FRANCHISE DISCLOSURE DOCUMENT

World of Sourdough Franchising, LLC
a Texas limited liability company
8700 Auburn Folsom Rd. Suite 700
Granite Bay, California 95746
(916) 294-7749
www.sourdoughandco.com

Sourdough & Co
Sandwiches • Soups • Salads ™

As a franchisee, you will operate a restaurant that offers a variety of handcrafted sandwiches and other products, under the marks "Sourdough &Co.," "Naturally Better!" and other related trademarks.

The initial franchise fee is $49,500.00. The estimated initial investment required (including this initial franchise fee) ranges from $330,000 to $589,025. This sum does NOT include any salary or other payments to you or your principals. The estimated initial investment includes the initial franchise fee of $49,500 that must be paid to Franchisor or an affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient to you. To discuss the availability of disclosures in different formats, contact World of Sourdough Franchising, LLC at the address and phone number listed above.

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

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

Issuance Date: March 20, 2026

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits, or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit F.
How much will I need to invest?	Items 5 and 6 list fees you will have to 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 G 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 SDCO business in the area?	Item 12 and the "territory" provisions in the franchise agreement describes whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a SDCO franchisee?	Item 20 or Exhibit F lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	The questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure documents 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 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 and other creditors.

Some States Require Registration

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

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

Special Risks to Consider About This Franchise

Certain states require the following risk(s) be highlighted.

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

2. **Short Operating History.** The Franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

3. **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.

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

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.

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

In this disclosure document, "Franchisor," "we," "us," or "our" means World of Sourdough Franchising, LLC, the franchisor. "Franchisee," "you" or "your" means the person who buys a SDCO franchised business. The franchisee may be an individual, corporation, partnership, or limited liability company. If you are an individual, you may assign all of your rights and interests in the Franchise Agreement to a legal business entity, upon certain conditions.

If you are a corporation, "you" does not include your principals. If you are a limited partnership, "you" includes your general partner(s) but does not include your limited partners. If you are a limited liability company, "you" does not include your members.

The Franchisor

We are a Texas limited liability company, incorporated on March 18, 2021, known as "World of Sourdough Franchising, LLC." We first began offering franchises in 2021.

We do business under our company name and under the name "Sourdough & Co." and "SDCO." We maintain our principal business address at 8700 Auburn Folsom Rd., Suite 700, Granite Bay, California 95746. We do not do business under any other name. Our telephone number is (800) 659-0130. Our agents for service of process are disclosed in Exhibit (A).

We grant a franchise for the right to establish and operate a restaurant that offers a variety of handcrafted sandwiches and other products, under Proprietary Marks and certain of the other intellectual property contained herein.

We have never engaged in any other business activity nor offered franchises in any other lines of business.

Parent/Predecessor

We have no parent. We have no predecessor.

Franchisor's Affiliates

We have no parent. There are two operating businesses that offer similar products and services to Sourdough & Co., which are operated by our affiliates described below. The following is a list of our affiliates including principal addresses and number of locations for each.

Our affiliate, Food Professionals, Inc., is a California corporation that was formed on October 21, 2022 "FPI"). FPI's physical address is 4761 Waterstone Dr., Roseville, CA 95747 and it operates one SDCO franchise located at 4390 Town Center Blvd #140, El Dorado Hills, CA 95762, which began operations on May 9, 2022. FPI's location serves as a flagship location and also provides services to our franchisees including training and/or research and development. We are independent entities, and FPI does not assume any of our legal or other obligations, nor us of theirs. FPI does not offer franchises. Our principals, Jatinder (Nick) Singh, and Lowell Steven Presson each have a 50% ownership interest in FPI.

Our affiliate, R & S Foods, Inc. ("RSF"), is a California corporation that was formed on July 12, 2022. RSF's physical address is 4761 Waterstone Dr., Roseville, CA 95747 and it operates one SDCO franchise located at 381 Green Valley Rd, El Dorado Hills, CA 95762, which began operations on May 9, 2022. RSF may provide franchisees with research and development and/or training assistance and serves as a flagship location for us. We and RSF are independent entities, and RSF does not assume any of our legal or other obligations, nor us of theirs. Our principals, Jatinder (Nick) Singh and Lowell Steven Presson each have a 50% ownership interest in RSF. RSF does not offer franchises.

Description of the Franchised Business

The Franchise Agreement. Under our franchise agreement ("Franchise Agreement") (included as Exhibit B to this Disclosure Document), you will have the right to establish and operate a sandwich restaurant at a specified geographic location using our Proprietary Marks and Systems described below (the "Franchised Restaurant" or "Franchised Business" or "SDCO Franchised Restaurant"). You will operate the Franchised Business using a unique and distinctive business format (the "System") as we specify in the Franchise Agreement, our operating manual(s) (the "Operating Manual" " or "Manual") and other instructions or materials we provide you (sometimes, the "Written Standards").

The System includes eat-in and carry-out dining services at retail locations displaying our interior and exterior trade dress. You will offer a menu of handcrafted sandwiches and other food items approved by us. SDCO Franchised Restaurants are operated using our proprietary and/or branded products, recipes, formulae, and techniques ("Proprietary Products"), as well as a variety of non-proprietary and/or non-branded food, non-alcoholic beverages, and other items that we designate from time to time (collectively such non-proprietary and Proprietary Products shall be referred to as "Products"). All menu items offered for sale at a SDCO Franchised Restaurant are subject to our approval.

Market and Competition

The restaurant industry – including sandwich restaurants – is developed and intensely competitive. You will serve the general public and will compete with other restaurants and businesses offering similar food and dining. The other businesses and restaurants compete on the basis of factors such as price, service, location, and food quality. These businesses and restaurants are often affected by other factors as well, such as changes in consumer tastes, economic conditions, population, and travel patterns. Depending on your actual locations, you may experience seasonal changes.

Your competitors may include national, regional, or local restaurants and bars, some of which may be franchised. Your competitors may include other SDCO businesses, including those owned by us, our affiliates, or our other franchisees.

Industry-Specific Laws and Regulations.

The products and services you sell may be subject to local, county and state regulation. By way of example only, many state and local laws/regulations/ordinances require food service permits for the handling of food. You and your employees may need to pass a test to obtain such permits. There may be laws governing food storage, preparation and service, and inspections relating to these laws. There may be

laws requiring washrooms and other facilities for customers and employees, and access laws related to disabled patrons and employees. You may also need a business license, and possibly other licenses or permits, from your local or state government to operate your business. You should consult with your own legal counsel to determine the applicability of these and other laws and regulations to the operation of your Franchised Restaurant.

It is important that you comply with all laws and regulations in this area and that you become educated regarding retail services and requirements. Some of these laws and regulations may require special certification, licensing, and registrations before you can begin providing services.

Among other licenses and permits your may need are: Zoning or Land Use Approvals, Sales and Use Tax Permits, Special Tax Stamps, Fire Department Permits, Food Establishment Permits, Health Permits, Food Handler's Permit, Alarm Permits, County Occupational permits, Retail Sales Licenses, and Wastewater Discharge Permits. There may be other laws, rules or regulations which may affect your Franchised Business, including, point-of-sale disclosure regarding nutrition and dietary characteristics (e.g., calories, fat-content, etc.) of the food served at your Franchised Business, laws concerning the protection of customer's credit card numbers and financial data, minimum wage, and labor laws along with the ADA, OSHA, and EPA considerations.

The U.S. Food and Drug Administration, the U.S. Department of Agriculture and state and local health departments administer and enforce regulations that govern food preparation and service and restaurant sanitary conditions. State and local agencies inspect stores to ensure that they comply with these laws and regulations.

The federal Clean Air Act and various state laws require certain state and local areas to meet national air quality standards limiting emissions of ozone, carbon monoxide, and particulate matters, including caps on emissions from commercial food preparation. Some state and local governments have also adopted, or are considering proposals, that would regulate indoor air quality, including the limitation of smoking tobacco products in public places such as restaurants.

We are not obligated to provide you with guidance about these laws and regulations and you are solely responsible for knowing about and complying with all laws and regulations applicable to your Franchised Restaurant. We recommend that you consult with your attorney for an understanding of these laws.
The United States enacted the "Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001" (the "USA Patriot Act"). We are required to comply with the USA Patriot Act. To help us comply with the USA Patriot Act, we ask you in the Franchise Agreement to confirm for us that neither you nor your directors, officers, shareholders, partners, members, employees, or agents are suspected terrorists or persons associated with suspected terrorists or are under investigation by the U.S. government for criminal activity. You may review the Patriot Act and related regulations at: http://www.treasury.gov/offices/enforcement/ofac/sdn.

ITEM 2
BUSINESS EXPERIENCE

Managing Member: Jatinder ("Nick") Singh

Jatinder ("Nick") Singh is our managing member. He is also one of our owners/members. He has held

these positions and been an owner since we were first formed on March 18, 2021, located in Granite Bay, California. From 2018 to 2021, Nick was the President and Manager, and owner, of Trademark Pizza Company, LLC in Roseville, California. From 2009 to the present, he has worked as a retailer and developer in gas stations in California.

Managing Member: Lowell Steven ("Steve") Presson

Steve Presson has been a managing member for SDCO assisting with business operations since January 2, 2024, located in Granite Bay, California. He is also one of our owners/members. From 2016 to December 2023, Steve was President of Sourdough & Co. based in El Dorado Hills, California.

Director of Operations. David Bagley

David has worked as our Director of Operations, training, and procurement for SDCO since January 27, 2023, based in Granite Bay, California. Since December 27, 2017, David has worked for Sourdough & Co., based in El Dorado Hills, California managing distribution, manufacturing, and vendor relationships.

ITEM 3
LITIGATION

GSD Foods, Inc., Davinder Singh, an individual, Powerglide Holdings, LLC, Kaldeep Uppal, an individual; SD-Folsom, Inc. ("Plaintiffs") v. Sourdough & Co., Inc., SFSE of EDH, Inc., Lowell Steven Presson, an individual, R. Gordon Ross, an Individual, David Bagley, an individual (together, the "**Original Defendants**"), and World of Sourdough Franchising, LLC, Jatinder Singh, an individual, and Songye Qin Presson, an individual (Case No. 34-2020-0027829B).

On March 9, 2020, the Plaintiffs filed an initial complaint in California, County of Sacramento against the Original Defendants asserting claims against the Original Defendants for violations of the California Franchise Investment Law – Sale of unregistered franchises, violation of Cartwright Act, unfair business practices, accounting, unlawful product typing, fraud, breach of implied covenant of good faith a fair dealing, civil RICO and (fraud, conspiracy).

Thereafter, on June 14, 2023, the Plaintiffs (former franchisees of Sourdough & Co.) filed an amended complaint seeking to bring us and our principals in the Lawsuit for secondary liability under the theory of single enterprise, for the claims of violations by Sourdough & Co. against its former franchisees. The state court amended complaint filed in California, County of Sacramento, asserted claims against Sourdough & Co. for violations of the California Franchise Investment Law – Sale of unregistered franchises, unfair business practices, accounting, unlawful product typing, fraud, breach of implied covenant of good faith a fair dealing, civil RICO (fraud, conspiracy), declaratory relief – Sourdough Corporation's license agreements constitute franchises, scheme to sell vital products at inflated prices, and asserted secondary liability for such claims against us and our principals based on personal relationships between Sourdough & Co. and us. The Plaintiffs sought compensatory damages for the defendants jointly and severally for $900,000, injunctive, and declaratory relief. The parties settled all claims and entered into a confidential settlement agreement with us settling all claims for $240,000 to be paid in installments. The parties also exchanged mutual releases. The complaint will be dismissed with prejudice upon the final payment of the settlement amount. Plaintiff's Request for Dismissal

of all claims was filed on June 21, 2024.

S.L. Presson Inc. ("Plaintiff") vs. Lowell Steven Presson filed in the Superior Court of the State of California, County of Sacramento (Case No. 34-2020-002818172). Plaintiff asserted claims of breach of contract, intentional interference with contractual relations, tortious interference with prospective economic advantage, unfair business practices, trade libel, fraud, conversion, breach of fiduciary duty, and sought declaratory relief as to consulting agreement and stock purchase agreement, Recission of Stock consulting agreement based on fraud and/or failure of consideration. The complaint was filed on July 16, 2020. There is a hearing to dismiss in March 2025. The parties filed a request for dismissal of all claims with prejudice on June 21, 2024, in Superior Court of the State of California, County of Sacramento.

KULWANT SINGH, an individual; JOGINDER DULAI, an individual ("Plaintiffs") v. S.L. PRESSON, INC., a California corporation; PRAB GROUP, a California corporation; STEVE PRESSON, an individual; and DOES 1 through 10, inclusive ("Presson"). Plaintiffs filed the complaint on November 27, 2019, in Superior Court of the State of California, County of Sacramento (CASE NO. 34-2020-00278230) asserting claims of Failure to Register Franchise (Corp. Code §§31300, 31110); Violation of Business & Professions Code section 17200; Intentional Misrepresentation; Negligent Misrepresentation; and Declaratory Relief. Presson filed a cross complaint on 9/18/2020 asserting fraud and deceit. The parties filed a request for dismissal with prejudice on November 5, 2025, in Superior Court of the State of California, County of Sacramento.

ITEM 4
BANKRUPTCY

No bankruptcies are required to be disclosed in this disclosure document.

ITEM 5
INITIAL FEES

You must pay us a $49,500 initial franchise fee when you sign your Franchise Agreement.

At the time you sign your Franchise Agreement and anytime thereafter, that you are in good standing under your Franchise Agreement, you may purchase additional SDCO Franchised Restaurants in accordance with the initial franchise fee schedule outlined in the chart below. To qualify, you must meet the following minimum conditions (a) you must satisfy our then current qualifications and training requirements, (b) not be in default of the Franchise Agreement, and (c) you must execute our then-current franchise agreement for each additional SDCO Franchised Restaurant. All such initial franchise fees are referred to as the "Initial Franchise Fee."

Initial Franchise Fee Schedule

Franchised Unit	Base Fees
First Franchised Unit	$49,500
Second Franchised Unit	$40,000
Third Franchised Unit	$35,000
Fourth Franchised Unit	$30,000
Fifth Franchised Unit	$30,000
Sixth Franchised Unit	$30,000
Seventh Franchised Unit	$30,000
Eighth Franchised Unit	$30,000
Ninth Franchised Unit	$30,000
Tenth Franchised Unit	$30,000

The Initial Franchise Fee is paid in a lump sum at the time the Franchise Agreement is signed, is non-refundable and is deemed fully earned upon the opening of the Franchised Business for the deliverables described above and as provided in the Franchise Agreement. In certain states, as required by state authorities based on a review of our financial statements, we may defer our receipt of the Initial Franchise Fee and all other initial payments or deposit them into escrow until we have met our initial obligations to you (see state addenda in Exhibit D).

The protected area for a Franchised Business is determined once a specific location is identified and approved by us. The Initial Franchise Fee includes the development of a custom local affiliate website for your Franchise housed within our national website that will include online ordering functionality for your customers.

We have established a program for qualified veterans of the United States who have been honorably discharged to receive a discount of 10% off the Initial Franchise Fee when purchasing a franchise. This program does not apply to additional franchises. We retain the right in our sole discretion to modify or terminate this veteran discount program at any time with or without notice. The factors concerning our decision to modify or terminate the veteran discount program include the number of franchises that we sell, the number of veterans that are interested in purchasing a franchise and the quality of veteran applicants that we receive.

ITEM 6
OTHER FEES

Type of Fee	Amount	Due Date	Remarks

Royalty Fee	5% of Gross Revenues. Weekly starting immediately once your Business is open for operation.	Weekly every Sunday	See Note 1.
System Advertising Fee	Currently none.	If and when we provide you with reporting software, System Advertising Fee payments will be due weekly.	See Note 2. We may increase this fee upon 90 days' written notice to you. However, your total contribution will not exceed 3% of Gross Revenue per month, in any calendar year. See Note 2 and Item 11.
Local Advertising Fee	Currently 1%, but up to 3% of Gross Revenues starting immediately once your Business is open for operation once implemented	Monthly. Spent by you to promote your Business locally	We may increase this fee upon 90 days' written notice to you. However, your total contribution will not exceed 3% of Gross Revenue per month, in any calendar year. See Note 3 and Item 11.
Website, Edits, Updates, Changes, Maintenance and Promotion Fee	Currently, there is no fee	On demand, if applicable.	Payable to Us, our Affiliates, or our approved vendors. See Note 4.

Software Fee; POS Technology; and Software Fees for Ongoing Support	Currently $184 per month for POS system and online functionality software usage and ongoing support necessary for the operation of your Business. Currently, $100 per month for the Loyalty and Ordering App	Monthly	Payable to Us, our Affiliates, or approved vendors. See Note 5.
Interest and Late Payment Charge	$100 on each Royalty or Advertising Fee payment not received within 5 days of due date. Interest at 18% per annum for any payment not received within 30 days of due date, or the maximum rate allowed by law, provided the interest rate cannot exceed the maximum legal rate. The highest interest rate in California is 10%.	After due date of fees.	See Note 6

Audit Expenses	Cost of audit plus interest @ 18% per annum (1.5% per month) up to the maximum interest rate allowed by law. The highest interest rate in California is 10% per annum.	Ten days after receipt of Audit report.	Payable only if audit shows understatement of 3% or more of Gross Revenues for any reporting period. We expect the cost to be between $3,000 and $5,000 unless your financial records are not well kept.

Curable Violation Fee	$200 per violation of any curable term of default (under the Franchise Agreement) and/or and material violation of any operating procedure (as described in writing to all franchisees or otherwise provided to you in writing).	On demand.	Payable to Us; as incurred.
Additional Training	Then-current fee, (as described in writing to all franchisees or otherwise provided to you in writing). Up to $200 per person per day or costs of third-party charges. You are responsible for all room, board, and travel expenses.	At time training is scheduled and/or additional assistance is requested by you.	While the Initial Franchise Fee includes the cost of our initial training program, the Initial Franchise Fee only covers training for up to two individuals. See Item 11. You must pay for all additional training required by us. Additionally, this fee is applicable to the transferee upon an approved transfer of the Franchise for the initial training program and additional training.

Transfer Fee	A flat fee of $10,000 when you transfer a part (less than 49% of all the assets) of the Business or when you transfer all of the Business (more than 49%). If transferee comes from our lead database, you may be required to pay the then-current referral fee to us plus any costs associated with applicable broker fees.	At the time the transferee signs the Franchise Agreement in effect for transfer or sale.	Payable to us when the Franchise Agreement is signed or a material portion of the assets in the business is transferred. See Note 7.
Renewal Fee	$10,000	Upon execution of the renewal of the Franchise Agreement.	See Note 8. For the same protected area.

Site Evaluation Fee	At your request, Franchisor will provide on-site site-evaluations for two (2) of your proposed locations at no additional fee. However, you may be required to reimburse us our reasonable expenses associated with our trip(s).	On demand.	See Note 9.

Hold Harmless, Indemnification, and Defense	Will vary under circumstances	As incurred.	You must reimburse us for claims and liabilities relating to your business or breach of the Franchise Agreement. See Note 10.
Collection Costs, Attorneys' Fees, Mediation Fees, and Arbitration Fees	Costs of collection, attorneys' fees, mediation fees, and arbitration fees	As incurred.	Payable as incurred by us in obtaining injunctive relief or the enforcement of any item of the Franchise Agreement. See Note 11.
Refresher Training and/or Continuing Education	Will vary under circumstances. Refresher or continuing education is estimated not to exceed $200 per person per day plus your travel expenses or our expenses if we come to your location.	As incurred.	The location for refresher training and/or continuing education will be at our headquarters although we reserve the right to provide them over the Internet or over the phone.

Except as stated above, you pay all fees to us and they are uniformly imposed. All fees are non-refundable.

Note 1: The term "Gross Revenues" is defined in the Franchise Agreement to mean all sales and other income (recognized on an accrual basis), whether cash or credit (regardless of collection in the case of credit), less (i) refunds and discounts made to customers in good faith and in accordance with Franchisor's policies, and (ii) sales or excise taxes which are separately stated and which Franchisee may be required to and does collect from clients and pays to any federal, state, or local taxing authority.

The royalty obligation begins immediately once your Franchised Business is open for operation then continues for the term of your Franchise. Your Business is deemed open for operation either immediately when you start accepting orders or once your facility is open for operation (whichever comes first). The royalty is due and payable weekly and is to be received how we specify. The royalty rate is 5% of your Gross Revenues per week for the entire term of your Franchise Agreement. If your Franchise Agreement is terminated, you may be required to continue royalty payments for the remainder of the term of your Franchise Agreement.

Royalty fees shall be payable only to us and collected by us through electronic transfer with direct deposit to us from your account. Under our current automatic debit program, you must make required funds available for withdrawal by electronic transfer before the due date. See the Direct Deposit Agreement attached as Exhibit 4 of the Franchise Agreement. We reserve the right to change the time and manner of

payment upon written notice to you. All royalty fees are uniformly imposed. All royalty fees are non-refundable, collected by us and payable only to us.

Note 2 – System Advertising Fee: If we implement the System Advertising Fee in the future, you will pay us a System Advertising Fee contribution equal to 1% of your weekly Gross Revenues as defined in the Franchise Agreement. The System Advertising Fee is imposed by us and collected by us and all System Advertising Fees are non-refundable. The System Advertising Fee begins immediately once your Business is open for operation and is due weekly and continues for the term of your Franchise. We may raise, discontinue, or reduce the contribution, but your total weekly contribution will not exceed 3% of your Gross Revenues in any calendar year. Gross Revenue is defined in the Franchise Agreement and in Note 1 above. You pay the System Advertising Fee contribution at the same time and under the same terms as the royalty described above. System Advertising Fees are uniformly imposed on all franchisees.

We will place the System Advertising contributions in a separate bank account. We may use this fund for marketing, local, regional, national, or international advertising, public relations, promotions, surveys, test marketing, research and development, administration (including our salaries, accounting, collection, legal, and other costs), related expenses, and any media costs (including any media production costs). We make the expenditures at our discretion. We do not represent that any particular level of expenditure will be made for particular programs or to benefit particular franchisees or franchised locations. We are not required to spend any amount on advertising in the area where you are located. We will not spend advertising funds for activities that are principally a solicitation for the sale of franchises. We have no fiduciary duty to you regarding any System Advertising Fees. All System Advertising Fees are collected only by us and payable only to us.

Note 3 – Local Advertising Fee: You will pay a monthly local advertising fee equal to 1% of your monthly Gross Revenues as defined in the Franchise Agreement and in Note 1 above and is spent by you to promote your Business locally. The Local Advertising Fee begins immediately once your Business is open for operation and is due monthly and continues for the term of your Franchise. We may raise, discontinue, or reduce the contribution upon 90 days' written notice to you; however, your total monthly contribution will not exceed 3% of your monthly Gross Revenues in any calendar year.

Note 4 – Website Fee: Franchisee shall pay to Franchisor any fee imposed by Franchisor, or Franchisee's *pro rata* share of any fee imposed by a third-party service provider, as applicable in connection with hosting any Website established and/or maintained by Franchisor.

Note 5 – Software Fee: Franchisor has not yet developed any Software for use by its franchisees. (See Item 11) However, in the event that Franchisor does develop such Software, Franchisee shall be required to pay a license fee to Franchisor, in an amount determined by Franchisor.

You are required to use specific point of sale ("POS" or "POS system") technology and software that has online ordering functionality for the operation of your Business. We will provide you with a website that has online ordering functionality already setup during our initial training program which will integrate with your POS system. The POS technology and software for online ordering functionality is specific to the food service industry that tracks the sale of all products, produces reports and online ordering software that allows your customers to place and pay for their customized order through your website which is

immediately sent to your POS system alerting you to prepare and have the order ready for pick up at a pre-determined time. The POS technology and software fee is for online ordering functionality usage, updating and ongoing support, which is currently $184.00 per month for an unlimited number of users at your Business. POS technology and related software fees are payable to us, our affiliates, or approved vendors.

It is your responsibility to install and upgrade the POS system, computers, networking, applications and software necessary to benefit from using the online ordering functionality for your Business. You will have sole authority and control over the use of the online ordering functionality and software, day-to-day operations of the Business and your employees. At no time will your employees be deemed to be employees of ours. POS technology and software fees are non-refundable, and we may change the technology requirements upon ninety (90) days' written notice to you and you will be required to adhere to our new POS technology requirements and fees at your own expense. POS technology and software fees may be changed in response to any increase in the United States Consumer Price Index, if additional features are offered; or if the manufacturers of such POS technology and/or software believe that conditions in the overall economy or in the market for such services warrant any change in fees. POS technology and software fees are non-refundable and are uniformly imposed and collected only by us, our affiliates, or our approved vendors.

In addition, you are required to purchase and use the App and Loyalty Program from our approved vendor, Heartland Loyalty Powered by Como. The fee is $100 per month. This fee is non-refundable and is uniformly imposed and collected only by us, our affiliates, or our approved vendors.

Note 6 – Interest and Late Charges. Interest and late charges begin to accrue from the due date of payment. You must also pay any damages, expenses, collection costs and reasonable attorney fees we incur when you do not make the required payments, provided no interest shall be charged in excess of the maximum rate allowed by law. The highest interest rate in California is 10% per annum. All interest and late charges are payable only to us. Interest and late charges are uniformly imposed. Interest and late charges are non-refundable.

Note 7 – Transfer Fee: Either Franchisee or the transferee franchisee shall pay to Franchisor the required transfer fee, to cover Franchisor's legal and administrative and other expenses in connection with any transfer of any interest in Franchisee, the Franchise Agreement, or the Franchised Location. However, no transfer fee will be required in the case of a transfer (i) of any interest in the Franchise to Franchisee's spouse; (ii) of less than 20% of the ownership interest if you are a corporation, partnership, or limited liability company, and (iii) of the entire franchise to any entity, solely for the convenience of ownership.

Note 8 – Renewal: If you renew the Franchise Agreement at the expiration of the original term or a subsequent renewal term, you must pay us the required renewal fee.

Note 9 – Site Evaluation Fee: The reasonable expenses associated with our trip(s) include the costs of travel, lodging, and meals by our representatives to travel to your proposed location. If Franchisee requests additional on-site evaluations, you will be required to submit our then- standard fee for the evaluation, and reimburse us for our costs of travel, as described above.

Note 10 – Hold Harmless and Indemnification: Under the Franchise Agreement, you will be required to indemnify, hold harmless and defend Franchisor against and from all fines, proceedings, claims,

demands or actions of any kind or nature and from anyone whomsoever arising out of or otherwise connected with Franchisee's operation of the Franchised Location (excluding, however, liabilities caused by Franchisor's gross negligence or intentional misconduct).

Note 11 – Mediation Fees, Attorneys' Fees, Arbitration Fees, and Collection Costs: Prior to bringing any claim against Franchisor, you must first try to settle the dispute by mediation, and both parties will bear their own costs and expenses in such mediation. In the event that any arbitration or judicial proceeding is filed by either you or us, the prevailing party shall be entitled to recover its attorneys' fees, court/arbitration costs, and collection.

ITEM 7
YOUR ESTIMATED INITIAL INVESTMENT

The following charts provide estimates for your SDCO Franchised Restaurant. All costs listed herein are estimates only. Actual costs will vary for each franchisee and each location or Franchised Restaurant, depending on a number of factors. We cannot and do not guarantee that your costs will fall within the stated ranges. The stated estimated ranges are based upon the prior experience and industry research of our Managing Member Jatinder ("Nick") Singh (whose biographical information is contained in Item 2 of this Disclosure Document). All fees and payments are non-refundable, unless otherwise stated.

Type of Expenditure	Low Amount	High Amount	Method of Payment	When Due	To Whom Payments are to be Made
Initial Franchise Fee	$49,500	$49,500	The Initial Franchise Fee is $49,500 for a defined territory which includes training and a web page. The Initial Franchise Fee is non-refundable.	At signing of the Franchise Agreement	Franchisor See Item 5
Technology	$7,000	$15,500	As incurred; for POS system, computer or laptop, tablet, software, modem, routers, flat screen televisions, sound system, camera surveillance system and telephones.	Before Opening	Payable to us, our affiliates, or approved vendors.
Kitchen, Equipment, Furniture and Fixtures	$50,000	$95,000	As incurred; actual costs will vary based on the size of your facility. Estimated expenses are for all furniture and fixtures necessary for the operation of your Business.	Before opening	Payable to our approved vendors. See Note 1.

Real Estate Lease	$5,000	$12,000	As incurred; estimated expenses for your business location.	Before Opening	Landlord See Note 2
Leasehold Improvements	$150,000	$300,000	As incurred; the costs to construct interior alterations, improvements, lighting and decorating the facility will depend on the extent of the renovations needed to convert space into separate areas and any allowance you negotiate with the landlord for construction.	Before Opening	Landlord See Note 3.
Utilities	$1,500	$4,000	As incurred; the cost of the deposit will vary due to policies of local utilities and is an estimate.	Before Opening	Local Utility Suppliers See Note 4.
Signage	$5,000	$15,000	Lump sum; estimated cost for the delivery and installation of interior and exterior signage including window graphics. We specify and provide you with signage guidelines in the Operating Manual. Signage expenses are not refundable.	Before Opening	Approved Vendors See Note 5.
Architectural Drawings	$4,000	$15,000	As Incurred	Before Opening	Architect
Start Up Inventory	$8,650	$12,200	Lump sum; estimates for a startup inventory of products and supplies necessary for your first month of operation.	Before Opening	Payable to us, our affiliates, or approved vendors See Note 6.
Grand Opening	$7,500	$10,000	As Incurred	Before Opening	Payable to our approved vendors. See Note 7.

Décor and Design	$4,700	$7,300	As incurred; actual costs will vary based on the size of your facility. Estimated expenses are for all décor/equipment necessary for the operation of your Business.	Before Opening	Payable to our approved vendors. See Note 8.
Staffing	$6,500	$11,600	As Incurred	Over the course of your first month of operation	Salaries and Expenses
Uniforms	$750	$1000	Lump sum; this is an estimate for a minimum inventory of 20 logoed shirts. Costs will vary depending on the number of employees you hire.	Before Opening	Payable to us, our affiliates, or approved vendors
Insurance	$1,200	$2,025	As incurred; before commencing operations of your Business and as required by the insurance company. Estimate excludes workers' compensation insurance.	Spent over the course of twelve months	Payable to third parties; See Note 9.
Travel, Lodging and Meals for Initial Training Program	$1,200	$2,400	As incurred; training held at corporate headquarters. You are responsible for all costs associated with attending such as travel, room, and board. Estimate provided are costs for one person. Additional training is available at your request for which an additional training fee of up to $200 per person per day may be required.	As Incurred	See Item 10
Licenses, Permits, Certifications and Other Professional Fees	$1,500	$3,500	As incurred; licenses, permits and certifications required to operate your Business and any professional legal and accounting fees incurred.	Before Opening	Appropriate licensing authorities and Third Parties. See Note 10.

Site Selection & Construction Coordination	$18,000	$18,000	Paid in installments – portion due upfront, remainder due before opening.	Before Opening	Stone Commercial See Note 11.
Operating Expenses and Additional Funds	$8,000	$15,000	As incurred; additional funds necessary for startup of your Business which includes working capital.	Spent over the course of first three months	See Note 12.
Total	**$330,000**	**$589,025**			

Note 1 – Equipment, Furniture and Fixtures: This amount includes estimated costs associated with a computer, printer, computer software, furniture, furnishings, telephones, other office equipment and fixtures, stationery and other paper, and other similar office equipment and supplies.

Note 2 – Real Estate Lease: If you do not own or purchase a location for your SDCO Franchised Restaurant, you must lease the appropriate commercial space. Typical locations are strip centers or other retail and commercial areas near office and/or residential areas. We anticipate that you will need total retail/store space of between 1250 and 1,500 square feet. The monthly rental for leased premises varies depending upon various factors including location, the type of structure, and the then-current local real estate market conditions. You should obtain estimates of rental costs by contacting local commercial realtors before you sign the Franchise Agreement. The leasehold deposit reflected in the chart estimates a one-month security deposit. Franchisor estimates that rentals will range between $5,000 per month (i.e., a rental rate of $48/square-foot/year for 1250 square feet of retail space) and $12,000 per month (i.e., a rental rate of $96/square-foot/year for 1500 square feet of retail space). In addition, some landlords may require additional security deposits or rental payments upon execution of a lease. The estimated security deposit is based upon one month's rent.

Note 3 – Leasehold Improvements – Store Construction / Build-Out: Once you purchase or rent the real estate and/or building for your Franchised Restaurant, you will need to construct the building and/or modify the building to comply with the physical standards for a SDCO Franchised Restaurant. The amount you are required to spend on this construction and/or build- out will vary depending on various factors including, the initial condition/state of your owned/leased structure/premises and then-current market rates for construction labor and materials. You should obtain your own estimates of such cost by contacting local commercial realtors and general commercial contractors in your area before you sign the Franchise Agreement. The figure in the chart reflects an estimate for build-out construction of between $150,000 (i.e., a build-out cost of $120/foot for 1250 square feet of retail space) and $300,000 (i.e., a build-out cost of $200/foot for 1500 square feet of retail space). As part of our standard obligations under the Franchise Agreement, we do not provide any assistance with or oversight of any contractor you may hire, including any general contractor you may engage for the build- out of your SDCO Franchised Restaurant.

Note 4 – Utilities: Utilities may be included in your lease. In that case, you will not need to pay any security which are separately associated with utilities. Otherwise, you may need to pay a deposit to your utility provider(s).

Note 5 – Signs: This amount includes signs for your store location.

Note 6 – Initial Inventory: This range reflects the cost of purchasing an initial inventory of goods and products. Payments for this inventory are made to suppliers, of which we or our affiliate(s) may be one. The time and method of payment is determined by the contract between you and the supplier.

Note 7 – Grand Opening: Under the Franchise Agreement, you are required to expend at least $7,500 on grand opening marketing expenses. You may decide, based on your market conditions, that spending more than $7,500 on grand opening advertising is necessary to produce an effective grand opening. All such Grand opening marketing must be conducted during the period beginning 10 days before the opening of your Franchised Store and ending 10 days after such opening date (the "Grand Opening Period"). We must approve all Grand Opening marketing materials prior to use.

Note 8 – Décor and Design: Artistic Effects is the approved vendor for design services. Artistic Effects will work with your general contractor to complete the dining room layout, seating plan, artwork, logos, and other design elements. An invoice for these services is typically issued approximately 6–8 weeks prior to the planned opening date and is payable directly to Artistic Effects.

Note 9 – Insurance Premium (for 3 months): You may be required to pay your entire annual insurance premium initially, or your insurance provider may allow you to pay it over a period of months and/or require a down payment. The figures in this chart represent an annual expense of $3,000 to $5,000, with a down payment of 15%, and the remainder paid over 10 months. You are obligated under the Franchise Agreement to obtain and maintain the following types of insurance: All-Risk Insurance on all furniture, fixtures, equipment, supplies and other property using in the operation of the Franchised Business; Commercial General Liability Insurance in the minimum amount of $2,000,000 aggregate single coverage; errors and omissions insurance with a minimum per occurrence limit of $250,000 and a minimum general aggregate limit of $500,000; automobile insurance with a minimum combined single limit of $1,000,000; and Employee Dishonesty Insurance with a minimum limit of $10,000. These figures do NOT include Workers' Compensation Insurance, which is calculated on the amount of your annual payroll and is rated by each individual state and by the individual employee categories; therefore, there may be a large variation in premiums.

Note 10 – Licenses and Permits and Professional Fees: As stated in Item 1, some states (or other governmental bodies) require you and/or your employees to obtain special licenses/permits related to the operation of businesses and/or restaurants. The figures contained in the chart do not include the costs associated with any bonding requirements.) This estimate does not include any research or time necessary to prepare for any testing necessary to obtain such licensing. Additionally, some state or local governments require additional business operation permits. The costs of obtaining these licensing and permits will vary according to local and state regulations. You should consult your lawyer or your state and local authorities about the specific legal requirements for licenses, permits, and related types of expenses in your area. You are responsible for all costs associated with all licenses and permits. This amount also includes estimated amounts for the review of franchise documents and other contracts by a professional such as an attorney or CPA. This estimate does not include professional fees for the creation of any legal entity.

Note 11 – Site Selection and Construction Coordination: **Site Selection:** The Franchisee is required to use Stone Commercial, a commercial real estate brokerage and advisory firm designated by the Franchisor, for restaurant site selection services. Stone Commercial may assist with market and trade area analysis, identification and preliminary evaluation of potential sites, participation in market tours with the Franchisee, assistance with letters of intent and lease coordination, and coordination with the Franchisor and the Franchisee's architects, lenders, and general contractors during the site selection and pre-development process. Stone Commercial provides advisory and coordination services only and does not provide legal, architectural, lending, or construction services and does not guarantee site approval, financing, sales, profitability, or the success of any location. Final site approval remains with the Franchisor. Franchisees are responsible for all site selection decisions, lease or purchase agreements, financing, construction, and restaurant operations. Franchisees may be required to pay brokerage commissions or other real estate-related fees to Stone Commercial, which may be paid by the Franchisee, the landlord, or both, depending on market practice.

Construction Coordination: The franchisor has designated Stone Construction Management ("SCM"), a division of Stone Commercial, as the required or designated construction management provider for the development of Sourdough & Co franchised restaurants. SCM provides construction project management services in an Owner's Representative capacity only. SCM does not perform construction work and does not act as a general contractor, subcontractor, architect, engineer, or permitting authority. All construction work and related risks remain the responsibility of the franchisee and its independently retained contractors and professional consultants. SCM's services may include coordination and oversight of the construction process, including pre-construction coordination, general contractor bid coordination, construction scheduling oversight, change-order review coordination, periodic site observations, and close-out coordination. SCM does not guarantee construction cost, schedule, or quality and does not supervise construction means, methods, labor, or safety. SCM may assist with coordination involving SBA and other construction lenders; however, SCM does not certify lender draws, approve disbursements, or act as a lender inspector. Final authority for inspections, approvals, and funding remains with the lender and its designated third parties. Franchisees must enter into a separate construction management agreement directly with SCM and pay construction management fees as disclosed in this Franchise Disclosure Document. The designation of SCM is intended to promote consistency, reduce construction-related risk, and support the efficient development of franchised restaurants across the system. The $18,000 fee is per location. The first half is due within seven (7) days of signing the Franchise Agreement. The second half is due prior to opening for business of the location and construction is complete. In the event that you have rights to more than one location, the fee for each additional location shall be due when you begin to pursue those additional locations. The fee shall be paid in two installments, the first half being upon pursuit of the additional location (s) and the second half being due prior to opening for business of the location and construction is complete.

