriquez Greg Enriquez	213-706-9321 213-280-1637 203-767-7372 203-767-7374	5784 Calle Real	Goleta	CA	93117
Los Angeles	Sunny States Cakes Too, LLC	Zach Zeidler* Jennifer Zeidler*	310-415-3933 661-222-9882	18011 Chatsworth Street	Granada Hills	CA	91344
Los Angeles	Cinderellee Cakes, LLC	Blaine Tripp* Dena Tripp*	702-497-0658 702-596-8855	16622 Beach Blvd, Suite 102	Huntington Beach	CA	92647
Los Angeles	KCCO LLC	Blaine Tripp* Dena Tripp*	702-497-0658 702-596-8855	26534 Moulton Pkwy, #E	item Hills	CA	92653

Bakery DMA	Entity Name	Franchisees	Franchisee Phone (personal)	Bakery Address	City	State	ZIP
Los Angeles	Holesome Cakes, Inc.	Anh Le*	714-366-5935	2084 Foothill Blvd., Ste. H	La Verne	CA	91750
San Francisco – Oakland – San Jose	Los Gateaux, LLC	Jeff Joseph* Cristina Joseph*	408-630-9577 408-890-0708	421 N. Santa Cruz	Los Gatos	CA	95030
Los Angeles	McDonald Cakes LLC	Ralph Barton*	310-633-4963	1570-Q Rosecrans Ave Ste Q	Manhattan Beach	CA	90266
Los Angeles	Copperhead Cakes, Inc.	David Donner Carol Badal William Badal	951-809-9738 951-990-4411 512-589-6987	30143 Haun Road	Menifee	CA	92584
San Francisco – Oakland – San Jose	TAWAH, Inc.	Ralph Basch* Carol Basch*	650-245-0132 650-867-1292	140 South El Camino Real	Millbrae	CA	94030
Los Angeles	M.I.D. Inc.	Donna Zamora Ismael Zamora	702-326-9025 702-326-9024	27746-A Santa Margarita Parkway	Mission Viejo	CA	92691
Sacramento – Stockton – Modesto	J.T. Golf Enterprises, Inc.	Jim Toal Wendy Stuart	209-985-5700 209-499-0597	2100 Standard Avenue, Suite E17-18	Modesto	CA	95350
Los Angeles	The Bundtastic Encore Inc.	Trinh Hinson* James Hyland*	714-656-7585 714-853-4511	1503 E. Katella Ave	Orange	CA	92867
Palm Springs	Desert Delights, Inc.	Jeffrey Tropple*	760-805-5684	72216 Highway 111 Suite F3	Palm Desert	CA	92260
Los Angeles	Masterwork Enterprises, Inc.	Ingrid Kuo*	917-774-5382	548 S. Lake Avenue	Pasadena	CA	91101
Los Angeles	Hole Lot "O" Cakes, LLC	Anh Le*	714-366-5935	7325 Day Creek Blvd #B-103	Rancho Cucamonga	CA	91739
Los Angeles	BATB, Inc.	Misty LaForce* Annamarie Megrđichian*	951-232-3560 951-545-2109	540 West Stuart, Ste. B100	Redlands	CA	92374
Los Angeles	BATB, Inc.	Misty LaForce* Annamarie Megrđichian*	951-232-3560 951-545-2109	3639 Riverside Plaza Drive #502	Riverside	CA	92506

Bakery DMA	Entity Name	Franchisees	Franchisee Phone (personal)	Bakery Address	City	State	ZIP
Los Angeles	Picketz Fences, LLC	Ingrid Kuo*	917-774-5382	3628 Rosemead Blvd	Rosemead	CA	91770
Sacramento – Stockton – Modesto	Treasured Cakes Inc.	Cameron Diviak	916-798-0351	1112 Galleria Blvd, Suite 140	Roseville	CA	95678
Sacramento – Stockton – Modesto	TC2, INC.	Greg Leuterio	916-798-5490	2511 B Fair Oaks Blvd	Sacramento	CA	95825
Sacramento – Stockton – Modesto	Tims Cakery 2, LLC	Irfan Mehmood* Toheeda Mehmood*	916-430-6839 209-612-7822	3880 Truxel Road Suite 100	Sacramento	CA	95834
San Francisco – Oakland – San Jose	CRCK Inc	Carol Basch* Ralph Basch*	650-867-1292 650-245-0132	864 Laurel St.	San Carlos	CA	94070
San Diego	Keller Cake Co, LLC	Jim Keller*	949-636-0065	638 Camino de Los Mares, Suite 18	San Clemente	CA	92673
San Francisco – Oakland – San Jose	Bad Cat Creations, LLC	Angela Simas	408-398-2560	1702 Meridian Ave. Suite B	San Jose	CA	95125
San Francisco – Oakland – San Jose	Koelbl West Enterprises	Debbie Koelbl Lee Koelbl	408-532-9045 408-832-4246	2721 Aborn Rd. Suite 10	San Jose	CA	95121
San Francisco – Oakland – San Jose	RK Cakes, LLC	Rick Sanciangco* Kellie Sanciangco*	702-203-5900 702-324-7120	699 Lewelling Blvd. #210	San Leandro	CA	94579
Los Angeles	Stokes Industries	Tamika Stokes Clinton Stokes	818-974-2963 818-402-6773	14622 Ventura Blvd. Ste. 104	Sherman Oaks	CA	91403
Sacramento - Stockton - Modesto	MAKIN' CAKE LLC	Mike Robinson Bev Robinson	510-299-2325 209-814-7723	128 Lincoln Center	Stockton	CA	95207
San Francisco – Oakland - San Jose	FDRC, LLC	Chiral Desai* Dixit Desai*	925-216-4629 925-393-3333	939 W. El Camino Real Suite #150	Sunnyvale	CA	94087
Los Angeles	Temecula Cake Store	Tate Parker-Donner	951-809-9738	27540 Ynez Road, Unit J1	Temecula	CA	92591
Los Angeles	JM Cakes, LLC	Justin Marmon Marcie Marmon	805-395-0148	1610 Thousand Oaks Blvd, Ste D	Thousand Oaks	CA	91362
Los Angeles	M&T's Cake Shop, Inc.	Ralph Barton*	310-633-4963	5205 Pacific Coast Hwy, Unit B/C	Torrance	CA	90505

Bakery DMA	Entity Name	Franchisees	Franchisee Phone (personal)	Bakery Address	City	State	ZIP
Los Angeles	The Bundt Cakery, LLC	Trinh Hinson* Lauren Tran*	714-656-7585 702-580-5667	2875 Park Avenue	Tustin	CA	92782
Los Angeles	Sunny Sates Cakes, LLC	Zach Zeidler* Jennifer Zeidler*	310-415-3933 661-222-9882	24278 Valencia Blvd	Valencia	CA	91355
Los Angeles	Stack Enterprises, Inc.	Terre Downey Tom Downey	805-302-3975 805-340-0842	1794 S. Victoria Suite A	Ventura	CA	93003
San Francisco – Oakland – San Jose	RK Cakes, LLC	Rick Sanciangco* Kellie Sanciangco*	702-203-5900 702-324-7120	1551 Botelho Dr.	Walnut Creek	CA	94596
Visalia	Linka Corp.	Linda Stuve Mohit Yadav Kaela Yadav Kurt Stuve	408-410-8480 559-284-1459 559-288-3236 408-813-7185	2040 S Mooney Blvd Suite 1	Visalia	CA	93277
Los Angeles	KC EXQUISITE CAKES INC	Kyoung Kim	626-664-9841	1012 W. Covina Pkwy, Ste 1012A	West Covina	CA	91790
Los Angeles	Bonnie B's Sweet Beginnings, Inc.	Bonnie Abel Jeff Abel	818-523-4331 818-522-4331	6524 Platt Ave.	West Hills	CA	91307
COLORADO							
Denver	Dan Kat, LLC	Dana Weddle Kathy Weddle	303-870-8841 303-690-8970	23973 E. Prospect Ave. Ste B	Aurora	CO	80016
Denver	Boulder Bakery Company, LLC	Pauline Dumas Amy Long	702-236-2562 303-847-6088	2710 Arapahoe Avenue	Boulder	CO	80302
Colorado Springs - Pueblo	Lohak, LLC	Regina Cihak* Alyssa Lopez*	719 548-8439 719-640-6833	5086 North Nevada	Colorado Springs	CO	80918
Colorado Springs – Pueblo	Lohak, LLC	Regina Cihak* Alyssa Lopez*	719 548-8439 719-640-6833	5925 Dublin Blvd. Suite 170	Colorado Springs	CO	80923
Denver	Sweet 5280 Corp.	Chris Lukowski Amy Lukowski	303-328-1998 303-552-8424	1685 S. Colorado Blvd #Q3	Denver	CO	80222
Denver	Jack & Jill Inc.	Jill Tregenza John Tregenza	970-430-9452 970-631-9101	3300 South College Avenue Suite 180	Fort Collins	CO	80525

Bakery DMA	Entity Name	Franchisees	Franchisee Phone (personal)	Bakery Address	City	State	ZIP
Denver	Muzzzy's, LLC	Diana Dargen Mike Dargen	720-785-0935 720-785-3286	8116 C West Bowles Ave.	Littleton	CO	80123
Denver	Esprit D Initiative, LLC	Dea Kreisman	303-913-6695	7508 E. Parkway Drive, Ste 200	Lone Tree	CO	80124
Denver	Longmont NB Cakes, LLC	Patti Yakel Margo Kolb	(720) 323-6698 (303) 775-0582	1242 S Hover St A-100	Longmont	CO	80501
Denver	C.I.M. LLC	Lauren Robydek Suzanne Bruner	702-413-8383 702-257-0664	10449 Town Center Drive Ste. 500	Westminster	CO	80021
CONNECTICUT							
New York	Team Coffee Cake, LLC	Anthony Folger Ann Folger	432-664-1447 432-553-2000	838 High Ridge Road	Stamford	CT	06905
FLORIDA							
Miami – Ft. Lauderdale	Mathaika Enterprises, LLC	Nastazia LaGuerre Dennis Wellert	305-742-7035 786-877-5475	1949 N. University Drive	Coral Springs	FL	33071
Mobile-Pensacola (Ft. Walton Beach)	Panhandle Cakes, LLC	Kevin Arnold Mandi Wichman	850- 830-5031 850-585-4826	985 Highway 98, Suite D	Destin	FL	32541
	Mathaika Enterprises III, LLC	Dennis Wellert* Nastazia* LaGuerre	786-877-5475 305-742-7035	2392 North Federal Highway	Fort Lauderdale	FL	33305
Fort Myers		Larry Weber Karen Weber	404-698-7049 615-974-7131	9345 Ben C Pratt Six Mile Cypress Pkwy Suite 100	Fort Myers	FL	33966
Jacksonville	Cake 4 Partners Inc.	Charlie Waters* Christina Waters*	904-237-2375 904-571-0479	13470-3 Beach Blvd.	Jacksonville	FL	32224
Jacksonville	Cake 4 Partners Inc.	Charlie Water* Christina Waters*	904-237-2375 904-571-0479	9925 San Jose Blvd Unit #3	Jacksonville	FL	32257
Jacksonville	Heart & Cake, LLC	Danielle Debski Doreen Johnson	904-868-6371 904-838-1253	8635 Blanding Blvd., Suite 202A	Jacksonville	FL	32244
Orlando – Daytona Beach - Melbourne	Totally Baked, LLC	Becky Naylor	214-697-0064	1109 International Parkway, Suite 1621	Lake Mary	FL	32746

Bakery DMA	Entity Name	Franchisees	Franchisee Phone (personal)	Bakery Address	City	State	ZIP
Miami – Ft. Lauderdale	SICRE Enterprises	Monica Reckert* John Reckert*	305-790-3037 305-439-7751	12030 SW 88th Street	Miami	FL	33186
Miami – Ft. Lauderdale	SICRE Enterprises II	Monica Reckert* John Reckert*	305-790-3037 305-439-7751	9487 S. Dixie Hwy	Miami	FL	33156
Miami – Ft. Lauderdale	SICRE Enterprises III, Inc.	Monica Reckert* John Reckert*	305-790-3037 305-439-7751	15400 Biscayne Blvd., Suite 112	Miami	FL	33160
Ft. Myers-Naples	Quattro Venti, LLC	Karen Vazquez Ricardo Albertorio	(239) 398-3334 (239) 398-4669	1410 Pine Ridge Rd Suite 9	Naples	FL	34108
Orlando – Daytona Beach - Melbourne	ORLANDO CAKES, LLC	Robert Shuffield* Teresa Shuffield*	540-435-1338 540-435-1335	7339 W. Sand Lake, Suite 418	Orlando	FL	32819
Orlando-Daytona Beach-Melbourne	Waterford Cakes, LLC	Robert Shuffield* Teresa Shuffield* Ralph Mencia* Tammy Mencia*	540-435-1338 540-435-1335 904- 631-0039 904-514-4508	626 N Alafaya Tr, Suite 104	Orlando	FL	32828
West Palm Beach – Ft. Pierce	Ambrosial, LLC	Stephanie Quirantes Scott Mershon	305-753-1003 305-606-6185	4250 Northlake Blvd.	Palm Beach Gardens	FL	33410
Miami – Ft. Lauderdale	Epic Cake, LLC	Beatriz Davila Jorge Valadez	954-668-8252 954-668-8306	11966 Pines Blvd., Suite A	Pembroke Pines	FL	33026
Mobile – Pensacola (Fort Walton Beach)	Holeycakes, LLC	Dana Haller Pat Haller	850-291-6341 402-213-5709	501 East Gregory Street	Pensacola	FL	32502
Tampa – St. Petersburg (Sarasota)	Brandon Cakes, LLC	Robert Shuffield* Teresa Shuffield*	540-435-1338 540-435-1335	11238 Sullivan St.	Riverview	FL	33578
West Palm Beach – Ft. Pierce	SEALIMA SWEET CAKES, INC.	Seema Matani	561-317-3112	171 S. State Road, Suite 7	Royal Palm Beach	FL	33414
Tampa – St. Petersburg (Sarasota)	Kelly's Kakes, LLC	Kelly Erdmann	239-470-3113	5354 Fruitville Road	Sarasota	FL	34232
Tampa-St. Petersburg		Robert Shuffield Teresa Shuffield	540-435-1338 540-435-1335	2458 4 th Street North	St. Petersburg	FL	33704
Miami – Ft. Lauderdale	The Cake Girls FL, LLC	Dannie Augustin Genese Augustin	850-321-0591 409-960-9138	143 NW 136 th Avenue	Sunrise	FL	33325