Note 12 - Additional Funds – 3 Months: These figures are just estimates. Estimate includes minimum working capital for the startup of your Business for a period of three (3) months. This also includes estimates of miscellaneous startup costs such as: rent for an additional two months (your first month's rent is already included above), shipping and delivery costs, purchasing additional kitchen equipment, products, and supplies; hiring additional staff, workers' compensation insurance payments (if applicable), tax deposits, prepaid expenses, additional permits, legal fees, accounting fees and other miscellaneous costs.

Total Estimated Initial Investment. The total estimated initial investment is an estimate only of the range of startup expenses you may incur. We relied on our principals' combined experience when preparing these figures.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You may only offer and sell products and services which we authorize, as specified by us in writing ("Permitted Products and Services"). We may unilaterally add and delete products or services to or from the Permitted Products and Services at any time. We may also designate any products or services as optional. As discussed below, we may require that you obtain certain products or services from vendors that we designate from time to time, and we may be the sole exclusive vendor in certain circumstances.

You must purchase and maintain an inventory of product, supplies and kitchen equipment from us, our affiliates, or our approved vendors and/or suppliers. You will be provided with a written list of approved products, supplies, kitchen equipment and services you are authorized to use, offer, and sell; and a written list of approved vendors and/or suppliers for such items during the training program.

Products

General

All Products sold or offered for sale at the Franchised Restaurant must meet our then- current standards and specifications and be approved by us. You must purchase, install, and use all fixtures, furnishings, equipment, décor, supplies, computers and communications hardware and software, signs, and materials as we may reasonably require in the Manual or otherwise in writing (collectively, "Restaurant Items"). You must purchase all additional Products and other Restaurant Items solely from manufacturers, distributors, and suppliers who demonstrate to our continuing reasonable satisfaction the ability to meet our standards and specifications, who possess adequate quality controls and capacity to supply your needs promptly and reliably, and who have been approved by us in the Manual or otherwise in writing. You may not purchase, offer, or sell any Products, or use at your Franchised Restaurant any Products or Restaurant Items, which we have not previously approved as meeting our standards and specifications. We and/or our affiliate(s) are or may become a supplier of certain Products and Restaurant Items.

We may disapprove of Products and suppliers based on our desire to consolidate System purchases through fewer suppliers. We may designate a single supplier, which may be us or one of our affiliates, for any products, equipment, supplies, or services, in which event you must purchase such items exclusively from the designated supplier.

If you desire to purchase any item from an unapproved supplier (except for Proprietary Products, which are discussed below), you must submit a written request for approval to us or shall request the supplier itself to do so. We have the right to require that our representatives be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered, at our option, either to us or to an independent certified laboratory designated by us, for testing. You will reimburse us for the reasonable cost of all evaluation and testing of such suppliers and/or their products. We reserve the right, at our option, to re-inspect the facilities and products of any such approved supplier, and to revoke its approval upon the supplier's failure to continue to meet any of our criteria.

Our specifications either: (1) are or will be contained in the Manual or other Written Standards; or (2) will be provided to you upon request. We, however, have no obligation to make available to prospective suppliers the standards and specifications that we deem confidential. When approving suppliers, we consider whether they demonstrate the ability to meet our standards and specifications and whether they possess adequate quality controls and capacity to supply your needs promptly and reliably. However, our approval may be withheld for any reason.

We estimate that your purchases from approved suppliers will represent approximately 90% to 100% of your total purchases in establishing the Franchised Restaurant, and approximately 90% - 100% in the continuing operation of the Franchised Restaurant.

We may establish strategic alliances or preferred vendor programs with suppliers that are willing to supply some Products, equipment, or services to some or all of the Restaurants in our System. If we do establish those types of alliances or programs, we may limit the number of approved suppliers with whom you may deal, we may designate sources that you must use for some or all Products, equipment and services, and we may refuse to approve proposals from franchisees to add new suppliers if we believe that such action would not be in the best interests of the System or the franchised network of Restaurants. There are currently no purchasing or distribution cooperatives in our System.

We and/or our affiliates may receive payments or other compensation from suppliers on account of the suppliers' dealings with us, you, or other Restaurants in the System. We may use any amounts that we receive from suppliers for any purpose that we deem appropriate. We and/or our affiliates may negotiate supply contracts with our suppliers under which we are able to purchase Products, equipment, supplies, services, and other items at a price that will benefit us and our franchisees. We do have supply contracts at this time. None of our officers or directors owns any interest in any vendor or supplier other than us.

Proprietary Products

The Proprietary Products that are or may be offered and sold in SDCO Franchised Restaurants are or will be manufactured in accordance with our proprietary recipes, formulae, and specifications. In order to maintain the high standards of quality, taste, and uniformity associated with Proprietary Products sold at all SDCO Franchised Restaurants in the System, you must purchase Proprietary Products only from the suppliers and distributors that we designate in our sole discretion, and you may not offer or sell any Proprietary Products that have not been purchased from us or our designated supplier at or from the Franchised Restaurant. We will have the right to periodically introduce additional Proprietary Products, or to withdraw Proprietary Products.

Computer System

You will need to acquire (either by purchase or lease) the computer hardware and software system that we may specify from time to time. The computer hardware and software system refer to cash register or point of sale systems, hardware, software for the management and operation of the Franchised Restaurant and for reporting and sharing information with us, and communication systems (including modems, cables, etc.). See Item 11 under the heading "Computer System" for more information.

Insurance

You also must obtain, before beginning any operations under the Franchise Agreement, and must maintain in full force and effect at all times during the term of the Franchise Agreement, at your own expense, an insurance policy or policies protecting you, us, our affiliates, and our respective officers, directors, partners, and employees. The types and amounts of insurance are discussed in Item 7, and include the following:

(1) All-Risk Insurance on all furniture, fixtures, equipment, supplies, and other property using in the operation of the Franchised Restaurant; Commercial General Liability Insurance in the minimum amount of $2,000,000 aggregate/single occurrence coverage.

(2) Product liability insurance in the minimum amount of $1,000,000 aggregate/single occurrence coverage; automobile insurance with a minimum combined single limit of $1,000,000;

(3) Employee Dishonesty Insurance with a minimum limit of $10,000; excess umbrella policy insurance in the minimum amount of $1,000,000 aggregate/single occurrence coverage;

(4) Personal property insurance in the minimum amount of $150,000 coverage; and

(5) Workers' compensation insurance, as required by the laws of the state in which your Franchised Restaurant operates. (However, you shall also be obligated to obtain and maintain such other insurance (i) as may be required by statute or rule of the state or locality in which the Franchised Restaurant is located and operated, (ii) as may be required by any lease to which Franchisee is a party, and/or as may be required in Franchisor's Written Standards.)

(6) Business Interruption insurance in such amount as will reimburse you for direct or indirect loss of earnings attributed to all perils commonly insured against by prudent business owners (including lost royalties, system advertising fees and other fees due to us and/or our affiliates), or attributable to prevention of access to the Franchised Restaurant, with coverage for a period of interruption of 180 days and such longer period as we may specify periodically. Business interruption insurance is required with liability limits of amounts we may reasonably specify which will relate to the right to be reimbursed for direct or indirect loss of earnings attributed to all perils commonly insured against by prudent business owners.

(7) Automobile liability coverage including coverage of owned, non-owned and hired vehicles, with coverage in amounts not less than $1,000,000 for hired and non-owned coverage including uninsured motorist with a minimum of $100,000 limit or what is in accordance with your state guidelines;

(8) Professional liability insurance (optional) that covers you for damages that you create that do not result in property or bodily injury with a minimum policy limit of $500,000 or an amount we reasonably specify;

(9) Employer liability insurance (optional) that covers you and your Franchised Restaurant against claims made by employees for work-related bodily injury or disease, other than liability imposed on you and your Business by workers compensation law;

(10) Employment practices liability insurance (optional) that covers you and your Franchised Restaurant against claims made by employees, former employees or potential employees for discrimination, wrongful termination, sexual harassment, and other employment related obligations;

(11) Crime insurance (optional) for employee dishonesty in the amount of $10,000 combined single limit;

(12) Tenant's liability insurance if such insurance is required by the terms of your lease (if applicable).

(13) Any other Insurance required by the state or locality in which the Franchised Restaurant is located and operated in such amounts as required by statute; and

(14) Other insurance coverage, as we, your state or the landlord may reasonably require.

With regard to any construction, renovation, or remodeling of the Franchised Restaurant, you may be required to maintain builder's risks insurance and performance and completion bonds in forms and amounts, and written by a carrier or carriers, satisfactory to us. All the policies must name us and our affiliates, as additional insureds and must include a waiver of subrogation in favor of all those parties.

All insurance coverage shall be taken out in your name and shall name us and our affiliates as an additional insured and be placed with insurers designated by us or acceptable by us. You must furnish us with certified copies of each of the insurance policies described above on the earlier of your opening of the Franchised Restaurant for operation and/or when you start accepting orders or 180 days following the date that the Franchise Agreement is executed (whichever comes first). You must purchase not less than "A" rating insurance policies. Each such policy shall provide that it cannot be canceled without thirty days prior written notice to us and that we shall receive at least thirty days prior written notice of its expiration. You shall promptly refer all claims or potential claims against you or us to each of us and our insurer.

The cost of insurance purchased in accordance with our specifications will represent approximately 2% of your total purchases in connection with the establishment of your Franchised Restaurant and will be approximately 1% of your total purchases in the operation of your Franchised Restaurant. These percentages do not include workers' compensation insurance that will vary with the payroll amount and category of employees.

All insurance policies must name us, and the landlord of your Franchised Location, and each party's respective officers and directors, as additional insureds. All policies must be written by a responsible carrier or carriers whom we determine to be acceptable and must provide at least the types and minimum amounts of coverage specified in the Franchise Agreement or otherwise in Franchisor's Written Standards and/or Manual. Additionally, we may designate one or more insurance companies as the insurance carrier(s) for SDCO Franchised Restaurants. If we do so, we may require that you obtain your insurance through the designated carrier(s). We do not derive revenue as a result of our franchisees purchasing insurance coverage from designated carriers.

We provide no material benefits to franchisees based on their use of an approved insurance carrier.

Leases

If you will occupy the premises of your Franchised Restaurant under a lease, then you must, before executing the lease, submit the lease to us for our review and approval, which will not be unreasonably withheld. Your lease or sublease (or rider to the lease or sublease) must contain the lease terms and conditions that we may reasonably require in writing, as currently set forth in Exhibit 10 to the Franchise Agreement. We have the option to require that the lease (i) be collaterally assigned to us by a collateral assignment agreement in a form and substance reasonably acceptable to us to secure performance of your liabilities and obligations to us or (ii) contain the following terms and conditions:

1. The lessor must agree that without its consent, the lease and your right, title and interest under the lease may be assigned by you to our designee or us (provided such assignment shall not relieve you of your obligations under the lease or cause us or our designee to have any obligations or liability under the lease).

2. The lessor must provide written notice to us (at the same time it gives such notice to you) of any default by you under the lease and we must have, after the expiration of the period during which you may cure such default, an additional 15 days to cure, at our sole option, any such default and, upon the curing of such default, the right to enter upon the leased premises and assume your rights under the lease as if the lease had been assigned by you to us.

3. You are required to furnish copies of all insurance policies required by the Franchise Agreement and by the lease, to us, or such other evidence of insurance coverage and payment of premiums as we request or permit or under the lease.

We provide no material benefits to franchisees for leasing any particular space for the Franchised Restaurant.

Design and Construction

You must hire a licensed architect (as described below) to prepare all required construction plans and specifications to suit the shape and dimensions of the site. We have the right to designate one or more suppliers of design and/or architecture services to perform these services for our system. During any period that we have designated a design or architecture firm prior to the time you begin to develop your Franchised Restaurant, you must employ this designated supplier to prepare all designs and plans for your Franchised Restaurant. If we have not designated suppliers for design and architecture services for your geographic area, you must locate and employ a qualified design consultant and architect who are licensed in your jurisdiction and who are reputable and experienced in providing design and architecture services. (See Item 11 under the subheading "Construction and Layout of Business" for additional information.) You must hire a qualified licensed general contractor, who is acceptable to us, to construct the Franchised Location. We do not derive revenue or other material consideration as a result of our franchisees using a designated architect or contractor. We provide no material benefits to franchisees based on their use of a designated architect or contractor.

Advertising

As noted in Item 11 below, we will have the right to review and approve all marketing plans and promotional materials that you propose to use. You may not implement any marketing plan or use any promotional

materials without our prior written consent. We reserve the right to require that you purchase certain marketing and promotional materials from us or our affiliate. We or our affiliate may derive revenue through the sale and distribution of these marketing and promotional materials to our franchisees, although we do not currently do so. As of the date of this Disclosure Document, we have received no revenue as a result of franchisee purchases. Given that we do not currently derive any revenue from these sources, we do not have an exact basis to predict the percentage of our revenues which we will derive from the marketing and promotional materials franchisees may eventually be required to purchase from us.

Purchasing Arrangements

There are currently no purchasing or distribution cooperatives in our System. Currently, we do not negotiate purchase arrangements or prices with suppliers for the benefit of franchisees.

We and/or our affiliates may derive any revenue from required purchases or leases from franchisees. For the last fiscal year 2025, we received $645.00 from gift card purchases representing .00017% of our total gross revenues of $3,908,748.41. We and/or our affiliates, reserve the right to receive rebates, discounts, credits, or other incentives from one or more approved suppliers which are based upon your purchase from such suppliers. We may use any amounts that we receive from suppliers for any purpose that we deem appropriate. For the last fiscal year 2025 we received $641,477.92 in allowances, rebates, and commissions from vendors for required purchases representing 1.09%% of our total gross revenues of $5,885,118.53.

We do not provide material benefits to franchisees based upon their purchase of particular products or services or their use of designated or approved suppliers.

You must obtain our acceptance of each site for a SDCO Franchised Restaurant

ITEM 9

FRANCHISEE'S OBLIGATIONS

THIS TABLE LISTS YOUR PRINCIPAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT. IT WILL HELP YOU FIND MORE DETAILED INFORMATION ABOUT YOUR OBLIGATIONS IN THESE AGREEMENTS AND IN OTHER ITEMS OF THIS DISCLOSURE DOCUMENT.

	Obligation	Section in FA	Item in Disclosure Document
a.	Site selection and acquisition /lease	FA 1, 3	6, 11
b.	Pre-opening purchases/leases	FA 3, 7, 11	7, 8, 11
c.	Site development and other opening requirements	FA 3, 7	6, 7, 11
d.	Initial and ongoing training	FA 6, 7	6, 7, 11
e.	Opening	FA 4, 7	7, 11
f.	Fees	FA 4, 7	5, 6, 7, 11

g.	Compliance with standards and policies/Operating Manual	FA 7, 9	8, 11
h.	Trademarks and proprietary information	FA 8, 9, 10, 14	13, 14
i.	Restrictions on products/services offered	FA 7	8, 16
j.	Warranty and customer service requirements	FA 7.2, 7.12	8, 11
k.	Territorial development and sales quotas	Not Applicable	Not Applicable
l.	Ongoing product/service purchases	FA 6.2, 7	8
m.	Maintenance, appearance, and remodeling requirements	FA 7	11,17
n.	Insurance	FA 7	6, 7
o.	Advertising	FA 5, 11	6, 7, 11
p.	Indemnification	FA 7.9, 17	6
q.	Owner's participation/management/staffing	FA 7, 15	1, 11, 15
r.	Records/Reports	FA 5, 7	6
s.	Inspections/Audits	FA 7	6, 11
t.	Transfer	FA 12	6, 17
u.	Renewal	FA 2	17
v.	Post-termination obligations	FA 14	17
w.	Non-competition	FA 7, 15	17
x.	Dispute Resolution	FA 7.12, 10.2, 15, 16, 18.6	17
* "FA means" the Franchise Agreement			

ITEM 10
FINANCING

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

ITEM 11
FRANCHISOR'S ASSISTANCE, ADVERTISING, SOFTWARE, WEBSITE AND TRAINING

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

Pre-Opening Obligations

Before you open your Franchised Restaurant, we will:

1) Approve the Specific Location of your Franchised Restaurant within a designated Search Area (Franchise Agreement – Section 1.2) and designate your protected territory. (Franchise Agreement – Section 1.3). You will be given up to six (6) months in which to find and secure a suitable site within the Search Area for the operation of your Franchised Restaurant. Unless we mutually agree in writing otherwise, you must conduct the opening of your first Franchised Restaurant within the earlier of twelve (12 months) following the execution of the Franchise Agreement or six (6) months following the time you leased or acquired the approved site. In the event you do not find and secure a suitable site within this time frame we may terminate the Franchise Agreement, and you will receive no refund of any fees paid.

2) Train you (there is no fee for training up to 2 trainees), using the following general training outline, agenda, and schedule, which is subject to change. (Franchise Agreement -Sections 6.1.e., 7.1.) Attendance at training sessions is required.

    - Pre-Opening Training & Opening-Assistance. During the period of time between the week before your open your Franchised Restaurant and the two weeks after your initial opening, we will send one (1) designated trainer/consultant for a period of up to ten (10) days to your Franchised Restaurant to train and/or consult with your general manager, owners and staff, as we deem appropriate and in our sole discretion. You will receive no compensation for your on-the-job training.

3) At no charge to you, provide you or the approved design firm and/or architect with our prototype plans, standard layouts, and/or specifications for the construction of a Franchised Restaurant and for the exterior and interior design and layout, fixtures, equipment, furnishings, and signs. You will be responsible for hiring your own architect or employing a design firm and/or architecture firm designated by us to adapt the plans to your site (with our approval as described below under the heading "Construction and Layout of Business"), and for hiring a contractor to build the Franchised Restaurant in accordance with those approved plans. You are also responsible for compliance with all local and other requirements relating to the plans, including for example, zoning, code, and compliance with the Americans with Disabilities Act. (Franchise Agreement, Sections 6.1.d.)

4) Provide you a list of all equipment, supplies, and initial inventory required to operate your Franchised Restaurant. (Franchise Agreement – Section 6.1.c.)

5) Lend you one (1) copy of our Operating Manual. (Franchise Agreement – Section 6.1.g.)

6) Inform you of trade and operating procedures and methods. (Franchise Agreement – Section 6.1.h.)

7) Provide you approved sources for purchasing supplies, equipment, and materials. (Franchise Agreement – Section 6.1.j.)

8) At our discretion, inspect and approve the Franchised Restaurant for opening before the initial opening.

Post-Opening Obligations

During your operation of the Franchised Restaurant, we will:

1) Allow you to use the Marks, and all our other copyrighted materials, for the Franchised Restaurant. (Franchise Agreement – Section 6.1.b.)

2) Continue to loan you one (1) paper copy of our Operating Manual (which you must maintain as confidential and secret), as may be modified by us from time to time (Franchise Agreement – Section 6.1.g.)

3) Provide you, on loan, then-existing trade and operating procedures and methods, as may exist or be developed or modified, whether or not set forth in the Written Standards and/or Manual (which you must maintain as confidential and secret), all of which as may be modified by us from time to time. (Franchise Agreement – Section 6.h.)

4) Provide a copy of any existing business and reporting forms as we may create for your use in your Franchised Business. (Franchise Agreement – Section 6.1.i.)

5) Provide you approved sources for purchasing supplies, equipment, and materials. (Franchise Agreement – Section 6.1.j.)

6) Provide you with periodic assistance, to the extent we deem necessary. (Franchise Agreement – Section 6.1.k.)

7) Send you periodic newsletters, bulletins, and such other materials, information, and assistance as we deem necessary. (Franchise Agreement – Section 6.1.l.)

8) In the event that we develop our own proprietary Software for use by our franchisees, license you a copy of such Software, at a fee to be determined by Franchisor. (Franchise Agreement – Section 6.2.)

9) Provide the other assistance as described in the rest of this Item 11, below.

Site Selection

If you do not already possess a location that we find acceptable for a SDCO Franchised- Restaurant when you sign our Franchise Agreement, we will designate a search area ("Search Area") in which you will buy or lease a premises for your Franchised Location. Unless we mutually agree otherwise, you will be given up to six (6) months in which to find and secure a suitable site within the Search Area for the operation of your Franchised Restaurant. In the event you do not find and secure a suitable site within this time frame we may terminate the Franchise Agreement, and you will receive no refund of any fees paid. You must obtain our written approval of your site, which we will not unreasonably withhold. Such approved site location shall be deemed your "Specific Location." Unless we mutually agree otherwise in writing, You must be opened and operating within the earlier of twelve (12) months following the

execution of the Franchise Agreement or six (6) months following the time you leased or acquired the approved site. In the event you do not open within this time frame we may, terminate the Franchise Agreement and you will receive no refund of any fees paid. If you purchase multiple SDCO Franchised Restaurants, then your subsequent and/or additional Franchised Restaurants must be opened and operating in accordance with the Opening Schedule in Item 12 and as set forth in Section 2 of the Franchise Agreement and the term of ten (10) years shall commence on the date of Opening (as herein defined) for each additional, or subsequent Franchised Restaurant location and shall end ten (10) years thereafter.

Construction and Layout of Business

You are responsible for developing your Franchised Restaurant. We will provide our standard plans, layouts, and/or specifications for a SDCO Franchised Restaurant to the design firm or architect that we have designated or approved (as described below). These plans and layouts are not intended, with respect to your particular location, to contain, address or comply with the requirements of any federal, state, or local law, code, or regulation, including those concerning the Americans with Disabilities Act (the "**ADA**") or similar rules governing public accommodations for persons with disabilities. We may from time to time change our prototypes and plans (including our specifications for the interior and exterior appearances) of SDCO Franchised Restaurants and develop or approve variations on our prototypes and plans to reflect locations with differing sizes, structural elements, visibility, and other relevant factors. You must hire a licensed architect to prepare all required construction plans and specifications to suit the shape and dimensions of the site. We have the right to designate one or more suppliers of design and/or architecture services to perform these services for our system. During any period that we have designated a design or architecture firm prior to the time you begin to develop your Franchised Restaurant, you must employ the designated supplier to prepare all designs and plans for the Franchised Restaurant. If we have not designated suppliers for design and architecture services for your geographic area, you must locate and employ a qualified design consultant and architect who are licensed in your jurisdiction and who are reputable and experienced in providing design and architecture services. You will be responsible for paying for all design and architecture services. During any period that we have designated a general contractor to provide construction services and/or oversight prior to the time you begin to develop your Franchised Restaurant, you must employ the designated supplier to perform all such services.

If we have not designated a general contractor for construction services for your geographic area, you must locate and employ a qualified general contractor who has all necessary permits or licenses in your jurisdiction and who is reputable and experienced in providing general contractor construction services and who is approved by us in writing.

Opening of Franchised Location

We estimate that the time period between the signing of the Franchise Agreement and the start of operations will be approximately nine (9) to twelve (12) months. Factors that may affect this time period include your ability to obtain financing or building permits, zoning and local ordinances, weather conditions, shortages, or delayed installation of equipment, fixtures, and signs. Unless we agree in writing otherwise, you must conduct the opening of your first Franchised Restaurant within the earlier of twelve (12 months) following the execution of the Franchise Agreement or six (6) months following the time you leased or acquired the approved site. In the event you do not open within this time frame, we may terminate the Franchise Agreement, and you will receive no refund of any fees paid. If you purchase multiple SDCO Franchised Restaurants at one time, you must sign a separate franchise agreement for each additional location(s) and the timeline for opening each of the SDCO Franchised Restaurant locations shall

be in accordance with the opening schedule ("Opening Schedule") set forth below. If you purchase five or more SDCO Franchised Restaurants, all of your SDCO Franchised Restaurants must be opened within, and no later than five (5) years from the date of execution of the Franchise Agreement(s). Failure to comply with the Opening Schedule below constitutes a material violation of the Franchise Agreement for which SDCO may terminate the applicable franchise agreement.

"OPENING SCHEDULE"

Number of Franchises	Number of months by which the SDCO Restaurant must be opened and continuously operating for business from the date of execution of the Franchise Agreement
First Franchised Restaurant	12 months
Second Franchised Restaurant	24 months
Third Franchised Restaurant	36 months
Fourth Franchised Restaurant	48 months
Fifth plus any additional Franchised Restaurant(s)	No more than 60 months

Computer System

You will need to acquire (either by purchase or lease) the computer hardware and software system (a "**Computer System**") that we may specify from time to time. (Franchise Agreement, Section 9.) The term Computer System refers to cash register or point of sale systems, hardware, software for the management and operation of the Franchised Location and for reporting and sharing information with us, and communication systems (including modems, cables, etc.). Our requirements may fluctuate as does the price and availability of new computer technology. The Computer System requirements are set forth in our Manual and/or Written Standards, or as otherwise described to you, in writing. The hardware and software that we currently use is not proprietary to us but is proprietary property to the vendor.

Currently, you must purchase a computer/POS system from POS Specialists, which uses Heartland Restaurant POS System 2x Heartland Restaurant software licenses including ordering, timekeeping, Heartland credit card processing, offline credit card processing, Cloud admin portal and reporting, Text to pay, QR code pay, Heartland Gift integrated, Doordash integrated, 1x Como - mobile app, loyalty and customer engagement platform, 3x Apple iPad 10.2,3x Heartland register stands, for iPad 10.2, 1x Apple iPad Mini, 1x Rugged case for iPad Mini, 2x Heartland thermal receipt printer (Star TSP 100, ethernet), 1x PAX A35 EMV card reader, 1x Heartland cash drawer, 1x Ubiquiti Dream Router & Wifi, Online video training course, Professional onsite install, 24/7/365 technical and customer support. The cost of ongoing service and software subscription for the Point-of-Sale system is a recurring monthly

fee. Varies whether purchased or leased.

We currently do not require, but strongly recommend, that you to maintain contracts for hardware and software maintenance, support and upgrade services for the communications and information systems. We reserve the right to change our specifications in the future to take advantage of technological advances or to adapt the system to meet operational needs and changes. Other than providing you with information regarding our specifications and requirements for the Computer System, we are not required to assist you in obtaining hardware, software, or related services. We will endeavor to keep these changes or modifications infrequent and reasonable in cost, but the Franchise Agreement does not impose a limit as to the number or cost of such changes to the Computer System.

You must provide us with access to your Computer System in the form and manner that we may request. We reserve the right to download sales, other data, and communications from your Computer System. There is no contractual limitation on our right to access this information. We will exclusively own all data provided by you, downloaded from your Computer System, and otherwise collected from your Computer System. We will have the right to use such data in any manner that we deem appropriate without compensation to you. We will also have the right to establish a website or other electronic system providing private and secure communications (*e.g.*, an extranet or intranet) between us, our franchisees, and other persons and entities that we determine appropriate, which requires you to have high speed internet access at all times. If we require, you must establish and maintain access to the extranet or intranet in the manner we designate. Additionally, we may from time to time prepare agreements and policies concerning the use of the extranet that you must acknowledge and/or sign. (Franchise Agreement, Section 9.)

Advertising Programs

We do not now but may require You to pay an advertising fee (see Item 6). At our discretion, this advertising fee will be allocated to (a) national and/or regional advertising funds for the common benefit of franchisees ("Advertising Funds" or "Funds") or (b) a regional advertising or promotional cooperative, described below. Company-owned and affiliate-owned locations will be required to make contributions on the same basis as other comparable franchisees. All Advertising are uniformly imposed and are non-refundable.

Advertising Funds.

If we choose to implement, and for so long as we choose to do so, at our sole discretion, we will maintain and administer the Advertising Funds. The monies in the Advertising Funds will be maintained in an account separate from our other accounts. Such sums will not be used to defray any of our operating expenses, except for reasonable costs and expenses we incur in the administration and operating of the Funds. We will maintain separate bookkeeping accounts for each Fund. We will prepare an annual statement of the Funds' operations and will make it available to you upon request. We are not required to have the Fund(s) statements audited. We are not obligated in administering any Funds to make expenditures for you which are equivalent or proportionate to your contribution or to ensure that you benefit directly or indirectly from any advertising. The Funds and any earnings on the Funds shall otherwise inure to your benefit. The Funds are not trust funds, and we do not owe you any fiduciary obligations related to them.

It is anticipated that all contributions to and earnings of the Funds shall be expended for advertising and/or promotional purposes during the taxable year within which the contributions are made. If, however,

excess amounts remain in the Funds at the end of such taxable year, all expenditures in the following taxable year(s) shall be made first out of accumulated earnings from previous years, next out of earnings in the current year, and finally from contributions. If your Franchise Agreement is terminated for any reason, all advertising fees paid by Franchisee shall be forfeited to the Fund(s). Although we intend the Funds to be of perpetual duration, we maintain the right to terminate any Funds. No Funds shall be terminated, however, until all monies in the specific Fund have been expended for advertising and/or promotional purposes or returned to contributors on the basis of their respective contributions.

The Funds may be used as follows: to pay the costs of conducting market surveys and research; to employ public relations firms or advertising agencies; to prepare and produce video, audio and written marketing materials and/or templates; to publish or copy marketing materials; to create and/or maintain a Website; and to take any other actions or purchase and other goods or services we reasonably anticipate to benefit the Marks or the System. We may use monies in the Funds to provide for placement of advertising on behalf of the entire System. However, most placement will likely be done on a local basis, typically by local advertising agencies hired by individual franchisees or advertising cooperatives. As of the date of this FDD, we do not intend to use any portion of the Funds to solicit new franchise sales.

Cooperatives.

We have the right under the Franchise Agreement to designate any geographical area for the purpose of establishing a regional advertising and promotional cooperative ("Cooperative"), and to determine whether a Cooperative is applicable to your Franchised Restaurant. If we have established a Cooperative applicable to your Franchised Location at the time you begin operation under the Franchise Agreement, you must immediately become a member of such Cooperative. If we establish a Cooperative applicable to your Franchised Restaurant at any later time during the term of your Franchise Agreement, you must become a member of such Cooperative no later than thirty (30) days after the date on which the Cooperative commences operations. If your Franchised Restaurant is within the territory of more than one Cooperative, you will be required to be a member of only one Cooperative.

If we establish a Cooperative, we will allocate a portion of the Advertising Fee to the Cooperative. See Item 6 for a calculation of the Advertising Fee. Each Cooperative will be organized, governed, and administered pursuant to bylaws, in a form and manner, and will commence operations on a date, approved in advance by us in writing. 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 and promotion. No promotional or advertising plans or materials may be used by a Cooperative or furnished to its members without our prior approval. Under the Franchise Agreement, we reserve the right to change, dissolve, merge or terminate any Cooperative. If a Cooperative is established in an area where a company-owned or affiliate-owned business is located, such company-owned or affiliate-owned business will have voting power on any fees imposed by the Cooperative to the same extent as other franchisees.

If established, the bylaws of a Cooperative will be available for review. Pursuant to its bylaws, an unaudited accounting of the operation of a Cooperative will be prepared annually by the Cooperative and will be made available to you during regular business hours, once during each calendar year.

Local Advertising Requirements.

Currently, you must spend 1% of your Gross Revenues per month on your own local advertising. The Local Advertising Fee begins immediately once your Business is open for operation and is due monthly and continues for the term of your Franchise. We may raise, discontinue, or reduce the contribution upon 90 days' written notice to you; however, your total monthly contribution will not exceed 3% of your monthly Gross Revenues in any calendar year. Such local advertising requirements are in addition to your obligation to contribute to the Advertising Funds.

Software

As of the Effective Date of this disclosure document (see cover page), we have not developed any proprietary software in connection with the operation of the Franchised Location. And we do not promise that we will develop any such software. However, in the event that we do develop any proprietary software, we will provide it to you, and you will be required to use it, subject to the requirements of the Franchise Agreement (Franchise Agreement – Section 9.1).

Website

We have the right but not the obligation, to establish and maintain a website, which may, without limitation, promote the Marks, the System, any or all of the Permitted Products and Services, our company-owned locations, our affiliate-owned locations, franchised locations, and/or the offer and sale of SDCO franchises. We shall have the sole right to control all aspects of the Website, including, but not limited to, its design, content, functionality, links to the websites of third parties, legal notices, and policies and terms of usage. We also have the right to discontinue the operation of the Website. You will be obligated to pay us any fee imposed by us, or your *pro rata* share of any fee imposed by a third-party service provider, as applicable in connection with hosting of the Website. We shall have the right, but not the obligation, to designate one or more web page(s) to describe you, the Franchised Restaurant, and/or your location, with such web page(s) to be located within our Website. You shall comply with Franchisor's policies with respect to the creation, maintenance, and content of any such web pages, and we shall have the right to limit and/or discontinue the content and/or operation of such Website and web pages. Except as we approve in advance in writing, you may not establish or maintain a separate website or otherwise maintain a presence or advertise on the Internet or any other public computer network in connection with your Franchised Restaurant. If we grant approval, you must establish and operate your Website in accordance with our standards and policies provided to you in the Written Standards, the Manual or otherwise in writing.

Confidential Operating Manual

The Operating Manual contains 34 pages and the current Table of Contents of the Operating Manual as of our last fiscal year end is attached as Exhibit "E" to this disclosure document.

Before your Franchised Restaurant opens, you must complete all of our initial training requirements. You and, if applicable, your general manager must attend and successfully complete, to our satisfaction, the initial training program that we offer at a location designated by us. Additionally, we may also require that other persons, up to a total of two (2) individuals (including the designated Principal and general Manager), attend and successfully complete the initial training program. We will bear the cost of all training (instruction and required materials) for the initial training program and all other training,

except as described below regarding additional training and assistance that we provide at your Franchised Restaurant. You will bear all other expenses incurred in attending training, such as the costs of transportation, lodging, meals, wages, and worker's compensation insurance (see Items 6 and 7 of this Disclosure Document).

If you (or the Designated Principal) or the General Manager cease active employment in the Franchised Restaurant, then you must enroll a qualified replacement (who must be reasonably acceptable to us) in our initial training program promptly following cessation of employment of said individual, provided that you may train General Managers. The replacement Designated Principal and any required managers shall complete the initial training program as soon as is practicable, but in no event later than any time periods we specify the Manual, the Written Standards, and/or otherwise in writing. Replacement managers must be trained according to our standards, and you may be permitted to provide such training directly, provided you meet our then-current standards for qualifying as a training facility. We have the right to review any personnel you trained and to require that such persons attend and complete, to our satisfaction, our initial training program.

As also described in Item 11 (Pre-Opening Obligations) above, your initial training will be comprised of on-the-job training and opening assistance at your Franchised Restaurant. We will not charge you a fee for any of this initial training. However, you shall be responsible for all travel, lodging, meals, or other costs you or your own representatives may incur in attending or participating in any of this initial training. You and your representatives will not be compensated by us for any time or effort spent in initial training, including any on-the-job training. You will be solely responsible for compensating your representatives for their time and effort, if appropriate.

The trainer/consultant will provide assistance and training for approximately 80 hours over approximately two to three weeks. Prior to the time our representative arrives at your Franchised Location, you must have hired your initial staff of employees. During this initial training and opening assistance, our representative will assist you in establishing and standardizing procedures and techniques essential to the operation of a SDCO Franchised Restaurant and will assist in training personnel. We will not be responsible for training or offering guidance with respect to compliance with any laws, ordinances, or other legal matters. If you request additional days of on-site training in connection with your opening, or at a later time, we may charge you our then-current per diem training fee for the additional training provided; and you will also have to reimburse us for all out-of-pocket costs and expenses associated with the additional training, including lodging, food and travel arrangements of the trainers. You will receive no compensation for your on-the-job training. We have the right to change the duration and content of our initial training and opening assistance program.

TRAINING SCHEDULE – AT CORPORATE OFFICES

The SDCO Franchise training program includes an Operating Manual, hands-on training, videos, and demos. This training curriculum is fully detailed in the Operating Manual and will change periodically.

TRAINING PROGRAM

The Manual will detail all aspects of Franchise operations presented in training and serve as an ongoing reference. Updates to the Manual will be made available to you through various means including online. All of the training sessions will be taught by a Jatinder ("Nick") Singh who has over 4 years of food industry

experience and whose background is described in Item 2 above. Occasionally, different guest speakers may make an appearance at the training program to provide information about various products, services and programs offered by us. For example, some speakers may be our employees, franchisees, vendors, or industry experts. Our training program uses presentations, demonstrations, examples from the Operating Manual, on the job training and various speakers.

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Instruction	Regional Locations
The SDCO System, Standards and Philosophy*	18 Hours	160 Hours	Presentation, Demos and Various Speakers	Corporate headquarters in Granite Bay, California or as we otherwise specify
SDCO Menu and Overview of all Products	8 Hours	70 Hours	Presentation, Operating Manual and Various Speakers	Corporate headquarters in Granite Bay, California or as we otherwise specify
Kitchen Equipment Specifications, Operation and Maintenance	4 Hours	8 Hours	Operating Manual, Demos, On the Job Training and Various Speakers	Corporate headquarters in Granite Bay, California or as we otherwise specify
Approved Vendors and Suppliers	8 Hours	40 Hours	Presentation, Operating Manual and Various Speakers	Corporate headquarters in Granite Bay, California or as we otherwise specify
Purchasing Strategies, Inventory and Controlling Food Cost	8 Hours	40 Hours	Presentation, Operating Manual, On the Job Training and Various Speakers	Corporate headquarters in Granite Bay, California or as we otherwise specify
Food Preparation, Recipes, Positional Training and Kitchen Procedures	4 Hours	100 Hours	Presentation, Operating Manual, Demos, Various Speakers and On the Job Training	Corporate headquarters in Granite Bay, California or as we otherwise specify

Online Ordering for Pickup	1 Hour	3 Hours	Presentation, Operating Manual and Various Speakers	Corporate headquarters in Granite Bay, California or as we otherwise specify
Pricing Guidelines for all Products	1 Hour		Presentation, Operating Manual and Various Speakers	Corporate headquarters in Granite Bay, California or as we otherwise specify
Customer Service and Manager Responsibilities		40 Hours	Presentation, Operating Manual, On the Job Training and Various Speakers	Corporate headquarters in Granite Bay, California or as we otherwise specify
Safety, Health, Sanitation, Cleanliness and Shop Appearance Requirements	10 Hours		Presentation, Operating Manual, Demos, and Various Speakers	Corporate headquarters in Granite Bay, California or as we otherwise specify
Scheduling and Controlling Labor Costs	4 Hours		Presentation, Operating Manual and Various Speakers	Corporate headquarters in Granite Bay, California or as we otherwise specify
POS System, Technology and Software Training**	8 Hours	10 Hours	Presentation, Operating Manual, On the Job Training and Various Speakers	Corporate headquarters in Granite Bay, California or as we otherwise specify
Networking, Marketing and Promoting Your Business	8 Hours	20 Hours	Presentation, Various Speakers and Marketing Plan Creation	Corporate headquarters in Granite Bay, California or as we otherwise specify
Recommendations for Hiring, Training and Managing Employees	8 Hours	120 Hours	Presentation, Operating Manual and Various Speakers	Corporate headquarters in Granite Bay, California or as we otherwise specify

Administrative, Payroll and Bookkeeping Responsibilities	8 Hours	80 Hours	Presentation, Operating Manual, On the Job Training and Various Speakers	Corporate headquarters in Granite Bay, California or as we otherwise specify
Total Hours***	98 Hours	230 Hours		

*Prior to attending our initial training program, you are expected to complete approximately 2 hours of self-study at your own pace utilizing materials we send to you.