Bakery DMA	Entity Name	Franchisees	Franchisee Phone (personal)	Bakery Address	City	State	ZIP
Tallahassee - Thomasville	Smarty Cakes, Inc.	Marty Newman	850-491-9851	346 South Magnolia Drive #1	Tallahassee	FL	32301
Tampa – St. Petersburg (Sarasota)	For Goodness Cake, LLC	Tammy Mencia* Ralph Mencia*	904-514-4508 904-631-0039	13252 Dale Mabry Highway	Tampa	FL	33618
Tampa – St. Petersburg (Sarasota)	Funky Cakes, Inc.	Maureen Funk Charles (Chip) Funk	813-679-6183 813-679-6182	1155 S. Dale Mabry Highway Suite 5	Tampa	FL	33629
Tampa – St. Petersburg (Sarasota)	It's a Sweet Life, LLC	Tammy Mencia* Ralph Mencia*	904-514-4508 904-631-0039	28345 Willet Way	Wesley Chapel	FL	33543
Orlando - Daytona Beach - Melbourne	LiLi's Fancy Cakes, LLC	Lisa Jones	407-506-7430	415 N. Orlando Avenue, Suite 101	Winter Park	FL	32789
GEORGIA							
Atlanta	The Next Big Thing, LLC	Heidi Young Dave Young	706-206-1577 706-254-2164	1021 Dowdy Road, Suite 101	Athens	GA	30606
Atlanta	23 Productions, LLC	Jig Patel* Divyesh Patel*	678-887-5283 678-886-2266	410 Peachtree Pkwy, Suite 104	Cumming	GA	30041
	Double L Enterprises III, LLC	Laurie Shepherd	704-900-9096	2911 Chapel Hill Road, Suite 220	Douglasville	GA	30135
Augusta – Aiken	Susie Q's Sweets, Inc.	Susan See James See	706-294-9500 706-840-0278	4217 Washington Road, Suite 7	Evans	GA	30809
Atlanta	All 4 Them, LLC	Jackie Schwendinger Jason Schwendinger	678-232-7409 678-232-8466	127 South Point Blvd.	McDonough	GA	30253
Atlanta	ZAGS Enterprises, Inc.	Sergio Pacheco Gloria Mattei	678-301-9364 678-510-6279	5230 Windward Parkway Suite 102	Milton	GA	30004
Atlanta	Janman and Janman, Inc.	Kristi Janman*	404-983-6229	1985 Cobb Parkway NW, Suite 120	Kennesaw	GA	30152
Atlanta	Rosebuds Bakery, LLC	Tisha Rosamond Shannon Van Meter	770-366-8228 760-677-5691	5975 Roswell Road, Ste A-103	Sandy Springs	GA	30328
Savannah	Designer Sweets, Inc.	Shannon Hall Jeffrey Hall	912-657-1946 912-657-3967	1801 E Victory Dr, Suite 102	Savannah	GA	31404

Bakery DMA	Entity Name	Franchisees	Franchisee Phone (personal)	Bakery Address	City	State	ZIP
Atlanta	The Janman Group Smyrna, LLC	Kristi Janman*	404-983-6229	400 Village Green Circle, Suite 100	Smyrna	GA	30080
Atlanta	Kasi Productions, LLC	Divyesh Patel* Jig Patel*	678-886-2266 678-887-5283	2118 Scenic Hwy N. Suite E	Snellville	GA	30078
Atlanta	Habibi Group, Inc.	Charlie Shabazz Kevin Trowers	347-247-5121 770-500-6539	4280 Lavista Road Suite C-115	Tucker	GA	30084
	The Janman Group Woodstock, LLC	Kristi Janman*	404-983-6229	285 Ridgewalk Parkway Suite 104	Woodstock	GA	30188
IDAHO							
Boise	JS Cakes, Inc	Shannon Cline Jeanine McKeon	408-393-8098 408-203-6489	1400 N. Eagle Rd. #106	Meridian	ID	83642
ILLINOIS							
Chicago	NBC Franchises, LLC	Daniel Sorensen	630-863-6566	2529 County Line Road	Algonquin	IL	60102
Peoria-Bloomington	Connections Thru Cakes, LLC	Greg Jenkins Ragini Jenkins	217-972-9574 217-979-9028	2109 Veterans Pkwy #13	Bloomington	IL	61704
Chicago	Cake Matters More, Inc.	Ryan Devlin* Jeffrey Reynolds*	708-557-0337 630-632-5433	1953 N. Clybourn Suite G	Chicago	IL	60614
Chicago	Another Sweet Event, Inc.	Mila Fuller	202-246-2253	408 W Town Center Blvd	Champaign	IL	61822
Chicago	Elmhurst Cakes, LLC	Todd Davies* Ashley Davies*	910-322-4617 910-322-4624	355 S.Route 83	Elmhurst	IL	60126
Chicago	Darien Cakes, LLC	Ashley Davies* Todd Davies*	910-322-4624 910-322-4617	7517 South Cass Avenue, Unit C	Darien	IL	60541
Chicago	Baby's Got Bundt, Inc.	Bonnie Goldberg Neil Goldberg	708-380-8477 847-840-0888	190 Waukegan Road, Suite D	Deerfield	IL	60015
St. Louis	Team Fricke, Inc.	Aaron Fricke Melanie Fricke	214-549-9444 618-698-4324	5915 N. Illinois Street	Fairview Heights	IL	62208

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Chicago	Geneva Cakes, LLC	Todd Davies* Ashley Davies*	910-322-4617 910-322-4624	1086 Commons Drive	Geneva	IL	60184
Chicago	Blair Bakery, LLC	Kathy Blair Troy Blair	847-845-4607 847-650-9236	6951 West Grand Avenue, Unit 10	Gurnee	IL	60031
Chicago	Joyful Bites, Inc.	Caryn Simons* Britnee Luburich*	847-404-4319 847-778-6887	20413 N. Rand Road Suite 104	Kildeer	IL	60074
Chicago	SLC Corp.	Linda Silverman	630-337-7272	30 N LaGrange Road	LaGrange	IL	60525
Chicago	Feldmans Cakes, LLC	Bob Feldman* Beth Feldman*	630-930-3692 630-453-2644	11225 US-30	Mokena	IL	60448
Chicago	Cindy's Sweet Dream, Inc.	Cindy Adams	630-202-8997	1071 N. Elmhurst Rd., M-103	Mt. Prospect	IL	60056
Chicago	Sweet Ram Cakes, LLC	AJ Mehta* Neepea Mehta*	630-885-1008 630-219-4466	2860 Showplace Drive Suite #106	Naperville	IL	60564
Chicago	Cake Matters, Inc.	Ryan Devlin* Jeffrey Reynolds*	708-557-0337 630-632-5433	10912 S. Cicero Ave.	Oak Lawn	IL	60453
Chicago	BBS Feldman's Cakes, LLC	Beth Feldman* Bob Feldman*	630-453-2644 630-930-3692	14360 South LaGrange Rd. Unit A	Orland Park	IL	60462
Chicago	Sweet Ram Cakes of Plainfield, LLC	AJ Mehta* Neepea Mehta*	630-885-1008 630-219-4466	207 Vertin Blvd.	Shorewood	IL	60404
Chicago	The Spilman Group, LLC	Cindy Spilman Ted Spilman Kristen Spilman Theo Spilman	858-449-1935 858-922-4431 217-725-3050 217-725-1206	2476 Wabash Avenue	Springfield	IL	62704
Rockford	JKD Sugar & Spice, Inc.	Jana Caulk David Caulk	815-978-1978 815-978-1973	881 S. Perryville Road Suite 200	Rockford	IL	61108
Chicago	Joyful Bites Inc.	Caryn Simons* Britnee Luburich*	847-404-4319 847-778-6887	9719 Skokie Blvd	Skokie	IL	60077
Chicago	The Sisnett Group, LLC	Dorothy Sisnett Jevon Sisnett	901-210-7191 312-692-1866	701 N. Milwaukee Ave., Ste. 312	Vernon Hills	IL	60061
Chicago	Wheaton Cakes, LLC	Todd Davies*	910-322-4617 214-868-2773	421 Town Square	Wheaton	IL	60189

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INDIANA							
Indianapolis	Frosted in Fishers, LLC	Lisa Roberts Curt Roberts	317-507-2349 317-507-2341	11680 Commercial Drive, Ste. 500	Fishers	IN	46038
Fort Wayne		Jennifer Henricks John Keeley	260-414-4174 630-772-9772	6409 Lima Rd	Fort Wayne	IN	46818
Indianapolis		Charlie Brown Chip Ladigo Leann Brown	317-410-6022 704-774-9724 317-525-7167	3113 W Smith Valley Rd Suite B	Greenwood	IN	46142
Indianapolis	Two Sweet, Inc.	Cody Selman Jamie Little	317-501-0097 619-200-1449	8505 Keystone Crossing	Indianapolis	IN	46240
South Bend-Mishawaka-Elkhart	Bolden Holdings LLC	Thomas Vaughn Erin Bolden Corliss Vaughn Carlos Bolden	(312) 593-0546 (773) 615-0209 (773) 771-5135 (870) 329-0829	5325 Grape Rd Suite B	Mishawaka	IN	46545
Chicago	Let Us Bake, LLC	Valerie Jackson Tamanika Oliver	708-259-5184 773-716-8046	69-D US Hwy 41 Suite 315	Schererville	IN	46375
Lafayette	Cake Runners Bakery	Linda Allendorph Dave Allendorph	260-414-1534 260-579-3827	1056 B Sagamore Parkway W	West Lafayette	IN	47906
IOWA							
Des Moines - Ames	Hole Lotta Yum, LLC	Sharon Hansen* Melissa Hegarty*	402-650-9357 402-305-6462	1255 NW 128 th Street Suite 300	Clive	IA	50325
	Rayney Starr, LLC	Melissa Ingle Pat Ingle Becky Peterson	319-530-8687 319-430-6744 319-359-8968	2611 James St Suite 100	Coralville	IA	52241
Davenport-R.Island-Moline		Jeff Sowards Heather Sowards Don Pogue	214-500-1487 214-500-1719 580-504-0344	3020 E 53rd Street, Suite B	Davenport	IA	52807
KANSAS							
Kansas City	Sunflower Cakes, LLC	Jim Edwards* Beverly Edwards*	913-707-6339 913-780-5252	6850 Johnson Dr	Mission	KS	66202
Kansas City	KCakes, LLC	Joey Devine Lauren Tjaden	785-341-2358 469-534-7492	15151 WE. 119th St., Ste E08	Olathe	KS	66062
Kansas City	Kansas Cakes, LLC	Jim Edwards* Bev Edwards*	913-707-6339 913-780-5252	13420 Metcalf	Overland Park	KS	66213

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Topeka		Connie Casper	785-341-4538	2121 SW Wanamaker Rd., Suite 101A	Topeka	KS	66614
Wichita – Hutchinson Plus	RYDM INC	Yolanda Hamilton Dan Hamilton	316-347-4486 316-799-2292	2035 N. Rock Rd. #113	Wichita	KS	67206
KENTUCKY							
Cincinnati	Sweet E.D.G.E. Florence, LLC	Pam Teller*	615-533-8290	4950 Houston Rd Suite C	Florence	KY	41042
Lexington	Kirmel, LLC	Melanie Leach	859-806-1511	2358 Nicholasville Road, Suite 145	Lexington	KY	40503
Louisville	Louisville Cakes, LLC	Christine Browne* Tom Browne*	502-758-2307 502-643-8615	12949 Shelbyville Rd Suite 101	Louisville	KY	40243
Louisville	CTB Cakes, LLC	Christine Browne* Tom Browne*	502-758-2307 502-643-8615	4505 Shelbyville Road, Suite D	Louisville	KY	40207
LOUISIANA							
Shreveport	DOXA Beannaithe, LLC	Jack Gabriel* Mona Gabriel*	936-675-0132 936-675-0619	2501 Beene Blvd Suite 700	Bossier City	LA	71111
New Orleans	Northshore Cakes, LLC	Derek Morel Mary Kay Morel	336-978-0563 706-201-7955	1111 Greengate Dr. #D	Covington	LA	70433
Lafayette	BG Bundt, LLC	Beth Champagne Greg Champagne	337-230-1442 337-257-1213	1700 Kaliste Saloom Road, Building 1, Suite 101	Lafayette	LA	70508
Lake Charles	LC Cakery, LLC	Trnhh Pham	972-971-2672	4740 Nelson Rd Suite 300	Lake Charles	LA	70605
New Orleans	NOLA Che, LLC	Lam Tran Don Dinh Quan Tran	972-898-6869 469-951-8638 682-459-3163	3131 Veterans Memorial Blvd. #100	Metairie	LA	70002
New Orleans	Fluer de Gateau, LLC	Carrie Herbert Linda Russell	225-963-0008 504-460-1263	4839 Prytania Street	New Orleans	LA	70115
Shreveport	DOXA Caddo, LLC	Jack Gabriel* Mona Gabriel*	936-675-0132 936-675-0619	7423 Youree Drive	Shreveport	LA	71105

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MAINE							
Portland-Auburn	JCTG Enterprises, LLC	Todd Greenquist Jonathan Carr	207-650-1404 207-650-1401	550 Gallery Blvd Unit D	Scarborough	ME	04074
MARYLAND							
	JJRhenn Company	Glenn Rogers Rhonda Rogers	571-431-9809 571-431-9810	1901 Towne Centre Blvd, Suite 130	Annapolis	MD	21401
		Verelyn Watson	202-870-2927	8209 Wisconsin Avenue	Bethesda	MD	20814
Baltimore		Alice Pax Bryan Pax	240-606-6646 240-602-3332	10730 Little Patuxent Pkwy	Columbia	MD	21044
Washington, DC (Hagerstown)	Watson Works, LLC	Verelyn Gibbs Watson	202-870-2927	12133 Darnestown Road	Gaithersburg	MD	20878
Washington, CD (Hagerstown)	Hoerster, LLC	Katheryn Hoerster	325-423-4112	9462 Georgia Ave	Silver Spring	MD	20910
MASSACHUSETTS							
Boston (Manchester)	That Taste is Profound, LLC	Sherri Foresta	978-790-7997	229 C Andover St	Peabody	MA	01960
Boston (Manchester)		Tuyet Duong Christopher Nguyen Cindy Nguyen	832- 651-4473 832-277-2834 832-275-7204	6 Wayside Rd Unit N-121B	Burlington	MA	01803
Boston (Manchester)	Gibbs Cake Shop, Inc.	Ralph Barton* Sarah Gardella	310-633-4963 617-817-3798	170 Needham St	Newton	MA	02461
Boston (Manchester)	ALG Industries, LLC	Alan Gulachnski Liz Gulachenski	508-380-0884 508-612-1295	98 Boston Turnpike Unit# J6	Shrewsbury	MA	01545
MICHIGAN							
Grand Rapids-Kalamazoo-Battle Creek	Ohana Ventures, Inc.	Scott Vogel Christine Vogel	616-570-9086 708-502-3454	5121 28th Street SE	Grand Rapids	MI	49512
Detroit	Irene Inc.	Kelly Rankin	248-521-7903	43280 11 Mile Rd	Novi	MI	48375
Detroit	Abundtance, LLC	Jerry Yurgo Kelly Yurgo	586-552-3093 248-670-4126	3074 Walton Blvd	Rochester Hills	MI	48309
Detroit	A. Lynn, LLC	Andrea Jones	248-470-5263	14924 Hall Rd	Sterling Heights	MI	48313
Detroit	Cake Cake LLC	Jazmyn Jones	909-224-6801	780 E Big Beaver Suite C-120	Troy	MI	48083

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MINNESOTA							
Minneapolis – St. Paul	Bundt Magic, Inc.	Doug Crosson Terrie Crosson	612-991-1133 612-309-3567	1540 109th Ave. NE #200	Blaine	MN	55449
Minneapolis – St. Paul	TS-TWO L.L.C.	Dawn Stucky Steve Stucky Marc Tullemans* Jill Tullemans*	636-579-0871 314-486-5182 952-294-0124 952-239-3131	1992 Rahn Cliff Ct. Suite 100	Eagan	MN	55122
Minneapolis – St. Paul	Channick Company, Inc.	Marc Tullemans* Jill Tullemans* Patty Balster	952-294-0124 952-239-3131 612-991-0005	8435 Joiner Way	Eden Prairie	MN	55344
Minneapolis – St. Paul	Cake Gals, Inc.	Bianca Januik Tasha Norden	763-218-5584 612-250-4049	8085 Wedgewood Lane	Maple Grove	MN	55369
Minneapolis – St. Paul	Sweet Cakes, L.L.C.	Kim Cassens Janet Dryer	952-240-3354 612-396-4859	12987 Ridgedale Dr.	Minnetonka	MN	55305
Rochester – Mason City – Austin	SotaCakes Corp.	Matt Bonnerup Amy Buckmeier	952-500-1737 507-259-6759	1161 6 th Street, Suite 105	Rochester	MN	55901
Minneapolis – St. Paul	Saint Paul Cakes, LLC	Wendy Sevenich Paul Sevenich	651-206-0795 612-845-3945	1580 Grand Avenue	Saint Paul	MN	55105
Minneapolis – St. Paul	Parkmann Inc	Dawn Parker Peter Parker Roger Heckmann Janet Heckmann	612-889-6394 651-322-5948 651-464-2794 651-464-2794	783 Radio Dr., Ste. 116 and 117	Woodbury	MN	55125
MISSISSIPPI							
Jackson	DOXA Flowood, LLC	Jack Gabriel* Mona Gabriel*	936-675-0132 936-675-0619	163 Ridge Way, Ste E	Flowood	MS	39232
Memphis	Cake Four Life, LLC	Amy Lupo* Chris Lupo*	901-277-7562 901-494-0967	5338 Goodman Road, Ste. 127	Olive Branch	MS	38654
MISSOURI							
St. Louis	Neeley Bakeries	Jannette Neely* Paul Neely*	832-605-4357 225-588-0855	159 Lamp and Lantern Village	Chesterfield	MO	63017

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Kansas City	MightyMo Cakes, LLC	Jim Edwards* Beverly Edwards*	913-707-6339 913-780-5252	8930 NW Skyview Avenue	Kansas City	MO	64154
Kansas City	ShowMe MO Cakes, LLC	Jim Edwards* Beverly Edwards*	913-707-6339 913-780-5252	910 NW Blue Parkway, Suite Y	Lee's Summit	MO	64086
	Harvey Trio, LLC	Adrienne Harvey Jordan Harvey	817-781-8403 817-253-0790	2906 S Glenstone Avenue	Springfield	MO	65804
St. Louis	Hole Lotta Cakes, Inc.	Jenni Schroeder Jim Schroeder	602-690-2318 602-361-4093	9040 Manchester Rd	St. Louis	MO	63144
St. Louis	Neely Bakeries Co. 2, LLC	Jannette Neely* Paul Neely*	832-605-4357 225-588-0855	6123 Mid Rivers Mall Blvd	St. Peters	MO	63304
NEBRASKA							
Lincoln & Hastings Kearney	Hole Lotta Yum, LLC	Sharon Hansen* Melissa Hegarty*	402-650-9357 402-305-6462	4107 Pioneer Woods Dr #102	Lincoln	NE	68506
Omaha	Hole Lotta Yum, LLC	Sharon Hansen* Melissa Hegarty*	402-650-9357 402-305-6462	10347 Pacific St	Omaha	NE	68114
Omaha	Hole Lotta Yum, LLC	Sharon Hansen* Melissa Hegarty*	402-650-9357 402-305-6462	2921 S. 168 th Street	Omaha	NE	68130
NEVADA							
Reno	SILVETTO, LLC	Shele Faretto Eddie Silveira	775-544-0908 775-544-0908	5051 S. McCarran Blvd	Reno	NV	89502
Las Vegas	Helianthus, LLC	Dena Tripp* Blaine Tripp*	702-596-8855 702-497-0658	8320 W. Sahara Avenue #140	Las Vegas	NV	89117
Las Vegas	Partee, LLC	Debbie Shwetz	702-497-4369	9711 S. Eastern Avenue #H-10	Las Vegas	NV	89183
Las Vegas	Helianthus II, LLC	Dena Tripp* Blaine Tripp*	702-596-8855 702-497-0658	5765 Centennial Blvd. #160	Las Vegas	NV	89149
Las Vegas	LuLu Cakes, LLC	Jenna Lamb	702-400-6961	7155 South Rainbow Blvd. Suite 120	Las Vegas	NV	89118
NEW JERSEY							
New York	WhollyT, LLC	Colleen Terracciano	973-789-0466	170 E Hanover Ave	Morristown	NJ	07960

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New York	Princredible Cakes, LLC	Suny Patel Prinal Patel	732-421-5926 732-299-1821	1443 US Route 1	North Brunswick	NJ	08902
New York		Bill Lewis* Maria Lewis*	732-616-6268 732-239-4170	3495 US Rout 1	Princeton	NJ	08540
New York	For Goodness Cakes, LLC	Bill Lewis* Maria Lewis*	732-616-6268 732-239-4170	1081 Broad Street	Shrewsbury	NJ	07702
New York	Kaysee Enterprise, Inc.	Funke Olayinka Seyi Amele	973-715-0670 973-715-0670	1809 Route 23 S	Wayne	NJ	07470
NEW MEXICO							
Albuquerque - Santa Fe	Duke City Sweets, LLC	Rima Rothweiler Barbara Rothweiler Michael Rothweiler Bill Rothweiler	505-604-4020 505-453-1714 505-453-1718 505-453-1715	5901 Wyoming Blvd. NE	Albuquerque	NM	87109
El Paso (Las Cruces)	BET the Farm, LLC	Eileen Torres Barbara Torres	915-274-9824 505-450-6950	540 Walton Blvd Suite A	Las Cruce	NM	88001
NEW YORK							
Albany - Schenectady - Troy	Round Albany, LLC	Melissa Gleason Matt Gleason	518-878-5791 518-225-5977	110 Wolf Road, Unit 2	Albany	NY	12205
Utica	Team Cruz Cakes, LLC	Jim Sarchilli James Caiola	315-723-7633 315-796-3495	4759 Commercial Dr, Suite 300	New Hartford	NY	13413
	SAMCAKES, LLC	Edward Horton Margaret Horton Susan Horton	845-590-3428 845-399-2508 845-795-1034	2521 South Rd (Route 9) Suite B	Poughkeepsie	NY	12601
NORTH CAROLINA							
Greenville-Spartanburg-Asheville-Anderson	Mountain City Cakes, LLC	Rebekah Moody Megan Herschmann	404-277-8739 615-517-6013	1838 Hendersonville Rd, Suite A	Asheville	NC	28803
Charlotte	Carolina Cakes Company	Tia Davis* Jim Davis*	704-999-1546 704-264-9236	601 S King Drive	Charlotte	NC	28204
Charlotte	Heavenly Cakes Company	Aditi Mehta Darshy Mehta	704-784-6569 704-701-9701	8905 Christenbury Pkwy, Suite 10	Concord	NC	28027
Raleigh - Durham (Fayetteville)	Bull Durham Holdings, LLC	Chris Duncan Rupert Leary	704-604-5931 843-364-5662	1125 W NC Hwy 54, Suite 105	Durham	NC	27707

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Raleigh-Durham (Fayetteville)	Cake Delights, Inc.	Marissa Capel	310-875-8246	2844 Freedom Pkwy Dr Suite 1	Fayetteville	NC	28314
Charlotte	Hole Lotta Love, Inc.	Eric Stober Jeff Grant	817-313-5126 704-785-4509	3125 E Franklin Blvd Suite 115	Gastonia	NC	28065
Greensboro - High Point - Winston Salem	Gate City Cakes, LLC	Lora Lenander* Matt Roughgarden*	919-264-1886 919-270-8717	3334 N. Friendly Avenue, Suite 123	Greensboro	NC	27410
Charlotte	S & J Endeavors, Inc.	Sue Gilbert John Gilbert	940-206-3434 949-813-3487	8830 Lindholm Drive, Suite 110	Huntersville	NC	28078
Charlotte	CJD Cakes Company	Tia Davis* Jim Davis*	704-999-1546 704-264-9236	1915 Matthews Township Pkwy., #1100	Matthews	NC	28105
Raleigh - Durham (Fayetteville)	Sage Crew Investments	Nathan Gilliam* Charles Gilliam*	919-333-0421 806-798-2738	2008 Market Center Dr, Unit 17130	Morrisville	NC	27560
Raleigh - Durham (Fayetteville)	Capital City Cakes, LLC	Lora Lenander* Matt Roughgarden*	919-264-1886 919-270-8717	6643 Falls of Neuse Road	Raleigh	NC	27615
Charlotte	Future Enterprise Company, Inc.	Tia Davis* Jim Davis*	704-999-1546 704-264-9236	9704 Rea Road, Suite A	Waxhaw	NC	28173
Wilmington	Team Marinich, LLC	Cat Marinich Greg Marinich	910-777-4082 910-777-4565	1437 Military Cutoff Road	Wilmington	NC	28401
Greensboro - High Point - Winston Salem	Winston Salem Cakes, LLC	PJ Moore Traci Moore	910-358-0301 910-358-0077	678 St. George Square	Winston-Salem	NC	27103
NORTH DAKOTA							
Fargo	Polich-Dix Bakery, LLC	Rinda Norberg Jenna Larson	612-508-2960 763-453-5361	816 24th Ave E Suite 120	West Fargo	ND	58078
OHIO							
Cleveland - Akron (Canton)	Cake Erie, Ltd.	Janette Looney*	503-928-1970	35925 Detroit Road, Ste. 119	Avon	OH	44011
Cleveland	Peterson NBC, LLC	Kenny Peterson	614-558-4511	4468 Belden Village Street NW, Unit B	Canton	OH	44718
Cincinnati	Sweet E.D.G.E. Cincinnati, LLC	Ashley Todd* Pam Teller*	615-542-6693 615-533-8290	2733 Madison Road	Cincinnati	OH	45209