**Additional POS and software training may be provided to you and performed by our approved vendors after the initial training above is completed.

***The actual hours of classroom and on-the-job training may vary. For example, it may take less time to cover a subject in a smaller class than in a larger class or depending on your experience.

Additional Training Programs

We may hold annual conferences to discuss sales, techniques, personnel training, bookkeeping, accounting, inventory control, performance standards, advertising programs and merchandising procedures. We may also require you to attend and complete additional training, in addition to and beyond initial training. We may charge you a fee to attend these conferences or any additional training. Additionally, your employees will be responsible for all expenses incurred by you and your employees in connection with any conferences or training, including costs of travel, accommodations, meals, and wages. Elective conferences and training sessions will be held at our offices in such location as we may designate.

Ongoing Training Programs

We will provide you with memos and/or newsletters that will contain ongoing training relating to your Franchised Business and access to additional or refresher training programs that may be conducted through the telephone, webinars, or video training at no cost to you. In very rare instances, we may periodically require that you or your Owners (if you are an entity) and/or manager to complete additional or refresher training programs to correct, improve or enhance the operations of your Franchised Business. Such additional or refresher training programs may be conducted through the telephone, webinars, video training or at annual conferences. Anyone attending additional or refresher training programs (training other than by telephone, webinars, or video training) will be subject to an additional training fee and all costs associated with attending the training program such as travel, room, and board.

ITEM 12
TERRITORY

The Franchise Agreement will grant you the right to operate your Franchised Restaurant at a specific location chosen by you and approved by us (your "Specific Location"). Unless we agree, in writing, otherwise, you must operate your Franchised Restaurant at the Specific Location. For clarity, unless otherwise approved by us, the site where you operate your Business must be within your Territory. You

will not receive an exclusive territory, and you may face competition from other franchises, from outlets that we own, from other channels of distribution or competitive brands we control. We make no representations or guaranties about the number of people or potential customers around your Specific Location.

During the term of the Franchise Agreement, we will grant you a non-exclusive, protected territory consisting of the geographic area described in Exhibit 1 to the Franchise Agreement (the "Territory"). The Territory is generally defined as a radius of approximately (X) miles from the approved Restaurant location depending on factors such as market type, population density, and will be depicted on the map attached as Exhibit 1 to your Franchise Agreement. During the term of your Franchise Agreement, we will not grant another franchise or operate a company-owned restaurant under the same brand within the Territory, subject to the applicable search area radius below.

All markets are first classified into three strategic market types to minimize saturation. Upon signing your Franchise Agreement, you will be awarded the rights to a Sourdough & Co. location as well as a Protected Search Area. A Protected Search Area is a defined geographic area in which a franchisee is granted priority to identify and secure an approved site prior to lease execution, subject to franchisor approval. After going through the site-selection process, the protected radius of operation ("Protected Operating Distance") will be updated with the final site's address as the new epicenter.

Three (3) Franchise Market Classifications:

1) Urban Markets: Initial Protected Search Area of 1.0 mile. Upon lease execution, the Protected Operating Distance reduces to a minimum of 0.5 miles driving distance.

2) Suburban Markets: Protected Search Area of 3.0 miles. Upon lease execution, the Protected Operating Distance reduces to a minimum of 3 miles driving distance.

3) Rural Markets: Initial Protected Search Area of 5.0 miles. Upon lease execution, the Protected Operating Distance reduces to a minimum of 3 miles driving distance.

All Protected Search Areas are subject to final approval by the Franchisor and may be modified to support system-wide growth, unit economics, and strategic development planning.

Market Type	Protected Search Area (Radius in miles)	Protected Operating (Driving) Distance
Urban	1 mile radius	.5 mile driving distance
Suburban	3 miles radius	3 miles driving distance
Rural	5 miles radius	3 miles driving distance

*Population thresholds and Protected Search Areas may be adjusted in the Franchisor's sole and absolute discretion where market conditions require, including but not limited to high daytime employment concentrations, tourism-based markets, military installations, university-driven trade areas, or other material non-residential demand considerations.

We reserve the right to grant a territory that is larger or smaller than the Protected Operating Distance described above, to account for more densely or sparsely populated areas, highway exits going in different directions, bridges, natural structures, and waterways. We will determine population based on the most recently published data from the U.S. Census Bureau (or such other source we may indicate to you). Pursuant to our Settlement Agreement with West Coast Sourdough, Inc. (as discussed in Item 3), neither our company-owned businesses, nor our franchisees may operate a SDCO Franchised Restaurant within two (2) miles of an existing West Coast Sourdough store.

You will have the only SDCO Franchised Business within your Territory. You can perform services and sell products to anyone so long as all services you perform are within your Territory, the products you sell are from your Business and such sales and services do not result in any Target Marketing activities by you (as defined below). You can also conduct business at special events (such as: community events, festivals, consumer shows, expos, etc.) to promote services and sell products as long as such events are within your Territory. You can directly market and solicit for customers only within the approved Territory that has been entered in your Franchise Agreement or made part of by an addendum attached to your Franchise Agreement. You may also sell and ship products to anyone located outside your Territory so long as your sales do not result from any Target Marketing (as defined below) activities by you.

As further discussed below, we reserve all other rights. We may own, acquire, establish, and operate, and license others to establish and operate, businesses substantially similar to the Franchised Restaurant, under the Marks at any locations outside the Territory. We may own, acquire, establish, and operate, and license others to establish and operate, businesses substantially similar to the Franchised Restaurant, under other proprietary marks at any locations inside or outside the Territory. We and/or other SDCO franchisees (or licensees) may conduct or participate in advertising and promotional activities that target or are directed to potential customers who may reside or work in your Protected Territory (including, but not limited to, commercials on television and radio stations that broadcast, and advertisements in newspapers and magazines that circulate, in your Protected Territory). There is no minimum sales quota to maintain your Protected Territory. You maintain rights to your Protected Territory even if the population in your Protected Territory increases.

You have no rights to operate your Business out of any other location other than the location approved by us. You may not relocate your Business without our written consent, which we will not unreasonably withhold or delay. We base our approval of your proposed relocation using the same factors described above.

You must sign a separate Franchise Agreement for each additional Franchised Business. You must pay the fee for each additional acquisition mentioned in Item 5 and be in compliance with all of the terms and conditions of the Franchise Agreement. We will evaluate your proposed location of any additional SDCO Franchised Business based on the criteria mentioned in Items 11 and 12 above.

The Territory described above will affect where you and our other franchisees may solicit business, provide services, and sell products. If other geographical areas are unassigned, we have the right to sell or assign it, or part of it, at any time, without notice to you and you might not have the right of first refusal or option to buy the territory that was formally unassigned. You are encouraged to directly market for customers located within your Territory to promote services and sell products. You may sell products to anyone from anywhere even if such customers are within another franchisee's territory so long as your sales do not result from any direct solicitation activities by you and the products you sell are being sold from your Business or at special events within your defined Territory. In addition, in the future, we may allow you and other

franchisees or company-owned businesses to promote services and sell products through alternative channels of distribution (such as on Websites). If you are granted permission to promote services and/or sell products through an alternative channel of distribution, per our written approval, all services must be performed within your Territory, and you may sell products to anyone from anywhere without compensation to the other franchisees or company-owned businesses. We, other franchisees, and company-owned businesses reserve the same right to promote services and/or sell products through alternative channels of distribution (such as on Websites) to anyone from anywhere (so long as such services are performed within their respective areas) without compensation to you. Therefore, although you may be the only SDCO Franchised Business physically located in your Territory, you do not receive an exclusive territory. You are prohibited from soliciting and marketing in general to customers by any means outside of your Territory and must not specifically engage in target marketing ("Target Marketing") of customers within the Territory of another SDCO Franchised Business (franchise and/or a company/affiliate owned business). Target Marketing means a concerted effort by a franchisee to solicit and obtain customers through any type of advertisement or marketing, directed at all or a portion of another franchisee's territory. We will use commercially reasonable efforts to enforce this requirement regarding Target Marketing if you or any other franchisee violates it.

You may conduct business at special events and perform services in other geographical areas outside your Territory provided there is not another SDCO franchise or company owned location If you are asked to conduct business at a special event (such as: community events, consumer shows, festivals, expos, etc.) to promote services and/or sell products or perform services in another geographical area in which there is another franchisee or company-owned business, you must immediately refer that request to the SDCO business in that geographical area or directly to us. If the other franchise or company-owned business gives you written permission to conduct business at such special event or determines it is in the best interest of the customer for you to perform services, then you can proceed to conduct business at such special event or immediately perform services for the customer. If there is not a SDCO franchise or company-owned business in the geographical area where you wish to conduct business at a special event or to perform services, then you must submit a request to us asking to conduct business at such special events or perform services and upon our written approval you can proceed. We shall approve or deny your request to conduct business at such special events or to perform services in other areas not owned by other franchisees or us, which approval is in our sole discretion, within three business days of your written request. Our response to your request will be made by email or any other form of written communication. Approval may be revoked in our sole discretion. However, you must be prepared to immediately cease conducting such special events and/or performing services in that unassigned area when it is otherwise assigned or franchised. We and other franchisees must refer special events, customers that are within your Territory to you and also reserve the same right to sell products to anyone who comes from anywhere and also to perform services for customers who may be within your defined Territory if it is determined to be in the customer's best interest.

If during the term of the Franchise Agreement, you are unable to promptly and properly provide services to any of your customers due to excessive work or other cause, you must refer that customer to another franchise in the System, company-owned location or to us. If you fail to refer special events, customers as set forth herein, we will have the right to terminate the Franchise Agreement. For any default of the Franchise Agreement, as an alternative to termination, we may modify or completely eliminate any rights that you may have with respect to your protected status of the Territory, effective ten days after delivery of written notice to you.

We reserve the right to issue binding policies to coordinate marketing councils and/or advertising cooperative programs. For example, we may require that all franchisees within close proximity to a consumer show, festival, or expo where food-related products or services are being offered or sold to participate in the cost and benefit of the show or festival. We intend to direct and coordinate all franchisee Internet advertising. All such programs and policies are our proprietary trade secrets. In such programs, we may require the customer acquired through such programs; to be served by the closest or other franchisee and you will not be charged or receive any type of referral fee. We are not responsible for paying any compensation to you concerning the sale of any services, products, or equipment (if we choose to sell equipment in the future) by us over the Internet or other similar venues, by alternative means of distribution, advertising cooperative programs, outlets, businesses that are not substantially similar to the Franchised Business or any business that does not use the Marks. For clarity, the Franchise Agreement grants you no rights to promote, offer and/or provide services; sell or distribute products and equipment through any alternative channels of distribution (other than our approved list of channels of distribution) without our permission or share in any of the proceeds from our activities through alternative channels of distribution.

We have not established, and do not presently intend to establish, other franchises or similar company-owned businesses except as disclosed in Item 1 of this Franchise Disclosure Document and set forth below, that sells similar products or offers services under a trade name or trademark different from the Marks. We do not plan to maintain physically separate offices and training facilities for the similar competing business.

You will operate your Franchised Business at a location approved by us within your designated Territory, unless otherwise authorized by us, in writing.

Our Reserved Rights under the Franchise Agreement.

Any rights not expressly granted to you are reserved to us. Such rights reserved to us include, but are not limited to the right to:

(1) We may own, acquire, establish, and/or operate and license others to establish and operate businesses, including SDCO Franchised Restaurants operating under the Proprietary Marks and the System selling the Products at any location outside your Protected Territory regardless of their proximity to, or potential impact on, your Protected Territory or Franchised Restaurants.

(2) We may own, acquire, establish and/or operate, and license others to establish and operate, businesses under proprietary marks other than the Proprietary Marks, whether such businesses are similar or different from the Franchised Restaurant, at any location within or outside the Protected Territory, notwithstanding their proximity to the Protected Territory or the Specific Location or their actual or threatened impact on sales of the Franchised Restaurant.

(3) As described above, we may own, acquire, establish, and/or operate, and license others to establish and operate SDCO Franchised Restaurants under the Proprietary Marks at Non-Traditional Sites (as defined below) at any location within or outside the Territory. "Non-Traditional Sites" means both (a) locations situated within another retail business [such as within a gas station or convenience store], and (b) outlets that serve primarily the customers located within the facility, such as captive audience facilities (examples include, but are not limited to, parks charging admission, stadiums,

amusement parks and centers, theaters and art centers), limited purpose facilities (examples include, but are not limited to, airports, transportation centers, department businesses, indoor shopping centers, business and industrial complexes, museums, educational facilities, hospitals, art centers, and recreational parks), limited access facilities (examples include, but are not limited to, military complexes, buyer club businesses, educational facilities, business and industrial complexes), and other types of institutional accounts.

(4) We may sell and distribute, directly or indirectly, or license others to sell and distribute, directly or indirectly, any products (including the Proprietary Products) through wholesalers, distributors, or through outlets that are primarily retail in nature, or through mail order, toll free numbers, or the Internet, including those products bearing our Proprietary Marks, provided that distribution within the Protected Territory shall not be from a SDCO Franchised Restaurant established under the System that is operated from within the Protected Territory.

ITEM 13
TRADEMARKS

We will license you to operate the Franchised Restaurant under the name "Sourdough & Co.," Sourdough and Co. Sandwiches * Soups * Salads," and "*Naturally Better*!" and other current or future Marks. By Marks, we mean trademarks, trade names, service marks and logos we may authorize for you to identify your Franchised Restaurant. You must use the Marks only for the operation of your Franchise and in the manner authorized by us.

SDCO System. The System includes SDCO trademarks/service marks and copyrights, the name "Sourdough & Co.," uniform standards, specifications and procedures for operations, equipment, inventory and staffing, the quality and uniformity of services and reporting, training and assistance, and its advertising and promotional programs. You will operate your Franchised Business under certain trade names, service marks, trademarks, trade dress, logos, emblems and indicia of origin, including the mark, "Sourdough & Co.," and other trade names, service marks, and trademarks which we now designate, or may designate in the future, for use in connection with the System (the "Proprietary Marks" or "SDCO Marks"). The System is identified by means of certain trade names, service marks, trademarks, slogans, logos, emblems, and indicia of origin, including the word and design mark The design "Sourdough & Co." bearing the registration number 5370126 dated January 2, 2018, the standard character mark "Sourdough & Co." bearing the registration number 5343030 dated November 21, 2017, and the standard character mark "Naturally Better" bearing the registration number 6042633 dated April 28, 2020, were assigned by Sourdough & Co, Inc. to us on August 9, 2024. Also, the design and word mark "Naturally Better!" and "Sourdough and Co. Sandwiches Soups Salads" are both pending registration on the Principal Register bearing the serial numbers 99715862 and 99715786 respectively. You will be licensed to use not only this marks and design, but also all other service marks, trademarks, slogans, logos, and emblems as we may designate for use in connection with the System (collectively, the "Marks" and each a "Mark").

The word and design marks registered on the principal register of the United States Patent and Trademark

Office (referred to as "USPTO") are owned by World of Sourdough Franchising, LLC, and sublicensed to you. We also claim common law rights in our trademarks based on our prior use. If our right to use any of our trademarks is challenged, you may have to change to an alternative trademark, which may increase your expenses.

The following is a description of the principal Trademarks which we will license to you:

Mark	Application Number / Registration Number	Application Date / Registration Date
The following logo: IC 043: Self-service restaurant Services. 	Registration Number: 5370126	Registration Date: January 2, 2018
The following logo: IC 043: Self-service restaurant Services. 	Serial No. 99715786	Pending
IC 043: Take-out restaurant Services. **SOURDOUGH & CO.**	Registration Number: 5343030	Registration Date: November 21, 2017
IC 043: Fast casual restaurants featuring sandwiches, salads, and soups. **NATURALLY BETTER!**	Registration Number: 6042633	Registration Date: April 28, 2020

IC 043: Fast casual restaurants featuring sandwiches, salads, and soups. 	Serial No. 99715862	Pending

All required affidavits have been filed. We do not know of any superior priority rights or infringing uses that could materially affect your use of the principal marks in California or any other state. We are not aware of any presently effective material determinations of the U S PTO, Trademark or Trial Board or the trademark administrator of any state or any court, nor any pending infringement, opposition or cancellation proceeding or pending material litigation involving the Marks which may be relevant to their use in any state.

No agreements limit our rights to use or license the use of the Marks.

You must follow our rules when you use these Marks. You may not use a name or Mark as part of your corporate name or with modifying words, designs, or symbols except for those which we license to you. You may not use our registered name in the sale of unauthorized products or services or in a manner not authorized in writing by us.

We do not know of any effective material determinations of the USPTO, Trademark Trial and Appeal Board, or the trademark administrator of any state or any court, nor of any pending infringement, opposition or cancellation proceeding or pending material litigation involving our Marks which may be relevant to their use in any state.

There are no infringing uses actually known to us as of the Issuance Date of this Disclosure Document that could materially affect your use of the Marks in the State of California, Texas, or in any other state. You should understand that there could be other businesses using trademarks, trade names or other symbols similar to our Marks with superior rights to our rights. Before starting your business, you should research this possibility, using telephone directories, trade directories, Internet directories, or otherwise to avoid the possibility of having to change your Business name.

All your usage of the Marks and any goodwill you establish are to our exclusive benefit and you retain no right or rights in the Marks on the termination or expiration of your Franchise Agreement. You may not use the marks as a part of any corporate or trade name, nor may you use any trade name, trademark, service mark, emblem, or logo other than the Marks, as we may designate periodically. You must prominently

display the Marks on such items and in the manner, we designate. You must obtain such fictitious or assumed name registrations as we require or under applicable law. You must also prominently display in your Business that we are not a joint employer of yours and that you are solely responsible for all employment-related decisions and matters. You must also identify yourself as the owner of your Franchise by placing your name on the Business and on all checks, invoices, receipts, contracts, and other documents that bear any of the Marks, and on all printed materials your name must be followed by the phrase "A Franchise of World Sourdough Franchising, LLC" or such other phrase as we occasionally direct.

You must notify us immediately when you learn about an infringement or challenge to your use of our Marks. We may then take the action that we think is appropriate. We are not obligated to defend or indemnify you for any infringement claim. However, in the event that we decide to defend, prosecute, or settle any claim related to our Marks, or any of our other intellectual property, we have the exclusive control over any such litigation or proceedings. You must execute any and all documents, and to render such assistance as we may deem reasonably necessary to carry out such defense prosecution or settlement. Although we are not contractually obligated to protect the Marks or your right to use them, as a matter of corporate policy, we intend to defend the Marks vigorously.

You may not, without our written consent, in our sole discretion, commence or prosecute, or seek leave to intervene in, any litigation or other proceeding, including any arbitration proceeding, in which you purport to enforce any right or recover any element of damage arising from the use or infringement of any of the Marks or unfair competition.

We make no guarantee or warrant of our exclusive right to use any of our Marks or other intellectual property. All your usage of the Marks granted under the Franchise Agreement is nonexclusive, and we retain the right, among others: (a) to use the Marks in connection with selling products and services; (b) to grant other licenses for the Marks, in addition to those licenses already granted to existing franchisees; (c) to develop and establish other systems using the same or similar Marks, or any other proprietary marks, and to grant licenses or franchises in those systems without providing any rights to you as described in Item 12.

Franchisor reserves the right to change or modify its Marks at any time, in its sole discretion. Franchisee shall, upon demand by Franchisor, discontinue its use of any Mark and adopt, at Franchisee's sole cost and expense, any replacement name or mark selected by Franchisor, and Franchisor will have no liability to Franchisee, therefore.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no patents that are material to the Franchise. We claim copyright protection in any Written Standards and/or any Manual which we may create, related materials, business forms, and advertisement and promotional materials, although these materials have not been nor may not be registered with the United States Registrar of Copyrights and/or any state governmental authority. The materials are considered proprietary and/or confidential, are considered our property, and may be used by you only as provided in the Franchise Agreement. Although we have not filed an application for copyright registration for our confidential Manual and/or Written Standards, we claim a copyright and the information is proprietary. We reserve the right to register any of our copyrighted materials at any time we deem appropriate. We also reserve the right to renew any and all such copyright registrations at our discretion. You must also promptly

tell us when you learn about unauthorized use of any of our proprietary information. We are not obligated to take any action but will respond to this information as we think appropriate.

There currently are no effective determinations of the United States Copyright Office or any court regarding any of the copyrighted materials. There are no agreements in effect that significantly limit our right to use or license the copyrighted materials. There are no infringing uses actually known to us, which could materially affect your use of the copyrighted materials in any State.

You must notify us immediately in writing of any apparent infringement of or challenge to your use of our copyrighted materials or trade secrets or claim by any person of any rights in any copyright or trade secret which you become aware. We have the sole discretion to take such action, as we deem appropriate and the right to exclusively control any litigation, United States Copyright Office proceeding or other administrative proceeding. We may require you to discontinue use or modify any materials that may in our opinion infringe on the copyright, trade secret, or patent rights of any other person or business.

If it becomes advisable at any time, in our sole discretion, to modify or discontinue use of any copyrighted materials or trade secrets, and/or use one or more additional or substitute copyrighted materials or trade secrets, you must comply with our directions with respect to a reasonable time after notice by us. We have no liability to you concerning substitution or modification of copyrighted materials or trade secrets.

We possess certain confidential information that includes: our proprietary recipes, sauces, breads, in addition to specific food preparation, presentation and packaging standards; cooking techniques, strategies, methods and procedures; privately labeled products (which are products that display our logo), specifications for all products, supplies and kitchen equipment; purchasing strategies, inventory management systems, vendor and supplier relationships, cost and pricing strategies; procedures for cleanliness, service standards, safety, sanitation and quality control; strategies for site acquisition, build-out and design specifications with unique décor, color scheme and signage; guidelines for hiring, training and retaining employees, proprietary educational platform that houses our videos, training modules and courses (which includes curriculum, lesson plans and workshops) to complement your ongoing training efforts; strategies for executing catering and delivery services, operational procedures, mobile sharing strategies, our Operating Manual and other written materials, photographs of food, video presentations, website, intranet system, third-party software, forms, contracts, record keeping and reporting procedures; proprietary referral, customer acquisition, loyalty and retention programs; social media strategies, advertising, marketing and promotional materials in addition to systems and knowledge of, and experience in, the operation and franchising of a World of Sourdough Franchising, LLC business (collectively, the "Confidential Information"). We will disclose Confidential Information to you during our initial franchise training program, seminars, workshops, continuing education sessions and conventions sponsored by us; in the Operating Manual and in guidance furnished to you during the term of your Franchise Agreement.

If you or your partners, members, managers, directors, shareholders, employees, agents, or independent contractors develop any new piece of equipment, product, recipe, formula, concept, technique, process, photographs, video presentations, promotions, program or improvement in the operation or promotion of your Business, you are required to promptly notify us with all necessary related information, without compensation.

The Franchise Agreement provides that you will not acquire any interest in the Confidential Information other than the right to utilize it in the development and operation of your SDCO Franchised Business during the term of your Franchise Agreement, and that the use or duplication of the Confidential Information in any other

business would constitute unfair competition. You also agree that the Confidential Information is proprietary to us and is disclosed to you solely on the condition that you: (1) will not use the Confidential Information in any other business or capacity; (2) will maintain the absolute confidentiality of the Confidential Information during and after the term of your Franchise Agreement; (3) will not make unauthorized copies of any portion of the Confidential Information disclosed in written or electronic form; and (4) will adopt and implement all reasonable procedures required by us to prevent unauthorized use or disclosure of the Confidential Information, including without limitation, restrictions on disclosures to employees of your Franchise and any other business(es) owned by you and if you are an Entity, any of your Owners, and the use of nondisclosure and non-competition clauses in employment agreements with your employees and Owners, where enforceable under state law.

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

We do not require that you personally supervise the Franchised Business. However, the Franchised Restaurant must at all times be under the on-site supervision of a manager. This manager may be either you or another individual designated by you and approved by us, in writing. The manager must have successfully completed our initial training program and any other mandatory training programs. The manager must devote his/her best efforts to the operation of the Franchised Restaurant. The manager may not have an interest in or business relationship with any business competitor of Franchisor, the Franchised Business or any of Franchisor's other franchisees. The manager must sign a written agreement to maintain confidentiality of the trade secrets described in Item 14 and to conform with the covenants not to compete described in Item 17.

If you are an Entity, each of your Owners that holds more than 10% interest in the Franchised Business, and their spouses, must personally guarantee your obligations under the Franchise Agreement and also agree to be personally bound by, and personally liable for the breach of, every provision of the Franchise Agreement, agree to be bound by the confidentiality provisions and non-competition provisions of the Franchise Agreement and agree to certain restrictions on their ownership interests. The required Guaranty of Obligations is attached as Schedule 5 of the Franchise Agreement. Your spouse must also sign the Guaranty of Obligations.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

Under the Franchise Agreement, you may only offer and sell the products and services or such other services and goods that we authorize in our Manual, Written Standards, or otherwise in writing. (See Item 8 of this disclosure document.) Your ability to provide certain goods or services may also be conditioned upon you obtaining licensing from your state or local government. (See Item 1 of this disclosure document.) You must conduct the Franchised Restaurant in accordance with our confidential Operating Manual.

Due to the differing nature of markets across the United States, and because the size of each individual Business will vary, you will have a wide variety of possible sites from which to choose to conduct your business

operations with our approval. You may not use the Business premises for any purpose other than the operation of a SDCO Business, unless otherwise approved by us in writing.

You must comply with all our standards and specifications relating to the purchase and/or lease, use and sale of all products, kitchen equipment, supplies, furnishings and fixtures, technology items, uniforms, software, signage, and décor items, printed advertising materials and other items to be used, sold, or offered from the Business (See Item 8).

You are required to offer delivery and counter service in combination with approved products and services as specified by us that include but are not limited to: a variety of our prepared signature sandwiches made to order, soups, salads, pasta, non-alcoholic beverages (such as: bottled water, energy drinks, juices, teas, etc.) and a walk-up quick-serve style counter for customers who can choose how their meal is prepared to immediately eat on the premises in addition to offering catering products and services and in conjunction with other food and beverage-related products or services as expressly authorized by us in writing or in the Operating Manual, or developed by us as a result of your pre-market entry study to meet the needs of your unique market, and any updates to be incorporated in the Operating Manual periodically. You must prepare all products from your Business premises in accordance with our recipes, standards, techniques, processes, and presentation as designated by us. You can also conduct off-site events so long as such off-site events are within your Territory and perform catering and delivery services so long as all products are prepared, and such services are performed from only your Business premises; and all such catering and/or delivery services are provided to persons or businesses within your defined Territory. You may also offer additional products that are unique to your area in an effort to blend in with your community; however, you must obtain our written approval before such products are used or offered and the time to approve or deny your request is described below. We will respond to a written request by you to approve any product (including any meal package) or service you wish to use or offer within 30 days after we receive it. We may revoke approval in our sole discretion where an approved product or service does not adhere to our standards as specified in the Operating Manual. We will notify you either by email or any other written form of communication of our approval, disapproval, or revocation of any prior approval of any product or service.

You acknowledge that you and other franchisees can sell products and serve anyone who comes from anywhere so long as such products are being prepared from your Business premises and sold either from your Business or off-site events within your Territory and such sales do not result from any Target Marketing (see Item 12). You can sell products and provide catering and delivery services at any prices and/or rates you establish as we will suggest pricing and rate strategy and we may establish minimum and maximum prices and/or rates at which you may sell products and provide services to the extent allowed by federal and state laws. You must discontinue using, selling, and offering for sale any product or service that we may disapprove in writing at any time, whether or not a product being submitted for approval is currently in use. We can and expect to change and/or modify the types of products and services we authorize. There are no limits on our right to do so. We will inform you by email or by any other form of written communication of such changes and/or modifications. You may not use or offer any product or provide any service that has not been specifically approved in writing by us; and you may not independently act as an exclusive distributor for any third-party vendor or secure any exclusive rights for any vendor or proprietary product or equipment without our prior written consent.

In addition, you acknowledge that currently we allow you, other franchisees, and company-owned businesses to sell products through an alternative channel of distribution. You can sell the products and services to anyone from anywhere without compensation to other franchise or company-owned businesses so long as all such

products are prepared from your Business premises and sold either from your Business or off-site events within your Territory. We may, in our discretion, allow you and other franchisees or company-owned businesses to sell other products and offer catering services and/or delivery services through an alternative channel of distribution (such as on the Internet or Websites) provided you adhere to our standards. You acknowledge that this may create competition and you will not receive any compensation from such sales made by other franchisees or company-owned businesses. If we authorize you to sell other products and offer services through alternative channels of distribution all such products must be sold from your Business or off-site events within your Territory; and all catering and delivery services must be performed from your Business premises and within your defined Territory. You are not authorized to sell any other products or offer any services on the Internet or in any other media, whether now known or hereinafter invented, unless we otherwise approve it (Currently, franchisees are allowed to participate in Facebook and Instagram).

You must participate in any gift certificate or gift card program or rewards program we establish. You may not create or issue your own gift certificates or cards without our prior written consent.

You must maintain proper permits and licenses to operate a SDCO Franchised Business and provide products and services in your area. You must not engage in any trade, practice or other activity that is harmful to our goodwill or reflects unfavorably on our reputation, that constitutes deceptive or unfair competition, or that is in violation of any applicable law.

You are encouraged to directly advertise and market to attract business, sell products, serve persons, conduct off-site events, and provide catering services and delivery services to anyone located within your Territory. We place no restrictions upon your ability to sell products, serve customers and perform catering and/or services to anyone so long as all products are being prepared from your Business premises and sold from your Business or off-site events within your Territory; and such services are performed within your Territory. In addition, you may be able to conduct off-site events outside your Territory, perform catering and/or delivery services in other geographical areas outside your Territory under certain circumstances and provided you do so in accordance with our standards (as described in Item 12).

ITEM 17
RENEWAL, TERMINATION, TRANSFER
AND DISPUTE RESOLUTION

	Provision	Section in FA/ADA	Summary
a.	Length of franchise term	FA 2.1	10 years.
b.	Renewal or extension of the term	FA 2.2 Not Applicable	If certain conditions are met, you can renew for one (1) additional 10-year term.

c.	Requirements for you to renew or extend	FA 2.2 Not Applicable	You provide prior notice to us; you are not in default of any agreement with us; you have not received more than 3 written notices of default and/or noncompliance during the preceding term (whether or not subsequently cured or remedied by you); you sign a new franchise agreement with the then-current terms (which may differ from your previous franchise agreement); you pay a renewal fee; you refurbish, remodel and redecorate your Franchised Restaurant to meet then-existing standards; you sign a general release; you comply with then-current qualifications and training; we are then offering and selling licenses to new franchisees.
d.	Termination by you	FA 13.4	FA - If we have materially failed to comply with terms of the FA after 30 days' notice (subject to state law).
e.	Termination by us without cause	Not Applicable	We cannot terminate your FA without cause.
f.	Termination by us with cause	FA 13	FA - We can terminate the FA if you breach a material provision of the FA or fail to open the Business.
g.	"Cause" defined – curable defaults	FA 13.2	You have 30 days to cure failure to pay us; non-submission of reports; failure to operate in compliance; understatement of Gross Revenues; breach of any other provision of the Franchise Agreement or related agreement.

h.	"Cause" defined – defaults that cannot be cured	FA 13.1	Non-curable defaults include: failure to satisfactorily complete training; failure to timely open your Franchised Restaurant in accordance with the Opening Schedule; failure to maintain continuous operation; bankruptcy or insolvency; failure to comply with applicable laws; unapproved transfers; maintain false books or submit false reports; foreclosure or seizure; unsatisfied final judgment; levy of execution against your assets; material misrepresentation; felony conviction or other unfavorable conduct; repeated defaults even if cured; continued operation is a danger to public health or safety; termination of your lease or foreclosure of your property; repeated defaults even if cured.

			maintain continuous operation; bankruptcy or insolvency; failure to comply with applicable laws; unapproved transfers; maintain false books or submit false reports; foreclosure or seizure; unsatisfied final judgment; levy of execution against your assets; material misrepresentation; felony conviction or other unfavorable conduct; repeated defaults even if cured; continued operation is a danger to public health or safety; termination of your lease or foreclosure of your property; repeated defaults even if cured.
i.	Your obligations on termination/non-renewal	14.1, 15.3, 15.4	Cease operations; cease use of our name, marks, methods and materials, de-identify; return all confidential materials; delete proprietary software and data; pay amounts due under the Franchise Agreement (including liquidated damages for future amounts due); cancel assumed name(s); maintain

			insurance; noncompetition; non-solicitation.
j.	Assignment of contact by us	FA 12.1	No restriction on our right to transfer or assign.
k.	"Transfer" by you - definition	FA12.2/ADA 9	Includes transfer of any interest in the franchise agreement or change in ownership of franchisee.
l.	Our approval of your transfer	FA12.2	We must approve all transfers of the Franchise Agreement in writing but will not unreasonably withhold approval.
m.	Conditions for our approval of transfer	12.2(b)	Conditions include: your monetary and other obligations have been satisfied; transferor's right to receive is secondary to our rights; you sign a general release; if transferee will get less than all of your rights, then transferee will execute documents making transferee jointly and severally liable for all of your obligations; if transferee will get all or a majority of your rights, then transferee will sign a new franchise agreement, and related agreements with the then-current terms;
			transferee must complete training, at its own expense; you refrain from disclosing our confidential information; the required transfer fee is
n.	Our right of first refusal to acquire your business	FA 12.4/	We can match any offer.
o.	Our option to purchase your business	No provision	Not applicable.

p.	Your death or disability	FA 12.5	Franchise or ownership must be transferred to us in accordance with our right-of-first refusal unless (a) the transferee meets our standards or retains someone else who meets our standards, and (b) all other conditions of transfer are met.
q.	Non-competition covenants during the franchise term	FA 15.2	You may not engage in or have any interest in any business that is in competition with us.
r.	Non-competition after the franchise is terminated or expires	FA 15.3, 15.4	For 2 years after termination or expiration: no involvement with competing business within 15 miles of the location of your Franchised Restaurant Location or the location of any of our other franchisees; no solicitation of any of your customers or any customer of our other franchisees.
s.	Modification of the Franchise Agreement	FA 18.2	No modifications of the Franchise Agreement, unless signed by both parties.
t.	Integration/merger clause	FA 18.2	Only terms of the Franchise Disclosure Document and Franchise Agreement are binding subject to state law. Notwithstanding the prior sentence, nothing in the Franchise Agreement or any related agreement is intended to disclaim any representations Franchisor has made in the entire Franchise Disclosure Document. Any representations made outside of the Disclosure Document or the Franchise Agreement may not be enforceable.
u.	Dispute resolution by arbitration or mediation	FA 16.2	Except for certain claims, all disputes between you and us must be arbitrated by the American Arbitration Association. Any claims by you must be mediated first.
v.	Choice of forum	FA 16.2, 16.5	All arbitration and litigation will be held in Placer County, California (Subject to State law).
w.	Choice of law	FA 16.4	California law applies (Subject to State law).

* “FA” means the Franchise Agreement.

ITEM 18
PUBLIC FIGURES

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

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial 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 about possible performance at a particular location or under particular circumstances.

This financial performance representation is based upon the historic profit and loss statement, and gross revenues/sales of the "Affiliate-Owned Outlet" operated by our affiliates in Martinez, California and Scottsdale Arizona for the period from January 1, 2025, through December 31, 2025, and the Gross Revenue for the "Measuring Period(s)," which cover the periods from January 1, 2025, through December 31, 2025 (FY 2025). Also included are the historic sales revenues of our franchisees for the measuring period of January 1, 2023, through December 31, 2023 (FY 2023), as well as stores open for the 12-month period of January 1, 2024, through December 31, 2024. As well as the stores open for the 12-month period of January 1, 2025, through December 31, 2025.

Except as discussed in the notes below, the Affiliate-Owned Outlets and franchisees operate in a substantially similar manner to how your Franchised Business will operate. The explanatory notes included with the following charts are an integral part of this financial performance representation and should be read in their entirety for a full understanding of the information contained in the following chart.

Notes Regarding the Tables Below:

1. "Gross Revenue" means the total revenues, receipts, and dollar volume from the sale of all products, services and merchandise sold and booked in connection with the Franchised Business, whether under any of the Marks or otherwise. Gross Revenue is calculated on an accrual basis regardless of whether you have collected payment. Gross Revenue excludes sales taxes added to the sales price and collected from the customer. Third-party fees and payments and uncollected funds are not excluded from Gross Revenue.

2. The actual performance of any outlet will depend on a number of factors specific to the location, including:

- Any applicable law or regulatory compliance expenses;
- Rent, interest, and other financing costs for land, buildings, equipment, and inventory;
- Initial franchise fee and organization costs;
- Economic conditions of various geographic areas;
- Competition from a variety of other businesses;
- Different acquisition, development, construction, and property costs;
- Cost of equipment;
- Occupancy expenses such as rent, utilities and property taxes;
- Labor costs, payroll taxes and laws concerning employees and employee benefits;
- Different traffic counts, accessibility, visibility, and parking;
- Different results from advertising;
- Outlets have been in business for different periods of time in their respective markets;
- Cost of product and supply costs;
- Franchise payments including royalties; and
- Workers' compensation and insurance coverage.