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Columbus	Amy Cakes Inc.	Amy DeLuca* Jay DeLuca*	817-689-1465 817-894-5662	5073 N. Hamilton Rd.	Columbus	OH	43230
Columbus	Best Cakes Upper Arlington, Inc	PJ Coffland* Greg Sullivan*	614-707-3572 917-972-7620	1547 Lennox Town Lane	Columbus	OH	43212
Columbus	Best Cakes Dublin, LLC	PJ Coffland* Gregory Sullivan*	614-707-3572 917-972-7620	6560 Perimeter Drive	Dublin	OH	43016
Cincinnati	Recipe For Success, LLC	Carey Greiner	513-368-3621	9540 Mason Montgomery Road, Suite D	Mason	OH	45040
Dayton	Baking a Difference, LLC	Renee Hall Jeff Hall	513-767-5080 513-290-7687	9632 Springboro Pike	Miamisburg	OH	45342
Columbus		Jay DeLuca* Amy DeLuca*	817-894-5662 817-689-1465	2845 Taylor Road SW	Reynoldsburgglendale	OH	43068
Cleveland-Akron (Canton)	Bake Erie, Ltd.	Janette Looney*	503-928-1970	13949 Cedar Rd	South Euclid	OH	44118
Cleveland – Akron (Canton)	EPR Enterprises, LLC	Liz Rowan Rich Rowan	440-668-6203 734-347-7656	13433 Pearl Road	Strongsville	OH	44136
Toledo	SweetRenee', LLC	Christie R. Bush Taylor R. Bush	419-376-7656 419-376-9524	7427 W Central Ave	Toledo	OH	43617
Columbus, OH	AMD Cakes, LLC	Jay DeLuca* Amy DeLuca*	817-894-5662 817-689-1465	7389 State Route 3, Unit 11	Westerville	OH	43082
OKLAHOMA							
Oklahoma City	Bake My Day LLC	Mark Baird* Marie Hicks	405-593-9509 580-451-0700	2520 W. Memorial Road Suite #B	Oklahoma City	OK	73134
Tulsa	Bake My Day, LLC	Mark Baird* Marie Hicks	405-593-9509 580-451-0700	7890 E. 106th Place S., Building V, Suite 10	Tulsa	OK	74133

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OREGON							
Portland	Carla's Confections, Inc.	Carla Mayes Brent Mayes	214-850-0538 503-754-7509	11629 Beaverton Hillsdale Highway	Beaverton	OR	97005
Portland	PDX Waud, Inc.	Holly Waud	503-720-1557	9895 SE Sunnyside Road, Suite G	Clackamas	OR	97015
Portland	Carla's Confections, Inc.	Carla Mayes Brent Mayes	214-850-0538 503-754-7509	2037 NW 185th Ave	Hillsboro	OR	97124
Portland	BR Cakes, LLC	Christie Burger Todd Burger Shawn Roche	702-460-5863 702-324-0232 503-801-4672	19283 B SW Martinazzi Ave	Tualatin	OR	97062
PENNSYLVANIA							
Philadelphia	Pekymoda, LLC	Kristin Davis	781-264-7942	6379 Hamilton Blvd Suite 102	Allentown	PA	18106
Philadelphia	The Ayers Crew, Inc.	Melissa Ayers Lawrence Ayers	302-650-8919 302-632-7062	99 Market St. Suite 2	Collegeville	PA	19426
Pittsburgh	Three Rivers Cakes, Inc.	Felipe Valdez Jessica Valdez	814-227-3088 724-316-1351	20215 Route 19 Suite 106	Cranberry Township	PA	16066
Philadelphia	Swanderful, LLC	Patrycja Swan David Swan	484-639-8476 610-827-1371	143 W. Lincoln Highway	Exton	PA	19341
Philadelphia	R&R Bakers, Inc.	Roxanne Fitzgerald Rick Fitzgerald	702-528-6981 267-337-5712	2838 S. Eagle Road	Newtown	PA	18940
Philadelphia	Hockey Mom Bakeries, LLC	Kim Wright* Will Wright*	214-564-8838 267-414-3150	1001 Baltimore Pike	Springfield	PA	19064
Pittsburgh	Steel City Cakes, LLC	Hollie Kawecki John Kawecki	740-398-9910 412-418-4035	100 Siena Drive Suite 225	Upper St. Clair	PA	15241
Philadelphia	JulDec, LLC	Jeannie L. Kim	215-867-9367	1524 Main St Suite 802	Warrington	PA	18976
Philadelphia		Michael Shine Erin Shine	610-733-0446 610-574-3400	245 East Swedesford Road	Wayne	PA	19087

Bakery DMA	Entity Name	Franchisees	Franchisee Phone (personal)	Bakery Address	City	State	ZIP
Philadelphia	Boy Mom Bakeries, LLC	Kim Wright	214-564-8838	333 E. Lancaster Avenue	Wynne-wood	PA	19096
SOUTH CAROLINA							
Columbia, SC	4 Mynds, LLC	Tien Pham*	214-789-7376	131 Harbison Boulevard	Columbia	SC	29212
Columbia, SC	Soda City Cakes, LLC	Kandi Bubonic*	618-322-4278	4619 Forest Dr Bldg. B, Suite 1	Forest Acre	SC	29206
Greenville – Spartanburg – Asheville – Anderson	Palmetto Bakeries of Greenville, LLC	Diane Hardy Jim Hardy	864-356-9046 864-356-9046	101 Verdae Blvd., Suite 1300	Greenville	SC	29607
Charleston, SC	Mt. Pleasant SC – Bakery, Inc.	Rick Giecek	865-250-2684	1145 Johnnie Dodds Blvd., Ste 105	Mt. Pleasant	SC	29464
Charleston, SC	JD Cakes, LLC	Jordan Davis	704-620-0652	1202 North Main Street, Suite 101	Summer-ville	SC	29483
Tega Cay	TMD Cakes Company	Jim Davis* Tia Davis*	704-264-9236 704-999-1546	1143 Stonecrest Blvd., Suite 105	Tega Cay	SC	29708
SOUTH DAKOTA							
Sioux Falls (Mitchell)	Meyer’s Bakery Co.	Bryon Meyer Diane Meyer	605-731-9875 605-214-1896	2101 W. 41 st Street, Suite 30	Sioux Falls	SD	57105
TENNESSEE							
Chattanooga	Nooga NbC, LLC	Melinda Mason Dan Mason	214-533-6481 214-232-1917	2321 Lifestyle Way, Ste. 104	Chatta-nooga	TN	37421
Nashville	Croesus Capital, LLC	Jeff Warne* Lynne Warne*	615-804-0312 615-974-6003	535 Cool Springs Blvd, Ste 110	Franklin	TN	37067
Nashville	SWEET E.D.G.E., LLC	Pam Teller*	615-533-8290	299-B Indian Lake Blvd.	Henderson-ville	TN	37075
		Richard Isaac	865-603-4315	1900 N Roan St Suite C	Johnson City	TN	37601
Knoxville	K-TOWN BAKERY, LLC	Richard Isaac Kasey Isaac	865-603-4315 865-712-7961	5300 Kingston Pike	Knoxville	TN	37919
Memphis	Hole Lotta Cake, LLC	Amy Lupo* Chris Lupo*	901-277-7562 901-494-0967	5679 Poplar Avenue, Suite 102	Memphis	TN	38119

Bakery DMA	Entity Name	Franchisees	Franchisee Phone (personal)	Bakery Address	City	State	ZIP
Nashville	SWEET E.D.G.E., LLC	Pam Teller*	615-533-8290	4110 N. Mt. Juliet Road	Mt. Juliet	TN	37122
Nashville	Plutus Capital, LLC	Lynne Warne* Jeff Warne*	615-974-6003 615-804-0312	1440 Medical Center Parkway Suite E	Murfreesboro	TN	37129
Nashville	Gr8 Cakes I	Jeff Warne* Lynne Warne*	615-804-0312 615-974-6003	21 White Bridge Rd., Ste 111B	Nashville	TN	37205
TEXAS							
Dallas – Fort Worth	JVT Enterprises, LLC	James Evans* Tien Pham* Tuan Nguyen* Vinh Le*	703-894-7607 214-789-7376 817-729-5649 214-668-8041	987 Garden Park Drive	Allen	TX	75013
Sweetwater	Sekac Enterprises, LLC	Deon Lawson Hali Thompson	325-725-7042 325-518-3013	3810 Buffalo Cap Road	Abilene	TX	79605
San Antonio	1 Sweet Place, LLC	Tim Tucker* Kim Tucker*	713-385-0207 832-971-0100	5164 Broadway	Alamo Heights	TX	78209
Amarillo	Doty Bakery Company	Julie Doty Steve Doty	817-366-9530	2302 South Georgia Street	Amarillo	TX	79109
Dallas – Fort Worth	TVT Enterprises	Tien Pham*	214-789-7376	5001 S. Cooper St., Ste 111	Arlington	TX	76017
Dallas – Fort Worth	Ranger Town Cakes, LLC	Kandi Bubonic* Jason Bubonic*	618-322-4278 214-783-7518	839 East Lamar Blvd.	Arlington	TX	76011
Austin	TL Enterprises, LLC	Christy Herbstreit* Brian Herbstreit*	512-250-3665 817-304-3077	2785 Bee Cave Road, Suite 333	Austin	TX	78746
Austin	CBHC Enterprises, Inc	Brian Herbstreit* Christy Herbstreit*	817-304-3077 512-250-3665	9600 IH-35 South #S-140	Austin	TX	78748
Austin	Benna & Bob Co.	Caitlin Johnson Leif Johnson	702-419-4798 512-608-8094	10225 Research Blvd, #330	Austin	TX	78759
Beaumont – Port Arthur	The Bundtheads, LLC	Trinh Pham Duy Nguyen Nhi Pham Vu Nguyen	972-971-2672 972-343-8798 409-344-0269 409-527-0273	4265 Dowlen Road	Beaumont	TX	77706
Harlingen - Weslaco - Brownsville - McAllen	M-Amaya Inc.	Lisa Amaya Michael Amaya	956-605-9606 956-330-5925	2451 Pablo Kisel Blvd Suite A	Brownsville	TX	78526

Bakery DMA	Entity Name	Franchisees	Franchisee Phone (personal)	Bakery Address	City	State	ZIP
Dallas – Fort Worth	Burleson Cakes, LLC	Vanessa Sheriff Deric Sheriff	972-998-0214 817-909-7251	140 NW John Jones Drive	Burleson	TX	76028
Dallas – Fort Worth	Cedar Hill Cakes, LLC	Brenda Boese*	214-223-6596	352 N HWY 67 Suite B	Cedar Hill	TX	75104
Waco – Temple – Bryan	Kindred Confections, LLC	Ashley Tonnesen Alyson Tonnesen	469-569-2769 214-680-3875	1713 South Texas Avenue	College Station	TX	77840
Corpus Christi	Wystone, LLC	Tien Nguyen Nancy Nguyen Gail Nguyen	832-495-3990 832-316-3732 361-463-3641	5425 South Padre Island Dr. #167	Corpus Christi	TX	78411
Houston	Bluebonnet Cakes, LLC	Bill Green* Carol Green*	(713) 560-4053 (972) 754-6549	1351 W Davis St., Suite B	Conroe	TX	77304
Dallas – Fort Worth	Highland Park Cakes, LLC	Tara Cooper	214-662-9238	4264 Oak Lawn Avenue	Dallas	TX	75219
Dallas – Fort Worth	TVT Enterprises	Tien Pham*	214-789-7376	9440 Garland Road #114	Dallas	TX	75218
Dallas – Fort Worth	MSTS, LLC	Jim Sheahan*	214-868-2814	1300 S Loop 288 #110	Denton	TX	76205
El Paso (Las Cruces)	Karibu Kwetu Enterprise, LLC	Yomi Adejokun* Beth Adejokun	915-274-8737 509-879-1244	8889 Gateway Blvd W. Bldg. AU4, Ste. 200	El Paso	TX	79925
El Paso		Yomi Adejokun*	915-274-8737	436 Redd Rd Suite 101	El Paso	TX	79912
Dallas – Fort Worth	AMJS, LLC	Jim Sheahan*	214-868-2814	3634 Long Prairie Rd. Suite 114	Flower Mound	TX	75022
Dallas – Fort Worth	Cowtown Cakes, LLC	Kathy Bonds* Phillip Bonds*	214-202-8491 214-693-3044	4603 Camp Bowie	Ft. Worth	TX	76107
Austin	GTBC Enterprises, LLC	Christy Herbstreit* Brian Herbstreit*	512-250-3665 817-304-3077	1003 W University Avenue Suite 120	Georgetown	TX	78628
Waco – Temple – Bryan	Doxa Temple, LLC	Mona Gabriel* Jack Gabriel*	936-675-0619 936-675-0132	201 E. Central Texas Expressway	Harker Heights	TX	76548