3. The quick service restaurant industry is highly competitive and affected by, among other things, changes in geographic area, changes in preferences, local, regional and national economic conditions, population trends, and traffic patterns. The performance of your Business will be affected by the region in which you operate, your competitors, and the success you have in marketing and managing your operations.

4. The Affiliate-Owned Outlets operates in El Dorado Hills Town Center, California and Green Valley, El Dorado Hills, California, where the Sourdough & Co. brand has likely obtained more of a reputation and positive goodwill among the relevant target market (as compared to another region of the United States where there are no other SDCO locations in operation).

5. This Item 19 does not reflect certain pre-opening costs and expenses over the Measuring Periods that you are likely to incur in connection with development of a new Business. See Item 7 for details about pre-opening costs for your Business.

6. You should consult other sources for financial information including your financial, business, and legal advisors in connection with the information provided to obtain additional information necessary for you to develop estimates of the sales, costs, expenses, earnings, and profits.

7. Written substantiation to support the information appearing in this financial performance representation in available to you upon reasonable request.

Notes Regarding the Affiliate-Owned Outlets and Item 19 Generally:

The figures in the tables below use the historical information that our affiliate-owned outlets and franchisees provided to us. You should be advised that no certified public accountant has audited these figures or expressed his or her opinion concerning their contents or form, nor have we sought to independently verify their accuracy. Upon your reasonable request, we will provide written substantiation for this financial performance representation.

These and other expenses you incur will affect the net income and cash flow of the outlet.

Some franchise outlets have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.

The gross sales, revenue and expense data presented in our Item 19 is based on information reported to us by franchisees. We have not independently verified this data. Some SDCO franchises have earned this amount. Your individual results may differ. There is no assurance that you will earn as much.

This financial performance representation is based upon the historic profit and loss statement, and gross revenues/sales of the "Affiliate-Owned Outlet" operated by our affiliates in Martinez, California and Scottsdale Arizona for the period from January 1, 2025, through December 31, 2025, and the Gross Revenue for the "Measuring Period(s)," which cover the periods from January 1, 2025, through December 31, 2025 (FY 2025). Also included are the historic sales revenues of our franchisees for the measuring period of January 1, 2023, through December 31, 2023 (FY 2023), as well as stores open for the 12-month period of January 1, 2024, through December 31, 2024. Out of 99 restaurants, 76 franchised WOSD outlets and 2 affiliate-owned outlets remained operational for the entire year. Therefore, the report focuses on the 78 outlets that operated throughout this period, forming the specific subset included in this Item 19.

CHART ONE: Overview Chart			
World of Sourdough Owned or Affiliated Stores			
Store	**City & State**	**Year Opened as WOS**	**Basic Demographic Info as of 2023**
01 Sourdough	El Dorado Hills, CA	2022	As of 2023, within 3 miles there are 45,978 people in 16,140 households with a median household income of $148,961. This is 1 of 2 corporate stores.
40 Green Valley	El Dorado Hills, CA	2023	As of 2023, within 3 miles there are 53,250 people in 16,599 households with a median household income of $155,000. This is #2 of 2 corporate stores.
Franchised Stores			
Store	**City & State**	**Year Opened as WOS**	**Basic Demographic Info as of 2023**
02 Auburn	Auburn, CA	2023	The area surrounding 2176 Grass Valley Hwy, Auburn, CA has a population of 27,688,

			with a median age of 48.3. It includes 6,202 households with a median income of $52,314, and a 96% employment rate, primarily in white-collar sectors.
03 Lincoln	Lincoln, CA	2016	As of 2023, within 3 miles there are 45,096 people in 16,781 households with a median household income of $93,545.
04 Foothills	Roseville, CA	2016	As of 2023, within 3 miles there are 45,096 people in 16,781 households with a median household income of $93,545.
05 Howe Ave	Sacramento, CA	2017	As of 2023, within 3 miles there are 142,233 people in 59,228 households with a median household income of $71,000.
06 Sunrise	Citrus Heights, CA	2017	As of 2023, within 3 miles there are 133,222 people in 51,379 households with a median household income of $84,000.
07 Grass Valley	Grass Valley, CA	2017	As of 2023, within 3 miles there are 27,752 people in 16,140 households with a median household income of $84,000.
09 Rocklin	Rocklin, CA	2018	As of 2023, within 3 miles there are 69,848 people in 25,644 households with a median household income of $97,000.
11 Dublin	Dublin, CA	2018	As of 2023, within 3 miles there are 76,977 people in 24,262 households with a

			median household income of $174,000.
12 Fairfield – Travis Blvd	Fairfield, CA	2018	As of 2023, within 3 miles there are 100,302 people in 32,512 households with a median household income of $87,000.
13 Fairfield – N. Texas St.	Fairfield, CA	2018	As of 2023, within 3 miles there are 94,298 people in 29,959 households with a median household income of $103,000.
14 Zinfandel	Rancho Cordova, CA	2018	As of 2023, within 3 miles there are 81,110 people in 129,695 households with a median household income of $87,000.
15 Walnut Creek	Walnut Creek, CA	2019	As of 2023, within 3 miles there are 115,493 people in 46,177 households with a median household income of $131,000.
16 Portola	Livermore, CA	2022	As of 2023, within 3 miles there are 79,309 people in 28,300 households with a median household income of $128,000.
18 Brentwood	Brentwood, CA	2018	As of 2023, within 3 miles there are 88,787 people in 27,455 households with a median household income of $138,000.
19 Commerce	Manteca, CA	2019	As of 2023, within 3 miles there are 70,309 people in 21,789 households with a median household income of $85,000.
20 San Marcos	San Marcos, CA	2019	As of 2023, within 3 miles there are 62,404 people in 22,013

			households with a median household income of $132,000.
21 Sierra College	Roseville, CA	2019	As of 2023, within 3 miles there are 73,505 people in 27,806 households with a median household income of $132,000.
22 Woodland	Woodland, CA	2018	As of 2023, within 3 miles there are 37,045 people in 12,048 households with a median household income of $88,000.
23 Delta Shores	South Sacramento, CA	2019	As of 2023, within 3 miles there are 92,619 people in 29,021 households with a median household income of $80,000.
24 Placerville	Placerville, CA	2020	As of 2023, within 3 miles there are 18,528 people in 7,687 households with a median household income of $87,000
25 Monte Vista Turlock	Turlock, CA	2020	As of 2023, within 3 miles there are 72,414 people in 25,163 households with a median household income of $80,000.
26 Novato Nave	Novato, CA	2019	As of 2023, within 3 miles there are 33,312 people in 12,819 households with a median household income of $118,000.
27 Showers	Mountain View, CA	2020	As of 2023, within 3 miles there are 145,880 people in 57,078 households with a median household income of $156,000.
28 El Camino	Sunnyvale, CA	2020	As of 2023, within 3 miles there are 233,182 people in 87,236

			households with a median household income of $162,000.
29 McDowell	Petaluma, CA	2021	As of 2023, within 3 miles there are 65,688 people in 24,976 households with a median household income of $104,000.
30 Santa Rosa	Santa Rosa, CA	2020	As of 2023, within 3 miles there are 108,220 people in 39,177 households with a median household income of $89,000.
31 Telegraph	Berkeley, CA	2020	As of 2023, within 3 miles there are 216,240 people in 88,165 households with a median household income of $102,000.
32 Del Paso	Natomas, CA	2021	As of 2023, within 3 miles there are 89,015 people in 31,874 households with a median household income of $98,000.
33 Atwater	Atwater, CA	2021	As of 2023 With in 3 miles there are 46,553 people in 14,724 Households With a medium household income of $64,000.00
34 Bridge	Yuba City, CA	2021	As of 2023, within 3 miles there are 81,013 people in 27,479 households with a median household income of $69,000.
35 Rohnert Park	Rohnert Park, CA	2021	As of 2023, within 3 miles there are 57,213 people in 21,571 households with a median household income of $89,000
36 Coach	Cameron Park, CA	2022	As of 2023, within 3 miles there are 25,919

			people in 10,088 households with a median household income of $108,000.
37 March Lane	Stockton, CA	2022	As of 2023, within 3 miles there are 117,767 people in 41,239 households with a median household income of $85,000.
38 Patterson	Patterson, CA	2022	As of 2023, within 3 miles there are 24,000 people in 6,538 households with a median household income of $88,000.
39 Mt. Diablo	Concord, CA	2022	As of 2023, within 3 miles there are 128,188 people in 48,088 households with a median household income of $105,000.
41 Tracy Blvd	Tracy, CA	2023	As of 2023, within 3 miles there are 93,833 people in 27,259 households with a median household income of $122,000.
42 Pacifica	Pacifica, CA	2023	As of 2023, within 3 miles there are 38,048 people in 14,270 households with a median household income of $151,849.
43 Oakdale	Oakdale, CA	2023	As of 2023, within 3 miles there are 26,686 people in 9,610 households with a median household income of $85,000.
44 Grant Line	Tracy, CA	2023	As of 2023, within 3 miles there are 65,940 people in 19,269 households with a median household income of $136,000.
45 Ukiah	Ukiah, CA	2022	As of 2023, within 3 miles there are 23,303

			people in 7,744 households with a median household income of $59,000.
46 Dale	Modesto, CA	2023	As of 2023, within 3 miles there are 63,632 people in 20,965 households with a median household income of $82,000.
47 H Street	Modesto, CA	2023	As of 2023, within 3 miles there are 142,829 people in 46,315 households with a median household income of $58,000.
48 Hembree	Windsor, CA	2022	As of 2023, within 3 miles there are 36,936 people in 12,767 households with a median household income of $100,000.
49 Mountain House	Mountain House, CA	2024	As of 2023, within 3 miles there are 23,132 people in 5,948 households with a median household income of $162,000.
50 Bernal	Pleasanton, CA	2024	As of 2023, within 3 miles there are 70,646 people in 24,664 households with a median household income of $171,000.
51 Laguna	Elk Grove, CA	2024	As of 2023, within 3 miles there are 164,909 people in 51,303 households with a median household income of $103,000.
52 Eureka	Eureka, CA	2023	As of 2023, within 3 miles there are 26,591 people in 10,905 households with a median household income of $51,971.
53 SR Valley	San Ramon, CA	2023	As of 2023, within 3

			miles there are 66,234 people in 23,981 households with a median household income of $170,000.
54 Iron Point	Folsom, CA	2022	As of 2023, within 3 miles there are 39,692 people in 14,971 households with a median household income of $111,000.
55 Pleasant Hill	Pleasant Hill, CA	2023	As of 2023, within 3 miles there are 125,412 people in 56,173 households with a median household income of $108,000.
56 Katy Fwy	Houston, TX	2021	As of 2023, within 3 miles there are 183,136 people in 87,091 households with a median household income of $89,000.
57 Chandler	Chandler, AZ	2022	As of 2023, within 3 miles there are 88,266 people in 34,222 households with a median household income of $109,000.
58 Avondale	Avondale, AZ	2022	As of 2023, within 3 miles there are 110,272 people in 33,609 households with a median household income of $70,000.
59 Via Linda	Scottsdale, AZ	2024	As of 2023, within 3 miles there are 56,406 people in 26,132 households with a median household income of $99,000.
60 Hayden Peak	Scottsdale, AZ	2022	As of 2023, within 3 miles there are 34,569 people in 15,361 households with a median household income of $119,000.
61 Ashler Hills	Scottsdale, AZ	2023	As of 2023, within 3

			miles there are 19,942 people in 8,290 households with a median household income of $138,000.
62 Vintage Oaks	Novato, CA	2023	As of 2023, within 3 miles there are 48,304 people in 18,750 households with a median household income of $116,000.
63 Ceres	Ceres, CA	2022	As of 2023, within 3 miles there are 67,676 people in 18,518 households with a median household income of $71,000.
64 Sonoma	Sonoma, CA	2023	As of 2023, within 3 miles there are 33,692 people in 13,844 households with a median household income of $101,000.
65 Danville	Danville, CA	2024	As of 2023, within 3 miles there are 44,791 people in 16,518 households with a median household income of $195,000.
66 Dixon	Dixon, CA	2024	As of 2023, within 3 miles there are 20,755 people in 7,087 households with a median household income of $96,000.
67 Martinez	Martinez, CA	2024	As of 2023, within 3 miles there are 115,493 people in 46,177 households with a median household income of $131,000.
68 San Rafael	San Rafael, CA	2024	As of 2023, within 3 miles there are 71,388 people in 29,799 households with a median household income of $116,000.

69 Daly City	Daly City, CA	2024	As of 2023, within 3 miles there are 217,210 people in 67,132 households with a median household income of $119,000.
70 San Mateo	San Mateo, CA	2024	As of 2023, within 3 miles there are 78,531 people in 30,232 households with a median household income of $199,000.
71 Galleria	Roseville, CA	2024	As of 2023, within 3 miles there are 112,567 people in 41,619 households with a median household income of $97,000.
72 Twelve Bridges	Lincoln, CA	2024	As of 2024, within 3 miles there are 45,764 people in 17,594 households with a median household income of $104,704.
73 Centennial	Colorado Springs, CO	2024	As of 2023, within 3 miles there are 21,369 people in 10,924 households with a median household income of $69,566.
74 Medford	Medford, OR	2024	As of 2023, within 3 miles there are 85,100 people in 34,867 households with a median household income of $66,186.
75 S. Las Vegas	Las Vegas, NV	2024	As of 2023, within 3 miles there are 57,693 people in 23,012 households with a median household income of $80,992.
76 Clayton Rd	Concord, CA	2024	As of 2023, within 3 miles there are 41,118 people in 15,607 households with a median household income of $127,312.

77 Blossom Valley Plaza	Mountain View, CA	2024	As of 2023, within 3 miles there are 35,581 people in 15,347 households with a median household income of $184,494.
78 Los Banos	Los Banos, CA	2024	As of 2023, within 3 miles there are 46,776 people in 13,388 households with a median household income of $70,893.
79 Salinas	Salinas, CA	2024	As of 2023 With in 3 miles there are 64596 people in 14,056 Households With a medium household income of $75,715.
80 Huntington Beach	Huntington Beach, CA	2024	As of 2023, within 3 miles there are 58,794 people in 21,315 households with a median household income of $107,877.
81 Porter Ranch	Porter Ranch, CA	2025	As of 12/31/2025, within 3 miles there are 75,000+ people with a median household income of $165,000. The area is considered affluent and is part of the Porter Ranch master-planned community.
83 Rancho Cucamonga	Rancho Cucamonga, CA	2025	As of 12/31/2025, within 3 miles there are 175,000 people with a median household income of $105,000. The area is a highly walkable retail corridor with a family-oriented environment.
84 Hayward	Hayward, CA	2024	As of 12/31/2025, within 3 miles there are 78,000 people with a median household

			income of approximately $101,000. The area has a diverse and well-balanced community.
87 Upland	Upland, CA	2025	As of 12/31/2025, within 3 miles there are 78,000 people with a median household income of approximately $115,000. The area is an established suburban community with high educational attainment.
88 Eastern Ave	Henderson, NV	2025	As of 12/31/2025, within 3 miles there are 320,000+ people with a median household income of approximately $81,000. The area is rapidly growing, with an average home value of approximately $475,000.
89 Flying Horse	Colorado Springs, CO	2025	As of 12/31/2025, within 3 miles there are 65,000 people, with an average household income of $177,000.
90 S. San Francisco	S. San Francisco, CA	2025	As of 12/31/2025, the total population is 64,500, with a median household income of $135,909. The area is part of the South City downtown and near an industrial-residential transition zone, with strong ties to the biotechnology and transit sectors.
91 Soscol Ave	Napa, CA	2025	As of 12/31/2025, the total population is 28,137, with a median household income of

			$100,559. Located in Napa, California, the area surrounding 91 Soscol Avenue (ZIP Code 94559) is a centrally located community and key commercial and residential hub within Napa Valley.
92 Fremont	Fremont, CA	2025	As of 12/31/2025, the population is 230,000, with an average household income of $181,000. The area is a high-income tech hub, with over 60% of residents holding college degrees.
93 Irvine	Irvine, CA	2025	As of 12/31/2025, the population is 300,000, with an average household income of $120,000. The area has a strong academic and technology focus.
94 Belmont	Belmont, CA	2025	As of 12/31/2025, the population is 28,513, with a median household income of $207,609. This is a highly affluent, educated community in the heart of the San Francisco Peninsula, located along a major transit corridor serving professionals in the tech and biotech industries.
98 Millbrae	Millbrae, CA	2025	As of 12/31/2025, there are 22,000 people within 3 miles, with a median household income of $157,000. The area has a higher

			median age of 45.
100 Morgan Hill	Morgan Hill, CA	2025	As of 12/31/2025, there are 154,000 people within 3 miles, with a median household income of $109,000. Approximately 59% of residents are married.
101 Fountain	Fountain, CA	2025	As of 12/31/2025, there are 78,000 people within 3 miles, with a median household income of $90,000.
108 Grand Canal Shoppes	Las Vegas, NV	2025	As of 12/31/2025, there were 172,000 residents with a median household income of $55,000. The area within a 3-mile radius of The Venetian Resort (3355 Las Vegas Blvd S) includes several unique demographic zones in Nevada, including the High-Strip corridor, the historic neighborhoods of Winchester, and parts of the high-density Paradise Valley.
109 Carlsbad	Carlsbad, CA	2025	As of 12/31/2025, there were 115,000 people within 3 miles with a median household income of $139,000. The area has a high homeownership rate (63%).
112 Cirby Way	Roseville, CA	2025	As of 12/31/2025, there were 154,000 people within 3 miles with a median household income of $109,000. The area has a high concentration of white-collar employment (77%), with 45% of

			residents holding degrees.
115 E Chaparral Scottsdale	Scottsdale, AZ	2025	As of 12/31/2025, there were 240,000 people with a median household income of $102,000. The area is a high-wealth enclave with a significant retiree population
119 Sunrise – Rancho Cordova	Rancho Cordova, CA	2025	As of 12/31/2025, there were 121,000 people within 3 miles with a median household income of $111,332. The area is characterized by an established, high-income demographic with a significant concentration of educated professionals and retirees.
121 Trinity Pkwy	Stockton, CA	2025	As of 12/31/2025, there were 31,200 people with a median household income of $105,300. This area is characterized by significantly higher income and education levels compared to the Stockton city average.
120 Los Altos Pkwy	Sparks, NV	2025	As of 12/31/2025, there were 94,865 people with a median household income of $109,485. The area around 105 Los Altos is a wealthy, family-oriented suburban community with high homeownership and easy access to the Spanish Springs shopping corridors.
132 Wausau	Wausau, WI	2025	As of 12/31/2025, there

			were 40,262 people, with a median household income of approximately $61,877. Located in downtown Wausau, 601 Forest Street is in a high-traffic, central commercial and residential area that is urban, historic, and walkable.

Hayden Peak, Affiliate Store
20553 N Hayden Rd. STE 110 Scottsdale AZ 85255

Sourdough and Co. P & L Year 2025

Total for 4000 Income	$ 1,104,944.32	
Total for Income	**$ 1,104,944.32**	
Cost of Goods Sold5000 Cost of Goods Sold 5010 Food Purchases	$ 310,970.87	
5020 Produce	$ 1,401.62	
Total for 5000 Cost of Goods Sold	**$ 312,372.49**	**28.27%**
5400 Payroll Expenses	$ 394.46	
5410 Managers Payroll	$ 54,000.00	
5420 Employee Payroll	$ 153,099.56	
5430 Employer Payroll Taxes	$ 29,849.70	
5480 Payroll Processing Fees	$ 4,965.25	
Total for 5400 Payroll Expenses	**$ 242,308.97**	**21.93%**
Total for Cost of Goods Sold	**$ 554,681.46**	
Gross Profit	**$ 550,262.86**	**49.80%**
Expenses5300 Operational Expense5320 Janitorial Supplies	$ 128.84	
5330 Linen Expense	$ 4,585.86	
5340 Office Supplies	$ 8,650.78	
5320 Paper Products	$ 24,435.80	
5350 Uniforms	$ 2,459.66	
Total for 5300 Operational Expense	**$ 40,260.94**	
5500 · Equipment - Non Cap	$ 2,869.44	
5530 Medical Insurance	$ 1,263.64	
5800 · Licensing Fees	$ 1,727.13	
6000 Advertising & Promotion	$ 4,675.00	
6010 Third Party Commission, advertising and discounts	$ 70,889.15	
6030 Meal Discounts	$ 10,923.05	
6040 Loyalty Rewards	$ 3,796.26	
Total for 6000 Advertising & Promotion	**$ 96,143.67**	
6100 · Bank Service Charges	$ 142.90	
6200 Business License/Permits	$ 1,312.18	
6700 · Dues & Subscriptions	$ 10,145.65	
6801 · Employee Appreciation	$ 200.00	
7000 Insurance Expense	$ 4,142.37	
7020 Umbrella	$ 2,540.25	
Total for 7000 Insurance Expense	**$ 18,483.35**	
7100 · Merchant Account Fees	$ 42,810.13	
7200 · Interest Expense	$ 1,497.63	
7400 · Postage & Shipping	$ 1,024.02	
7500 · Professional Fees7510 · Accounting	$ 10,720.20	
Total for 7500 · Professional Fees	**$ 56,051.98**	
7600 · Rent Expense	$ 71,199.44	
7700 · Repairs and Maintenance	$ 7,293.17	
7800 · Security System	$ 388.95	
7900 · Telephone Expense	$ 2,341.79	
8100 · Utilities	$ 14,754.12	
Ask Client	$ 394.46	
Delivery	$ 1,567.81	
Interest on Business Loan	$ 4,886.75	
Royalties	$ 42,245.70	
Software	$ 1,030.81	
Total Occupancy Cost	**$ 146,103.00**	
8000 · Travel & Entertainment8010 · Meals	$ 860.56	
8030 · Gas	$ 2,006.28	
Total for 8000 · Travel & Entertainment	**$ 2,866.84**	
Uncategorized Expense	$ 29.00	
Total for Expenses	**$ 359,938.78**	
Net Operating Income	**$ 190,324.08**	**17.22%**

Martinez Franchise Store.
1034 Arnold Dr, Martinez CA 94553

Sourdough and Co. P & L Year 2025

Income		
Sales	$ 867,472.26	
Services	$ 16.20	
Total for Income	**$ 867,488.46**	
Cost of Goods Sold		
Cost of goods sold	$ 251,118.00	**28.95%**
Payroll expenses	$ 3,429.00	
Payroll taxes	$ 47,073.09	
Salaries & wages	$ 184,839.86	
Total for Payroll expenses	**$ 235,341.95**	**27.13%**
Total for Cost of goods sold	**$ 486,459.95**	
Total for Cost of Goods Sold	**$ 486,459.95**	
Gross Profit	**$ 381,028.51**	**43.92%**
Expenses		
Advertising & marketing	$ 2,600.00	
Social media	$ 558.89	
Total for Advertising & marketing	**$ 3,158.89**	
Business licenses		
Credit Card Fees	$ 15,690.87	
Employee benefits		
Workers' compensation insurance	$ 2,859.30	
Total for Employee benefits	**$ 2,859.30**	
Environmental Health Fees		
General business expenses		
Bank fees & service charges	$ 315.00	
Memberships & subscriptions	$ 70.02	
Total for General business expenses	**$ 385.02**	
Insurance		
Liability insurance	$ 3,273.50	
Total for Insurance	**$ 3,273.50**	
Office expenses		
Shipping & postage		
Software & apps	$ 4,498.66	
Total for Office expenses	**$ 4,498.66**	
Pest Control		
Rent	$ 104,459.65	
Rent - Service fee	$ 13.30	
Repairs & maintenance		
Restaurant Music	$ 353.03	
Royalties	$ 40,043.87	
Supplies		
Supplies & materials	$ 4,598.13	
Cleaning Supplies	$ 6,317.08	
Total for Supplies & materials	**$ 10,915.21**	
Total for Supplies	**$ 10,915.21**	
Uncategorized Expense		
Utilities		
Burglary Alarm	$ 712.94	
Disposal & waste fees	$ 511.52	
Electricity	$ 19,550.76	
Internet & TV services	$ 3,877.95	
Water & sewer	$ 1,590.24	
Total for Utilities	**$ 26,243.41**	
Total for Expenses	**$ 211,894.71**	
Net Operating Income	**$ 169,133.80**	**19.50%**

Annual Sales

Sourdough & Co. Highest to Lowest - 78 Locations Open all of 2025	
Sourdough & Co - 71 Galleria	$1,204,948.06
Sourdough & Co - 18 Brentwood	$1,147,384.18
Sourdough & Co - 84 Hayward	$1,129,355.46
Sourdough & Co - 60 Hayden Peak	$1,104,944.32
Sourdough & Co - 31 Telegraph	$1,086,436.69
Sourdough & Co - 74 Rossanley	$1,079,519.99
Sourdough & Co - 53 SR Valley	$1,053,160.13
Sourdough & Co - 79 Salinas	$1,041,705.33
Sourdough & Co - 56 Katy Fwy	$976,315.75
Sourdough & Co - 07 Grass Valley	$974,188.01
Sourdough & Co - 68 San Rafael	$973,978.76
Sourdough & Co - 69 Daly	$957,802.48
Sourdough & Co - 21 Sierra College	$953,520.74
Sourdough & Co - 19 Commerce	$929,230.11
Sourdough & Co - 30 Santa Rosa	$902,572.88
Sourdough & Co - 29 McDowell	$897,213.64
Sourdough & Co - 16 Livermore	$888,419.23
Sourdough & Co - 22 Woodland	$884,659.63
Sourdough & Co - 37 March Lane	$868,292.54
Sourdough & Co - 67 Martinez	$867,472.26
Sourdough & Co - 32 Del Paso	$861,639.22
Sourdough & Co - 12 Travis Blvd.	$843,122.10
Sourdough & Co - 20 San Marcos	$841,313.77
Sourdough & Co - 01 EDH	$830,326.26
Sourdough & Co - 46 Dale	$814,863.35
Sourdough & Co - 06 Sunrise	$803,318.69
Sourdough & Co - 66 Dixon	$795,135.50
Sourdough & Co - 28 Sunnyvale	$772,275.02
Sourdough & Co - 42 Pacifica	$769,077.55
Sourdough & Co - 61 Ashler Hills	$756,729.86
Sourdough & Co - 70 San Mateo	$751,109.83
Sourdough & Co - 11 Dublin	$750,750.26
Sourdough & Co - 43 Oakdale	$750,227.85
Sourdough & Co - 03 Lincoln	$748,644.47
Sourdough & Co - 57 Chandler	$741,342.39

Monthly Sales

Sourdough & Co. Highest to Lowest - 78 Locations Open all of 2025	
Sourdough & Co - 71 Galleria	$100,412.34
Sourdough & Co - 18 Brentwood	$95,615.35
Sourdough & Co - 84 Hayward	$94,112.96
Sourdough & Co - 60 Hayden Peak	$92,078.69
Sourdough & Co - 31 Telegraph	$90,536.39
Sourdough & Co - 74 Rossanley	$89,960.00
Sourdough & Co - 53 SR Valley	$87,763.34
Sourdough & Co - 79 Salinas	$86,808.78
Sourdough & Co - 56 Katy Fwy	$81,359.65
Sourdough & Co - 07 Grass Valley	$81,182.33
Sourdough & Co - 68 San Rafael	$81,164.90
Sourdough & Co - 69 Daly	$79,816.87
Sourdough & Co - 21 Sierra College	$79,460.06
Sourdough & Co - 19 Commerce	$77,435.84
Sourdough & Co - 30 Santa Rosa	$75,214.41
Sourdough & Co - 29 McDowell	$74,767.80
Sourdough & Co - 16 Livermore	$74,034.94
Sourdough & Co - 22 Woodland	$73,721.64
Sourdough & Co - 37 March Lane	$72,357.71
Sourdough & Co - 67 Martinez	$72,289.36
Sourdough & Co - 32 Del Paso	$71,803.27
Sourdough & Co - 12 Travis Blvd.	$70,260.18
Sourdough & Co - 20 San Marcos	$70,109.48
Sourdough & Co - 01 EDH	$69,193.86
Sourdough & Co - 46 Dale	$67,905.28
Sourdough & Co - 06 Sunrise	$66,943.22
Sourdough & Co - 66 Dixon	$66,261.29
Sourdough & Co - 28 Sunnyvale	$64,356.25
Sourdough & Co - 42 Pacifica	$64,089.80
Sourdough & Co - 61 Ashler Hills	$63,060.82
Sourdough & Co - 70 San Mateo	$62,592.49
Sourdough & Co - 11 Dublin	$62,562.52
Sourdough & Co - 43 Oakdale	$62,518.99
Sourdough & Co - 03 Lincoln	$62,387.04
Sourdough & Co - 57 Chandler	$61,778.53

Sourdough & Co - 41 Tracy Blvd	$735,304.14	Sourdough & Co - 41 Tracy Blvd	$61,275.35
Sourdough & Co - 72 Twelve Bridges	$721,529.20	Sourdough & Co - 72 Twelve Bridges	$60,127.43
Sourdough & Co - 15 Walnut Creek	$720,719.01	Sourdough & Co - 15 Walnut Creek	$60,059.92
Sourdough & Co - 47 H St.	$716,731.98	Sourdough & Co - 47 H St.	$59,727.67
Sourdough & Co - 64 Sonoma	$716,120.11	Sourdough & Co - 64 Sonoma	$59,676.68
Sourdough & Co - 25 Monte Vista	$708,605.45	Sourdough & Co - 25 Monte Vista	$59,050.45
Sourdough & Co - 80 Huntington Beach	$686,173.07	Sourdough & Co - 80 Huntington Beach	$57,181.09
Sourdough & Co - 62 Vintage Oaks	$682,454.14	Sourdough & Co - 62 Vintage Oaks	$56,871.18
Sourdough & Co - 04 Foothills	$656,522.75	Sourdough & Co - 04 Foothills	$54,710.23
Sourdough & Co - 55 Pleasant Hill	$654,146.18	Sourdough & Co - 55 Pleasant Hill	$54,512.18
Sourdough & Co - 13 North Texas	$649,675.88	Sourdough & Co - 13 North Texas	$54,139.66
Sourdough & Co - 58 Avondale	$642,609.93	Sourdough & Co - 58 Avondale	$53,550.83
Sourdough & Co - 26 Novato Nave	$635,049.00	Sourdough & Co - 26 Novato Nave	$52,920.75
Sourdough & Co - 52 Eureka	$631,903.03	Sourdough & Co - 52 Eureka	$52,658.59
Sourdough & Co - 73 Centennial	$618,989.43	Sourdough & Co - 73 Centennial	$51,582.45
Sourdough & Co - 75 South Las Vegas	$614,164.02	Sourdough & Co - 75 South Las Vegas	$51,180.34
Sourdough & Co - 78 Los Banos	$613,533.32	Sourdough & Co - 78 Los Banos	$51,127.78
Sourdough & Co - 50 Bernal	$610,072.13	Sourdough & Co - 50 Bernal	$50,839.34
Sourdough & Co - 76 Clayton	$604,701.99	Sourdough & Co - 76 Clayton	$50,391.83
Sourdough & Co - 38 Patterson	$584,083.80	Sourdough & Co - 38 Patterson	$48,673.65
Sourdough & Co - 77 Blossom Valley Plaza	$580,950.84	Sourdough & Co - 77 Blossom Valley Plaza	$48,412.57
Sourdough & Co - 36 Coach	$564,990.70	Sourdough & Co - 36 Coach	$47,082.56
Sourdough & Co - 34 Bridge	$537,946.10	Sourdough & Co - 34 Bridge	$44,828.84
Sourdough & Co - 94 Belmont	$526,160.11	Sourdough & Co - 94 Belmont	$43,846.68
Sourdough & Co - 59 Via Linda	$518,917.17	Sourdough & Co - 59 Via Linda	$43,243.10
Sourdough & Co - 09 Rocklin	$509,570.96	Sourdough & Co - 09 Rocklin	$42,464.25
Sourdough & Co - 33 Atwater	$503,374.68	Sourdough & Co - 33 Atwater	$41,947.89
Sourdough & Co - 65 Danville	$489,372.41	Sourdough & Co - 65 Danville	$40,781.03
Sourdough & Co - 35 Rohnert Park	$487,088.83	Sourdough & Co - 35 Rohnert Park	$40,590.74
Sourdough & Co - 24 Placerville	$485,590.39	Sourdough & Co - 24 Placerville	$40,465.87
Sourdough & Co - 54 Iron Point	$478,822.62	Sourdough & Co - 54 Iron Point	$39,901.89
Sourdough & Co - 05 Howe Ave.	$476,552.08	Sourdough & Co - 05 Howe Ave.	$39,712.67
Sourdough & Co - 39 Mt. Diablo	$459,823.10	Sourdough & Co - 39 Mt. Diablo	$38,318.59
Sourdough & Co - 49 Mountain House	$450,994.97	Sourdough & Co - 49 Mountain House	$37,582.91
Sourdough & Co. Delta Shores	$444,087.00	Sourdough & Co. Delta Shores	$37,007.25

Sourdough & Co - 02 Auburn	$443,407.95	**Sourdough & Co - 02 Auburn**	$36,950.66
Sourdough & Co - 48 Hembree	$438,341.38	**Sourdough & Co - 48 Hembree**	$36,528.45
Sourdough & Co - 40 Green Valley	$427,592.28	**Sourdough & Co - 40 Green Valley**	$35,632.69
Sourdough & Co - 45 Ukiah	$426,007.66	**Sourdough & Co - 45 Ukiah**	$35,500.64
Sourdough & Co - 14 Zinfandel	$405,840.95	**Sourdough & Co - 14 Zinfandel**	$33,820.08
Sourdough & Co - 51 Laguna	$326,794.56	**Sourdough & Co - 51 Laguna**	$27,232.88
Sourdough & Co - 27 Showers Dr - Mountain View	$304,786.05	**Sourdough & Co - 27 Showers Dr - Mountain View**	$25,398.84
Sourdough & Co. Grant Line Tracy	$255,298.00	**Sourdough & Co. Grant Line Tracy**	$21,274.83
			$0.00
Annual Total	**$55,496,395.66**		**$4,624,699.64**

Annual Sales				
	Low	Median	High	Average
Sales	$255,298	$716,120.11	$1,204,948	$711,492.25
Stores that meet or exceed median	78	39	1	40
% of Total Stores	100.00%	50.00%	1.28%	51.28%
Monthly Sales				
	Low	Median	High	Average
Sales	$21,275	$59,676.68	$100,412	$59,291.02
Stores that meet or exceed median	78	39	1	40
% of Total Stores	100.00%	50.00%	1.28%	51.28%

Two charts visualize **annual and monthly sales across all stores open throughout 2025.**

The first annual sales chart orders stores from lowest to highest annual sales.

The final chart ranks stores based on their **monthly sales performance**, from lowest to highest.

The four charts on the right focus on **median sales** for both annual and monthly periods and average sales both monthly and annually. Each Median chart displays:

- **Lowest sales**
- **Actual median**
- **High sales**

Each Average chart displays:

- **Annual Average**
- **Monthly Average**

Additionally, the charts provide:

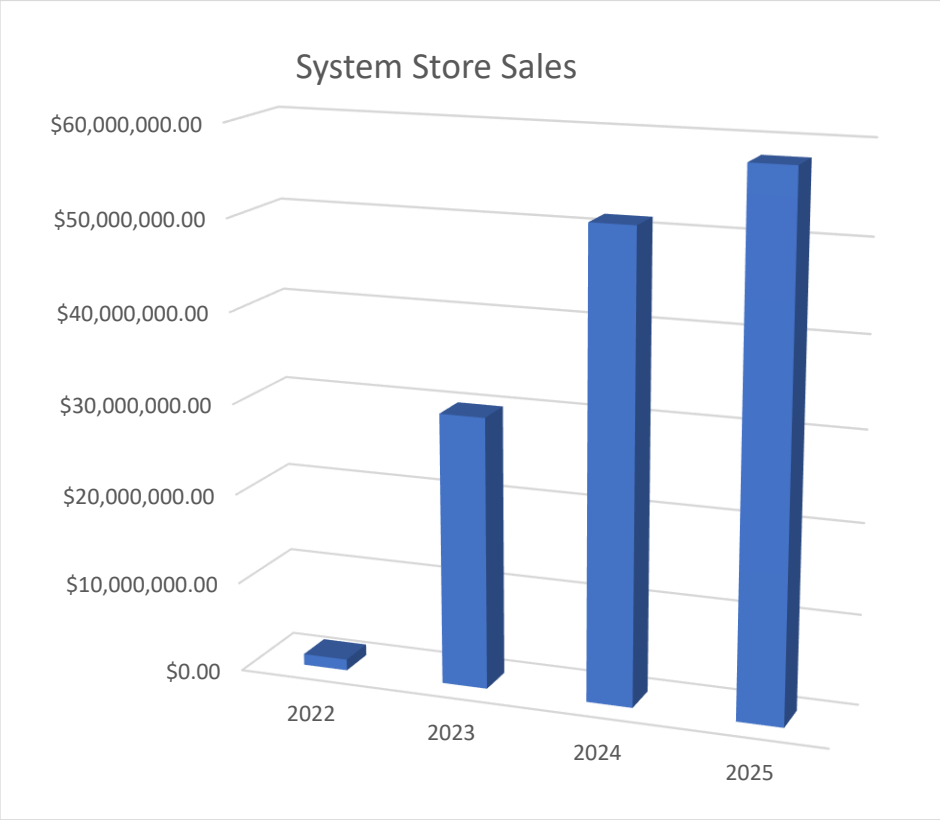
- **The number of stores reaching or exceeding each sales level.**
- **The percentage of the total 78 open stores that fall into each category.**

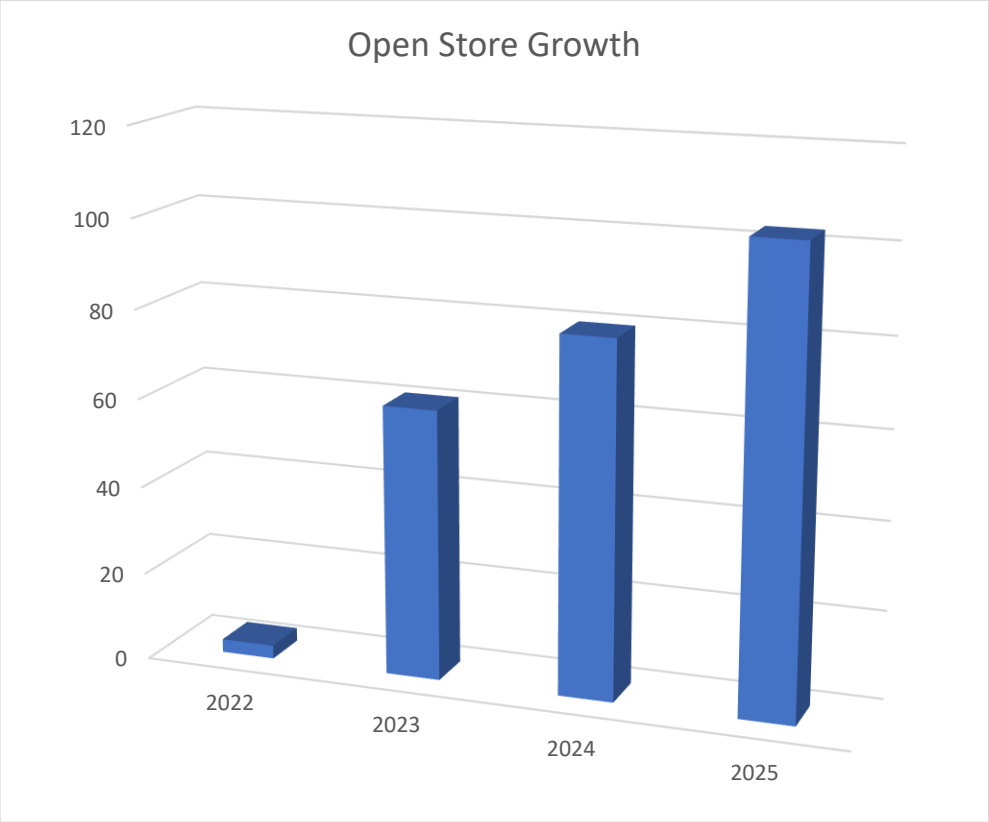
Chart Five: KPI and Avg Ticket of corporate affiliated stores and all Stores combined

Sourdough & Co. KPI Info					
Restaurant	PERIOD	SALES	# TICKETS	AVG. TICKET	ITEMS PER CHECK
ALL STORES 2024 AVG.	2024	$25,326,238.69	1,059,849	$23.90	3.3
All Stores 2025 AVG	2025	$58,244,316.18	2373424	$24.54	2.9

Chart Six: Overall YOY System Growth

Year	System Store Sales	Number of Franchises End of Calendar Year
2022	$1,232,147.00	3
2023	$29,979,242.00	61
2024	$51,318,198.00	80
2025	$58,244,316.18	99


System Store Sales
$60,000,000.00
$50,000,000.00
$40,000,000.00
$30,000,000.00
$20,000,000.00
$10,000,000.00
$0.00
2022
2023
2024
2025



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 actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Jatinder (Nick) Singh, World of Sourdough Franchising, LLC; 8700 Auburn Folsom Road, Suite 700, Granite Bay, California 95746, or by phone at (916) 509-2495; the Federal Trade Commission; and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

Systemwide Outlet Summary
For Years 2023 - 2025

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised Outlets	2023	3	61	+58
	2024	61	78	+17
	2025	78	97	+191
Company-Owned / Affiliate-Owned	2023	2	2	0
	2024	2	2	0
	2025	2	2	0
Total Outlets	2023	5	63	+58
	2024	63	80	+17
	2025	80	99	+19

Table No. 2

Transfers of Outlets from Franchisees to New Owners for
Years 2023 - 2025

TOTAL TRANSFERS	2023	0
	2024	0
	2025	10

Table No. 3

Status of Franchised Outlets
for Years 2023 - 2025

State	Year	Outlets at Start of Year	Outlets Opened	Termination	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
AZ	2023	0	2	0	0	0	0	2
	2024	5	0	0	0	0	0	5
	2025	5	1					6
CA	2023	0	0	0	0	0	0	0
	2024	55	16	0	0	0	0	71
	2025	71	14	1	0	0	0	84
CO	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	2	0	0	0	0	3
FL	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
GA	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
MA	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
MI	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0

MO	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
MT	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
NC	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
NV	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	3	0	0	0	0	4
NJ	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
OH	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
OR	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	0	0	0	0	0	1
PA	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
SC	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0

TN	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
TX	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
UT	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
WA	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
WI	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Totals	2023	3	58	0	0	0	0	61
	2024	61	19	0	0	0	0	80
	2025	80	20	1	0	0	0	99

Table No. 4

Status of Company-Owned or Affiliate-Owned Outlets for Years 2023 - 2025

	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
TOTAL	2023	2	0	0	0	0	2
	2024	2	0	0	0	0	2

	2025	2	0	0	0	0	2

* “Company-Owned Outlets” include the non-franchised businesses owned by our affiliates, Food Professionals, Inc. and R & S Foods, Inc. These businesses are not part of the Franchise System. They may be sold to others or to a franchisee in the future.

** Our fiscal year end is Dec 31. As of the date of this Disclosure Document, our affiliate operated two (2) non-franchised businesses at the location listed below:

Food Professionals, Inc.
4761 Waterstone Dr.
Roseville, CA 95747

R & S Foods, Inc.
381 Green Valley Rd.
El Dorado Hills, CA 95762

Table No. 5.

Projected Openings of Franchised Businesses for 2026 Fiscal Year

State	Franchise Agreements Signed but Outlets Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Current Fiscal Year
Arizona	3	3	0
California	60	30	0
Colorado	13	5	0
Florida	20	7	0
Georgia	9	4	0
Massachusetts	3	1	0
Michigan	2	1	0
Missouri	6	3	0
Montana	2	0	0
Nevada	12	3	0
New Jersey	6	2	0
North Carolina	4	3	0

Ohio	1	1	0
Oregon	13	3	0
Pennsylvania	1	1	0
South Carolina	1	1	0
Tennessee	3	1	0
Texas	6	4	0
Utah	2	1	0
Washington	2	1	0
Wisconsin	1	0	0
TOTAL	170	75	0

A list of the names of all Franchisees and the addresses and telephone numbers of their SDCO business are listed as Exhibit F to this Disclosure Document. A list of the name and last known home address and telephone number of every franchisee who has had their franchise terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during Fiscal Year 2025 or who has not communicated with us within 10 weeks of our application date is attached as Exhibit F.

If you buy this Franchise, your contact information may be disclosed to other buyers while you are a franchisee and when you leave the franchise system.

At this time, there are no previously owned SDCO franchised outlets for sale.

During the last three fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchised system.

At this time there are no trademark specific franchisee organizations representing SDCO franchisees, and no such trademark specific franchisee organization has asked us to be included in this Disclosure Document.

ITEM 21
FINANCIAL STATEMENTS

Our certified, independent, audited financial statements for the period from our date of formation on March 18, 2021, to December 31, 2025, are attached to this Disclosure Document as Exhibit G. Our fiscal year end is December 31.

ITEM 22
CONTRACTS

Attached to this disclosure document are the following agreements that you may be required to sign:

Exhibit "B"	Franchise Agreement and Exhibits
Exhibit "D"	State Addenda

ITEM 23
RECEIPTS

Attached as the last two (2) pages of this disclosure document (Exhibit "J") are duplicate receipts. Please sign both copies. Retain one copy for your records and return the "Franchisor Copy" to Jatinder ("Nick") Singh, Managing Member, World of Sourdough Franchising, LLC,

SOURDOUGH & CO. FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT A:

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
California	Department of Financial Protection and Innovation 651 Bannon Street, Suite 300 Sacramento, CA 95811	Department of Financial Protection and Innovation 651 Bannon Street, Suite 300 Sacramento, CA 95811 www.dfpi.ca.gov toll free (866) 275-2677 Ask.Dfpi@dfpi.ca.gov
Hawaii	Franchise & Securities Division State Department of Commerce P.O. Box 40 Honolulu, HI 96813 (808) 586-2722	Director, Department of Commerce and Consumer Affairs Business Registration Division 335 Merchant Street, Room 203 Honolulu, HI 96810
Illinois	Franchise Division Office of Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General 500 South Second Street Springfield, IL 62706
Indiana	Franchise Division Office of Secretary of State 302 West Washington, Room E-111 Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, IN 46204
Maryland	Franchise Office Division of Securities 200 St. Paul Place – 20th Floor Baltimore, MD 21202 (410) 576-6360	Maryland Securities Commissioner Securities Division 200 St. Paul Place, 20th Floor Baltimore, MD 21202-2020
Michigan	Consumer Protection Division Franchise Section P.O. Box 30213 Lansing, MI 48909 (517) 373-7117	Michigan Attorney General Consumer Protection Division 670 Law Building Lansing, MI 48913
Minnesota	Franchise Division Minnesota Department of Commerce 133 East Seventh St. St. Paul, MN 55101 (651) 296-6328	Minnesota Department of Commerce 85 7th Place East, Suite 500 St. Paul, MN 55101
New York	New York State Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005-1495 (212) 416-8222	Secretary of State of New York New York Department of State, Division of Corporations 99 Washington Avenue, 6th Floor Albany, NY 12231-0001 (518) 473-2492

North Dakota	Franchise Division Office of Securities Commission 600 East Boulevard State Capitol – 5th Floor Bismarck, ND 58505 (701) 328-2910	North Dakota Securities Department 600 East Boulevard State Capitol – 5th Floor Bismarck, ND 58505-0510
Rhode Island	Franchise Office Division of Securities 233 Richmond St. – Suite 232 Providence, RI 02903 (401) 222-3048	Director of Department of Business Regulation 233 Richmond Street Providence, RI 02903-4232
South Dakota	Franchise Office Division of Securities 910 E. Sioux Avenue Pierre, SD 57501 (605) 773-4013	Director of South Dakota Division of Securities 445 E. Capitol Avenue Pierre, SD 57501-3185
Virginia	Franchise Office State Corporation Commission Division of Securities and Retail Franchising 1300 East Main St., 9th Floor Richmond, VA 23219 (804) 371-9276	Clerk of State Corporation Commission 1300 East Main St. 1st Fl. Richmond, VA 23219
Washington	Department of Financial Institutions Securities Division PO Box 41200 Olympia, WA 98504-1200 (360) 902-8760	Director Department of Financial Institutions 150 Israel Road SW Tumwater, Washington 98501
Wisconsin	Franchise Office Wisconsin Securities Commission P.O. Box 1768 Madison, WI 53701 (608) 266-3364	Wisconsin Commissioner of Securities 345 West Washington Ave. Madison, WI 53703

SOURDOUGH & CO. FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT B:

FRANCHISE AGREEMENT AND EXHIBITS

SOURDOUGH & CO.
FRANCHISE AGREEMENT

BETWEEN

WORLD OF SOURDOUGH FRANCHISING, LLC
FRANCHISOR

AND

_____

FRANCHISE

SOURDOUGH & CO.
FRANCHISING, LLC
FRANCHISE AGREEMENT

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SERVICE MARKS	Exhibit 3
AUTHORIZATION FOR ELECTRONIC TRANSFER OF FUNDS	Exhibit 4
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SOURDOUGH & CO.
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the "Agreement"), is entered and effective this ____ day of _____, 20____ (the "Effective Date"), by and between World of Sourdough Franchising, LLC, a Texas limited liability company with its principal place of business at 8700 Auburn Folsom Rd., Suite 700, Granite Bay, California 95746 (hereinafter, "Franchisor", "we," "us," or "our"), and the following individual(s) or entity _____ located at _____ (collectively and individually referred to as "Franchisee," "You," "Your," or "Yours"). Franchisee is further identified on Exhibit 2 attached hereto and by this reference incorporated herein.

RECITALS

A. For the purpose of this Agreement, the terms "Sourdough& Co. and "SDCO" refer to Franchisor's branded trademark, "Sourdough & Co."

B. Franchisor has created and developed and is in the process of further developing a valuable system for the establishment and operation of a distinctive type of sandwich restaurant, which serves the general public (the "System" or the "SDCO System").

C. The System consists of distinctive methods and procedures for operating such a restaurant, utilizing uniform standards, specifications and procedures for operations, equipment, inventory and staffing, the quality and uniformity of services and reporting, training and assistance, and its advertising and promotional programs – all related to the operation of sandwich restaurants, under the name "Sourdough & Co." or other related trademarks – some of which are or may be described in the confidential Operating Manual, confidential written standards, and/or confidential instructional materials which Franchisor has created and/or shall create or modify in the future (the "Written Standard(s)" an/or "Manual(s)") for the promotion and operation of Franchisee's franchised restaurant. Franchisor is developing procedures, practices, and training for certain additional concepts related to the operation and promotion of franchised locations (and possibly its own and/or affiliate-owned locations), which may or may not be contained in the Written Standards and/or Manuals.

D. Franchisor and/or its affiliates have registered or obtained the rights to the service marks listed on the attached Exhibit 3 with the United States Patent and Trademark Office, as described in Exhibit 3. As set forth therein, we have the right to use and license/sublicense to you the rights to use such service marks, as well as any derivatives thereof, and certain other logos, designs, trade names, business names, trademarks, and trade symbols (collectively referred to as the "Marks" or the "SDCO Marks"). Any agreements to limit our rights to use or license the use of the Marks are described in Exhibit 3.

E. Franchisor continues to develop, use, and control the use of the Marks in order to identify to the public the source of products and services marketed thereunder and under the System, and to represent the System's standards of quality, appearance, and services.

F. Franchisor has granted and/or will grant to one or more other parties ("SDCO Franchisee(s)") the right and license to operate a franchise and to use the Marks and the System under other franchise agreements.

G. Franchisee understands and acknowledges the importance of Franchisor's standards of quality, service, and appearance, of opening and operating a Franchise in conformity with Franchisor's standards and specifications as presented in Franchisor's then-existing Manual and/or Written Standards and updates, and of preserving the confidentiality of the System.

H. In the event that Franchisee is a legal business entity, Franchisor is only willing to execute this Agreement if each of the owners of the Franchisee holding at least ten percent (10%) ownership interest in Franchisee, and their spouses, executes a Personal Guaranty in the form attached hereto as Exhibit 9.

H. Franchisee will operate its franchised business at a specific location approved by Franchisor (the "Premises").

I. Franchisee desires to purchase and operate a Sourdough & Co. (sometimes, "SDCO") franchised business in accordance with all of the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, the parties hereto, intending to be legally bound, do hereby agree as follows:

SECTION 1
APPOINTMENT

1.1 Grant of Franchise. Franchisor grants to Franchisee the right, and Franchisee undertakes the obligations, upon the terms and conditions of this Agreement, to establish and operate a sandwich restaurant (hereafter referred to as the "Franchised Location" or "Franchised Restaurant" or "Franchised Business") using Franchisor's System and the right to use in the operation of the Franchised Restaurant the Marks and the System, as they may be changed, improved, and further developed from time to time in Franchisor's sole discretion, only at the Specific Location, as described in Section 1.2 below.

1.2 Search Area and Specific Location. You will operate your Franchised Restaurant in the "Search Area" described in the attached Exhibit "1." At or before the time you buy or lease the premises for your Franchised Restaurant, the specific address will be added to Exhibit "1" (hereinafter, the "Specific Location"). You must obtain our prior written approval for the site of the Franchised Restaurant. You may not relocate the Franchised Restaurant without our prior written approval as set forth in this Agreement.

1.3 Protected Territory. Except as set forth in Section 1.4, below, during the term of this Agreement, Franchisor promises not to operate itself, nor award to any other party a franchise to operate, a Sourdough & Co. franchised restaurant within two (2) miles of Franchisee's Specific Location ("Protected Territory"). Franchisee acknowledges that this franchise is non-exclusive and is granted subject to the terms and conditions of Section 8.6 hereof.

1.4. Reserved Rights of Franchisor. Franchisor specifically reserves all rights not expressly granted to Franchisee in this Agreement. Such expressly reserved rights, include, but are not limited to the following.

(a) We may own, acquire, establish, and operate, and license others to establish and operate, businesses/restaurants substantially similar to the Franchised Restaurant, whether under the Marks or other proprietary marks, at any locations outside the Protected Territory.

(b) We may own, acquire, establish, and/or operate and license others to establish and operate, businesses under the Proprietary Marks at Non-Traditional Sites (as defined below) at any location within or outside the Protected Territory. As used in this Agreement, "**Non-Traditional Sites**" shall mean outlets that serve primarily the customers located within a facility, such as captive audience facilities (examples include, but are not limited to, parks charging admission, stadiums, amusement parks and centers, theaters and art centers), limited purpose facilities (examples include, but are not limited to, airports, transportation centers, department stores, in-door shopping centers, office buildings, business and industrial complexes, museums, educational facilities, hospitals, art centers, and recreational parks), limited access facilities (examples include, but are not limited to, military complexes, buyer club businesses, educational facilities, business and industrial complexes), inside other retail establishments (examples include convenience stores and gas stations), and other types of institutional accounts.

(c) We may offer, sell and distribute, directly or indirectly, or license others to sell and to distribute, directly or indirectly, any products and/or services which utilize the Marks or other proprietary marks at any location inside or outside the Protected Territory through any other channels of distribution, including other stores, mail order, catalog sales, over the Internet, and retail or governmental/military channels. The Internet is a channel of distribution reserved exclusively to us, and you may not independently market on the Internet.

(d) We may purchase or be purchased by, or merge or combine with competing businesses wherever located, including a chain of company-owned or franchised locations that competes directly with your Franchised Restaurant.

(e) We may offer franchises in the future, and may have done so in the past, on terms we deem appropriate, including terms that differ from this Agreement.

SECTION 2 TERM AND RENEWAL

2.1 Initial Term. Except as otherwise provided, the initial term of this Agreement shall be for a period of ten (10) years ("Term"). Such initial Term shall commence on the Effective Date of this Agreement and shall end ten (10) years thereafter (the "Expiration Date"). If Franchisee purchases multiple SDCO Franchised Restaurants, then the Term shall commence on the date of Opening (as herein defined) for each additional, or subsequent Franchised Restaurant location and shall end ten (10) years thereafter.

2.2 Renewal. Franchisee may, at its option, renew the license granted under this Agreement for one additional ten (10) year term, provided that Franchisee complies with the following requirements:

(a) Franchisee has given Franchisor written notice of its election to renew not less than nine (9) months, but not more than one year, before the Expiration Date;

(b) Franchisee is not in default under any provision of this Agreement, any amendment hereof or successor hereto, or any other agreement or instrument between Franchisor and Franchisee and has substantially complied with all of the terms and conditions of all such agreements during the respective terms thereof.

(c) Franchisee has not received more than three (3) written notices of default and/or noncompliance during the preceding term (whether or not subsequently cured or remedied by Franchisee).

(d) Franchisee executes Franchisor's then current form of franchise agreement which agreement shall supersede in all respects this Agreement, and the terms of which may materially differ from the terms of this Agreement, including, without limitation, different Royalties and different advertising contributions, fees or requirements; provided, however, the agreement offered Franchisee upon renewal shall not require Franchisee to again pay the Initial Franchise Fee required by Section 4 hereof, or its equivalent;

(e) Franchisee shall pay Franchisor a renewal fee equal to $10,000 for each term of renewal, paid upon execution of the renewal franchise agreement;

(f) Franchisee shall refurbish, remodel, and redecorate the Franchised Restaurant, including (without limitation) obtaining new or replacement equipment, to meet the then-existing standards for new franchisees;

(g) If permitted by the laws of the state in which the Franchised Restaurant is located, Franchisee shall execute a general release, in a form prescribed by Franchisor, of any and all claims against Franchisor and its subsidiaries and affiliates, and their respective officers, directors, agents and employees, in their corporate and individual capacities; and

(h) Franchisee shall comply with Franchisor's then current qualification and training requirements, including, without limitation, any training requirements specifically designed for renewing Franchisees.

Notwithstanding the foregoing, Franchisee shall have no right to renew if Franchisor is not offering and selling licenses to new franchisees at the time of the Expiration Date or anytime in the nine (9) months prior to the Expiration Date.

2.3 Continued Operation Following Expiration. Franchisee shall have no right to continue to operate the Franchised Restaurant after the Expiration Date. If Franchisor permits Franchisee to continue to operate the Franchised Restaurant after the Expiration Date, but before the execution by Franchisee of a new Franchise Agreement for a renewal term as required by Section 2.2(d) above, then the temporary continuation of the Franchised Restaurant will be on a month-to-month basis and will be terminable at the will of Franchisor by giving Franchisee written notice of termination at least thirty days before the termination is effective. If the laws of the jurisdiction in which the Franchisee or the Franchised Restaurant are located require a longer notice period, the thirty-day period will be deemed modified to be the shortest notice period required by the laws of such jurisdiction.

SECTION 3
PREMISES LOCATION & CONSTRUCTION

3.1 Location of Premises. Franchisee shall lease or purchase the premises for the operation of the Franchised Restaurant (as previously defined, the "Premises"). The Premises shall be located in the Search Area and at the Specific Location, as set forth in Section 1.2 above.

3.1.1 Prior Approval. Prior to executing a lease for your Premises, you must submit the proposed lease agreement to us for our review and approval, which shall not be unreasonably withheld. However, Franchisee specifically agrees that any review and/or approval by Franchisor is not intended to constitute any sort of legal review or advice for the benefit of Franchisee. Franchisee is strongly encouraged to consult its own legal counsel to review the proposed lease agreement. Additionally, any approval by Franchisor of Franchisee's proposed lease agreement shall not constitute any sort of advice as to the business terms of such lease or that the location or terms will guarantee or increase the likelihood of Franchisee's success.

3.1.2 Addendum to Lease. If Franchisee leases the Premises from a third-party (i.e., as opposed to purchasing the Premises), the written lease agreement must contain the lease terms and conditions that we reasonably require, including the terms set forth in the attached Exhibit 10.

3.2 Preparing the Premises. Before commencing any construction of the Franchised Restaurant, Franchisee, at its expense, shall comply, to Franchisor's satisfaction, with all of the following requirements:

3.2.1 Franchisee shall employ a qualified, licensed architect or engineer who has been approved or designated (as described below) by Franchisor to prepare, subject to Franchisor's approval, preliminary plans, and specifications for site improvement and/or

construction of the Franchised Restaurant based upon prototype plans and/or specifications furnished by Franchisor. Franchisor shall have the right to designate one or more suppliers of design services and/or architecture services to supply such services to the System. If Franchisor designates a design firm and/or architecture firm prior to the time Franchisee commences to develop the Franchised Restaurant, Franchisee shall employ such designated supplier(s) to prepare all designs and plans for the Franchised Restaurant, unless Franchisee obtains Franchisor's prior written approval to use an alternative professional. If Franchisor has not designated a design firm or architecture firm, Franchisee shall be responsible for locating and employing a qualified design consultant and architect who is/are licensed in the jurisdiction in which the Franchised Restaurant will be located, and who is reputable and experienced in providing design and architecture services. Franchisee shall be solely responsible for payments for all design and architecture services. Franchisee expressly acknowledges and agrees that Franchisor shall not be liable for the unsatisfactory performance of any contractor, firm, supplier, professional, or consultant retained by Franchisee, whether or not designated by Franchisor.

3.2.2 Franchisee shall comply with all federal, state, and local laws, codes, and regulations, including the applicable provisions of the ADA regarding the construction, design, and operation of the Franchised Restaurant. In the event Franchisee receives any complaint, claim, or other notice alleging a failure to comply with the ADA, Franchisee shall provide Franchisor with a copy of such notice within five (5) days after receipt thereof.

3.2.3 Franchisee shall be responsible for obtaining all zoning classifications and clearances that may be required by state or local laws, ordinances, or regulations or that may be necessary or advisable owing to any restrictive covenants relating to the Premises. After having obtained such approvals and clearances, Franchisee shall submit to Franchisor, for Franchisor's approval, final plans for construction based upon the preliminary plans and specifications. Franchisor's review and approval of plans shall be limited to review of such plans to assess compliance with Franchisor's design standards for SDCO Franchised Restaurants, including such items as trade dress, presentation of Proprietary Marks, and the providing to the potential customer of certain products and services that are central to the functioning of SDCO Franchised Restaurants. Such review is not designed to assess compliance with federal, state, or local laws and regulations, including the ADA, as compliance with such laws is the sole responsibility of Franchisee. Once approved by Franchisor, such final plans shall not thereafter be changed or modified without the prior written permission of Franchisor. Any such change made without Franchisor's prior written permission shall constitute a default and Franchisor may withhold its authorization to open the Franchised Restaurant until the unauthorized change is rectified (or reversed) to Franchisor's reasonable satisfaction. If requested by Franchisor, prior to opening the Franchised Restaurant and prior to renovating the Franchised Restaurant after its initial opening, Franchisee shall execute such documents reasonably requested to certify that any proposed renovations comply with the ADA.

3.2.4 Franchisee shall obtain all permits and certifications required for the lawful construction and operation of the Franchised Restaurant and shall certify in writing to Franchisor that all such permits and certifications have been obtained.

3.2.5 Franchisee shall employ a qualified licensed general contractor who has been approved or designated by Franchisor to construct the Franchised Restaurant and to complete all improvements. Franchisee shall obtain and maintain in force during the entire period of construction the insurance required under Section 7 below. Franchisee expressly acknowledges and agrees that Franchisor shall not be liable for the unsatisfactory performance of any

contractor retained by Franchisee.

3.2.6 Throughout the construction process, Franchisee shall comply with Franchisor's requirements and procedures for periodic inspections of the Premises and shall fully cooperate with Franchisor's representatives in such inspections by rendering such assistance as they may reasonably request.

3.2.7 Franchisee agrees to use in the construction and operation of the Franchised Restaurant only those brands, types or models of construction and decorating materials, fixtures, equipment, furniture, and signs that the Franchisor has approved for SDCO Franchised Restaurants as meeting its specifications and standards for quality, design, appearance, function, and performance. Franchisee further agrees to place or display at the premises of the Franchised Restaurant only such signs, emblems, lettering, logos, and display materials that are from time to time approved in writing by Franchisor. Franchisee may purchase approved types or models of construction and decorating materials, fixtures, equipment, furniture, and signs from any supplier approved or designated by Franchisor (which may include Franchisor and/or its affiliates), which approval may not be unreasonably withheld. If Franchisee proposes to purchase any type or model of construction or decorating material, fixture, equipment, furniture or sign not then approved by the Franchisor, and/or any such item from any supplier which is not then approved by the Franchisor, Franchisee shall first notify Franchisor in writing and shall submit to Franchisor sufficient specifications, photographs, drawings and/or other information or samples for a determination by Franchisor of whether such brand or type of construction or decorating material, fixture, equipment, furniture or sign complies with its specifications and standards. Franchisor may, in its sole discretion, refuse to approve any such item(s) and/or supplier(s) that does not meet Franchisor's standards or specifications.

3.2.8 Opening Date. Unless delayed by the occurrence of events constituting "force majeure" as defined in Section 3.4 below, Franchisee shall construct, furnish, and open the Franchised Restaurant in accordance with this Agreement the earlier of twelve (12) months following the execution of this Agreement or six (6) months after the Specific Location is identified and secured through lease or purchase. Time is of the essence. Franchisee shall provide Franchisor with (a) written notice of its specific intended opening date; and (b) request for Franchisor's approval to open on such date. Such notice and request shall be made no later than thirty (30) days prior to such intended opening date. Additionally, Franchisee shall comply with all other of Franchisor's pre-opening requirements, conditions, and procedures (including, without limitation, those regarding pre-opening scheduling, training, and communications) as set forth in this Agreement, the then-existing Manual, Written Standards, and/or elsewhere in writing by Franchisor, and shall obtain Franchisor's written approval as to the opening date prior to opening the Franchised Restaurant.

3.3 Force Majeure. As used in this Agreement, "**force majeure**" means an act of God, war, civil disturbance, act of terrorism, government action, fire, flood, accident, hurricane, earthquake, or other calamity, strike or other labor dispute, or any other cause beyond the reasonable control of Franchisee; provided, however, force majeure shall not include Franchisee's lack of adequate financing.

SECTION 4
INITIAL PAYMENTS & FEES

4.1 Initial Franchise Fee. In consideration of the franchise granted here, Franchisee shall pay Franchisor an initial fee (the "Initial Franchise Fee") in the amount of Forty-Nine Thousand Five Hundred Dollars ($49,500.00). The Initial Franchise fee is due and payable to Franchisor upon the

execution of this Agreement, in consideration of, among other things, the administrative and other expenses incurred by Franchisor in furnishing items to Franchisee as described in Section 6 and for Franchisor's lost or deferred opportunity to franchise to others. The Initial Franchise Fee shall be paid in a lump sum in United States funds and shall be deemed fully earned upon the opening of the Business and is not refundable. Franchisee shall pay the Initial Franchise Fee by cash, cashier's check, or money order.

SECTION 5
OTHER FEES

5.1 Royalty Fee. During the term of this Agreement, Franchisee shall pay Franchisor a continuing royalty fee ("Royalty Fee" or "Royalty") computed as five percent (5%) of Franchisee's "Gross Revenues" (as defined in Section 5.5 below).

5.1.1 Royalty Fees shall be calculated and paid on a weekly basis. Franchisee shall pay all Royalty Fees to Franchisor on or before the Sunday of each week based upon the Gross Revenues of the preceding week ending on Sunday, unless otherwise provided in the then-existing Manual and/or Written Standards. Franchisee shall also pay Franchisor, in addition to the Royalty Fees payable hereunder, all federal, state, and local sales or use taxes that may be levied or assessed, in whole or in part, against any Royalty Fees payable to Franchisor. Franchisor reserves the right to collect any Royalty Fee from Franchisee by virtue of an automatic withdrawal, or electronic funds transfer, or the like from Franchisee's bank account.

5.2 Advertising Fee. Franchisee shall pay to such national and/or regional advertising funds (collectively, the "Funds") as Franchisor has established or may establish for advertising for the System, a continuing "Advertising Fee" equal to up to three percent (3%) of Franchisee's Gross Revenues.

5.3 Advertising Fees shall be calculated and paid on a weekly basis. Franchisee shall pay all Advertising Fees to the Funds on or before the Sunday of each week based upon the Gross Revenues of the preceding week ending on Sunday, unless otherwise provided in the then-existing Manual and/or Written Standards. Franchisee shall also pay Franchisor, in addition to the Advertising Fees payable hereunder, all federal, state, and local sales or use taxes that may be levied or assessed, in whole or in part, against any Advertising Fees payable to Franchisor. Franchisor reserves the right to collect any Advertising Fee from Franchisee by virtue of an automatic withdrawal, or electronic funds transfer, or the like from Franchisee's bank account.

5.4 Website Fee. As discussed in Section 11.8 hereof, Franchisee shall pay to Franchisor a monthly fee, as determined by Franchisor, for creating, updating, maintaining, or hosting any Website established and/or maintained by Franchisor, as set forth in the then-existing Manual and/or Written Standards.

5.5 Late Payment. Franchisee shall pay Franchisor (or the Funds, as the case may be) a late fee of $100.00 on each Royalty or Advertising Fee payment that is not received by Franchisor within five days after the due date. Any payments that are not received by Franchisor within thirty days after the same become due will bear interest at the rate of 18% per annum, or the highest rate allowed by law, whichever is lower, from the date payment is due to the date payment is received by Franchisor, regardless of any subordinate agreement that may be in effect to postpone payment of royalties.

5.6 Gross Revenues. The term "Gross Revenues" means all sales and other income (recognized on an accrual basis), whether cash or credit (regardless of collection in the case of credit),

less (i) refunds and discounts made to customers in good faith and in accordance with Franchisor's policies, and (ii) sales or excise taxes which are separately stated and which Franchisee may be required to and does collect from clients and pays to any federal, state, or local taxing authority.

5.7 Non-Compliance Fees (for Noncompliance and/or Violation of Curable Default Provisions). Franchisee shall pay Franchisor a fee of $200.00 per violation of material obligation of any operating procedure (as described in the then-existing Manual and/or Written Standards) or any violation of any curable term of default, as described in Section 13.2, within five (5) days of written notice of same. Any payments of such fee(s) that are not received by Franchisor within thirty days after the same become due will bear interest at the rate of 18% per annum, or the highest rate allowed by law, whichever is lower, from the date payment is due to the date payment is received by Franchisor, regardless of any subordination agreement that may be in effect to postpone payment of royalties.

5.8 Taxes on Amounts Paid to Franchisor. All payments required to be made by Franchisee to Franchisor shall be the gross amount determined according to the applicable paragraph, without deduction for any sales, use, withholding, gross receipts, or other taxes (other than income taxes) that may be levied or assessed on the payments by any state, county, or municipality in which the Franchised Restaurant is located or operates, in which Franchisee resides, or which otherwise possesses the power to tax Franchisee or the Franchised Restaurant.

5.9 Franchisee shall remit to the appropriate taxing authorities all sales, use, withholding, gross receipts, or other taxes (other than income taxes) levied or assessed on amounts paid by Franchisee to Franchisor which would otherwise be due from Franchisor, shall promptly deliver to Franchisor receipts of applicable governmental authorities showing that all such taxes were properly paid in compliance with applicable law, and shall indemnify and defend Franchisor and hold Franchisor harmless from and against all liability for such taxes (including interest and penalties thereon). Franchisee shall fully and promptly cooperate with Franchisor to provide such information and records as Franchisor may request in connection with any application by Franchisor to any taxing authority with respect to any tax credits, including the execution and delivery of a power-of-attorney in the form attached hereto as Exhibit 5, or such other form as Franchisor may prescribe or accept.

5.10 Electronic Funds Transfer. Franchisor may require Franchisee to pay all Royalties, Advertising Fees, interest, late charges, attorney fees, and any other amounts due Franchisor or any affiliate of Franchisor through an electronic depository transfer account established at a national banking institution approved by Franchisor. Within 120 days after the Effective Date and prior to opening the Franchised Restaurant, Franchisee shall establish the electronic depository transfer account and execute and deliver to Franchisor an authorization for electronic funds transfer (in such form set forth in the attached Exhibit 4, or such other form as Franchisor or Franchisee's bank may prescribe or accept) for direct debits from the account. At all times thereafter during the term of this Agreement, Franchisee shall ensure that Franchisor has access to the account for purposes of receiving electronic funds transfer payments, and Franchisee shall comply with procedures specified by Franchisor and perform such acts as may be necessary to accomplish payment by electronic funds transfer. Franchisee hereby authorizes Franchisor to initiate debit entries and credit correction entries to the account for payment of Royalty Fees, Advertising Fees, attorney fees, interest, late fees, and other any amounts payable to Franchisor or any affiliate of Franchisor. Franchisee shall make funds available in sufficient amounts to meet its obligations as they become due. Once established, Franchisee may not close the account without Franchisor's consent. If Franchisee has not timely reported Franchisee's Gross Revenues to Franchisor for any reporting period, then Franchisor is hereby authorized by Franchisee to debit Franchisee's electronic depository transfer account in an amount equal to the amounts payable by Franchisee for the last reporting period for which Franchisor received a Weekly Sales Report. Nothing in this paragraph is to be construed to waive Franchisee's obligations to submit any reports, records or other materials required

by this Agreement.

5.11 Site-Evaluation Fee & Reimbursements. As discussed in Section 6.1.a., at your request, Franchisor will provide an on-site evaluation for up to two (2) proposed Specific Locations, at no charge. However, you may be required to reimburse us our reasonable expenses associated with our trips. The reasonable expenses associated with our trip include the costs of travel, lodging, and meals by our representatives to travel to your proposed location. All staff will travel in coach class. If Franchisee requests additional on-site evaluations, you will be required to submit our then-standard fee for the evaluation, and reimburse us for our costs of travel, as described above.

SECTION 6
DUTIES OF FRANCHISOR

6.1 Provided that no default of the terms and conditions of this Agreement by Franchisee has occurred, Franchisor shall provide, at such times and in the manner determined by Franchisor in its sole judgment, the following assistance, and services to Franchisee:

a. Designation of your Specific Location and/or Proposed Area, as provided in Sections 1.2 and 31.

i. At Franchisee's request, Franchisor will provide on-site evaluations of two (2) different proposed Specific Locations, at no charge. However, you may be required to reimburse us our reasonable expenses associated with our trip, as set forth in Section 5.9.

ii. If Franchisee requests additional on-site evaluations, you will be required to submit our then-standard fee for the evaluation, and reimburse us for our costs of travel, as set forth in Section 5.9.

b. Use of Franchisor's Marks for the Franchised Restaurant and copyrighted materials, during the term of this Agreement.

c. Designation of all equipment, supplies, and initial inventory necessary to operate the Franchised Restaurant.

d. Prototype plans, standard layouts, and/or specifications for the construction of a Franchised Restaurant and for the exterior and interior design and layout, fixtures, equipment, furnishings, and signs.

e. Initial training and opening assistance, for up to eighty (80) hours, for up to two (2) persons, one of which has been approved by Franchisor as the person responsible for the day-to-day operations of the Franchised Restaurant, at your Franchised Restaurant by one of Franchisor's approved training locations. Franchisor will not charge any fee for such training for these two (2) individuals. Such initial training and opening assistance shall be provided during the period of time between the week before you open your Franchised Restaurant and the two weeks after your initial opening.

f. At our discretion, inspection and approval of the location and facilities of the Franchised Restaurant for opening before the initial opening. (Franchisee may not start operation

of its Franchised Restaurant until Franchisor has provided approval to do so.)

g. Provision of a copy of Franchisor' then-existing Written Standards and/or Manual, on loan for the term of this Agreement (which shall be maintained as confidential and secret by Franchisee).

h. Provision of then-existing trade and operating procedures and methods whether or not set forth in the Written Standards and/or Manuals (which shall be maintained as confidential and secret by Franchisee).

i. A copy of any existing business and reporting forms created by Franchisor for use by Franchisee in its Franchised Restaurant.

j. Approved sources for purchasing supplies, products, equipment, and materials necessary for the operation of the Franchised Restaurant.

k. Periodic assistance to the extent Franchisor deems necessary.

l. Periodic newsletters, bulletins, and such other materials, information and assistance as Franchisor may from time to time deem necessary.

6.2 Software. As discussed in Section 9.9, Franchisor may but is not obligated to develop and license certain "Software" to Franchisee. In the event that Franchisor develops such Software, Franchisor shall license Franchisee, at a fee to be determined by Franchisor, to use the Software described in Section 9.9 of this Agreement (which may be provided on compact disk or downloaded via a franchisee extranet).