Bakery DMA	Entity Name	Franchisees	Franchisee Phone (personal)	Bakery Address	City	State	ZIP
Houston	Alicia's Sweets, LLC	Ana Rondon Lisset Sousa	832-314-1427 832-998-3738	14555 Memorial Drive #200	Houston	TX	77079
Houston	Bayou Cakes, LLC	Josh Green* Bill Green* Carol Green*	214-762-3020 713-560-4053 972-754-6549	5115 Buffalo Speedway #400	Houston	TX	77005
Houston	Lots of Hole Cakes, Inc.	Bindya Patel* Kumar Patel* Rajesh Patel*	281-222-0450 256-652-0111 256-698-3760	10123 Louetta Road, Suite 100	Houston	TX	77070
Houston	Lone Star Cakes, LLC	Josh Green* Carol Green* Bill Green*	214-762-3020 972-754-6549 713-560-4053	5000 Westheimer Road, Ste #108	Houston	TX	77056
Houston	Wild Flours of Texas, LLC	Kathy Jones* Paul Jones* Tim Roth* Gail Roth*	281-370-8083 713-302-7931 281-703-2622 713-204-2264	19250 W Lake Houston Parkway, Suite I	Humble	TX	77346
Dallas – Fort Worth	Las Colinas Cakes, LLC	Sadie McClarty	325-370-4228	6450 N. MacArthur Blvd. Ste. 130	Irving	TX	75039
Houston	Lots of Holes Cakes, Inc.	Bindya Patel* Rajesh Patel* Kumar Patel*	281-222-0450 256-652-0111 256-698-3760	2717 Commercial Central Blvd., Suite E160	Katy	TX	77494
Laredo	Pequeño Cakes, LLC	Laura Pequeño Alvaro Pequeño	956-763-9476 956-237-6354	2019 E. Del Mar Blvd., Ste. 300	Laredo	TX	78041
Dallas-Ft. Worth	BD Cakes, LLC	Jim Sheahan*	214-868-2814	360 E Round Grove Rd Suite 860 ^a	Lewisville	TX	75067
Lubbock	The Right Table, LLC	Elizabeth Wright	806-789-9911	5217 98 th Street, Ste 300	Lubbock	TX	79424
Harlingen - Weslaco - Brownsville - McAllen	M-Amaya Inc.	Michael Amaya Lisa Amaya	956-330-5925 956-605-9606	3400 Expressway 83, Bldg 700 – Ste 740	McAllen	TX	78501
Odessa – Midland	Triple Treats, Inc.	Debra Holt*	432-661-2972	3211 W. Wadley Ave, #22 A	Midland	TX	79705
San Antonio	DMBK New Braunfels	Dustin Patrick* Molly Patrick*	512-845-2778 830-358-3010	161 Creekside Way Suite 602	New Braunfels	TX	78130
Odessa-Midland	Triple Treats, Inc.	Debra Holt*	432-661-2972	4901 E 42nd St Suite A-1	Odessa	TX	79762

Bakery DMA	Entity Name	Franchisees	Franchisee Phone (personal)	Bakery Address	City	State	ZIP
Houston	January Baby Cakes, Inc.	Dalinda Madrigal Brittney Pequeno	713-478-6332 713-553-5360	6025 Crenshaw Rd. #101	Pasadena	TX	77505
Houston	Wild Flours of Texas, LLC	Kathy Jones* Paul Jones* Gail Roth* Tim Roth*	832-723-3951 713-302-7931 713-204-2264 281-703-2622	11041 Shadow Creek Parkway, #130	Pearland	TX	77584
Austin	RBC Enterprises, LLC	Christy Herbstreit* Brian Herbstreit*	(214) 695-4452 (817) 304-3077	18616 Limestone Commercial Dr Suite 200	Pflugerville	TX	78660
Dallas – Fort Worth	Richardson Cakes, LLC	Kathy Rogers Bryan Rogers	214-536-2222 469-363-5104	324 W. Campbell Road	Richardson	TX	75080
Dallas – Fort Worth	Rodemeyer Cakes, LLC	Leah Rodemeyer	408-335-9027	1035 E. IH 30, Suite 103	Rockwall	TX	75087
San Angelo		Hali Thompson Deon Lawson Chuck Lawson Adam Thompson	325-518-3013 325-725-7042 325-338-4289 325-518-4577	3204-C Sherwood Way	San Angelo	TX	76901
San Antonio	Ocean Green Bakeries, LLC	Laura Gonzalez* Mariano Gonzalez*	817-876-8288 469-271-2240	408 W Loop 1604 S Suite 106	San Antonio	TX	78245
San Antonio	Sky Blue Bakeries, Inc.	Laura Gonzalez* Mariano Gonzalez*	817-876-8288 469-271-2240	11620 Bandera Road #102	San Antonio	TX	78250
San Antonio	COLT Investment Holdings	Kim Tucker* Tim Tucker*	832-971-0100 713-385-0207	700 E. Sonterra Blvd.	San Antonio	TX	78258
San Antonio	DMBK Enterprises, LLC	Molly Patrick* Dustin Patrick*	830-358-2010 512-845-2778	8335 Agora Pkwy #106	Selma	TX	78154
Dallas – Fort Worth	Icing On The Cake, LLC	Dee Dee Anderson	702-494-9333	339 N. Carroll Avenue	Southlake	TX	76092
Houston	PHT Investments, LLC	Thuy Pham Tuyet Duong	281-797-7339 832-651-4473	1531 S Hwy 6, Suite 125	Sugarland	TX	77478
Waco-Temple-Bryan	DOXA Caca Mills, LLC	Jack Gabriel*	936-675-0132	2320 S 31st St Suite 108	Temple	TX	76504
Houston	Lots of Hole Cakes, Inc.	Bindya Patel* Rajesh Patel* Kumar Patel*	281-222-0450 256-652-0111 256-698-3760	10868 Kuykendahl Road, Suite B	The Woodlands	TX	77381
Tyler – Longview – Lufkin – Nacogdoches	DOXA Ventures, LLC	Mona Gabriel* Jack Gabriel*	936-675-0619 936-675-0132	4917 S Broadway Ave	Tyler	TX	75703

Bakery DMA	Entity Name	Franchisees	Franchisee Phone (personal)	Bakery Address	City	State	ZIP
Waco – Temple - Bryan	Team ProLo Corporation	Samantha Tran Nam Tran	817-938-4121 214-642-1551	4633 South Jack Kultgen Expressway, Suite 107	Waco	TX	76706
Weatherford		Kathy Bonds* Philip Bonds*	214-202-8491 214-693-3044	2950 Fort Worth Hwy, Suite 100	Hudson Oaks	TX	76087
Dallas-Ft. Worth	Waxahachie Cakes, LLC	Brenda Boese*	214-223-6596	1700 Dallas Hwy #170	Waxahachie	TX	75165
Houston	MLW Endeavors, LLC	Wendi Walker* Brett Walker*	713-459-7980 713-410-3165	304 W. Bay Area Blvd, Suite 400	Webster	TX	77598
UTAH							
Salt Lake City	Morrison & Clark, LLC	Jenna Clark Shawn Clark Tamara Morrison John Morrison	760-822-0409 801-360-4834 760-846-0738 760-846-0736	987W 500N #105	American Fork	UT	84003
Salt Lake City	Wise Again, LLC	April Wise	801-647-7670	10389 S. State Street	Sandy	UT	84070
Salt Lake City	Stone Avenue, LLC	Kelly Clayton Claudia Clayton	435-229-2917 435-229-2916	15 S River Rd Suite 190	St. George	UT	84790
Salt Lake City		Lincoln Fillmore Mandee Thompson Max Meyer	801-548-0144 801-318-6870 801-502-5260	5338 S Redwood Road	Taylorville	UT	84123
Salt Lake City	BB Cakes, LLC	Shaun Banda	702-806-1217	135 N 500 W Suite D	West Bountiful	UT	84010
VIRGINIA							
Norfolk – Portsmouth – Newport News	Bundt Cake Beauties, LLC	Tiffany Hassell-Gregory	757-343-3351	109 Volvo Parkway #9	Chesapeake	VA	23320
Washington, DC (Hagerstown)	French Lane Enterprises, LLC	France Saunders Vernon Saunders	703-969-1168 703-955-1657	21305 Willmill Parc Drive Suite 130	Dulles	VA	20166
		Brianne Hout Jason King Jocelyn King Quinten Hout	801-808-9124 909-373-5730 480-239-4994 331-300-9883	7324 Atlas Walk Way	Gainesville	VA	20155
Washington, DC (Hagerstown)	Cakes at Fair Lakes, LLC	Liz Wallen* Marge Kelly* Dave Wallen* Mike Kelly*	703-786-8290 703-599-4097 703-786-7462 703-855-6069	12233 B Fair Lakes Promenade Dr	Fairfax	VA	22033

Bakery DMA	Entity Name	Franchisees	Franchisee Phone (personal)	Bakery Address	City	State	ZIP
Washington, DC (Hagerstown)	Let's Bundt Arlington, LLC	Kathleen Lewis	703-508-0121	6286B Arlington Blvd	Falls Church	VA	22044
Norfolk – Portsmouth – Newport News	Sherry Bakes, LLC	Robert Whitaker* Sherry Whitaker*	757-812-4740 757-812-4741	12080 Jefferson Ave., Bldg. 900, Ste. #935	Newport News	VA	23060
Washington, DC (Hagerstown)	Logan Street Group, LLC	James Evans	703-894-7607	7000 D Brookfield Plaza	Springfield	VA	22150
Washington, DC (Hagerstown)	Cakes Around the Corner, LLC	Liz Wallen* Marge Kelly* Dave Wallen* Mike Kelly*	703-786-8290 703-599-4097 703-786-7462 703-855-6069	129 Maple Avenue West	Vienna	VA	22180
Norfolk – Portsmouth – Newport News	Sherry Bakes	Robert Whitaker* Sherry Whitaker*	757-812-4740 757-812-4741	1860 Laskin Road, Ste. 130	Virginia Beach	VA	23454
WASHINGTON							
Seattle – Tacoma	Evergreen State Cakes, LLC	Garry Saunders* Brian Saunders* Lea Saunders*	702-521-1110 425-786-4068 702-325-8809	775 NW Gilman Blvd., #C-2	Issaquah	WA	98027
Seattle – Tacoma	Evergreen State Cakes LLC	Garry Saunders* Brian Saunders* Lea Saunders*	702-521-1110 425-786-4068 702-325-8809	15421 Main St, H102	Mill Creek	WA	98012
Seattle-Tacoma	Cullen Bakeries, LLC	Cindy Cullen Steve Cullen	520-609-5209 408-800-8441	17014 Meridian E	South Hill	WA	98375
Spokane		Misty La Force Annamarie Megrdochian	509-535-4864 951-232-3560	2525 E 29 th Avenue, Suite 1B	Spokane	WA	99223
WISCONSIN							
Milwaukee	General Earth, Inc.	Mike DeJong	262-955-4497	18000 W. Bluemound Road Suite G	Brookfield	WI	53045
Milwaukee	Bina's Bakery, LLC	Abed Khatib Brittany Khatib	920-851-4955 920-851-4933	383 W Brown Deer Rd Suite A	Fox Point	WI	53217
Madison	Two Sweet Cakes, LLC	Jacqueline Schuster Kathleen Lies	815-236-1632 815-236-1414	7414 Mineral Point Rd	Madison	WI	53717

Bakery DMA	Entity Name	Franchisees	Franchisee Phone (personal)	Bakery Address	City	State	ZIP
Chicago	Theory of a Cake House, LLC	Kim Racine	224-388-1067	9740 76 th Street	Pleasant Prairie	WI	53158
CANADA							
Burlington Ontario	Cakes Eh, Inc.	Morgen Shwetz T-Jay Shwetz	289-230-6407 289-300-1410	3350 Fairview Street, Unit 15	Burlington (Canada)	ON	L7N 315

SIGNED BUT UNOPENED FRANCHISEES AS OF DECEMBER 27, 2020

Location of Bakery	State	Franchisee	Telephone Number
Jonesboro	Arkansas	Anand Patel Kalpesh Das Nacita Trammell	(769) 226-6588 (870) 530-9733 (870) 926-9625
La Quinta	California	Jeffrey Tropple Ellie Koch	(760) 805-5684 (760) 899-5926
Santa Rosa	California	Jan Newton	(425) 214-3535
Victorville	California	Charles-Esther Cuellar Susanne Eberly Cindy Hak Samol Ork	(714) 356-6942 (714) 356-6942 (714) 270-5205 (714) 270-2427
Grand Junction	Colorado	Erin Gordon Christie Gordon John Gordon	(970) 210-6863 (970) 210-8388 (307) 277-1805
Boca Raton	Florida	Scott Mershon Stephanie Quirantes	(305) 606-6185 (305) 753-1003
Boynton Beach-Delray	Florida	Dennis Wellert Nastazia LaGuerre	(786) 877-5475 (305) 742-7035
Bradenton	Florida	Kelly Erdmann	(239) 470-3113
Clearwater	Florida	Charles (Chip) Funk Maureen Funk	(813) 679-6182 (813) 679-6183
Clermont	Florida	Robert Shuffield Teresa Shuffield	(540) 435-1338 (540) 435-1335
Daytona Beach	Florida	Utpal Desai Yamini Desai	(386) 295-4573 (386) 295-1427
Melbourne	Florida	Robert Hirsch Teri Hirsch	(702) 373-9316 (702) 592-9769
Miami (Doral)	Florida	John Reckert Monica Reckert	(305) 439-7751 (305) 790-3037
Newnan	Georgia	Missy Moon Stephanie Blackmer Robert Estapa	(770) 540-0654 (678) 617-6555 (404) 610-1539
Woodstock	Georgia	Kristi Janman	(404) 983-6229
Schaumburg	Illinois	Todd Davies	(910) 322-4617
Clarksville	Indiana	Christine Browne Tom Browne	(502) 758-2307 (502) 643-8615
Zionsville	Indiana	Cody Selman Jamie Little	(317) 501-0097 (619) 200-1449
College Park	Maryland	Nicole Dollison Blake Sonja Dollison Carl Blake	(917) 319-0070 (202) 262-8894 (917) 319-0070
Owings Mills (Garrison)	Maryland	Emily Hunter Margo Hunter	(443) 463-2829 (217) 390-1708