6.3 Any program, training, support, facility, group, meeting, advertising, account, contract, agreement, membership, discount, subscription, license, visitation, consultation, or any other form of assistance in existence at the signing of this Agreement or that may be initiated by Franchisor in the future and not specifically provided for in this Section shall not be an obligation of the Franchisor and may be discontinued or modified at any time in the sole judgment of Franchisor.

SECTION 7
DUTIES OF FRANCHISEE

7.1 Training. At least one but not more than two (2) persons designated by Franchisee and approved by Franchisor must complete, to Franchisor's satisfaction, Franchisor's initial on-the-job training program described in Section 6.1.e. In connection with the initial training program described in Section 6.1.e. above, Franchisor shall provide and pay for the instructors, and training materials utilized in such training. Additionally, Franchisee shall be responsible for all other expense incurred by Franchisee or its trainees, including, without limitation, the cost of travel, room, board, and wages. If Franchisee (or Franchisee's designee) fails to complete the initial training program to the satisfaction of Franchisor, then Franchisor may terminate this Agreement, without refund of any money paid by Franchisee. At least one person but not more than two persons designated by Franchisee, who has been approved by Franchisor as the person responsible for the day-to-day operation of the Franchised Restaurant, also shall attend and complete, to Franchisor's satisfaction, any additional training programs as Franchisor may reasonably require from time to time. Franchisor may charge Franchisee a fee for any additional training, in an amount set forth in the then-existing Manual and/or Written Standards. In connection with such training, Franchisee shall be responsible for all expenses incurred by Franchisee or its designees, including, without limitation, the cost of travel, room, board and wages, and any training fee charged by Franchisor.

7.2 System Standards. Franchisee acknowledges and agrees that every detail of the System is important, not only to Franchisee but also to Franchisor and other SDCO Franchisees, in order to develop and maintain high and uniform operating standards, to increase the demand for the products and services sold by all franchisees, to establish and maintain a reputation for operating uniform, efficient, high quality locations, and to protect the goodwill of all SDCO company-owned, affiliate-owned and franchised restaurants/businesses. Franchisee further acknowledges and agrees that a fundamental requirement of the System, this Agreement, and other SDCO company-owned, affiliate-owned, and franchised locations is adherence by all franchisees to the uniform specifications, standards, operating procedures, and rules prescribed by Franchisor for the development and operation of the Franchised Restaurant (hereafter referred to as "System Standard(s)"). Accordingly, Franchisee agrees to comply with each and every System Standard, as periodically modified and supplemented by Franchisor in its sole and absolute discretion, during the term of this Agreement. Franchisee further agrees that System Standards prescribed from time to time in the then-existing Manual and/or Written Standards, or otherwise communicated to Franchisee in writing, shall constitute provisions of this Agreement as if fully set forth in this Agreement. Any references to this Agreement include all System Standards as periodically modified.

7.3 Products and Services. Franchisee shall offer and sell all products and services, and only those products and services authorized by Franchisor and specified in the then-existing Manual and/or Written Standards or as designated in writing by Franchisor ("Permitted Products and Services"). Franchisor may unilaterally add and delete products or services to or from the Permitted Products and Services at any time. Franchisor may also designate any products or services as optional.

7.4 Fixtures and Furnishings. Franchisee shall purchase and install, at Franchisee's expense all fixtures, furnishings, signs, computer software, and other equipment as may be specified by the System Standards from time to time and shall not permit the installation of any fixtures, furnishings, signs, software, or equipment not conforming to the System Standards.

7.5 Supplier Approval. Franchisee shall purchase all signs, equipment, food, non-alcoholic drinks, inventory, supplies, and other products, materials, and services required for the operation of the Franchise solely from suppliers (including manufacturers, distributors, wholesalers, and brokers) who have been approved or designated by Franchisor. Franchisor will base its approval of suppliers upon a variety of factors, including their ability to meet Franchisor's then-current standards and specifications, their quality controls, their capacity to supply Franchisee's needs promptly and reliably, and their prices. Franchisee recognizes that because of price discounts, benefits or other legitimate sales incentives, Franchisor may require Franchisee to participate with Franchisor or other SDCO Franchisees when purchasing certain items, products, or services to be sold or utilized in the Franchised Restaurant. If Franchisee desires to purchase any item from an unapproved supplier, Franchisee shall submit to Franchisor a written request for such approval or shall request the supplier itself to do so. Franchisor shall have the right to require that its representatives be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered, at Franchisee's option, either to Franchisor or to an independent certified laboratory designated by Franchisor, for testing. Franchisee will reimburse Franchisor for the reasonable cost of all evaluation and testing of such suppliers and/or their products. Franchisor reserves the right, at its option, to re-inspect the facilities and products of any such approved supplier, and to revoke its approval upon the supplier's failure to continue to meet any of the Franchisor's criteria.

7.5.1 No Warranties by Franchisor/Affiliates. FRANCHISOR, AND ITS AFFILIATE(S), DISCLAIM ALL WARRANTIES, EXPRESS OR IMPLIED, WITH

RESPECT TO ANY AND ALL GOODS AND/OR SERVICES PROVIDED BY ANY APPROVED SUPPLIER, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

Consideration from Approved Suppliers. Franchisee acknowledges and agrees that Franchisor and/or its Affiliate(s) may receive fees, commissions, rebates, or other consideration from approved suppliers based upon sales to Franchisee. For the last fiscal year 2025 we received $641,477.92 in allowances, rebates, and commissions from vendors for required purchases representing 1.09% of our total gross revenue of $5,885,118.53.

7.6 Business Operation. Franchisee may not start operation of its Franchised Restaurant until Franchisor has provided approval to do so. After opening, Franchisee shall maintain the Franchised Restaurant in continuous operation during the term of this Agreement. Franchisee shall not use or permit the use of the Premises on which the Franchised Restaurant is located for any other purpose or activity other than the operation of the Franchised Restaurant without first obtaining the written consent of Franchisor. The Franchised Restaurant must at all times be under the direct "on-premises" supervision of a manager designated by Franchisee. The manager may be Franchisee or a person who has been approved in writing by Franchisor and who has successfully completed Franchisor's initial training program and any other mandatory training programs. Such manager must devote his or her full time and energy to the operation of the Franchised Restaurant. Such manager may not have an interest in or business relationship with any other restaurant, or with any business competitor of World of Sourdough Franchising, LLC, the Franchised Restaurant, or any of our other franchisees. The manager must sign a written agreement requiring the maintenance of confidentiality and non-competition, in a form substantially similar to Exhibit 8, attached hereto.

7.7 Payment of Liabilities and Taxes. Franchisee shall at all times pay its distributors, contractors, suppliers, trade creditors, employees, and other creditors promptly as the debts and obligations to such persons become due, and pay all taxes on real and personal property, leasehold improvements and fixtures, and all sales, use, income, payroll, and other taxes promptly when due, and shall hold Franchisor harmless therefrom. All taxes shall be paid directly to the appropriate taxing authority prior to the delinquent date. If Franchisee shall fail to pay any such obligations promptly as the debts to such persons or entities become due or if any taxes become delinquent, Franchisor may, in addition to its other remedies provided in this Agreement, without being obligated to do so, pay any obligation or tax and any late charges, interest, and penalties thereon, and Franchisee shall, upon demand, reimburse Franchisor for any sums Franchisor has paid, together with interest at the rate of 18% per annum, or the maximum rate permitted by law, whichever is less, from the date of payment by Franchisor to the date of reimbursement.

7.8 Records. Franchisee shall maintain and preserve, for at least six years after the date of their preparation, full, complete, and accurate books, and records of account, prepared in accordance with generally accepted accounting principles and in the form and manner prescribed by Franchisor from time to time in the then-existing Manual, Written Standards or otherwise in writing. In connection with its maintenance of such accounts and records, Franchisee, at its expense, shall:

(a) Submit to Franchisor, on or before the Sunday of each week, a weekly sales report in the form prescribed by Franchisor ("Weekly Sales Report"), and certified by Franchisee or by the Designated Individual, accurately reflecting Franchisee's Gross Revenues during the preceding week ending on Sunday (unless otherwise provided in the then-existing Written Standards), and such other data or information as Franchisor may require;

(b) Submit to Franchisor, within ninety days after the end of each calendar year, an income

statement certified by Franchisee or by the Designated Individual as accurately reflecting the results of operations of the Franchised Restaurant for the preceding calendar year, together with such other information as may be prescribed or requested by Franchisor.

(c) Submit to Franchisor, within ninety days after the end of each calendar year, copies of all statements relating to each account for the preceding calendar year (for purposes of this subsection, the term "account" includes any checking, savings, or other account with any bank, savings and loan, credit union, or other financial institution, to or from which receipts or expenses of the Franchised Restaurant have been deposited or paid);

(d) Submit to Franchisor signed copies of the federal income tax return for the previous tax year, as filed with the Internal Revenue Service, of Franchisee and of any Principal who holds an ownership interest in Franchisee of 50% or more, on or before April 30th of each year, or, if the taxpayer has received an extension of time to file and Franchisee submits to Franchisor a signed, file-stamped copy of IRS Form 4868 or 2688, as applicable, by April 30th then within fifteen days after the final due date for such return, but in no event later than October 30th of each year;

(e) Submit to Franchisor, within ten days after request, such other forms, reports, bank statements, client files, records, information, and data as Franchisor may reasonably request;

(f) Use only the chart of bookkeeping accounts prescribed by Franchisor in the then- existing Manual and/or Written Standards or otherwise communicated to Franchisee;

(g) Implement such procedures as Franchisor may require automating the reporting of financial information and the payment of recurring fees by Franchisee pursuant to this Agreement, including, but not limited to, Internet or intranet reporting; and purchase and install such equipment as Franchisor may require to accomplish such automation and pre- authorization of electronic funds transfer or bank debit; and

(h) At times during the term of this Agreement and for a period of three years after the termination or expiration of this Agreement permit Franchisor or its designated agents at all reasonable times to examine at Franchisor's expense and at Franchisor's office or such other location as Franchisor may select Franchisee's books and records of account bank statements, canceled checks, client files, federal state, and local income tax, sales and use tax, and payroll tax returns, and any other information or records pertaining to the Franchise or which Franchisee is required to maintain under this agreement (hereafter referred to as Franchisee's "Business Records") If, as a result of any inspection, Franchisor determines that Franchisee has understated its Gross Revenues (as defined in Section 5.5 above) in any report to Franchisor, then Franchisee shall immediately pay the Royalty and Advertising Fee payable on the amount of the understatement, plus the late fee and interest imposed by Section 5.4 above. In addition, if, as a result of any inspection, Franchisor determines that Franchisee has understated its Gross Revenues by 5% or more for any reporting period, or if an inspection is prompted by Franchisee's failure to maintain any records or to timely submit any report or other information required by this Agreement, then Franchisee shall reimburse Franchisor for all costs and expenses of the inspection (including, without limitation, wages paid by Franchisor to its employees, travel expenses, and reasonable accounting and legal fees). The foregoing remedies are in addition to any other remedies Franchisor may have under this agreement or at law or in equity. Franchisor may also, at all times during the term of this Agreement and for a period of three years after the termination or expiration of this Agreement, retain an independent party to audit Franchisee's

Business Records.

The terms of this Section 7.8 shall survive the expiration, termination, or cancellation of this Agreement.

7.9 Indemnity and Insurance.

7.9.1 Franchisee shall indemnify, hold harmless and defend Franchisor against and from all fines, proceedings, claims, demands or actions of any kind or nature and from anyone whomsoever arising out of or otherwise connected with Franchisee's operation of the Franchised Restaurant (excluding, however, liabilities caused by (i) Franchisee's proper reliance on or use of procedures or materials provided by Franchisor or (ii) Franchisor's gross negligence or intentional misconduct). This provision shall survive the expiration, termination, or cancellation of this Agreement.

7.9.2 Franchisee shall, prior to the opening of its Franchised Restaurant and thereafter at all times during the entire term of this Agreement, at its own expense, keep in force by advance payment of premium:

(a) All-Risk Insurance on all furniture, fixtures, equipment, supplies, and other property used in the operation of the Franchised Restaurant, for their full replacement cost.

(b) Commercial General Liability Insurance covering claims for bodily and personal injury, death, and property damage with a minimum per occurrence limit of $2,000,000 and a minimum general aggregate limit of $1,000,000;

(c) Automobile Liability Insurance for owned, hired, and non-owned vehicles with a minimum combined single limit of $1,000,000;

(d) Employee Dishonesty Insurance with a minimum limit of $10,000;

(e) excess umbrella policy insurance in the minimum amount of $1,000,000 aggregate/single occurrence coverage;

(f) personal property insurance in the minimum amount of $150,000 coverage; and

(g) Worker's Compensation Insurance as required by the law of the state in which the Franchised Restaurant operates.

Franchisee shall maintain such other insurance as may be required by statute or rule of the state or locality in which the Franchised Restaurant is located and operated, and as may be required by any lease to which Franchisee is a party. All policies of insurance that Franchisee is required to maintain hereunder shall contain a separate endorsement naming Franchisor as an additional insured and shall provide for a 30-day advance written notice to Franchisor of cancellation. No policy of insurance or type of coverage shall have a deductible of more than $10,000. All insurance shall be placed with an insurance carrier or carriers approved by Franchisor and shall not be subject to cancellation except upon ten days written notice to Franchisor. All policies of insurance, certifications of insurance with a copy of the original policy attached, showing full compliance with the requirements of these covenants, shall at all times be kept on deposit with

Franchisor. If Franchisee fails to comply with these requirements, Franchisor may, but is not obligated to, obtain the required insurance, and keep it in force and effect, and Franchisee shall pay Franchisor, upon demand, the cost thereof, together with interest thereon at the rate of 18% per annum, or the highest rate allowed by law, whichever is less. Neither Franchisee nor any agent or employee of Franchisee may open the Franchised Restaurant to the public, provide any services, sell any products, or represent that the Franchised Restaurant is open for business until Franchisee complies with the requirements of this section. Franchisor, upon not less than thirty days written notice to Franchisee, may reasonably increase the minimum coverage for any insurance required hereunder, decrease the maximum deductible, or require different or additional kinds of insurance coverage to reflect inflation, changes in standards of liability, higher damage awards, or other relevant changes in circumstances. Franchisee shall not operate the Franchised Restaurant at any time that Franchisee is not in compliance with all of the requirements of this paragraph. The terms of this paragraph shall survive the expiration, termination, or cancellation of this Agreement.

7.10 Non-Individual Franchisee. If Franchisee is other than an individual, it shall comply with all of the following requirements before the Effective Date.

(a) Franchisee shall be newly organized and its articles of incorporation or organization, by-laws, partnership agreement, or operating agreement shall provide that its activities are confined exclusively to operating the Franchised Restaurant.

(b) Franchisee shall have provided Franchisor with written information as to each shareholder, member, or partner of Franchisee ("Principal"), and the interest of each, on Exhibit 2 hereto, and shall promptly notify Franchisor of any changes in any such information during the term of this Agreement.

(c) All Principals of Franchisee shall enter into an agreement, in a form satisfactory to Franchisor unconditionally guaranteeing the full payment and performance of Franchisee's obligations to Franchisor.

(d) Each ownership certificate of Franchisee shall have conspicuously endorsed upon its face the following legend: "*The transfer, sale or pledge of this certificate is subject to the terms and conditions of a Franchise Agreement with World of Sourdough Franchising, LLC.*" If Franchisee is a partnership or limited liability company without certificates evidencing ownership, Franchisee shall provide Franchisor with acceptable evidence that its partnership or operating agreement or other organizational documents contain provisions acceptable to Franchisor prohibiting the transfer of any ownership interest in Franchisee other than in compliance with the terms of this Agreement Franchisee shall not cause or permit any such provision to be deleted or modified during the term of this Agreement.

(e) Copies of Franchisee's articles of incorporation or organization, by-laws, partnership agreement, operating agreement, as the case may be, and other organizational documents, including the resolutions of its Principals or governing board authorizing the execution of this Agreement, shall be furnished to Franchisor for its approval.

(f) Franchisee's name shall not consist of or contain the words "Sourdough & Co.," "SDCO," any variations thereof, or any other mark in which Franchisor or its affiliates have or claim a proprietary interest.

7.11 Compliance with Law. Franchisee shall comply with all laws, regulations and requirements of federal, state, municipal, and other governmental entities and agencies (including, without limitation, fictitious or assumed name statutes, relevant health and safety laws, Title VII of the Civil Rights Act, the Americans with Disabilities Act, the Age Discrimination in Employment Act, Anti-Terrorism Laws [as more fully described in Section 7.20] and any other federal, state or local employment laws), and obtain and maintain any and all licenses and permits required by any governmental agencies or otherwise necessary to conduct the Franchised Business in any jurisdiction in which it operates. Franchisee agrees and acknowledges that Franchisee alone shall be responsible for compliance with the obligations under this paragraph, and that Franchisor shall have no obligation with respect to Franchisee's compliance under this paragraph. In connection with its obligation under this paragraph, Franchisor hereby consents for Franchisee to disclose to Franchisee's legal counsel, for the purpose of ensuring compliance with and enforceability under federal, state, and local law, any and all forms, agreements and other documents provided by Franchisor for use in the Franchised Restaurant.

7.12 Customer Dispute Resolution. Franchisee acknowledges that client satisfaction is essential to Franchisee's success as well as the reputation and success of the Marks, the System, and other of Franchisor's company-owned, affiliate-owned, and franchised locations. Accordingly, Franchisee agrees to: (i) use its best efforts to ensure the satisfaction of each of Franchisee's customers; (ii) use good faith in all dealings with clients, potential clients, referral sources, suppliers and creditors; (iii) respond to customer complaints in a courteous, prompt, and professional manner; and (iv) use its best efforts to promptly and fairly resolve customer disputes in a mutually agreeable manner. If Franchisee fails to resolve a dispute with a customer, for any reason whatsoever, Franchisor, in its sole discretion and for the sole purpose of protecting the goodwill and reputation of the Marks, may (but shall not be obligated to) investigate the matter and require Franchisee to take such actions as Franchisor deems necessary or appropriate to resolve the dispute fairly and promptly. Nothing contained in this Section, or any other provision of this Agreement shall be construed to impose liability upon Franchisor to any third party for any action by or obligation of Franchisee.

7.13 Designated Individual. If Franchisee is other than an individual, prior to beginning the initial training program described in Section 7.1, Franchisee shall designate, subject to Franchisor's reasonable approval an individual (the "Designated Individual") who shall be responsible for general oversight and management of the operations of the Franchised Restaurant on behalf of Franchisee. The Designated Individual must attend and successfully complete the initial training program and such other training programs as Franchisor may from time to time require during the term of this Agreement. Franchisee acknowledges and agrees that Franchisor shall have the right to rely upon the Designated Individual to have been given, by Franchisee, decision-making authority, and responsibility regarding all aspects of the Franchised Restaurant. In the event that the person designated as the Designated Individual dies, becomes incapacitated, leaves Franchisee's employ, transfers his/her interest in Franchisee, or otherwise ceases to supervise the operations of the Franchised Restaurant, Franchisee shall promptly designate a new Designated Individual, subject to Franchisor's reasonable approval.

7.14 Communication and Information System. To ensure the efficient management and operation of the Franchised Restaurant and the transmission of data to and from Franchisor, Franchisee, at its own expense, shall install, prior to opening the Franchised Restaurant, and shall maintain and utilize during the term of this Agreement, such Communication and Information System as may be specified by the System Standards from time to time, including those requirements set forth in Section 9, below.

7.14.1 As used in this Agreement, the term "Communication and Information System" means: hardware (including, without limitation, one or more computers and/or other computer components); software designed for the management and operation of the Franchised Restaurant, as well as reporting and sharing information with Franchisor; point of sale equipment and

software; and communication systems (including, without limitation, digital and analog modems, satellite, cable, and other systems).

7.14.2 Franchisee shall lease and/or purchase its Communication and Information System only from such vendor or supplier that Franchisor has approved in writing pursuant to the provisions of Section 7.5 above. Franchisee shall not install, or permit to be installed, any devices, software or other programs not approved by Franchisor for use with the Communication and Information System.

7.14.3 Franchisee shall upgrade and update its Communication and Information System in the manner, specified by Franchisor in writing, in accordance with Section 9 below.

7.14.4 Franchisee shall have the sole and complete responsibility for the manner in which Franchisee's Communication and Information System interfaces with other systems, including those of Franchisor and other third parties, as well as any and all consequences that may arise if Franchisee's Communication and Information System is not properly operated, maintained, and upgraded.

7.14.5 Franchisee shall maintain at least one dedicated telephone line for use exclusively by the Franchised Restaurant. Each telephone line shall have service features as may be required by Franchisor in the then-existing Manual and/or Written Standards or otherwise communicated to Franchisee from time to time. Franchisor may require Franchisee to provide a full-time employee or answering service to answer Franchisee's telephone during regular business hours. All lines shall be operational and functional prior to opening the Franchised Restaurant and thereafter at all times during the term of this Agreement. The telephone number for the Franchised Restaurant must be listed in a white-pages telephone directory and a yellow-pages listing, in accordance with Franchisor's requirements, under the Trade Name and an address or other location within Franchisee's Territory. The costs of such listing shall be borne solely by Franchisee.

7.14.6 Prior to opening the Franchised Restaurant and thereafter at all times during the term of this Agreement, Franchisee shall obtain and maintain a standard e-mail account that is capable of receiving and sending attached files of a size as may be specified by Franchisor in the then-existing Manual and/or Written Standards or otherwise communicated to Franchisee from time-to-time, along with Internet connection via a commercial Internet service provider.

7.15 Annual Meeting. Franchisee (or if Franchisee is other than an individual, the Designated Individual), at least biennially, must attend a national meeting of SDCO Franchisees at a location designated by Franchisor. Franchisee shall be responsible for any and all expenses incurred to attend such meetings, including, without limitation, costs of transportation, lodging, and meals. Franchisor reserves the right to charge Franchisee a reasonable fee for such meetings. This provision will not be construed to require Franchisor to hold, provide, sponsor, host, or organize any such meeting.

7.16 Covenants of Employees and Agents. Franchisee shall require each of its management employees (except those individuals required to execute a Restrictive Covenant Agreement pursuant to Section 15.10 below), at the time of the commencement of their association with Franchisee, to execute an "Engagement Agreement" containing provisions:

(a) requiring that all proprietary or confidential information that may be acquired by or imparted to the person in connection with their association with Franchisee (including, without

limitation, the then-existing Manual or Written Standards, any proprietary software provided by Franchisor, and all information contained therein) be held in strict confidence and used solely for the benefit of Franchisee or Franchisor during their association with Franchisee and at all times thereafter;

(b) prohibiting the person, during their association with Franchisee, from diverting or attempting to divert any business or customer or client of the Franchised Restaurant or of any other SDCO Franchisee to any competitor, by direct or indirect inducement or otherwise;

(c) prohibiting the person, during their association with Franchisee, from doing or performing, directly or indirectly, any act injurious or prejudicial to the goodwill associated with the Marks and the System;

(d) prohibiting the person, during their association with Franchisee, from employing or seeking to employ any person who is at that time employed by Franchisor, Franchisee, or any other SDCO Franchisee, or otherwise directly or indirectly inducing or attempting to induce such person to leave his or her employment; and

(e) prohibiting the person, during their association with Franchisee and for a continuous period of two years (or the maximum period permitted or enforced by the laws of the state in which the Franchised Restaurant is located, if such period is less than two years, but in no event less than six months) after the termination of their association with Franchisee, from operating, owning, maintaining, promoting, engaging in, or performing services for (as an employee or otherwise) any business offering products or services competitive with those offered by the Franchised Restaurant.

Franchisee shall provide Franchisor with executed copies of Engagement Agreements required by this Section. Franchisee may not grant any person enumerated above access to any confidential aspect of the System or the Franchised Restaurant prior to their execution of an Engagement Agreement. All Engagement Agreements required by this Section must be in a form satisfactory to Franchisor and must specifically identify Franchisor as a third-party beneficiary with the independent right to enforce the agreement. Franchisee's failure to obtain the execution of all Engagement Agreements required by this Section and provide copies thereof to Franchisor is a material breach of this Agreement.

7.17 Maintenance of Premises. Franchisee shall maintain the Franchised Restaurant and the Premises in a clean, orderly condition and in excellent repair; and, in connection therewith, Franchisee shall, at its expense, make such repairs and replacements thereto (but no others without prior written consent of Franchisor) as may be required for that purpose, including such periodic repainting or replacement of obsolete signs, furnishings, equipment, and decor as Franchisor may reasonably direct.

7.18 Ongoing Upgrades and Refurbishments. Franchisee shall maintain all fixtures, furnishings, equipment, decor, and signs as Franchisor may prescribe from time to time in the then-existing Manual and/or Written Standards or otherwise in writing. Franchisee shall make such changes, upgrades, refurbishment, and replacements as Franchisor may periodically require, in the time frames specified by Franchisor.

7.19 Five-Year Refurbishment and Renovations. At the request of Franchisor, but not more often than once every five (5) years, unless sooner required by Franchisee's lease, Franchisee shall refurbish the Premises, at its expense, to conform to the Franchised Restaurant design, trade dress, color schemes, and presentation of the Proprietary Marks in a manner consistent with the then-current image for new SDCO Franchised Restaurants. Such refurbishment may include structural changes,

installation of new equipment and signs, remodeling, redecoration, and modifications to existing improvements, and shall be completed pursuant to such standards, specifications and deadlines as Franchisor may specify.

7.20. Compliance with Anti-Terrorism Laws. Franchisee and its owners must comply with and/or assist us to the fullest extent possible in our efforts to comply with Anti-Terrorism Laws (as defined below). In connection with such compliance, Franchisee and each of its owners certify, represent, and warrant that none of its/their property or interests is subject to being "blocked" under any of the Anti-Terrorism Laws and that Franchisee and each of its owners are not otherwise in violation of any of the Anti-Terrorism Laws. Franchisee and each of its owners certify that none of them or their respective employees, or anyone associated with Franchisee or each of its owners is listed in the Annex to Executive Order 13224 at http://www.treasury.gov/office/enforcement/ofac/sanctions/terrorism/html. Franchisee and each of its owners agrees not to hire (or, if already employed, retain the employment of) any individual is listed in the Annex.

(a) Franchisee and each of its owners certify that they have no knowledge or information that, if generally known, would result in Franchisee or its owners, or their employees, or anyone associated with Franchisee or its owners to be listed in the Annex to Executive Order 13224.

(b) Franchisee is solely responsible for determining what actions it must take to comply with the Anti-Terrorism Laws, and Franchisee specifically acknowledges and agrees that the indemnification responsibilities set forth in this Agreement pertain to Franchisee's obligations under this Section 7.20 (a) through (e).

(c) Any misrepresentations und this Section 7.20 or any violation of the Anti- Terrorism Laws by Franchisee, its owners, agents, or employees shall constitute grounds for immediate termination of this Agreement, and any other agreement Franchisee has entered into with us or any of our affiliates, without any right to cure.

(d) "**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, Parte 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 and any government agency outside the United States) addressing or in any way relating to terrorist acts and/or acts of war.

7.21 Mystery Shopper Programs. Franchisor may designate an independent evaluation service to conduct a "mystery shopper" quality control and evaluation program with respect to Franchisor or affiliate-owned and/or franchised SDCO Franchised Restaurants. Franchisee agrees that the Franchised Restaurant will participate in such mystery shopper program, as prescribed and required by Franchisor, provided that Franchisor-owned, affiliate-owned, and franchised SDCO Franchised Restaurants also participate in such program to the extent Franchisor has the right to require such participation. Franchisor shall have the right to require Franchisee to pay the then-current charges imposed by such evaluation service with respect to inspections of the Franchised Restaurant, and Franchisee agrees that it shall promptly pay such charges.

SECTION 8

INTELLECTUAL PROPERTY

8.1 Use by Franchisee. Franchisee's right to use proprietary recipes, the SDCO Marks, any software which may be provided by Franchisor, other materials in which Franchisor claims a copyright, trademark, or other right to exclusive use, trade secrets, and other intellectual property (hereafter collectively referred to as "Intellectual Property") as granted in this Agreement is limited to their use in connection with the operation of the Franchised Restaurant at the Specific Location described in Section 1.2 hereof, and otherwise as described herein and as set forth in the then-existing Manual and/or Written Standards, in a separate license agreement, or as may be prescribed in writing by Franchisor from time to time. Franchisee shall use only the name listed on Exhibit 1 (the "Trade Name") as the tradename of the Franchised Restaurant, shall use only the service mark listed on Exhibit 1 as its primary service mark to identify and distinguish the services offered by Franchisee, and shall use no other trade name, business name, or service mark in connection with the Franchise Restaurant without Franchisor's prior written consent.

8.2 Exclusive Property of Franchisor. Franchisee acknowledges Franchisor's right, title, and interest in and to the Intellectual Property, and the identification, schemes, standards, specifications, operating procedures, and other concepts embodied in the System. Franchisee is a "related company" within the meaning of 15 U.S.C. § 1127 and Franchisee's use of the Marks pursuant to this Agreement inures to the benefit of Franchisor. Except as expressly provided by this Agreement, Franchisee shall acquire no right, title, or interest therein, and any and all goodwill associated with the System and the Intellectual Property shall inure exclusively to Franchisor's benefit. Upon the expiration or termination of this Agreement, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the System or the Intellectual Property.

8.3 Infringement by Franchisee. Franchisee acknowledges that the use of the Intellectual Property outside of the scope of this Agreement without Franchisor's prior written consent is an infringement of Franchisor's rights, title, and interest in and to its Intellectual Property. Franchisee expressly covenants that during the term of this Agreement and after the expiration or termination hereof, Franchisee shall not, directly, or indirectly, commit an act of infringement or contest, or in contesting, the validity or ownership of the Intellectual Property or take any other action in derogation thereof. This covenant shall survive the expiration, termination, or cancellation of this Agreement.

Infringement by Others. Franchisee shall promptly notify Franchisor of any use of the Intellectual Property or any colorable variation thereof by any person or legal entity other than Franchisor or any of its representatives and agents or other SDCO Franchisees, or any other intellectual property in which Franchisor has or claims a proprietary interest. Franchisee further agrees to notify Franchisor promptly of any litigation instituted by any person or legal entity against Franchisor or Franchisee involving the Intellectual Property. Franchisor shall have no obligation to defend or indemnify Franchisee for any claims of infringement. In the event Franchisor, in its sole discretion, undertakes the defense, prosecution or settlement of any proceeding or litigation relating to the Intellectual Property, Franchisor shall retain exclusive control of the same, and Franchisee agrees to execute any and all documents, and to render such assistance as may, in the opinion of Franchisor, be reasonably necessary to carry out such defense prosecution or settlement. Franchisee acknowledges that the nature of trademark and intellectual property law makes it impossible for Franchisor to guarantee or warrant the exclusivity of Franchisor's right to use any of the Intellectual Property and that nothing in this Agreement or in any other document or promotional material provided by Franchisor to Franchisee or to any other party may be construed to guarantee, warrant or imply that Franchisor's right to use any of the Intellectual Property is exclusive or superior to the rights of any other party. In the event that any party demonstrates, to Franchisor's sole satisfaction, a superior right to use any of the Intellectual Property, Franchisee shall, upon demand by Franchisor, discontinue its use of such Intellectual Property and, in the case of the Trade Name or any of the Marks, adopt, at Franchisee's sole cost and expense, any replacement name or mark, if any,

selected by Franchisor, and Franchisor will have no liability to Franchisee therefore.

8.4 Improper Use of Marks. Franchisee may not use any of the Marks, or any derivative or colorable variation thereof: (a) as part of Franchisee's corporate or other legal name; (b) on or as part of any web site, domain name, URL, web page, electronic mail address, listing, banner, advertisement or any other service or link on, to or with the Internet, World Wide Web, Internet service providers, electronic mail services, communication providers, search engines, or other similar services; (c) with any prefix, suffix (including, but not limited to, the word "Inc."), or other modifying words, terms, designs, or symbols; or (d) in any modified form. Franchisee may not register any of the Marks, or any derivative or colorable variation thereof, as a service mark, trademark, or Internet domain name, or hold out or otherwise employ the Marks to perform any activity or to incur any obligation or indebtedness in such a manner as could reasonably result in making Franchisor liable therefore or which may harm, tarnish, or impair Franchisor's reputation, name, services or Marks. If Franchisor provides Franchisee with any contracts, agreements, forms, or other documents that contain any of the Marks, Franchisee may not alter or modify such contracts, agreements, forms, or documents without Franchisor's prior written consent. The provisions of this paragraph will survive the expiration, termination, or cancellation of this Agreement.

8.5 Non-exclusive Use. Franchisee expressly acknowledges and agrees that this license to use the Intellectual Property is non-exclusive, and Franchisor has and retains the rights, among others:

(a) To grant other licenses for the use of the Intellectual Property, in addition to those already granted to existing SDCO Franchisees and to Franchisee; and

(b) To develop and establish other systems and programs utilizing the same or similar Intellectual Property, or any other proprietary property, and to grant franchises therein without granting Franchisee any rights therein.

8.6 Use of Marks by Others. Franchisee shall not permit any third party to imprint the Marks on any products, materials, documents, and supplies utilized by Franchisee in connection with the operation of the Franchised Restaurant without first obtaining the consent of Franchisor and requiring such party to execute a license agreement.

8.7 Change or Modification of Marks. Franchisor reserves the right to change or modify its Marks at any time, in its sole discretion. Franchisee shall, upon demand by Franchisor, discontinue its use of any Mark and adopt, at Franchisee's sole cost and expense, any replacement name or mark selected by Franchisor, and Franchisor will have no liability to Franchisee, therefore.

SECTION 9
TECHNOLOGY / CONFIDENTIAL MANUAL

9.1 Computer Systems and Required Software. The following terms and conditions shall apply with respect to the Computer System and Required Software.

9.1.1 Franchisor shall have the right to specify or require that certain brands, types, makes, and/or models of communications, computer systems, and hardware be used by, between, or among SDCO Franchised Restaurants, including without limitation: (a) back office and point of sale systems, data, audio, video, and voice storage, retrieval, and transmission systems for use at SDCO Franchised Restaurants, between or among SDCO Franchised Restaurants, and between and among the Franchised Restaurant and Franchisor and/or Franchisee; (b) Cash

Register Systems; (c) physical, electronic, and other security systems; (d) printers and other peripheral devices; (e) archival back-up systems; and (f) internet access mode and speed (collectively, the "**Computer System**").

9.1.2 Franchisor shall have the right, but not the obligation, to develop or have developed for it, or to designate: (a) computer software programs and accounting system software that Franchisee must use in connection with the Computer System ("**Required Software**"), which Franchisee shall install; (b) updates, supplements, modifications, or enhancements to the Required Software, which Franchisee shall install; (c) the tangible media upon which such Franchisee shall record data; and (d) the database file structure of Franchisee's Computer System.

9.1.3 Franchisee shall record all sales on computer-based point of sale systems approved by Franchisor or on such other types of cash registers as may be designated by Franchisor in the then-existing Manual and/or Written Standards or otherwise in writing ("**Cash Register Systems**"), which shall be deemed part of the Franchisee's Computer System.

9.1.4 Franchisee shall make, from time to time, such upgrades and other changes to the Computer System and Required Software as Franchisor may request in writing (collectively, "**Computer Upgrades**").

9.1.5 Franchisee shall comply with all specifications issued by Franchisor with respect to the Computer System and the Required Software, and with respect to Computer Upgrades. Franchisee shall also afford Franchisor unimpeded access to Franchisee's Computer System and Required Software as Franchisor may request, in the manner, form, and at the times requested by Franchisor.

9.1.6 Franchisee acknowledges and agrees that under no circumstances shall Franchisor be held liable in any way or to any extent as a result of a temporary or permanent failure of Franchisee's Computer System.

9.2 Data. Franchisor may, from time-to-time, specify in the then-existing Manual and/or Written Standards or otherwise in writing the information that Franchisee shall collect and maintain on the Computer System installed at the Franchised Restaurant, and Franchisee shall provide to Franchisor such reports as Franchisor may reasonably request from the data so collected and maintained. All data pertaining to the Franchised Restaurant, and all data created or collected by Franchisee in connection with the System, or in connection with Franchisee's operation of the business (including without limitation data pertaining to or otherwise concerning the Franchised Restaurant's customers) or otherwise provided by Franchisee (including, without limitation, data uploaded to, or downloaded from Franchisee's Computer System) is and will be owned exclusively by Franchisor, and Franchisor will have the right to use such data in any manner that Franchisor deems appropriate without compensation to Franchisee. Copies and/or originals of such data must be provided to Franchisor upon Franchisor's request. Franchisor hereby licenses use of such data back to Franchisee for the term of this Agreement, at no additional cost, solely for Franchisee's use in connection with the business franchised under this Agreement.

9.3 Privacy. Franchisee shall abide by all applicable laws pertaining to privacy of information collected or maintained regarding customers or other individuals ("Privacy") and shall comply with Franchisor's standards and policies pertaining to Privacy. If there is a conflict between Franchisor's standards and policies pertaining to Privacy and applicable law, Franchisee shall: (a) comply with the requirements of applicable law; (b) immediately give Franchisor written notice of said conflict; and (c) promptly and fully cooperate with Franchisor and Franchisor's counsel as Franchisor may request

to assist Franchisor in its determination regarding the most effective way, if any, to meet Franchisor's standards and policies pertaining to Privacy within the bounds of applicable law.

9.4 Telecommunications. Franchisee shall comply with Franchisor's requirements (as set forth in the then-existing Manual and/or Written Standards or otherwise in writing) with respect to establishing and maintaining telecommunications connections between Franchisee's Computer System and Franchisor's Intranet (as defined below), if any, and/or such other computer systems as Franchisor may reasonably require.

9.5 Intranet. Franchisor may establish a website providing private and secure communications between Franchisor, Franchisee, franchisees, licensees and other persons and entities as determined by Franchisor, in its sole discretion (an "Intranet"). Franchisee shall comply with Franchisor's requirements (as set forth in the then-existing Manual and/or Written Standards or otherwise in writing) with respect to connecting to the Intranet and utilizing the Intranet in connection with the operation of the Franchised Restaurant. The Intranet may include, without limitation, the then-existing Manual and/or Written Standards, training or other assistance materials, and management reporting solutions (both upstream and downstream, as Franchisor may direct). Franchisee shall purchase and maintain such computer software and hardware as may be required to connect to and utilize the Intranet.