Canton	Michigan	Kelly Rankin	(248) 521-7903
Columbia	Missouri	Paul Neely Jannette Neely	(225) 588-0855 (832) 605-4357
Billings	Montana	Emily Cook Brett Cook Cesar Tavares	(281) 967-8273 (406) 850-0885 (713) 445-6425
Las Vegas-Sunset Station	Nevada	Jenna Lamb	(702) 400-6961
Caldwell	New Jersey	Marla Muns James Moye Kimberly Moye	(214) 803-2001 (917) 676-4668 (917) 676-4668
Cherry Hill	New Jersey	Steve Boese Jessica Boese	(512) 731-7347 (512) 619-3777
Paramus	New Jersey	Justyna Dyszkiewicz	(917) 805-6044
Brighton-Henrietta	New York	Teresa Blake	(585) 315-4796
Clifton Park	New York	Melissa Gleason Matt Gleason	(518)-878-5791 (518) 225-5977
White Plains	New York	Andreea Enica Minh Phan Eusebie Oprea Florentina Enica	(832) 470-2501 (713) 874-4980 (203) 722-5671
Charlotte-Berewick	North Carolina	Jim Davis Tia Davis	(704) 264-9263 (704) 999-1546
Holly Springs	North Carolina	Juliana Lucas Nathan Gilliam Charles Gilliam	(984) 220-5736 (919) 333-0421 (806) 798-2738
Jacksonville	North Carolina	Brittany Brown June Brown	(910) 650-1388 (910) 340-3082
Beavercreek	Ohio	Jeff Hall Renee Hall	(513) 290-7687 (513) 767-5080
Fairlawn	Ohio	Kenny Peterson	(614)-558-4511
Stowe	Ohio	Javier Rey Nicole Rey	(510) 205-5551 (510) 415-3477
Midwest City	Oklahoma	Jim Sheahan	(214) 868-2814
Norman	Oklahoma	Jim Sheahan	(214) 868-2814
Eugene	Oregon	Bob Cerince Denise Cerince	(714) 482-8341 (714) 724-1730
Robinson Township	Pennsylvania	George Brzezinski Denise Brzezinski	(412) 478-3158 (412) 708-9927
Cypress	Texas	Kumar Patel Bindya Patel	(256) 652-0001 (281) 222-0450
North Richland Hills	Texas	Sadie Smith	(325) 370-4228

Wichita Falls	Texas	Steve Doty Julie Doty	(817) 946-7296 (817) 366-9530
Mill Creek	Utah	Shaun Banda Brad Berrett Fawn Berrett Joyce Banda	(702) 806-1217 (702) 807-8104 (702) 326-8164 (702) 816-1747
Alexandria	Virginia	Daniel Delgado Todd Crompton Doug Brown Leo LaPointe Gina Brown Lisa LaPointe	(540) 287-5366 (540) 295-6309 (540) 287-5367 (540) 287-7737 (540) 424-0789 (540) 287-9709
Gainesville - Manassas	Virginia	Jocelyn King Brianne Hout Jason King Quinten Hout	(480) 239-4994 (801) 808-9124 (909) 373-5730 (331) 300-9883
Portsmouth	Virginia	Tiffany Hassell-Gregory	(757) 343-3351
Reston	Virginia	France Saunders Vernon Saunders	(703) 969-1168 (703) 955-1657
Virginia Beach-Haygood	Virginia	Dana Whitaker Robert Whitaker Sean Whitaker Sherry Whitaker	(703) 600-9425 (757) 812-4740 (757) 635-6077 (757) 812-4741
Norfolk	Virginia	Dana Whitaker Robert Whitaker Sean Whitaker	(703) 600-9425 (757) 812-4740 (757) 635-6077
Reston	Virginia	France Saunders Vernon Saunders	(703) 969-1168 (703) 955-1657
Short Pump	Virginia	Daniel Delgado Todd Crompton Lisa LaPointe Doug Brown Gina Brown Leo LaPointe	(540) 287-5366 (540) 295-6309 (540) 287-9709 (540) 287-5367 (540) 424-0789 (540) 287-7737
Bellevue	Washington	Bo Cupp Sara Cupp	(425) 753-1723 (425) 753-0540
Redmond	Washington	Leslie McBride Scott McBride	(206) 719-9644 (206) 719-1078
Silverdale	Washington	Breane Martinez Donell Martinez	(360) 286-5178 (402) 770-5620
Vancouver	Washington	Darren Murray Stephanie Schroer	(520) 248-1638 (520) 360-3455
Greenfield (Hales Corner)	Wisconsin	Mike Dejong	(262) 955-4497

Cooksville	Ontario, Canada	Bryan Hartfield Heather Hartfield Neil Verburg Steve Freer	(905) 580-9091 (905) 510-1116 (416) 896-7293 (416) 301-8778
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EXHIBIT G TO THE DISCLOSURE DOCUMENT
FRANCHISEES WHO HAVE LEFT THE SYSTEM

The following franchises had their franchise agreements terminated, reacquired or transferred in 2020 and on or before the issuance date of this disclosure document:

REACQUIRED BY FRANCHISOR

None

TRANSFERRED

Vikram Reddy

Kiran Singh

530-996-1597

530-966-5981

(Chico, CA)

*Sold their shares to current partner

Linda Kirkpatrick

949-391-5667

(Costa Mesa, CA)

Devendra Patel

Poonam Patel

Siddarth Patel

708-465-6036

(Deerfield, IL)

Cinja Heis

773-677-9861

(Cincinnati, OH)

Eric Sakae

Julie Sakae

817-690-1210

(Mt. Pleasant, SC)

Tracy Wisenbaker

Beth Speights

713-858-6985

713-204-4644

(Houston, TX)

Stacey Rogers

214-663-1970

(Allen, TX)

EXHIBIT H TO THE DISCLOSURE DOCUMENT
STATE SPECIFIC ADDENDUM

EXHIBIT H TO THE DISCLOSURE DOCUMENT

ADDENDUM TO NBC FRANCHISOR LLC DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF CALIFORNIA

CALIFORNIA APPENDIX

1. California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination or non-renewal of a franchise. If the Franchise Agreement contains provisions that are 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 covenants not to compete which extend beyond the termination of the agreement. These provisions may not be enforceable under California law.
4. Section 31125 of the California Corporation Code requires the franchisor to provide you with a disclosure document before asking you to agree to a material modification of an existing franchise.
5. The following paragraph is added to the end of Item 6 of the disclosure document:

A. Liquidated Damages Provision:

The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
6. Item 6 of the disclosure document is hereby revised to note that the highest interest rate allowed in California is 10%.
7. Neither the franchisor, any person or franchise broker 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. 79a et seq., suspending or expelling such persons from membership in such association or exchange.
8. The franchise agreement requires binding arbitration, which will occur in Texas. 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.
9. The Franchise Agreement requires application of the laws of Texas. This provision may not be enforceable under California law.
10. You must sign a general release if you renew or transfer your franchise. California Corporation Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).

11. THE TERRITORY IS NOT EXCLUSIVE. YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES, FROM FRANCHISOR OWNED OUTLETS OR FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS FRANCHISOR CONTROLS.
12. THE FRANCHISE AGREEMENT CONTAINS PROVISIONS THAT LIMIT FRANCHISEE'S RIGHTS AND MAY NOT BE ENFORCEABLE IN CALIFORNIA INCLUDING BUT NOT LIMITED TO A TIME LIMIT TO RAISE CLAIMS AGAINST THE FRANCHISOR, LIMITATION OF DAMAGES AND WAIVER OF JURY TRIAL.
13. 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.
14. OUR WEBSITE, www.nothingbundtcakes.com, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF CORPORATIONS at www.dfpi.ca.gov.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20__.

ATTEST

NBC FRANCHISOR LLC

Witness

By: _____
Name: _____
Title: _____

FRANCHISEE:

Witness

EXHIBIT H TO THE FRANCHISE DISCLOSURE DOCUMENT

ADDENDUM TO THE NBC FRANCHISOR LLC DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT, AND AREA DEVELOPMENT AGREEMENT REQUIRED BY THE STATE OF ILLINOIS

1. The following item must be included within the disclosure document and shall replace the language that is in the disclosure document itself:

Section 4, Jurisdiction and Venue, of the Illinois Franchise Disclosure Act of 1987 (“Act”) states that “any provision in the franchise agreement which designates jurisdiction or venue in a forum outside of this State is void with respect to any cause of action which otherwise is enforceable in this State, provided that a franchise agreement may provide for arbitration in a forum outside of this State.” This Section of the Act replaces any contradictory language contained in the Franchise Agreement and Development Agreement.

2. Texas law governs the Franchise Agreement. However, the foregoing choice of law should not be considered a waiver of any right conferred upon you by the provisions of the Illinois Franchise Disclosure Act of 1987 and the Rules and Regulations under the Act with respect to the offer and sale of a franchise and the franchise relationship. Where required under Illinois law, the laws of the State of Illinois will govern.

3. Any releases and/or waivers that we request you to sign must conform with Section 41, Waivers Void, of the Illinois Franchise Disclosure Act of 1987 which states that “any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void. This Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.”

4. Under Illinois law at 200.608, Jurisdiction and Venue, a franchise agreement may not provide for a choice of law of any state other than Illinois. The Summary column of Items 17(v) and (w) of the disclosure document are amended to state “Illinois law”. The appropriate sections of the Franchise Agreement and Development Agreement are amended accordingly.

5. Section 20 of the Franchise Agreement and Section 19 of the Area Development Agreement are amended to comply with Section 27, Periods of Limitation, under the Illinois Franchise Disclosure Act, in that no action for liability under the Illinois Franchise Disclosure Act shall be maintained unless brought before the expiration of 3 years from the occurrence of the facts giving rise to such claim or action, within 1 year after you become aware of the facts or circumstances indicating you may have a claim for relief, 90 days after delivery to you of a written notice disclosing the violation, whichever shall first expire.

6. Item 17(g) of the disclosure document, Article XVII of the Franchise Agreement and Article VII of the Development Agreement are amended by changing the time frame to cure defaults, excluding defaults for safety or security issues, to 30 days.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20__.

ATTEST

NBC FRANCHISOR LLC

Witness

By: _____

Name: _____

Title: _____

FRANCHISEE:

Witness

EXHIBIT H TO THE FRANCHISE DISCLOSURE DOCUMENT

**AMENDMENT TO NBC FRANCHISOR LLC
FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT
REQUIRED BY
THE STATE OF MARYLAND**

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, MD Ann. Code art. 56, Sections 345-365D, the parties to the attached NBC Franchisor LLC Franchise Agreement or Area Development Agreement agree as follows:

1. Sections 2.2(h) and 17.4(k) of the Franchise Agreement and Section 11.4.9 of the Area Development Agreement will be supplemented by the addition of the following language to the end of those respective Sections:

;pursuant to Maryland law, any general release required of the franchisee/developer as a condition of renewal, sale, assignment and/or transfer shall not apply to any release from liability under the Maryland Franchise Registration and Disclosure Law. The sections of this Agreement which contradict this Code provision are amended accordingly.

2. Sections 19.2 and 19.5 of the Franchise Agreement and Sections 14.1 and 14.5 of the Area Development Agreement are supplemented as follows

; provided, however, that franchisee/developer may file a lawsuit alleging a cause of action arising under the Maryland Franchise Registration and Disclosure Law in any court of competent jurisdiction in the State of Maryland.

3. Section 19.8 of the Franchise Agreement and Section 14.6 of the Development Agreement are supplemented by the addition of the following:

; provided however, that any limitation on the period of time mediation and/or litigation claims must be brought will not act to reduce the 3-year statute of limitations afforded a franchisee for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law.

4. The Franchise Agreement shall be supplemented by addition of the following:

Any acknowledgements or representations of the franchisee and/or developer which disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Franchise Law are not intended to nor will they act as a release, estoppels, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

5. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this Amendment.

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

NBC FRANCHISOR LLC

By: _____

Name: _____

Title: _____

FRANCHISEE/AREA DEVELOPER:

**ADDENDUM TO NBC FRANCHISOR LLC
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF MARYLAND**

For franchises and franchisee/developers subject to the Maryland Franchise Registration and Disclosure Law, the following information replaces or supplements, as the case may be, the corresponding disclosures in the main body of the text of the NBC Franchisor LLC Franchise Disclosure Document:

Item 17.

The Franchise Agreement and Area Development Agreement provide that NBC Franchisor LLC may terminate these Agreements, as applicable, if you voluntarily or involuntarily file for bankruptcy, as described in the “Summary of Cause Defined” (provision (h.)). This provision may not be enforceable under federal bankruptcy law.

Any general release signed as a condition to renewal, sale, assignment, or transfer of these Agreements shall not release Franchisor from any liability imposed by the Maryland Franchise Registration and Disclosure Law.

Section 14-226 of the Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a prospective franchisee to agree to any release, estoppel or waiver of liability as a condition of purchasing a franchise. To the extent that the Franchise Agreement or Area Development Agreement may require you to disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Maryland Franchise Registration and Disclosure Law in order to purchase your franchise, it is hereby amended to state that such representations are not intended to nor shall they act as a release, estoppel or waiver of any liability under the Maryland Franchise Registration and Disclosure Law.