9.6 Websites. As used in this Agreement, the term "Website" means an interactive electronic document, series of symbols, or otherwise, that is contained in a network of computers linked by communications software. The term Website includes, but is not limited to, Internet and World Wide Web home pages. In connection with any Website, Franchisee agrees to the following:

9.6.1 Franchisor shall have the right, but not the obligation, to establish and maintain a Website, which may, without limitation, promote the Proprietary Marks, any, or all of the Products, SDCO Franchised Restaurants, the franchising of SDCO Franchised Restaurants, and/or the System. Franchisor shall have the sole right to control all aspects of the Website, including without limitation its design, content, functionality, links to the websites of third parties, legal notices, and policies and terms of usage; Franchisor shall also have the right to discontinue operation of the website.

9.6.2 Franchisor shall have the right, but not the obligation, to designate one or more web page(s) to describe Franchisee and/or the Franchised Restaurant, with such web page(s) to be located within Franchisor's Website. Franchisee shall comply with Franchisor's policies with respect to the creation, maintenance, and content of any such web pages; and Franchisor shall have the right to refuse to post and/or discontinue posting any content and/or the operation of any web page.

9.6.3 Franchisee shall not establish a separate website, without Franchisor's prior written approval (which Franchisor shall not be obligated to provide). If approved to establish a Website, Franchisee shall comply with Franchisor's policies, standards, and specifications with respect to the creation, maintenance, and content of any such Website. Franchisee specifically acknowledges and agrees that any Website owned or maintained by or for the benefit of Franchisee shall be deemed "advertising" under this Agreement and will be subject to (among other things) Franchisor's approval.

9.6.4 Franchisor shall have the right to modify the provisions of this Section 9 relating to Websites as Franchisor shall solely determine is necessary or appropriate.

9.7 Online Use of Marks. Franchisee shall not, without the prior written approval of Franchisor, use the Proprietary Marks or any abbreviation or other name associated with Franchisor and/or the System as part of any e-mail address, domain name, and/or other identification of Franchisee in any electronic medium. Franchisee agrees not to transmit or cause any other party to transmit advertisements, solicitations, marketing information, promotional information or any other information whatsoever regarding SDCO Franchised Restaurants by e-mail or any other "Electronic Media" without Franchisor's prior written consent and in accordance with such specific programs, policies, terms, and conditions as Franchisor may from time to time establish. Electronic Media shall include, but not be limited to, blogs, microblogs, social networking sites such as Twitter, Yelp, Facebook, and Instagram. Currently, Franchisee is allowed to use Facebook and Instagram.

9.8 No Outsourcing without Prior Written Approval. Franchisee shall not hire third party or outside vendors to perform any services or obligations in connection with the Computer System, Required Software, or any other of Franchisee's obligations without Franchisor's prior written approval therefor. Franchisor's consideration of any proposed outsourcing vendor(s) may be conditioned upon, among other things, such third party or outside vendor's entry into a Confidentiality agreement with Franchisor and Franchisee in a form that is reasonably provided by Franchisor.

9.9 Franchisor-Software. As of the date of this Agreement, Franchisor has not developed any of its own proprietary software in connection with the operation of the Franchised Restaurant. And Franchisor has made no representations to Franchisee that Franchisor will develop such software. Any reference to "Software" in this Agreement is only intended to cover such software subsequently developed by Franchisor. If and when Franchisor actually develops such software, Franchisor shall grant Franchisee a non-exclusive end-user license agreement (the "EULA") to use Franchisor's software (the "Franchisor-Software" or "Software") in connection with the operation of the Franchised Restaurant. The EULA will entitle Franchisee to use any number of copies of the Software on any number of computers, provided that they are all owned or leased by Franchisee and are part of the Franchised Restaurant. The Software and all supporting files shall be protected by United States copyright laws and international treaty provisions. Franchisee may not rent, lease, sell, reverse engineer, decompile, disassemble, modify, or create derivative works from the Software. The Software and all supporting files shall be proprietary and confidential trade secrets of Franchisor and remain the property of Franchisor at all times. In no event will Franchisor be liable to Franchisee, its Principals, directors, officers, or agents, for any special, consequential, indirect or similar damages, including any lost profits or lost data arising out of the use or inability to use the Software or any data supplied therewith, even if Franchisor or anyone else has been advised of the possibility of such damages, or for any claim by any other party. Franchisee shall use only the Software or other software approved, provided, or designated by Franchisor, and no other computer programs or applications, to maintain financial information or any other information relating to the Franchised Restaurant and/or to operate the Franchised Restaurant. Franchisee may use the Software only in connection with the operation of the Franchised Restaurant. Franchisee shall obtain support for the Software only from such vendor(s) as may be designated by Franchisor from time to time. FRANCHISOR DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE SOFTWARE, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

Until such time as Franchisor may develop its own Software, Franchisee shall obtain and maintain a license to such other computer software from third parties as Franchisor may require in its then-existing Manual and/or Written Standards or otherwise.

9.10 Changes to Technology. Franchisee and Franchisor acknowledge and agree that changes to technology are dynamic and not predictable within the term of this Agreement. In order to provide

for inevitable but unpredictable changes to technological needs and opportunities, Franchisee agrees that Franchisor shall have the right to establish, in writing, reasonable new standards for the implementation of technology in the System; and Franchisee agrees that it shall abide by those reasonable new standards established by Franchisor as if this Section 9 were periodically revised by Franchisor for that purpose.

9.11 Business Operations. In order to protect the reputation and goodwill of Franchisor and to maintain uniform standards of operation under the Marks, Franchisee shall conduct its operations hereunder in accordance with Franchisor's Manual and/or Written Standards (as the same may be amended or modified from time to time), which Franchisee acknowledges is/are or shall be on loan from Franchisor.

9.12 Confidentiality. The then-existing Manual and Written Standards and any and all proprietary computer software provided by Franchisor shall at all times remain the sole property of Franchisor. Franchisor treats the Manual, Written Standards, the Software, and all information contained therein as confidential and proprietary. Franchisee shall treat the Manual, Written Standards, the Software, and all information contained therein as confidential and proprietary, and shall use all reasonable efforts to maintain such information as confidential and proprietary. Franchisee shall also ensure that its employees treat the Manual, Written Standards, the Software, and all information contained therein as confidential and proprietary. Franchisee shall not at any time copy, duplicate, record, or otherwise make the same available to any unauthorized person. The provisions of this paragraph shall survive the expiration, termination, or cancellation of this Agreement.

9.13 Written Standards/Manuals. Franchisor shall have the right, but not the obligation, to develop, add to or otherwise modify the Manual and/or any Written Standards from time to time to reflect changes in any of the System Standards provided that no such addition or modification shall alter Franchisee's fundamental status and rights under this Agreement. Without limiting the generality of the foregoing Franchisor may, during the term of this Agreement, require Franchisee to modify, upgrade, update enhance, and/or replace all or any part of Franchisee's Communication and Information System at Franchisee's expense, and Franchisee agrees to acquire (or acquire the right to use for the remainder of the term of this Agreement), within 120 days after receipt of written notice from Franchisor the modification upgrade update, enhancement or replacement of the Communication and Information System specified by Franchisor and to take all actions as may be necessary to enable the same to operate as specified by Franchisor. Any such modifications, upgrades, updates enhancements and replacements may require Franchisee to incur costs to purchase lease and/or license new or modified computer hardware and/or software or other equipment and to obtain different and/or additional service and support services during the term of this Agreement. Franchisee acknowledges that Franchisor cannot estimate the costs of future maintenance, enhancements, modifications upgrade updates and replacements to the Communication and Information System or other items, and that such maintenance, enhancements, modifications, upgrades, updates, and replacements required by Franchisor may involve additional investment by Franchisee during the term of this Agreement. Franchisee shall at all times ensure that any copies of the Manual and/or any Written Standards are kept secure, current, and up to date, and in the event of any dispute as to the contents of the Manual and/or Written Standards, the terms of the master copy of such written materials maintained by Franchisor at Franchisor's home office shall be controlling. Upon Franchisor's request, Franchisee will cooperate in the efficient return of all Written Standards and/or Manuals that may be identified by Franchisor as obsolete.

SECTION 10
CONFIDENTIAL INFORMATION

10.1 Use of Confidential Information. Franchisee shall not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, persons, partnership, association or corporation, any confidential information, knowledge, or know-how concerning the system or the methods of operation hereunder which may be communicated to Franchisee, or of which Franchisee may be apprised, by virtue of Franchisee's business operations under the terms of this Agreement. Franchisee shall divulge such confidential information only to such of its employees as must have access to it in order to operate the Franchised Restaurant as described herein. In connection therewith, Franchisee shall be fully responsible for ensuring that its employees comply with this Section. The provisions of this paragraph shall survive the expiration, termination, or cancellation of this Agreement.

10.2 Remedies. Franchisee acknowledges that any failure to comply with Section 10.1 of this Agreement will cause Franchisor irreparable injury, and Franchisee consents to the issuance of, and agrees to pay all court costs and reasonable legal fees incurred by Franchisor in obtaining, specific performance of, or any injunction by a court of competent jurisdiction against a violation of, the requirements of Section 10.1.

10.3 Preservation of Confidentiality. Franchisee shall require Franchisee's Principals, directors, officers, and management employees, at the time of the commencement of their association with Franchisee, to execute confidentiality agreements, in a form approved by Franchisor, requiring that all information being proprietary or confidential hereunder that may be acquired by or imparted to such persons in connection with their association with Franchisee be held in strict confidence and used solely for the benefit of Franchisee and Franchisor, at all times during their association with Franchisee and thereafter. Franchisee shall require each prospective purchaser of the Franchised Restaurant the license granted under this Agreement, or any interest in Franchisee, prior to disclosing any confidential information to such person, to execute a confidentiality agreement in a form approved by Franchisor, requiring that any proprietary or confidential information that may be disclosed to such person in connection with his or her investigation of Franchisee or the Franchised Restaurant, will be held in strict confidence and used solely to evaluate the contemplated transaction. All confidentiality agreements described in this paragraph shall include a specific identification of Franchisor as a third-party beneficiary with the independent right to enforce the agreement.

SECTION 11
ADVERTISING

Recognizing the value of advertising and promotion, and the importance of the standardization of advertising and promotion programs to the furtherance of the goodwill and public image of the System, the parties agree as follows.

11.1 Generally. With regard to advertising generally for the Franchised Restaurant, Franchisee shall use and publish only such signs, emblems, lettering, logos and displays and advertising materials as Franchisor approves in writing from time to time. Franchisee shall submit to Franchisor, prior to its use, samples of all sales promotional and advertising materials desired to be used by Franchisee, including but not limited to, newspaper, radio, television, direct mail, billboard, and hand-out advertising, specialty and novelty items, and signs which have not been previously approved by the Company. Within fifteen (15) days of Franchisor's receipt of any sample sales promotional material or advertising materials from Franchisee, Franchisor shall notify Franchisee in writing of Franchisor's approval or disapproval of the materials; provided, however, Franchisor's failure to approve or disapprove the materials within fifteen (15) days of receipt shall be deemed a disapproval. Franchisee shall not use any advertising or promotional materials for which Franchisor has not given its prior written approval.

11.2 Advertising Fee. As required in Section 5.2 hereof, Franchisee shall pay an

Advertising Fee which shall be allocated, in Franchisor's sole discretion, to (a) the national and/or regional advertising funds (collectively, the "Advertising Funds" or "Funds") as Franchisor may establish for advertising the System (as described in Section 11.4 hereof), or (b) the Cooperative (as described in Section 11.5 hereof).

11.3 Local Advertising. In addition to the advertising expenditures required by Section11.2 hereof, for each month that the Franchised Restaurant is open for business, Franchisee shall expend on a monthly basis an amount established by Franchisor on local advertising in such manner as Franchisor may, in its sole discretion, direct from time to time (the "Minimum Local Advertising Expenditure"). The amount of the Minimum Local Advertising Requirement shall not exceed three percent (3%) of Franchisee's Gross Revenues from the previous month.

11.3.1 Grand Opening. Notwithstanding the foregoing, Franchisee shall be obligated to expend at least Seven Thousand Five Hundred and No/100 ($7,500.00) on marketing Franchisee's Grand Opening (the "Minimum Grand-Opening Expenditure"). All such Grand Opening marketing must be conducted during the period beginning 10 days before the opening of your Franchised Restaurant and ending 10 days after such opening date (the "Grand Opening Period"). All Grand Opening marketing materials must be expended by you for products and services according to a grand opening marketing program, pre-approved by us. All Grand Opening marketing materials must be approved by Franchisor prior to publication and/or distribution.

11.4 Advertising Funds. Franchisor shall have the right, in its discretion, to establish such national or regional Funds and to designate any geographical area as a region for establishing regional advertising Funds. Franchisor shall maintain and administer the Funds as follows.

11.4.1 Franchisee agrees and acknowledges that the Funds are intended to maximize general public recognition and acceptance of the Marks for the benefit of all Franchises within the System or within a region, as the case may be, and that Franchisor is not obligated in administering the Funds to make expenditures for Franchisee which are equivalent or proportionate to Franchisee's contribution or to ensure that any particular Franchisee benefits directly or indirectly from the placement of advertising.

11.4.2 The Funds, all contributions thereto, and any earnings thereon, shall be used exclusively to meet any and all costs of maintaining, administering, researching, directing, and preparing advertising and/or promotional activities including, without limitation, the costs of preparing and conducting advertising campaigns in various media; direct mail and outdoor billboard advertising; marketing surveys and other public relations activities; employing advertising agencies to assist therein; product development and developing and providing promotional and other marketing materials for Franchisor's company-owned, affiliated-owned and franchised locations, as well as other locations utilizing the Marks.

11.4.3 Franchisor shall, for each of its affiliate-owned or company-owned businesses (if any), make contributions to the Funds on the same basis as assessments required of comparable SDCO Franchisees.

11.4.4 Franchisee shall contribute to the Funds by separate check made payable to "The SDCO National Advertising Account" or such other designation as Franchisor may from time to time prescribe. All sums paid by Franchisee to the Funds shall be maintained in an account separate from the other moneys of Franchisor. Such sums shall not be used to defray any of Franchisor's operating expenses, except for such reasonable salaries, overhead and administrative

accounting legal (including without limitation, the defense of any claims against Franchisor and/or Franchisor's designee regarding the management of the Funds) and other costs, if any, as Franchisor may incur in activities reasonably related to the administration or direction of the Funds or advertising programs for Franchisor's company-owned and franchised locations and the System, including the costs of enforcing contributions to the Funds required under this Agreement and the costs of preparing a statement of operations. The Funds and their earnings shall not otherwise inure to the benefit of Franchisor. Franchisor shall maintain separate bookkeeping accounts for each Fund.

11.4.5 It is anticipated that all contributions to and earnings of the Funds shall be expended for advertising and/or promotional purposes during the taxable year within which the contributions are made. If, however, excess amounts remain in the Funds at the end of such taxable year, all expenditures in the following taxable year(s) shall be made first out of accumulated earnings from previous years, next out of earnings in the current year, and finally from contributions.

11.4.6 Advertising fees paid by Franchisee are not refundable to Franchisee. If this Agreement is terminated for any reason (including, but not limited to, the assignment of this Agreement or the transfer of the Franchised Restaurant), all Advertising Fees paid by Franchisee shall be forfeited to the Fund.

11.4.7 Franchisee agrees that Franchisor (and any designee of Franchisor) shall not have any direct or indirect liability or obligation to Franchisee, the Funds or otherwise with respect to the management, maintenance, direction, administration or otherwise of the Funds. Franchisee further agrees that Franchisor shall not be liable for any act or omission, whether with respect to the funds or otherwise, which is consistent with this Agreement or other information provided to you, or which is done in subjective good faith. Franchisee and Franchisor, each having a mutual interest and agreeing on the critical and practical business importance of their relationship being governed solely by written instruments signed by the parties to be bound (and not having either party subject to the uncertainty inherent in the application of legal or other concepts not expressly agreed to in writing by both parties), agree that their rights and obligations with respect to the Funds and all related matters are governed solely by this Agreement and that neither this Agreement nor the Funds are in the nature of a "trust," "fiduciary relationship" or similar special arrangement, but is only an ordinary commercial relationship between independent businesspersons for their independent economic benefit.

11.4.8 The Funds are not and shall not be an asset of Franchisor. An accounting of the operation of the Funds will be prepared annually and will be made available to Franchisee during regular business hours, upon Franchisee's prior written notice to Franchisor, once during each calendar year. Franchisor reserves the right, in its sole discretion, to require that such annual accounting include an audit of the operation of the Funds prepared by an independent certified public accountant selected by Franchisor and prepared at the expense of the Funds.

11.4.9 Although Franchisor intends the Funds to be of perpetual duration, Franchisor maintains the right to terminate any Funds. No Funds shall be terminated, however, until all moneys in the specific Fund have been expended for advertising and/or promotional purposes or returned to contributors on the basis of their respective contributions.

11.5 Advertising Cooperative. Franchisor shall have the right, in its sole discretion, to designate any geographic area for purposes of establishing a regional advertising and promotional cooperative ("Cooperative"), and to determine whether a Cooperative is applicable to the Franchised Restaurant. If a

Cooperative has been established applicable to the Franchised Restaurant at the time Franchisee commences operations hereunder, Franchisee shall immediately become a member of such Cooperative. If a Cooperative applicable to the Franchised Restaurant is established at any later time during the term of this Agreement (or any extension or renewal), Franchisee shall become a member of such Cooperative no later than thirty (30) days after the date on which the Cooperative commences operation. If the Franchised Restaurant is within the territory of more than one Cooperative, Franchisee shall be required to be a member or only a single Cooperative, as determined by Franchisee. If established, the following provisions shall apply to each Cooperative.

11.5.1 Each Cooperative shall be organized, governed, and administered pursuant to its Bylaws, in a form and manner, and shall commence operation on a date, approved in advance by Franchisor in writing.

11.5.2 Each Cooperative shall be organized for the exclusive purpose of administering regional advertising programs and developing, subject to Franchisor's approval, standardized advertising materials for used by the members in local advertising promotion.

11.5.3 No promotional or advertising plans or materials may be used by a Cooperative or furnished to its members without the prior approval or Franchisor. All such plans and materials shall be submitted to Franchisor in accordance with the procedure set forth in Section 11.1 hereof.

11.5.4 Each Cooperative shall have the right to require its members to make contributions to the Cooperative in such amounts as are determined by the Cooperative by majority vote, in an amount not to exceed 2% Franchisee's Gross Revenues on a monthly basis. Each franchised location operated by Franchisor or an affiliate in a geographic area for which the Cooperative operates shall make contributions and have voting powers on any fees imposed by the Cooperative.

11.5.5 Unless otherwise stated in the then-existing Manual or Written Standards, each member franchisee shall submit to the Cooperative, no later than the tenth (10^{th}) day of each month, for the preceding calendar month, its contribution as provided in Section 11.5.4 hereof, together with such other statements or reports as may be required by Franchisor or the Cooperative with Franchisor's prior approval.

11.5.6 Franchisee's contribution to the Cooperative shall be in lieu of Franchisee's then Minimum Local Advertising Expenditure as described in Section 11.3 hereof; provided, however, if Franchisee's contribution to the Cooperative does not at least equal the required Minimum Local Advertising Expenditure, Franchisee must expend the difference on local advertising and sales promotion as provided in Section 11.3 hereof.

11.5.7 Pursuant to its Bylaws, an unaudited accounting of the operation of the Cooperative will be prepared annually by the Cooperative and will be made available to Franchisee during regular business hours, once during each calendar year.

11.5.8 Franchisor, in its sole discretions, may grant to any franchisee 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. Franchisor's decision concerning such request for exemption shall be final. If an exemption is granted to Franchisee, Franchisee

shall be required to expend on local advertising and sales promotion the full amount provided in Section 11.3 hereof.

11.5.9 Although each Cooperative when established is intended to be of perpetual duration, Franchisor maintains the right to change, dissolve, merge, or terminate any Cooperative. A Cooperative shall not be terminated, however, until all monies in that Cooperative have been expended for advertising and/or promotional purposes.

11.6 Advertising Materials. All advertising, printed materials and promotion by Franchisee shall be in such media and of such type and format as Franchisor may approve, shall be conducted in a dignified manner, shall be completely accurate and truthful, shall conform to all applicable laws and regulations relating to consumer advertising and to such standards and requirements as Franchisor may specify from time to time and shall give notice that the Franchised Restaurant is independently owned and operated. Franchisee shall not use any advertising, coupons or promotional plans or materials unless and until Franchisee has received written approval from Franchisor pursuant to the procedures and terms set forth in Section 11.1 hereof. Franchisee shall display the Marks in the manner prescribed by Franchisor on all signs and all other advertising and promotional materials used in connection with the Franchised Restaurant. Franchisee specifically acknowledges and agrees that the word "advertising" includes, but is not limited to, URLs, e-mail addresses, Internet listings, banners, advertisements or other services or links on or with the Internet, World Wide Web, Internet service providers, electronic mail services, communication providers, search engines, and similar services. Accordingly, and as further discussed in Section 11.8 hereof, Franchisee shall not obtain a Website or otherwise maintain a presence or advertise on the Internet or any other public computer network in connection with the rights granted hereunder without Franchisor's prior written approval and, if such approval is granted, shall operate such Website in accordance with Franchisor's standards and policies. In addition, to the advertising requirements described in Section 11.2, Franchisee shall obtain and maintain an adequate supply of brochures, pamphlets, and special promotional materials of such kind and size as Franchisor may reasonably require from time to time.

11.7 Minimum Requirements. Franchisee understands and acknowledges that the required expenditures and contributions in this Section 11 are minimum requirements only, and that Franchisee may, and is encouraged by Franchisor to, expend additional funds for advertising and promotion.

11.8 Website. Franchisee specifically acknowledges and agrees that any Website (as defined in Section 9 above) will be deemed "advertising" under this Agreement and will be subject to (among other things) Franchisor's approval under this Section 11 and the other terms and conditions set forth in Section 9. In connection with any Website, Franchisee further agrees to the following.

(a) As discussed in Section 5.3 hereof, Franchisee shall pay to Franchisor any fee imposed by Franchisor, for creating, updating, maintaining, or hosting any Website.

(b) Upon request, Franchisee shall execute and deliver to Franchisor authorization to take all acts necessary to take any actions on behalf of Franchisee related to any rights Franchisee may have in any web site, web pages listings, banners, URLs, advertisements or any other services or links related to the Franchised Restaurant or the use of Franchisor's trademarks, service marks or other logos on the Internet or other electronic service (in such form set forth in the attached Exhibit 6, or such other form as Franchisor may prescribe or accept).

11.9 Delegation of Franchisor's Duties. Franchisor shall have the right to delegate and re-delegate its responsibilities and duties under this Section 11 to any designee(s) of its choosing; provided, however, that the right of final approval of all advertising programs shall be retained at all times by

Franchisor.

11.10 Copyright to Advertising. Franchisee acknowledges and agrees that any and all copyrights in and to advertising and promotional materials developed by or on behalf of Franchisee which bear the Marks shall be the sole property of Franchisor, and Franchisee, agrees to execute such documents (and, if necessary, require its independent contractors to execute such documents) as may be deemed reasonably necessary by Franchisor to give effect to this provision. Any advertising, marketing, promotional public relations, or sales concepts plans programs activities or materials proposed or developed by Franchisee for the Franchised Restaurant or the System and approved by Franchisor may be used by Franchisor and other SDCO Franchisees without any compensation to Franchisee.

SECTION 12
TRANSFERABILITY OF INTEREST

12.1 Transfer by Franchisor. Franchisor shall have the right to transfer or assign all or any part of its rights and/or obligations herein to any person or legal entity, including a regional developer or sub-franchisor specifically responsible for assisting Franchisee. Franchisee agrees to execute any forms that Franchisor may reasonably request to effectuate any transfer or assignment by Franchisor.

12.2 Transfer by Franchisee.

(a) Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee, and that Franchisor has entered into this Agreement in reliance upon Franchisee's business skills and financial capacity. Accordingly, neither Franchisee, nor any shareholder, member, or partner of Franchisee, nor any immediate or remote successor to any part of Franchisee's interest in the Franchise, shall sell, assign, transfer, convey, or give away any interest in this Agreement, in the Franchise granted hereunder, or in Franchisee without the prior written consent of Franchisor. Any purported assignment or transfer, by operation of law or otherwise, not having the written consent of Franchisor, shall be null and void and shall constitute a material breach of this Agreement, for which Franchisor may then terminate without opportunity to cure pursuant to Section 13 herein.

(b) Except as provided in Section 12.2(c) below, Franchisor shall not unreasonably withhold its consent to a transfer of any interest in Franchisee, in this Agreement, or in the Franchise granted hereunder; provided, however, that prior to the transfer, Franchisor may require the following.

(1) All of Franchisee's accrued monetary obligations to Franchisor or any of its affiliates and all other outstanding obligations related to the Franchised Restaurant (including, without limitation, obligations under any promissory note in favor of Franchisor or its affiliates) shall have been satisfied.

(2) Franchisee shall pass Franchisor's inspection of the Premises and Franchised Restaurant demonstrating compliance with current updates and standards for signage, furnishings, fixtures, technology requirements, required purchases and installation of equipment.

(3) Franchisee shall be in compliance with Franchisor's then current sanitation standards.

(4) Franchisee's Premises and Franchised Restaurant must be in compliance with the then current ADA requirements for bathrooms and counter heights.

(5) The transferor's right to receive compensation pursuant to any agreement for the purchase of any interest in Franchisee or in Franchisee's Franchised Restaurant shall be subordinated and secondary to Franchisor's rights to receive any outstanding monetary obligations or other outstanding obligation due from transferor or Franchisee pursuant to this Agreement, whether arising before or after the transfer, and Franchisee and the transferee franchisee shall execute any and all instruments reasonably required by Franchisor to evidence such liability.

(6) Franchisee shall have executed a general release in a form satisfactory to Franchisor, effective as of the date of transfer, of any and all claims against Franchisor and its officers, directors, shareholders, and employees, in their corporate and individual capacities including without limitation, claims arising under federal, state, and local laws, rules and ordinances.

(7) If the transfer will result in a transfer of less than all of Franchisee's rights in the Franchised Restaurant, then the transferee franchisee shall execute appropriate documentation making such transferee jointly and severally liable for all of Franchisee's obligations under this Agreement and any extensions or renewals thereof.

(8) If the transfer results in a full transfer of all rights or a majority of your rights in the Franchised Restaurant, then the transferee shall sign a then-current version of Franchisor's standard franchise agreement and such other ancillary agreements as Franchisor may require, for a term ending on the expiration date of this Agreement or two years from the effective date of the transfer, whichever is later, with such renewal term as is provided in Section 2.2 of this Agreement; provided, however, that the transferee shall not be required to pay an initial franchise fee.

(9) The transferee franchisee shall demonstrate to Franchisor's satisfaction that it meets Franchisor's educational, managerial, and business standards; has the aptitude and ability to conduct the Franchised Restaurant (as may be evidenced by prior related business experience or otherwise); and has adequate financial resources and capital to operate the business.

(10) At the transferee franchisee's expense, and upon such other terms and conditions as Franchisor may reasonably require, the transferee franchisee or its manager shall complete the training course then in effect for SDCO Franchisees.

(11) Franchisee shall comply with the requirements of Section 10.3 above relating to the disclosure of confidential information to a prospective transferee franchisee.

(12) Either Franchisee or the transferee franchisee shall pay to Franchisor a transfer fee of $10,000, to cover Franchisor's legal and administrative and other expenses in connection with the transfer. No transfer fee will be required in the case of a transfer (i) of any interest in the Franchise to Franchisee's spouse; (ii) of less than 20% of the ownership interest of a corporation, partnership, or limited liability company Franchisee, and (iii) the entire Franchise to any entity, solely for the convenience of ownership, as described in Section 12.3 below.

(c) Notwithstanding the provisions of Section 12.2(b) above, neither Franchisee nor any shareholder, member or partner of Franchisee, nor any immediate or remote successor to any part of Franchisee's interest in the Franchise, shall pledge, mortgage, grant a security interest, or otherwise encumber any interest in this Agreement, in the Franchise granted hereunder, or in Franchisee (whether or not in connection with an absolute transfer of an interest in the Franchise). Franchisor shall not be obliged to consent to any such transfer.

12.3 Transfer to Controlled Entity. Franchisee may transfer all of its interest in the Franchised Restaurant to an entity formed solely for the convenience of ownership without Franchisor's consent, upon Franchisee's written notice to Franchisor and compliance with the following requirements.

(a) The transferee entity shall be newly organized and its articles of incorporation or organization, bylaws, operating agreement, or partnership agreement shall provide that its activities are confined exclusively to operating the Franchised Restaurant.

(b) Franchisee shall beneficially own a controlling interest in the transferee entity, shall not diminish his/her ownership interest therein, except as may be required by law, and shall act as its principal executive and operating officer, partner, or member.

(c) Franchisee shall provide Franchisor, on a form satisfactory to Franchisor, with written information about each Principal of the transferee entity and the ownership interest thereof and shall agree to promptly notify Franchisor of any changes in any such information during the term of this Agreement.

(d) The transferee entity shall designate a Designated Individual in compliance with Section 7.13 above.

(e) All Principals of the transferee entity having at least a ten percent ownership interest in the transferee entity shall enter into an agreement, in the form attached hereto as Exhibit 9, or otherwise satisfactory to Franchisor, unconditionally guaranteeing the full payment and performance of the transferee entity's obligations to Franchisor.

(f) Each ownership certificate of the transferee entity shall have conspicuously endorsed upon its face the following legend: "*The transfer, sale or pledge of this certificate is subject to the terms and conditions of a Franchise Agreement with World of Sourdough Franchising, LLC.*" If Franchisee is a partnership or limited liability company without certificates evidencing ownership Franchisee shall provide Franchisor with acceptable evidence that its partnership or operating agreement or other organizational documents contain provisions acceptable to Franchisor prohibiting the transfer of any ownership interest in Franchisee other than in compliance with the terms of this Agreement. Franchisee shall not cause or permit any such provision to be deleted or modified during the term of this Agreement.

(g) Copies of the transferee entity's articles of incorporation or organization, by-laws, partnership or operating agreement, and other governing documents, including the resolutions of its Principals or governing board authorizing the execution of this Agreement, shall be furnished to Franchisor for its approval prior to the transfer.

(h) The name of the transferee entity shall not consist of or contain the words "Sourdough & CO.," "SDCO," or any colorable variation thereof, or any other mark in which Franchisor has or claims a proprietary interest.

12.4 Franchisor's Right of First Refusal. If Franchisee or its owners shall at any time decide to sell, transfer, or assign any right or interest under this Agreement and/or the franchise granted pursuant hereto, Franchisee or its owners shall first obtain a bona fide, executed, written offer from a responsible and fully disclosed purchaser and shall submit an exact copy thereof to Franchisor. For a period of thirty (30) days after the date of delivery of such offer to Franchisor, Franchisor shall have the right, exercisable by written notice to Franchisee or any of its owners, to purchase such rights or interests for the price and on the terms and conditions contained in such offer, provided that Franchisor may substitute equivalent cash for any form of payment proposed in such offer. Any purchase by Franchisor must be completed within sixty days after Franchisee's receipt of Franchisor's written notice of its intent to purchase. If Franchisor does not exercise its right of first refusal, Franchisee or its owners may complete the sale of such interest to the bona fide purchaser, subject to Franchisor's approval of the purchaser as provided in Section 12.2 herein; provided, however, that if the sale to such purchaser is not completed within one hundred twenty days after the delivery of the offer to Franchisor, Franchisor shall again have the right of first refusal herein provided.

12.5 Right of Franchisee's Heirs Upon Death, Disability or Dissolution of Franchisee. A transfer to the heirs, surviving spouse, conservators, or personal or other legal representative of Franchisee or a Principal of Franchisee (collectively, "Involuntary Transferees") upon the death, dissolution or legal disability of Franchisee or a Principal of Franchisee, shall not be subject to Franchisor's right of first refusal under Section 12.4 or right to terminate for failure to obtain written approval under Section 12.2(a), so long as the Involuntary Transferees (i) satisfy Franchisor that they are qualified to act as a franchisee pursuant to Section 12.2(b)(6) herein or retain an individual or entity to operate and manage the Franchised Restaurant who is so qualified and who is approved in writing by Franchisor, and (ii) perform all other applicable acts required under Section 12.2 herein. Such transfer must be made within one hundred eighty days after the death, disability, or dissolution of Franchisee or Franchisee's Principal, as the case may be. Any subsequent sale or other transfer by any Involuntary Transferees shall be subject to Franchisor's right of written approval set forth in Section 12.2 and to Franchisor's right of first refusal set forth in Section 12.4. A transfer to Involuntary Transferees shall not require the payment of the transfer fee set forth in Section 12.2(b)(9). Actual legal costs incurred by Franchisor to approve and affect the transfer will be charged, however.

SECTION 13
TERMINATION

13.1 Termination Without Opportunity to Cure. Franchisor may terminate this Agreement upon notice to Franchisee, with immediate effect and without opportunity to cure, upon the occurrence of any of the following events:

(a) Franchisee or Franchisee's designee fails to complete the training program to the satisfaction of Franchisor;

(b) Franchisee fails to satisfactorily complete initial training or open the Franchised Restaurant within the earlier of (i) twelve (12) months after the Effective Date of this Agreement, or (ii) six (6) months after Franchisee purchases or leases the site for its Specific Location;

(c) after opening the Franchised Restaurant, Franchisee fails to maintain it in continuous operation;

(d) Franchisee is declared bankrupt or insolvent or Franchisee is the debtor in a voluntary

or involuntary bankruptcy proceeding under the U.S. Bankruptcy Code.

(e) a receiver is appointed for Franchisee or for any part of its property, or Franchisee makes any assignment for the benefit its creditors, if not dismissed within 15 days.

(f) after Franchisee's receipt of a notice of noncompliance (regardless of the source of the notice) applicable to the Franchised Restaurant, Franchisee fails, within the time limit stated in the notice (or, if no time limit is stated or referred to in the notice, within 30 days) to comply with any federal, state or local law or regulation applicable to the operation of the Franchised Restaurant, unless Franchisee in good faith and with due diligence disputes the allegation of noncompliance;

(g) an attempted transfer of an interest in this Agreement, in the Franchise granted under this Agreement, or in Franchisee, that fails to comply with the provisions of Section 12 of this Agreement;

(h) Franchisee knowingly maintains false books or records or submits any false report, record, or document to Franchisor;

(i) the Franchised Restaurant or Premises are seized, taken over, or foreclosed by a government official in the exercise of his duties or by a creditor, lienholder, or lessor of Franchisee.

(j) a final judgment against Franchisee remains unsatisfied for 30 days (unless a supersedes or other appeal bond has been filed);

(k) a levy of execution has been made upon the license granted by this Agreement or upon any property used in the Location, which is not discharged within 15 days.

(l) a material misrepresentation by Franchisee relating to the acquisition of its Franchised Restaurant;

(m) any conduct or activity by Franchisee or any Principal, director, or officer of Franchisee, which is reasonably likely to have an adverse effect or reflect unfavorably on the Franchised Restaurant, Franchisor, the System, the Marks, or the goodwill associated therewith, including, without limitation, a felony conviction of Franchisee or any Principal, director or officer of Franchisee;

(n) within the same one-year period, Franchisee breaches any term of this Agreement after having breached the same term two (2) times (provided that Franchisee was given notice of the first two breaches and an opportunity to cure as required herein), regardless of whether Franchisee has cured the previous breach(es).

(o) any breach of Section 15.2 of this Agreement;

(p) Franchisor reasonably determines that the continued operation of the Franchise by Franchisee will result in immediate danger to public health or safety; or

(q) termination of your lease or sublease of your Premises (if you lease) or the

foreclosure of your ownership interest of your Premises (if you purchase), unless otherwise agreed in writing by us.

(r) any other franchise agreement or other agreement between us (or any of our affiliates) and you (or any of your Owners or affiliates) relating to a SDCO Restaurant is terminated before its term expires.

13.2 Termination With Opportunity to Cure. This Agreement will automatically terminate thirty days (or such longer period as may be required by applicable law) after Franchisee's receipt of written notice of any of the following events of default, unless Franchisee cures the default within the thirty-day period (or such longer period as may be required by applicable law):

(a) Franchisee fails to pay when due any sum it is required to pay under this Agreement, or any other agreement or instrument between Franchisor and Franchisee.

(b) Franchisee fails to furnish when due any report required by this Agreement:

(c) Franchisee fails to operate its Franchise in compliance with the terms of this Agreement, the Manual, any then-existing Written Standards, or the System Standards;

(d) Franchisee breaches or fails to perform any provision of this Agreement not otherwise described in Section 13.1 above, or breaches or fails to perform any provision of any other agreement between Franchisor and Franchisee;

(e) breach of the terms of the lease or sublease of the Premises; or

(f) Franchisee unintentionally understates its Gross Revenues in any report submitted to Franchisor.

13.3 Failure to Cure Default. If Franchisee fails to cure any default within the applicable time period stated in Section 13.2 above, Franchisee shall indemnify Franchisor for all damages, costs and expenses incurred by Franchisor as a result of Franchisee's default, including, but not limited to, reasonable legal and accounting fees. This paragraph applies regardless of whether or not Franchisor exercises its right to terminate this Agreement. Termination of this Agreement by Franchisor in accordance with this Section 13 does not prejudice any other legal or equitable rights or remedies Franchisor may have. This paragraph shall survive the expiration, termination, or cancellation of this Agreement.

13.4 Termination by Franchisee. If we violate a material and substantial provision of the Agreement and we fail to remedy or to make substantial progress toward curing the violation within sixty (60) days after receiving written notice from Franchisee detailing our alleged default, Franchisee may terminate this Agreement if so permitted under applicable law. Any termination of this Agreement and the Franchise by Franchisee, without complying with the foregoing requirements, or for any reason other than breach of material and substantial provision of this Agreement by us and our failure to cure such breach within sixty (60) days after receipt of written notice thereof, shall not be permitted.

SECTION 14
OBLIGATIONS UPON TERMINATION

14.1 Franchisee's Obligations. Upon the termination or expiration of this Agreement for any

reason, Franchisee shall forthwith:

(a) Cease to operate the Franchised Restaurant and shall not thereafter, directly, or indirectly, represent to the public or hold itself out as a present or former franchisee of World of Sourdough Franchising, LLC, or Sourdough & Co.