Section 14-216(c)(25) of the Maryland Franchise Registration and Disclosure Law requires the franchisor to file an irrevocable consent to be sued in Maryland. Accordingly, the Summary of the Choice of Forum (provision (v.)) is amended to provide that you may file a lawsuit alleging a cause of action arising under the Maryland Franchise Registration and Disclosure Law in any court of competent jurisdiction within the State of Maryland.

Section 14-227 of the Maryland Franchise Registration and Disclosure Law provides that any action brought under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

Franchisee/Developer’s Signature

Date

Franchisor’s Signature

Date

EXHIBIT H TO THE FRANCHISE DISCLOSURE DOCUMENT

ADDENDUM TO DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT FOR THE STATE OF MINNESOTA

This addendum to the disclosure document is agreed to this ___ day of _____, 20___, and effectively amends and revises said disclosure document and Franchise Agreement and Area Development Agreement as follows:

1. Item 13 of the disclosure document and Article 6 of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

“In accordance with applicable requirements of Minnesota law, Franchisor shall protect Franchisee’s right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or shall indemnify Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding such use.”

2. Item 17 of the disclosure document and Article 15 of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

“Minnesota law provides franchisees with certain termination and non-renewal rights. Minnesota Stat. Sec. 80c.14, Subd.3, 4 and 5 require, except in certain specified cases, that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the disclosure document.”

3. Item 17 of the disclosure document and Article 20 of the Franchise Agreement and Article 19 of the Area Development Agreement are amended by the addition of the following language to the original language that appears therein:

“Minn. Stat. Sec. 80C.21 and Rule 2860.4400J prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce any of the franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee’s rights to any procedure, forum, or remedies provided for by the laws of jurisdiction.”

4. Item 17 of the disclosure document and Sections 2.2 and 17.4 of the Franchise Agreement and Section 11.9.9 of the Area Development Agreement are amended by the addition of the following language to the original language that appears therein:

“Minn. Rule 2860.4400D prohibits us from requiring you to assent to a general release.”

5. Any reference to liquidated damages in the Franchise Agreement is hereby deleted in accordance with Minn. Rule 2860.4400J which prohibits requiring you to consent to liquidated damages.

6. Article 20 of the Franchise Agreement is hereby deleted in accordance with Minn. Rule 2860.4400J which prohibits waiver of a jury trial.

7. Section 19.8 of the Franchise Agreement regarding Limitations of Claims is hereby amended to comply with Minn. Stat. §80C.17, Subd. 5.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20__.

ATTEST

NBC FRANCHISOR LLC

Witness

By: _____
Name: _____
Title: _____

FRANCHISEE:

Witness

EXHIBIT H TO THE FRANCHISE DISCLOSURE DOCUMENT

**NBC FRANCHISOR LLC
ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
CONTAINING ADDITIONAL INFORMATION
REQUIRED BY THE STATE OF NEW YORK**

**THE NBC FRANCHISOR LLC
FRANCHISE DISCLOSURE DOCUMENT ("FDD")
CONTAINS INFORMATION REQUIRED BY BOTH
THE FEDERAL TRADE COMMISSION AND THE STATE OF NEW YORK.
THIS ADDENDUM TO THE FDD CONTAINS INFORMATION
REQUIRED EXCLUSIVELY BY THE STATE OF NEW YORK
AND IS BEING PROVIDED TO YOU AT THE SAME TIME AS THE FDD.**

*** * ***

**THE INFORMATION CONTAINED HEREIN MUST BE
REVIEWED IN CONJUNCTION WITH THE FDD**

**NBC FRANCHISOR LLC
ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF NEW YORK**

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- 1. STATEMENT REQUIRED BY THE STATE OF NEW YORK**
- 2. AMENDMENT TO NBC FRANCHISOR LLC FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT REQUIRED BY THE STATE OF NEW YORK**
- 3. ADDENDUM TO NBC FRANCHISOR LLC FRANCHISE DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF NEW YORK**

STATEMENT REQUIRED BY THE STATE OF NEW YORK

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE/DEVELOPER TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS PROSPECTUS.

**AMENDMENT TO THE NBC FRANCHISOR LLC
FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT AND
REQUIRED BY THE STATE OF NEW YORK**

In recognition of the requirements of Article 33 of the General Business Law of the State of New York, the parties to the NBC Franchisor LLC Franchise Agreement and Development Agreement agree as follows:

1. Sections 2.2(h) and 17.4(k) of the Franchise Agreement and Section 11.4.9 of the Area Development Agreement will be supplemented by adding the following language at the end of the Sections:

provided, however, that all rights enjoyed by Franchisee/developer and any causes of action arising in franchisee/developer's 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 provision that the non-waiver provisions of Sections 687.4 and 687.5 of the General Business Law be satisfied;

2. Section 19.2 of the Franchise Agreement and Section 14.1 of the Area Development Agreement shall be supplemented by the addition of the following language at the end of the Section:

However, the foregoing choice of law shall not be considered a waiver of any right conferred upon franchisee/developer by the provisions of Article 33 of the General Business Law of the State of New York.

3. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the General Business Law of the State of New York, Sections 680-695, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the parties hereto have duly executed this Amendment to the Franchise Agreement and Development Agreement in duplicate on the date indicated below.

ATTEST

NBC FRANCHISOR LLC

Witness

By: _____
Name: _____
Title: _____

FRANCHISEE:

**ADDENDUM TO NBC FRANCHISOR LLC'S
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF NEW YORK**

In recognition of the requirements of the New York General Business Law, Article 33, and of the Codes, Rules, and Regulations of the State of New York, Title 13, Chapter VII, Section 200.2 the Franchise Disclosure Document for NBC Franchisor LLC for use in the State of New York shall be amended as follows:

1. Item 3 shall be supplemented by the following:

Neither we, our predecessor, nor any person identified in Item 2 or an affiliate offering franchises under our principal trademark has an administrative, criminal or civil action pending against that person alleging: a felony; a violation of a franchise, antitrust or securities law; fraud, embezzlement, fraudulent conversion, misappropriation of property; unfair or deceptive practices or comparable civil or misdemeanor allegations.

Neither we, our predecessor, nor any person identified in Item 2 or an affiliate offering franchises under our principal trademark has been convicted of a felony or pleaded *nolo contendere* to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded *nolo contendere* to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud or securities law; fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.

Neither we, our predecessor, any person identified in Item 2 or an affiliate offering franchises under our principal trademark is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a federal, state or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

2. Item 4 shall be supplemented by the following:

During the 10-year period immediately before the application for registration, neither we nor our affiliate, any predecessor, current officers or general partner has: (a) filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after our officer or general partner held this position in the company or partnership.

3. Item 17, the Summary Column opposite Provision W, shall be amended to also state the following:

The foregoing Choice of Law should not be considered a waiver of any right conferred upon the franchisor or the franchisee/developer by the General Business Law of the State of New York, Article 33.

ATTEST

NBC FRANCHISOR LLC

Witness

By: _____
Name: _____
Title: _____

FRANCHISEE:

**AMENDMENT TO NBC FRANCHISOR LLC
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE COMMONWEALTH OF VIRGINIA**

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for NBC Franchisor LLC for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure: The following statements are added to Item 17.h

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the Franchise and Area Development Agreements does 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.

ATTEST

NBC FRANCHISOR LLC

Witness

By: _____
Name: _____
Title: _____

FRANCHISEE:

EXHIBIT H TO THE DISCLOSURE DOCUMENT

**ADDENDUM TO THE NBC FRANCHISOR LLC
DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT AND AREA DEVELOPMENT
AGREEMENT REQUIRED BY THE STATE OF WASHINGTON**

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

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

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

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

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

Item 3 – To resolve an investigation by the Washington Attorney General and without admitting any liability, we have entered into an Assurance of Discontinuance (“AOD”) with the State of Washington dated January 31, 2020, where we affirmed that we already removed from our form franchise agreement any provision which restricted a franchisee from soliciting and/or hiring the employees of our other franchisees, which the

Attorney General alleges violated Washington state and federal antitrust and unfair practices laws. We have agreed, as part of the AOD, to not enforce any such provisions in any existing franchise agreement, to not include any such provisions in future franchise agreements, to request that our Washington franchisees amend their existing franchise agreements to remove such provisions, and to notify our franchisees about the entry of the AOD. In addition, the State of Washington did not assess any fines or other monetary penalties against us.

The undersigned does hereby acknowledge receipt of this addendum.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20__.

ATTEST

NBC FRANCHISOR LLC

Witness

By: _____
Name: _____
Title: _____

FRANCHISEE:

Witness

EXHIBIT H TO THE DISCLOSURE DOCUMENT

**NBC FRANCHISOR LLC
ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
CONTAINING ADDITIONAL INFORMATION
REQUIRED BY THE STATE OF WISCONSIN**

**THE NBC FRANCHISOR LLC
FRANCHISE DISCLOSURE DOCUMENT ("FDD")
CONTAINS INFORMATION REQUIRED BY BOTH
THE FEDERAL TRADE COMMISSION AND THE STATE OF WISCONSIN.
THIS ADDENDUM TO THE FDD CONTAINS INFORMATION
REQUIRED EXCLUSIVELY BY THE STATE OF WISCONSIN
AND IS BEING PROVIDED TO YOU AT THE SAME TIME AS THE FDD.**

*** * ***

**THE INFORMATION CONTAINED HEREIN MUST BE
REVIEWED IN CONJUNCTION WITH THE FDD**

**EXHIBIT H TO THE DISCLOSURE DOCUMENT
AMENDMENT TO NBC FRANCHISOR LLC
FRANCHISE AGREEMENT OR AREA DEVELOPMENT AGREEMENT
REQUIRED BY THE STATE OF WISCONSIN**

This Amendment shall pertain to franchises sold in the State of Wisconsin and shall be for the purpose of complying with the Wisconsin Fair Dealership Law. Notwithstanding anything which may be contained in the body of the Franchise Agreement or Development Agreement to be contrary, the Agreements shall be amended as follows:

Ch. 135, Stats., the Wisconsin Fair Dealership Law, supersedes any provisions of this Agreement or a related document between Franchisor and franchisee/developer inconsistent with the Law.

ATTEST

NBC FRANCHISOR LLC

Witness

By: _____
Name: _____
Title: _____

FRANCHISEE:

Witness

EXHIBIT H TO THE DISCLOSURE DOCUMENT

**ADDENDUM TO NBC FRANCHISOR LLC
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF WISCONSIN**

For franchises and franchisees/developers subject to the Wisconsin Fair Dealership Law, the following information supersedes or supplements, as the case may be, the corresponding disclosures in the main body of the text of the NBC Franchisor LLC Wisconsin Franchise Disclosure Document.

Item 17.

For Wisconsin franchisee/developers, ch. 135, Stats., the Wisconsin Fair Dealership Law, supersedes any provisions of the Franchise Agreement or a related contract between Franchisor and franchisee/developer inconsistent with the Law.

EXHIBIT I TO THE DISCLOSURE DOCUMENT

CONFIDENTIALITY AND NONDISCLOSURE **NBC FRANCHISOR LLC**

Given the confidential nature of the information to be provided to persons interested in purchasing a Nothing Bundt Cakes franchise (“Prospective Franchisee”) during their evaluation of the Nothing Bundt Cakes franchise opportunity (“NBF Franchises”), NBC Franchisor LLC (the “Franchisor”) requires that should the Prospective Franchisee not purchase a NBF Franchise, the Prospective Franchisee may not use any of the information provided by Franchisor during the Prospective Franchisee’s evaluation of Franchisor’s business, for any purpose whatsoever. Therefore, Franchisor requires Prospective Franchisees interested in learning about the operation of a NBF Franchise to execute this “Confidentiality & Nondisclosure Agreement”.

Now, Therefore –

1. Prospective Franchisees acknowledges that he/she will be provided confidential information regarding the development and operation of Nothing Bundt Cakes bakeries.

2. It is further understood that Franchisor has invested significant money to develop certain proprietary and confidential systems and trade secrets relating to the operation of a NBF Franchise, which include, without limitation, Proprietary Recipes and other standards and specifications relating to food preparation and presentation, kitchen equipment, and the build-out of a Nothing Bundt Cakes bakery; as well as information about proprietary merchandise, proprietary software Franchisor may now or in the future create; the Franchisor’s Operations Manual and copyrighted materials; food preparation and baking methods; and other techniques and know-how concerning the operation of the Franchisor’s business (“Confidential Information”).

3. Therefore, any and all Confidential Information provided to Prospective Franchisees during in-person meetings with the Company, as well as information that may be provided (in any format) to Prospective Franchisee by other means such as by personal meetings, conversation, mail, fax or electronic transmissions, shall be deemed to be Confidential Information for purposes of this Agreement.

4. The Confidential Information that is disclosed to Prospective Franchisees is being provided solely on the condition that the Prospective Franchisee(s) agree herein that he/she shall hold in strict confidence all Confidential Information and all other information provided them by the Company. Unless the Franchisor otherwise agrees in writing, the Prospective Franchisee will not to disclose any such information even after said person(s) cease to be considered a Prospective Franchisee; and, the Prospective Franchisee will not use any such information for the purpose of operating or owning a business that is considered to be in competition with Nothing Bundt Cakes bakeries.

5. Except as otherwise approved in writing by the Franchisor, the prospective Franchisee shall not for himself/herself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation or limited liability company, own, maintain, engage in, lend money to, extend credit to, have controlling interest in, or be employed as an officer, director, executive, or principal of any bakery, except as stipulated in Item 8 below.

6. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which the Franchisor is a party, the Prospective Franchisee expressly agree to be bound by any lesser covenant

subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

7. The Prospective Franchisee is aware that a violation of this Agreement will cause Franchisor irreparable harm; and therefore acknowledges and agrees that the Franchisor may apply for the issuance of an injunction preventing the Prospective Franchisee from violating this Agreement. In addition, the prospective Franchisee hereby agrees to pay Franchisor all costs it incurs, including, without limitation, legal fees and expenses, if this Agreement is enforced.

8. Notwithstanding anything stated herein, this Agreement shall not restrict the Prospective Franchisee from purchasing a franchise from other companies operating bakeries; provided, however, that Prospective Franchisee does not in any manner use the information learned while discussing the Franchise opportunity with Franchisor.

9. This Agreement shall be construed under the laws of the State of Texas. The only way this Agreement can be changed is in writing signed by both the Franchisor and me.

ACKNOWLEDGED

PROSPECTIVE FRANCHISEE

Signature: _____

Date: _____

Name: _____

EXHIBIT J TO THE DISCLOSURE DOCUMENT
FRANCHISEE DISCLOSURE ACKNOWLEDGMENT STATEMENT

As you know, NBC Franchisor LLC (the “Franchisor”) and you are preparing to enter into a Franchise Agreement for the establishment and operation of a “Nothing Bundt Cakes” Bakery. The purpose of this Questionnaire is to determine whether any statements or promises were made to you by employees or authorized representatives of Franchisor, or by employees or authorized representatives of a broker acting on behalf of the Franchisor (“Broker”), that have not been authorized, or that were not disclosed in the Disclosure Document or that may be untrue, inaccurate or misleading. The Franchisor, through the use of this document, desires to ascertain (a) that the undersigned, individually and as a representative of any legal entity established to acquire the franchise rights, fully understands and comprehends that the purchase of a franchise is a business decision, complete with its associated risks, and (b) that you are not relying upon any oral statement, representations, promises or assurances during the negotiations for the purchase of the franchise which have not been authorized by Franchisor.

In the event that you are intending to purchase an existing “Nothing Bundt Cakes” Bakery from an existing Franchisee, you may have received information from the transferring Franchisee, who are not employees or representatives of Franchisor. The questions below do not apply to any communications that you had with the transferring Franchisee. Please review each of the following questions and statements carefully and provide honest and complete responses to each.

1. Are you seeking to enter into the Franchise Agreement in connection with a purchase or transfer of an existing “Nothing Bundt Cakes” Bakery from an existing Franchisee?

Yes _____ No _____

2. I had my first face-to-face meeting with a Franchisor representative on _____, 20__.

3. Have you received and personally reviewed the Franchise Agreement and each Addendum related agreement attached to it?

Yes _____ No _____

4. Do you understand all of the information contained in the Franchise Agreement, each Addendum and related agreement provided to you?

Yes _____ No _____

If no, what parts of the Franchise Agreement, any Addendum, and/or related agreement do you not understand? (Attach additional pages, if necessary.)

5. Have you received and personally reviewed the Franchisor’s Disclosure Document (Disclosure Document) that was provided to you?

Yes _____ No _____

6. Did you sign a receipt for the Disclosure Document indicating the date you received it?

Yes _____ No _____

7. Do you understand all of the information contained in the Disclosure Document and any state-specific Addendum to the Disclosure Document?

Yes _____ No _____

If No, what parts of the Disclosure Document and/or Addendum do you not understand? (Attach additional pages, if necessary.)

8. Have you discussed the benefits and risks of establishing and operating a “Nothing Bundt Cakes” Bakery with an attorney, accountant, or other professional advisor?

Yes _____ No _____

If No, do you wish to have more time to do so?

Yes _____ No _____

9. Do you understand that the success or failure of your “Nothing Bundt Cakes” Bakery will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, location, lease terms, your management capabilities and other economic, and business factors?

Yes _____ No _____

10. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise concerning the revenues, project cost, (project cost), profits or operating costs of a “Nothing Bundt Cakes” Bakery operated by the Franchisor or its Franchisees, that is contrary to the information contained in the Disclosure Document?

Yes _____ No _____

11. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise regarding the amount of money you may earn in operating the franchised business that is contrary to the information contained in the Disclosure Document?

Yes _____ No _____

12. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise concerning the total amount of revenue the “Nothing Bundt Cakes” Bakery will generate, that is contrary to the information contained in the Disclosure Document?

Yes _____ No _____

13. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise regarding the costs you may incur in operating the “Nothing Bundt Cakes” Bakery that is contrary to or different from, the information contained in the Disclosure Document?

Yes _____ No _____

14. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a "Nothing Bundt Cakes" Bakery?

Yes _____ No _____

15. Has any employee or other person speaking on behalf of the Franchisor made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that the Franchisor will furnish to you that is contrary to, or different from, the information contained in the Disclosure Document?

Yes _____ No _____

16. Have you entered into any binding agreement with the Franchisor concerning the purchase of this franchise prior to today?

Yes _____ No _____

17. Have you paid any money to the Franchisor concerning the purchase of this franchise prior to today?

Yes _____ No _____

18. Have you spoken to any other franchisee(s) of this system before deciding to purchase this franchise? If so, who? _____

If you have answered Yes to any one of questions 10-17, please provide a full explanation of each Yes answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered No to each of questions 10-17, please leave the following lines blank.

I signed the Franchise Agreement and Addendum (if any) on _____, 20____, and acknowledge that no Agreement or Addendum is effective until signed and dated by the Franchisor.

Please understand that your responses to these questions are important to us and that we will rely on them. By signing this Questionnaire, you are representing that you have responded truthfully to the above questions.

A. You recognize and understand that business risks, which exist in connection with the purchase of any business, make the success or failure of the franchise subject to many variables, including among other things, your skills and abilities, the hours worked by you, competition, interest rates, the

economy, inflation, franchise location, operation costs, lease terms and costs and the marketplace. You hereby acknowledge your awareness of and willingness to undertake these business risks.

B. You agree and state that the decision to enter into this business risk is in no manner predicated upon any oral representation, assurances, warranties, guarantees or promises made by Franchisor or any of its officers, employees or agents (including the Broker or any other broker) as to the likelihood of success of the franchise. Except as contained in the Disclosure Document, you acknowledge that you have not received any information from the Franchisor or any of its officers, employees or agents (including the Broker or any other broker) concerning actual, projected or forecasted franchise sales, profits or earnings. If you believe that you have received any information concerning actual, average, projected or forecasted franchise sales, profits or earnings other than those contained in the Disclosure Document, please describe those in the space provided below or write "None".

C. You further acknowledge that the President of the United States of America has issued Executive Order 13224 (the "Executive Order") prohibiting transactions with terrorists and terrorist organizations and that the United States government has adopted, and in the future may adopt, other anti-terrorism measures (the "Anti-Terrorism Measures"). The Franchisor therefore requires certain certifications that the parties with whom it deals are not directly involved in terrorism. For that reason, you hereby certify that neither you nor any of your employees, agents or representatives, nor any other person or entity associated with you, is:

- (i) a person or entity listed in the Annex to the Executive Order;
- (ii) a person or entity otherwise determined by the Executive Order to have committed acts of terrorism or to pose a significant risk of committing acts of terrorism;
- (iii) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or
- (iv) owned or controlled by terrorists or sponsors of terrorism.

You further covenant that neither you nor any of your employees, agents or representatives, nor any other person or entity associated with you, will during the term of the Franchise Agreement become a person or entity described above or otherwise become a target of any Anti-Terrorism Measure.

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

Acknowledged this _____ day of _____, 20____.

Sign here if you are taking the franchise as an
INDIVIDUAL

Sign here if you are taking the franchise as a
CORPORATION, LIMITED LIABILITY
COMPANY OR PARTNERSHIP

Signature

Print Name _____

Signature

Print Name _____

Signature

Print Name _____

Signature

Print Name _____

Print Name of Legal Entity

By: _____
Signature

Print Name _____

Title _____

EXHIBIT K TO THE DISCLOSURE DOCUMENT
FORM OF GENERAL RELEASE

NBC FRANCHISOR LLC

SAMPLE GENERAL RELEASE AGREEMENT

THIS AGREEMENT (“Agreement”) is made and entered into this ____ day of _____, 20__ by and between NBC Franchisor LLC, a Delaware limited liability company having its principal place of business located at 4560 Belt Line Rd, Addison, Texas 75001 (the “Franchisor”), and _____, an individual residing at _____ OR _____ (hereinafter referred to as “Releasor”), wherein the parties hereto, in exchange for good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, and in reliance upon the representations, warranties, and comments herein are set forth, do agree as follows:

1. **Release by Releasor:**

Releasor does for itself, its successors and assigns, hereby release and forever discharge generally the Franchisor and any affiliate, wholly owned or controlled corporation, subsidiary, successor or assign thereof and any shareholder, officer, director, employee, or agent of any of them, from any and all claims, demands, damages, injuries, agreements and contracts, indebtedness, accounts of every kind or nature, whether presently known or unknown, suspected or unsuspected, disclosed or undisclosed, actual or potential, which Releasor may now have, or may hereafter claim to have or to have acquired against them of whatever source or origin, arising out of or related to any and all transactions of any kind or character at any time prior to and including the date hereof, including generally any and all claims at law or in equity, those arising under the common law or state or federal statutes, rules or regulations such as, by way of example only, franchising, securities and anti-trust statutes, rules or regulations, in any way arising out of or connected with the Agreement, and further promises never from this day forward, directly or indirectly, to institute, prosecute, commence, join in, or generally attempt to assert or maintain any action thereon against the Franchisor, any affiliate, successor, assign, parent corporation, subsidiary, director, officer, shareholder, employee, agent, executor, administrator, estate, trustee or heir, in any court or tribunal of the United States of America, any state thereof, or any other jurisdiction for any matter or claim arising before execution of this Agreement. In the event Releasor breaches any of the promises covenants, or undertakings made herein by any act or omission, Releasor shall pay, by way of indemnification, all costs and expenses of the Franchisor caused by the act or omission, including reasonable attorneys’ fees.

2. Releasor hereto represents and warrants that no portion of any claim, right, demand, obligation, debt, guarantee, or cause of action released hereby has been assigned or transferred by Releasor party to any other party, firm or entity in any manner including, but not limited to, assignment or transfer by subrogation or by operation of law. In the event that any claim, demand or suit shall be made or institute against any released party because of any such purported assignment, transfer or subrogation, the assigning or transferring party agrees to indemnify and hold such released party free and harmless from and against any such claim, demand or suit, including reasonable costs and attorneys’ fees incurred in connection therewith. It is further agreed that this indemnification and hold harmless agreement shall not require payment to such claimant as a condition precedent to recovery under this paragraph.

3. Each party acknowledges and warrants that his, her or its execution of this Agreement is free and voluntary.

4. Texas law shall govern the validity and interpretation of this Agreement, as well as the performance due thereunder. This Agreement is binding upon and inures to the benefit of the respective assigns, successors, heirs and legal representatives of the parties hereto.

5. In the event that any action is filed to interpret any provision of this Agreement, or to enforce any of the terms thereof, the prevailing party shall be entitled to its reasonable attorneys' fees and costs incurred therein, and said action must be filed in the State of Texas.

6. This Agreement may be signed in counterparts, each of which shall be binding against the party executing it and considered as the original.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have executed this agreement effective as of the date first above.

Witness:

RELEASOR:

(Name)

Witness:

NBC FRANCHISOR LLC:

By: _____

Name: _____

Title: _____

EXHIBIT L TO THE DISCLOSURE DOCUMENT
STATE EFFECTIVE DATES

The following states require that this 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 Disclosure Document is either not registered or registered, on file or exempt from registration in the following states having franchise registration and disclosure laws or business opportunity laws, with the following effective dates:

California	Pending
Hawaii	Not Registered
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Exempt
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	Pending
Wisconsin	October 1, 2021

**RECEIPT
(KEEP THIS COPY FOR YOUR RECORDS)**

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 NBC Franchisor 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 and Rhode Island require 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 NBC Franchisor 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 appropriate state agency listed on Exhibit A.

Issuance date: October 1, 2021

The franchise seller is NBC Franchisor LLC, located at 4560 Belt Line Road, Suite 350, Addison, Texas 75001. Its telephone number is (469) 534-3292.

Any additional individual franchise sellers involved in offering the Nothing Bundt Cakes franchises are: Jennifer Churchill, 4560 Belt Line Road, Suite 350, Addison, Texas 75001, Jennifer.churchill@nothingbundtcakes.com; (469) 534-3292, _____.
NBC Franchisor LLC authorizes the agents listed in Exhibit A to receive service of process for it.

I have received a disclosure document dated October 1, 2021 that included the following Exhibits:

A – List of State Agencies/Agents for Service of Process	G – Franchisees Who Have Left the System
B – Franchise Agreement	H – State Specific Addendum
C – Area Development Agreement	I – Confidentiality and Non-Disclosure Agreement
D – Financial Statements	J – Franchisee Disclosure Acknowledgment Statement
E – Operations Manual Table of Contents	K – Form of General Release
F – List of Franchisees	L - State Effective Dates

Date: _____
(Do not leave blank)

Signature of Prospective Franchisee

Print Name

You may return the signed receipt either by signing, dating and mailing it to NBC Franchisor LLC at 4560 Belt Line Road, Suite 350, Addison, Texas 75001, or emailing a copy of the signed and dated receipt to legal@nothingbundtcakes.com.

RECEIPT
(RETURN THIS COPY TO US)

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