(b) Immediately and permanently cease to use, by advertising or in any manner whatsoever, any equipment, materials, confidential methods, procedures, or techniques associated with the System or which display the Trade Name, Marks or any other distinctive forms, slogans, signs, symbols, or devices associated with or belonging to Franchisor, including, but not limited to, removing or obscuring (i) the Marks and any slogans, symbols, designs, or names associated with or belonging to Franchisor, and (ii) any telephone numbers used in connection with the Franchised Restaurant.

(c) Make such modifications or alterations to the Premises, including the improvements thereon, as may be necessary or requested by Franchisor to prevent the operation of any business on the Premises which might be deemed substantially similar to that of Franchisor or any other SDCO Franchisees. If Franchisee fails or refuses to comply with the requirements of this Section, Franchisor shall have the right to enter the Premises, without being guilty of trespass or any other tort or crime, for the purposes of making or causing to be made such changes as may be required at the expense of Franchisee.

(d) Turn over to Franchisor all brochures, advertisements, marketing materials, Written Standards and/or Manuals, computer disks, policies, procedures, and instructions relating to the Franchised Restaurant (all of which Franchisee acknowledges to be Franchisor's sole property), together with all copies thereof (including, without limitation, all copies of any and all Software), and all financial and business records relating to the Franchised Restaurant.

(e) Delete all proprietary software and data relating to the Franchised Restaurant from all computers, whether or not owned by Franchisee.

(f) At Franchisor's option, assign to Franchisor or Franchisor's designee all of Franchisee's right, title and interest in and to, or cancel any and all (i) telephone numbers used for the Franchised Restaurant or otherwise listed under the Trade Name or any of Franchisor's other trademarks, trade names, service marks or logos, and all related Yellow Pages, White Pages and other business listings, and (ii) web sites, web pages, listings, banners, URLs, advertisements or any other services and links related to the Franchised Restaurant or use of Franchisor's trademarks, service marks or logos, on or with the internet, World Wide Web, Internet service providers, electronic mail services, communication providers, search engines or other similar services.

(g) Immediately pay all sums due under the Franchise Agreement. Such sums shall include the following.

(i) Amounts Accrued as of Termination/Expiration. All amounts due and owing to Franchisor, whether pursuant to this Agreement or otherwise, including, without limitation, unpaid Royalties and Advertising Fees (if applicable) which have accrued prior to termination/expiration.

(ii) Liquidated Damages for Future Royalties, Advertising Fees, and Other Recurring Fees. In the event of termination of this Agreement prior to its expiration date,

Franchisee acknowledges that the parties have considered the following in determining the amount of liquidated damages ("Damages"): (i) that the amount of Damages is reasonable under the circumstances existing at the time this Agreement is made; (ii) that the amount of Damages bears a rational relationship to the damages the parties anticipate would flow from the breach of this Agreement; (iii) the agreement to the amount of the Damages is necessary because actual damages are difficult or impossible to prove; and (iv) the amount of the Damages are not so large that they act as a penalty. Franchisee accordingly agrees that in such event it shall be obligated to pay to Franchisor liquidated damages equal to the monthly average of all Royalties, Advertising Fees, and other recurring fees which Franchisee paid or owed to Franchisor during the twelve (12) months of operation before the termination multiplied by the lesser of (a) twenty-four (24), being the number of months in two (2) full years, or (b) the number of months remaining during the term of this Agreement.

(h) Take such action as may be necessary to cancel any fictitious or assumed name or equivalent registration that contains the Trade Name or any of the other Marks and furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within fifteen days after the termination or expiration of this Agreement.

(i) Obtain, and maintain in effect, tail coverage for the errors and omissions insurance and general liability insurance required by Section 7.9.2 of this Agreement, to extend the period in which claims may be asserted for a period of time not less than the applicable statute of limitations in the jurisdiction in which the Franchised Restaurant is located, and furnish Franchisor with a certificate of insurance evidencing compliance with this obligation within thirty days after the termination or expiration of this Agreement.

14.2 Power of Attorney. Franchisee does hereby irrevocably constitute and appoint Franchisor as the true and lawful attorney-in-fact and agent for Franchisee to carry out Franchisee's obligations under Section 14.1 above. Franchisee agrees to promptly execute, acknowledge, and deliver to Franchisor any and all documents as may be required to carry out Franchisee's obligations under Section 14.1 above (including the forms set forth in the attached Exhibits 5, 6 and 7, or other forms as Franchisor may prescribed or accept). The provisions of this Section 14 shall survive the expiration, termination, or cancellation of this Agreement.

SECTION 15
COVENANTS OF FRANCHISEE

15.1 Management of Franchise. At all times during the term of this Agreement, Franchisee or a person designated by Franchisee who has been approved in writing by Franchisor and has successfully completed the initial training program required by Section 7.1 hereof and all other training programs designated by Franchisor as mandatory, shall devote his/her full-time energy and best efforts to the management and operation of the Franchised Restaurant.

15.2 Covenants During Term of Franchise. Franchisee specifically acknowledges that, pursuant to this Agreement Franchisee will receive valuable specialized training and confidential information, including, without limitation, recipes, information regarding the design, development and operation of the Franchised Restaurant, and the sales, promotional, and marketing methods and techniques of Franchisor and the System. Accordingly, during the term of this Agreement, and any extension or renewal, neither Franchisee nor its owners (if Franchisee is a legal entity) shall, either directly or indirectly, for itself or through, on behalf of, or in conjunction with, any person (including, without limitation, the spouse or children of Franchisee or any Principal):

(a) participate directly or indirectly or serve in any capacity in any business engaged in the ownership or operation of a business or location or in the sale of products or services competitive with those offered by the Franchised Restaurant;

(b) divert or attempt to divert any business or customer of the Franchised Restaurant or of any other of Franchisor's company-owned, affiliate-owned, or franchised location(s) 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 and the System.

(c) employ or seek to employ any person who is at that time employed by Franchisor or any SDCO Franchisee, or otherwise directly or indirectly induce or attempt to induce such person to leave his or her employment; or

(d) aid, assist or provide goods or services to any competitor of the Franchised Restaurant, Franchisor, or any other SDCO Franchisee.

15.3 Noncompetition After Term of Franchise. For a period of two (2) years after the transfer, assignment, expiration or termination of this Agreement, for any reason, neither you, nor persons associated with you, including managers, assistant managers, agents, or immediate family members thereof involved in the operation of the Franchised Restaurant, will participate directly or indirectly, or serve in any capacity in any business engaged in the ownership or operation of a business or location or in the sale of products or services competitive with those offered by the Franchised Restaurant. This post-termination covenant applies to the entire county/parish identified in Section 2 of Exhibit 1 hereof. The post-termination covenant shall also apply to the smaller of the following areas (a) a 15-mile radius of any other SDCO Franchised Restaurant in operation at the time of termination, or (b) any county/parish in which any other SDCO Franchised Restaurant operates at the time of termination. The time period referred to in this section shall be stayed during any violation or breach of the terms of this Section. The provisions of this section shall survive the expiration, termination, or cancellation of this Agreement.

15.4 Non-solicitation. For continuous and uninterrupted period commencing upon the expiration or termination of this Agreement (regardless of the cause for termination) and continuing for two years thereafter, Franchisee shall not, directly or indirectly, by any means whatsoever, for itself or through, on behalf of, or in conjunction with any person (including, without limitation, the spouse or children of Franchisee or any Principal), solicit any of Franchisee's former customers or any customers of any other SDCO Franchisee for the purpose of promoting any business or service. The time period referred to in this Section shall be stayed during any violation or breach of the terms of this Section. The provisions of this Section shall survive the expiration, termination, or cancellation of this Agreement.

15.5 Exception for Publicly Traded Company. Sections 15.2 and 15.3 shall not apply to the beneficial ownership by Franchisee of less than 1% of the outstanding equity securities of any corporation that is registered under the Securities and Exchange Act of 1934.

15.6 Independent Covenants; Severability. The parties 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 Section 15 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Franchisee expressly agrees to be bound by any lesser covenants subsumed within the terms of such

covenant that imposes the maximum duty permitted by law, as if the resulting covenants were separately stated in and made a part of this Section 15.

15.7 Reduction of Covenants by Franchisor. Franchisee understands and acknowledges that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in Sections 15.2, 15.3 or 15.4 of this Agreement, or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof, and Franchisee agrees that it shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section 18.2 hereof.

15.8 Claims Against Franchisor No Defense. Franchisee expressly agrees that the existence of any claims it may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section 15.

15.9 Injunctive Relief. Franchisee acknowledges that Franchisee's violation of the terms of this Section 15 would result in irreparable injury to Franchisor for which no adequate remedy at law may be available, and Franchisee accordingly consents to the issuance of and agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining, an injunction prohibiting any conduct by Franchisee in violation of the terms of this Section 15.

15.10 Restrictive Covenant Agreements. At the request of Franchisor, Franchisee shall provide Franchisor with an executed "Restrictive Covenant Agreement," in the form attached hereto as Exhibit 8 or otherwise approved by Franchisor, containing covenants similar in substance to those in this Section 15 (including covenants applicable upon the termination of a person's relationship with Franchisee), from each of the Principals, officers, and directors of Franchisee and the Principals, officers, and directors of any non-individual Principal of Franchisee. With respect to each person who becomes associated with Franchisee in one of the capacities enumerated above after the Effective Date, Franchisee shall require and obtain a Restrictive Covenant Agreement from them and promptly provide Franchisor with executed copies thereof. In no event shall any person enumerated above be granted access to any confidential aspect of the System or the Franchised Restaurant prior to their execution of a Restrictive Covenant Agreement. All Restrictive Covenant Agreements required by this paragraph shall be in a form satisfactory to Franchisor, including, without limitation, the specific identification of Franchisor as a third-party beneficiary with the independent right to enforce them. The failure by Franchisee to obtain the execution of the Restrictive Covenant Agreements required by this paragraph and provide them to Franchisor is a material breach of this Agreement.

SECTION 16
ENFORCEMENT

16.1 Injunctive Relief. Notwithstanding any provision of this Agreement to the contrary, Franchisor expressly reserves the right to seek temporary and permanent injunctions and orders of specific performance, without bond, from a court of competent jurisdiction, to enforce the provisions of this Agreement relating to: (a) Franchisee's use of the Marks; (b) Franchisee's obligations upon the termination or expiration of this Agreement (c) Franchisee's obligations under Section 15 of this Agreement, (d) an assignment of this Agreement or any ownership interest therein, or (e) as necessary to prohibit any act or omission by Franchisee or its agents (i) that would constitute a violation of any applicable law, ordinance or regulation (ii) that is dishonest or misleading to Franchisor or other SDCO Franchisees; or (iii) that may harm, tarnish, or impair Franchisor's reputation, name, services or Marks.

16.2 Dispute Resolution.

(a) Mandatory Mediation of Franchisee's Claims. If a dispute arises between the parties in which Franchisee asserts claims or causes of action against Franchisor, and if the dispute cannot be settled through negotiation, the parties shall first try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Commercial Mediation Procedures before resorting to arbitration, litigation, or other dispute resolution procedure. The mediation proceeding will take place at the American Arbitration Association location nearest Franchisor's principal place of business (presently Richardson, Texas). Each party shall be responsible to pay its own cost of mediation. Franchisor shall not be obligated to mediate any of its claims or causes of action before seeking a temporary restraining order or temporary injunction but must submit to mediation within 30 days of filing such suit or arbitration.

(b) Arbitration. Except as qualified in Section 16.1, the parties hereby agree that any and all disputes and claims arising out of (either directly or indirectly) or related to the Franchised Restaurant, this Agreement or related agreement(s), including breach thereof and including any alleged violation of law shall be submitted to binding arbitration under the Federal Arbitration Act and under the auspices of the American Arbitration Association ("AAA"). Any arbitration must be resolve on an individual basis only and not joined as part of a class action or the claim of other franchisees. The dispute shall be heard by a single arbitrator in accordance with the Commercial Arbitration Rules of the AAA. The arbitrator must follow the law and not disregard the terms of this Agreement. Franchisee and Franchisor each waive their right to a trial by jury. Franchisee and Franchisor shall share equally all fees and expenses of the arbitrators and the AAA, except that the prevailing party shall be entitled to full reimbursement for all such fees and expenses. No part of the arbitration proceeding shall be disclosed to any other person except as required by law or by court order. There shall be a limit of five (5) depositions per party. The arbitrator will have the right to award any relief supported by law that he/she deems proper in the circumstances, including, for example, money damages (with interest on unpaid amounts due from their due date(s)), specific performance, and temporary and/or permanent injunction. The arbitrator shall NOT have the authority to award exemplary or punitive damages, and the parties expressly waive the right to or claim of any exemplary or punitive damages against the other. The prevailing party shall be entitled to its attorneys' fees in any such proceeding. The decision of the arbitrator may be filed as a judgment in any court of competent jurisdiction and will be binding in any other jurisdiction. This arbitration provision shall be deemed self-executing, and if either party fails to appear at any properly noticed arbitration proceeding, an award may be entered against such party, notwithstanding such failure to appear. All arbitration proceedings shall be filed in Granite Bay, California. All arbitration proceedings shall take place in Placer County, California.

16.3 WAIVER OF JURY TRIAL. EACH PARTY IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER PARTY.

16.4 Construction / Governing Law. This Agreement was accepted and executed by Franchisor in California. Accordingly, this Agreement and related agreements shall be governed by and construed in the accordance with the laws of the State of California; however, if this Agreement concerns a Franchised Restaurant which is located in a state other than Texas and the laws of that state require terms other than those or in addition to those contained herein, then this Agreement shall be deemed modified so as to comply with the appropriate laws of such state, but only to the extent necessary to prevent the invalidity of this Agreement or the related agreement, or any provision thereof, the imposition of fines or penalties, or the creation of civil or criminal liability on account thereof. Any provision of this Agreement or any related agreement that may be determined by competent authority to be prohibited or

unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of the prohibition or unenforceability of any provision of this Agreement in any jurisdiction, including the state whose law governs this Agreement, shall not invalidate the provision, or render it unenforceable in any other jurisdiction. To the extent permitted by applicable law, Franchisee waives any provision of law that renders any provision of this Agreement, or any related agreement prohibited or unenforceable in any respect.

16.5 Jurisdiction and Venue. Each party irrevocably and unconditionally with respect to any matter that is not subject to arbitration: (a) agrees that any suit, action or legal proceeding arising out of or relating to this Agreement or any related agreement shall only be brought in the court(s) of record of the State and County or the United States District Court, whose jurisdiction encompasses the location of the principal office of Franchisor; (b) consents to the jurisdiction of each such court in any suit, action or proceeding; and (c) waives any objection which it may have to the laying of venue of any such suit, action or proceeding in any of such courts. In all lawsuits between the parties, Franchisee may be served with process outside the State of Texas in the same manner that service may be made within the State of Texas by any person authorized to make service by the laws of the state, territory, possession, or country in which service is made or by any duty qualified attorney in such jurisdiction. Franchisee hereby waives any defense it may have of insufficiency of service of process if service is made as provided in this paragraph. This method of service is not exclusive, and service of process may be made by any other method allowed by law.

16.6 Limitation of Claims. Except for claims against Franchisee concerning the non- payment of Royalty and Advertising Fees, and for claims against Franchisee by Franchisor relating to third party claims or suits brought against Franchisor as a result Franchisee's operation of the Franchised Restaurant, any and all claims arising out of or relating to this Agreement or the relationship between the parties shall be barred unless an action is commenced within one (1) year from the date Franchisee or Franchisor knew or should have known of the facts giving rise to such claims.

16.7 WAIVER OF RICO. THE PARTIES HERETO AGREE TO WAIVE, NOW AND FOREVER, ANY AND ALL RIGHTS EITHER MAY HAVE UNDER THE FEDERAL STATUTE KNOWN AS RICO.

16.8 WAIVER OF PUNITIVE DAMAGES. FRANCHISOR AND FRANCHISEE HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM OF ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER.

SECTION 17
INDEPENDENT CONTRACTOR AND INDEMNIFICATION

It is understood and agreed that nothing in this Agreement shall create a partnership, employment or agency relationship between Franchisor and Franchisee, or authorize Franchisee to make any contract, agreement, warranty, or representation on Franchisor's behalf or to incur any debt or other obligation in Franchisor's name. Franchisor shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action by Franchisee. Franchisor shall not be liable to any third party for any act or omission of Franchisee in any of its operations hereunder (including, without limitation, any claim or action against Franchisee for negligent hiring, sexual harassment, or employment discrimination) or any claim or judgment arising therefore against Franchisee. Franchisee shall indemnify and hold Franchisor harmless from and against any and all claims, debts, liabilities or obligations arising directly or indirectly from, as a result of or in connection with Franchisee's operation of the Franchised Restaurant (excluding, however, liabilities caused by (i) Franchisee's proper reliance on or use of procedures or materials provided by Franchisor or (ii) Franchisor's negligence), and shall pay all costs

(including, without limitation, legal and accounting fees) incurred by Franchisor in defending against and/or responding to them. FRANCHISEE SHALL DISPLAY PROMINENTLY AT ITS PLACE OF BUSINESS, ON ALL CORRESPONDENCE WITH THIRD PARTIES, AND ANY PRINTED MATERIALS BEARING ITS NAME OR BUSINESS LOCATION, A STATEMENT THAT THE FRANCHISED RESTAURANT IS INDEPENDENTLY OWNED AND OPERATED BY FRANCHISEE.

SECTION 18
MISCELLANEOUS

18.1 Personal Guaranty. In the event that Franchisee is a legal business entity, each of the owners (i.e., shareholders, partners, members, etc.) holding at least a ten percent (10%) ownership interest in Franchisee, and their spouses, shall execute a personal guaranty agreement in favor of Franchisor, in the form attached hereto as Exhibit 9 or otherwise approved by Franchisor. This requirement of personal guaranty(ies) is a material inducement to Franchisor, and Franchisor would not execute this Agreement without such personal guaranty(ies).

18.2 Nature of Agreement. This Agreement, together with its exhibits, constitutes the entire agreement between the parties relating to the subject matter hereof and supersedes any prior agreements between them. This Agreement may be modified or amended only by a written instrument signed by each of the parties. No failure on the part of any party hereto to exercise, and no delay in exercising, any right, power, or remedy hereunder, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or remedy hereunder preclude any other or further exercises thereof or the exercise of any other right, power, or remedy.

18.3 Effect of Agreement; Assignment. This Agreement is binding upon and inures to the benefit of the parties and their respective legal representatives, successors, and assigns. Franchisee may not assign this Agreement without first complying with the provisions of Section 12.2 hereof.

18.4 Headings. The headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of any provision of this Agreement.

18.5 Notices. All payments shall be made to the addresses listed below. All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing, shall be addressed as provided in this Section 18.5, shall be made by personal delivery, or by certified mail, postage prepaid, return receipt requested, or by ordinary mail, postage prepaid, or by overnight delivery service with proof of delivery, and shall be effective upon receipt or refusal thereof or forty-eight hours after deposit in the U. S. mail, postage prepaid.

(a) If to Franchisor:

World of Sourdough Franchising, LLC

8700 Auburn Folsom Rd. Suite 700
Granite Bay, California 95746
Attn: Jatinder (“Nick”) Singh, Managing Member

(or to such other persons or address as Franchisor may from time to time furnish to Franchisee)

(b) If to Franchisee:

To the address first listed above (on page 1 of this Franchise Agreement or to such other persons or address as Franchisee may from time to time furnish to Franchisor)

18.6 Cost of Enforcement or Defense. If a claim for amounts owed by Franchisee to Franchisor is asserted in any arbitration or judicial proceeding or appeal thereof, or if Franchisor or Franchisee is required to enforce this Agreement in an arbitration or judicial proceeding or appeal thereof, the party prevailing in such proceeding shall be entitled to reimbursement of its costs and expenses, including reasonable accounting and legal fees, arbitration administrative charges, arbitrators' compensation, and any other costs and expenses, whether incurred prior to in preparation for or in contemplation of the filing of an, written demand claim action, hearing or proceeding to enforce the obligations of this Agreement. If Franchisor incurs expenses (including, but not limited to, legal and accounting fees) in connection with Franchisee's failure to pay when due amounts owing to Franchisor, to submit when due any reports, information, or supporting records or otherwise to comply with this Agreement, Franchisee shall reimburse Franchisor for any such costs and expenses that it incurs.

18.7 Severability.

(a) In the event that any provision of this Agreement, in whole or in part (or the application of any provision to a specific situation), shall be held, by the final judgment of a court of competent jurisdiction after appeal or the time for appeal has expired, to be invalid, unenforceable or in violation of any federal, state or local law, regulation or ordinance applicable to this Agreement such invalidity shall be limited to such specific provision or portion thereof (or to such situation), and this Agreement shall be construed and applied in such manner as to minimize such invalidity. All other provisions of this Agreement shall otherwise remain in full force and effect.

(b) If any applicable and binding law or regulation of any jurisdiction requires a greater prior notice of the termination of or refusal to renew this Agreement than is required hereunder, or the taking of some other action not required hereunder, or it under any applicable and binding law or regulation of any jurisdiction any provision of this Agreement or any specification, standard, or operating procedure prescribed by Franchisor is invalid or unenforceable, then the prior notice and/or other action required by such law or regulation shall be substituted for the comparable provisions hereof, and Franchisor shall have the unlimited right to modify such invalid or unenforceable provision, specification, standard, or operating procedure to the extent required to be valid and enforceable. Franchisor agrees to be bound by any promise or covenant imposing the maximum duty permitted by law that is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof, or from any specification, standard, or operating procedure prescribed by Franchisor, any portion or portions that a court may hold to be unreasonable and unenforceable in a final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order. Any such modifications to this Agreement shall be effective only in such jurisdiction, unless Franchisor elects to give them greater applicability, and shall be enforced as originally made and entered into in all other jurisdictions.

18.8 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement shall become effective upon the execution of a counterpart hereof by both of the Parties

hereto. A signed copy of this Agreement delivered by email, Docusign, or other means of electronic transmission (to which a PDF copy is attached) will be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

18.9 Survival of Covenants. All provisions of this Agreement which, by their terms, are intended to survive the termination or expiration of this Agreement (such as, by way of illustration and not limitation, the provisions relating to confidential information, indemnification, post-termination competition, and the Marks), and all provisions hereof necessary to enforce and interpret such provisions (such as, byway of illustration and not limitation, the provisions relating to arbitration and injunctive relief), shall survive the termination, expiration or cancellation of this Agreement or the franchise granted hereunder, regardless of whether the provisions specifically state so.

18.10 No Third-Party Beneficiaries. Nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or entity not a party hereto.

18.11 Acknowledgment of Franchisee. Franchisee acknowledges and agrees as follows.

(a) Franchisee has received Franchisor's Franchise Disclosure Document and exhibits thereto (including a list of franchisees, Franchisor's financial statements, and a copy of this Agreement) at least fourteen days before Franchisee signed this Franchise Agreement.

(b) Franchisor's salesmen are not authorized to bind Franchisor in any way.

(c) THERE HAVE BEEN NO REPRESENTATIONS, WARRANTIES, INDUCEMENTS, PRO FORMAS, FORECASTS, ESTIMATES OR ANY OTHER INDUCEMENT OR STATEMENT MADE BY FRANCHISOR OR ITS AGENTS, SALEMEN, MANAGERS, OFFICERS, OR EMPLOYEES, OR ANY OTHER SALESMEN OR OTHER PERSON OR ENTITY REGARDING FINANCING NET PROFITS, GROSS PROFITS, NET SALES, GROSS SALES, COSTS OR EXPENSES OF FRANCHISOR'S FRANCHISES GENERALLY OR OF ANY SPECIFIC SDCO FRANCHISED BUSINESS, NOR HAS FRANCHISEE RELIED UPON ANY REPRESENTATIONS, WARRANTIES, INDUCEMENTS, PRO FORMAS, FORECASTS, ESTIMATES OR ANY OTHER INDUCEMENT OR STATEMENT MADE BY FRANCHISOR OR ITS AGENTS, DIRECTORS, OFFICERS, EMPLOYEES OR SALESMEN OR OTHER ASSOCIATES REGARDING FINANCING, NET PROFITS, GROSS PROFITS, NET SALES, GROSS SALES, COSTS OR EXPENSES OF FRANCHISOR'S FRANCHISES GENERALLY OR OF ANY SPECIFIC SDCO FRANCHISED BUSINESS OR FRANCHISE OR WITH RESPECT TO ANY OTHER MATERIAL FACT RELATING TO THE DEVELOPMENT OF FRANCHISOR'S FRANCHISES IN THE AREA WHEREIN THE FRANCHISEE INTENDS TO LOCATE ITS FRANCHISED RESTAURANT OR ANY OTHER MATTER PERTAINING TO FRANCHISOR.

(d) THERE IS NO OTHER AGREEMENT, REPRESENTATION OR WARRANTY MADE BY FRANCHISOR OR ANY OTHER ENTITY OR PERSON ASSOCIATED WITH FRANCHISOR OTHER THAN CONTAINED IN THIS AGREEMENT.

18.12 "Franchisee" Defined. The term "Franchisee" includes all persons who succeed to the interest of the original Franchisee by permitted transfer or operation of law and will be deemed to include not only the individuals or entity defined as the "Franchisee" on the attached Exhibit 2, but also all Principals of the entity that executes this Agreement. By signing this Agreement, each of the Principals

of the entity that executes this Agreement as Franchisee acknowledges and accepts the duties and obligations imposed upon each of them, individually, by this Agreement. If two or more individuals are the "Franchisee" under this Agreement, their liability to Franchisor is joint and several.

18.13 "Person" Defined. The term person" includes corporations, limited liability companies, partnerships joint ventures estates trusts and other entities and organizations, as well as individuals.

18.14 Patriot Act. Franchisee represents and warrants that to its actual knowledge: (i) neither Franchisee, nor its officers, directors, managers, members, partners or other individual who manages the affairs of Franchisee, nor any Franchisee affiliate or related party, or any funding source for the Franchised Restaurant, is identified on the lists of Blocked Persons, Specially Designated Nationals, Specially Designated Terrorists, Specially Designated Global Terrorists, Foreign Terrorists Organizations, and Specially Designated Narcotics Traffickers at the United States Department of Treasury's Office of Foreign Assets Control (OFAC), or the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, commonly known as the "USA Patriot Act," as such lists may be amended from time to time (collectively, "**Blocked Person(s)**"); (ii) neither Franchisee nor any Franchisee affiliate or related party is directly or indirectly owned or controlled by the government of any country that is subject to an embargo imposed by the United States government; (iii) neither Franchisee nor any Franchisee affiliate or related party is acting on behalf of the government of, or is involved in business arrangements or other transactions with, any country that is subject to such an embargo; (iv) neither Franchisee nor any Franchisee affiliate or related party are on the United States Department of Commerce Denied Persons, Entity and Unverified Lists, or the United States Departments of State's Debarred List, as such lists may be amended from time to time (collectively, the "**Lists**"); (v) neither Franchisee nor any Franchisee affiliate or related party, during the term of this Agreement, will be on any of the Lists or identified as a Blocked Person; and (vi) during the term of this Agreement, neither Franchisee nor any Franchisee affiliate or related party will sell products, goods or services to, or otherwise enter into a business arrangement with, any person or entity on any of the Lists or identified as a Blocked Person. Franchisee agrees to notify Franchisor in writing immediately upon the occurrence of any act or event that would render any of these representations incorrect.

(((Remainder of page intentionally blank. Signature page follows.)))

IN WITNESS WHEREOF, the parties have executed this Agreement on the Effective Date, as written above.

FRANCHISOR

WORLD OF SOURDOUGH FRANCHISING, LLC,
a Texas limited liability company

By: _____

Name: _____
Title: _____

FRANCHISEE

_____
(Print Name)

_____
Individually

Address: _____
City: _____
State: _____ Zip: _____

OR:

(if a corporation or other legal entity)

_____
Company Name

By: _____
Name: _____
Title: _____
Address: _____
City: _____
State: _____ Zip: _____

Franchise Agreement
Exhibit 1

SPECIFIC FRANCHISE TERMS:

Search Area; Specific Location; and Trade Name

1. Franchisor and Franchisee hereby agree that the Search Area described in Section 1.2 of the Franchise Agreement to which this Exhibit is attached consists of the geographical area located in the State of_____and situated within the following boundaries:

   _____
   _____
   _____
   _____
   _____
   _____.

   A map of the Search Area is attached hereto; however, in the event of a discrepancy between the map and the written description above, the written description controls. If any street, road, or highway serves as a boundary of the Search Area, the actual boundary is the centerline of the street, road, or highway, and only the land and structures within such boundary are included in Franchisee's Search Area.

Franchisor's Initials:_____ Franchisee's Initials:_____

2. Franchisor and Franchisee hereby agree that the Specific Location described in Section 1.2 of the Franchise Agreement to which this Exhibit is as follows:

   Street Address: _____

   City: _____

   County: _____

   State: _____

Franchisor's Initials:_____ Franchisee's Initials:_____

3. Franchisee shall operate the Franchised Restaurant only under the trade name _____ (the "Trade Name"), shall use only Franchisor's approved logo as service marks to identify and distinguish the Franchised Restaurant, and shall use no other trade name, business name, or service mark in connection with the Franchised Restaurant.

Franchisor's Initials:_____ Franchisee's Initials:_____

This Exhibit 1 is to be attached to, incorporated in, and made a part of the Franchise Agreement between Franchisor and Franchisee. The parties are signing this Exhibit 1 on the dates below.

WORLD OF SOURDOUGH FRANCHISING, LLC,
a Texas limited liability company

By: _____

Name: _____
Title: _____

_____
(Print Name)

_____
Individually

Address: _____
City:_____
State:_____Zip: _____

OR:

(if a corporation or other legal entity)

_____
Company Name

By: _____
Name: _____
Title: _____
Address: _____
City: _____
State:_____Zip

Franchise Agreement
Exhibit 2

IDENTIFICATION OF FRANCHISEE(S)

If Individual(s) -- List all information for each owner (add additional pages as necessary):

1. Name:_____ Ownership:_____%

   Address:_____

   City:_____ State:_____ Zip:_____

   Home Telephone:_____

   Cell Phone:_____ SSN:_____

   Date of Birth: _____

2. Name:_____ Ownership:_____%

   Address:_____

   City:_____ State:_____ Zip:_____

   Home Telephone:_____

   Cell Phone:_____ SSN:_____

   Date of Birth: _____

If Legal Entity:

Name:_____

Type of Entity (Check One):
_____ Corporation
_____ Limited Liability Company
_____ Limited Partnership
_____ Other – Describe:_____

State of Organization:_____

Date of Organization:_____

Address:_____

City:_____State:_____Zip:_____

Statutory/Registered Agent:_____

Address of Agent: _____
City:_____State:_____Zip:_____

Shareholders/Members/Partners (attach additional pages as necessary):

1. Name:_____Ownership:_____%

   Address:_____

   City:_____State:_____Zip:_____

   Telephone:_____

2. Name:_____Ownership:_____%

   Address:_____

   City:_____State:_____Zip:_____

   Telephone:_____

Each of the undersigned individual Franchisees, or each of the Principals of a non-individual Franchisee, hereby certify that the foregoing information is accurate and complete to the best of their knowledge and agree to notify Franchisor promptly of any change in any such information during the term of the Franchise Agreement to which this Exhibit 1 is attached.

1. _____

Printed Name:_____

2. _____

Printed Name:_____

(Attach additional names and signatures as required)

Franchise Agreement
Exhibit 3

SERVICE MARKS

The following Marks have been registered with the United States Patent and Trademark Office ("USPTO") on the principal register, in our name.

Mark	Application Number / Registration Number	Application Date / Registration Date
The following logo: IC 043: Self-service restaurant Services. 	Registration Number: 5370126	Registration Date: January 2, 2018
The following logo: IC 043: Self-service restaurant Services. 	Serial No. 99715786	Pending
IC 043: Take-out restaurant Services. **SOURDOUGH & CO.**	Registration Number: 5343030	Registration Date: November 21, 2017
IC 043: Fast casual restaurants featuring sandwiches, salads, and soups. **NATURALLY BETTER!**	Registration Number: 6042633	Registration Date: April 28, 2020

IC 043: Fast casual restaurants featuring sandwiches, salads, and soups. 	Serial No. 99715862	Pending

Franchise Agreement
Exhibit 4

AUTHORIZATION FOR ELECTRONIC TRANSFER OF FUNDS

The undersigned depositor ("DEPOSITOR") hereby authorizes World of Sourdough Franchising, LLC ("PAYEE") to initiate debit entries and/or credit correction entries to the Depositor's checking account designated below, and authorizes the financial institution designated below ("BANK") to debit such account pursuant to Payee's instructions.

_____ _____

Name of Financial Institution Branch

_____

Address of Financial Institution City State ZIP Code

_____ _____

Account Number Bank Transit/Routing Number

This authority will remain in effect until BANK receives a written cancellation notification from DEPOSITOR in such time as to afford BANK a reasonable opportunity to act on it. DEPOSITOR may stop payment of any entry by notifying BANK at least three (3) business days before the entry is charged to DEPOSITOR'S account. DEPOSITOR may have the amount of any erroneous entry immediately credited to DEPOSITOR'S account by notifying BANK within fifteen (15) calendar days after BANK issues DEPOSITOR'S account statement containing the erroneous entry or forty-five (45) days after posting, whichever occurs first. These rights are in addition to any rights DEPOSITOR may have under federal and state banking or consumer protection laws.

Name of DEPOSITOR: _____

By: _____ Date: _____

Title: _____

A voided check must be attached to this form.

Franchise Agreement
Exhibit 5

IRREVOCABLE POWER OF ATTORNEY
(Tax Records)

KNOW ALL MEN BY THESE PRESENTS: That _____ ("Franchisee") does hereby irrevocably constitute and appoint World of Sourdough Franchising, LLC, a Texas limited liability company ("Franchisor") the true and lawful attorney-in-fact and agent for Franchisee and in Franchisee's name, place and stead, to do or cause to be done all things and to sign, execute, acknowledge, certify, deliver, accept, record and file all such agreements, certificates, instruments and documents as in the sole discretion of Franchisor, may be necessary or advisable for the sole purpose of obtaining any and all returns, records, reports and other documentation relating to the payment of taxes filed by Franchisee with any federal, state county and/or municipal taxing authority, including but not limited to the execution and delivery of any and all formal requests and other documentation as may be required by the applicable federal state, county and/or municipal taxing authority. Franchisee hereby grants unto Franchisor full power and authority to do and perform any and all acts and things which, in the sole discretion of Franchisor, are necessary or advisable to be done as fully to all intents and purposes as Franchisee might or could itself do, hereby ratifying and confirming all that Franchisor may lawfully do or cause to be done by virtue of this Power of Attorney and the powers herein granted.

During the term of this Power of Attorney and regardless of whether Franchisee has designated any other person to act as its attorney-in-fact and agent, no person, firm or corporation dealing with Franchisor will be required to ascertain the authority of Franchisor, nor to see to the performance of the agency, nor be responsible in any way for the proper application of funds or property paid or delivered to Franchisor. Any person, firm or corporation dealing with Franchisor shall be fully protected in acting and relying on a certificate of Franchisor that this Power of Attorney on the date of such certificate has not been revoked and is in full force and effect, and Franchisee will not take any action against any person, firm or corporation acting in reliance on such a certificate or a copy of this Power of Attorney. Any instrument or document executed on behalf of Franchisee by Franchisor will be deemed to include such a certificate on the part of Franchisor, whether or not expressed. This paragraph will survive any termination of this Power of Attorney.

This power of Attorney will terminate two years following the expiration or termination of the Franchise Agreement dated evenly herewith between Franchisor and Franchisee. The termination, however, will not affect the validity of any act or deed of Franchisor prior to such date pursuant to the powers herein granted.

This instrument is to be construed and interpreted as an irrevocable Power of Attorney coupled with an interest. It is executed and delivered in the State of Texas and the laws of the State of Texas and will govern all questions as to its validity and the construction of its provisions.

The undersigned has signed this instrument on the_____day of_____, 20____.

FRANCHISEE:

By: _____

Name: _____
Title: _____

STATE OF_____, COUNTY OF _____

Acknowledge and subscribed before me, a Notary Public for such County and State on the_____day of_____, 20____.

_____
NOTARY PUBLIC

Franchise Agreement
Exhibit 6

IRREVOCABLE POWER OF ATTORNEY
(Web Site)

KNOW ALL MEN BY THESE PRESENTS: That _____ ("Franchisee") does hereby irrevocably constitute and appoint World of Sourdough Franchising, LLC, a Texas limited liability company ("Franchisor") the true and lawful attorney-in-fact and agent for Franchisee and in Franchisee's name, place and stead, to do or cause to be done all things and to sign, execute, acknowledge, certify, deliver, accept record and file all such agreements certificates, instruments and documents as in the sole discretion of Franchisor, may be necessary or advisable for the sole purpose of assigning to Franchisor all of Franchisee's right title and interest in and to any and all web sites, web pages, listings, banners, URLs, advertisements or any other services and links related to Franchisee's business or use of Franchisor s trademarks, service marks or other logos on or with the Internet, World Wide Web, Internet service providers, electronic mail services, communication providers, search engines or other similar services. Franchisor shall have the authority to execute and deliver on Franchisee's behalf any and all documentation required by the applicable company, the Internet, and regulatory agency, or other provider or services to Franchisee to transfer, modify or cancel such services, listings, or links. Franchisee hereby grants unto Franchisor full power and authority to do and perform any and all acts and things which, in the sole discretion of Franchisor, are necessary or advisable to be done as fully to all intents and purposes as Franchisee might or could itself do, hereby ratifying and confirming all that Franchisor may lawfully do or cause to be done by virtue of this Power of Attorney and the powers herein granted.

During the term of this Power of Attorney and regardless of whether Franchisee has designated any other person to act as its attorney-in-fact and agent, no person, firm or corporation dealing with Franchisor will be required to ascertain the authority of Franchisor, nor to see to the performance of the agency, nor be responsible in any way for the proper application of funds or property paid or delivered to Franchisor. Any person, firm or corporation dealing with Franchisor shall be fully protected in acting and relying on a certificate of Franchisor that this Power of Attorney on the date of such certificate has not been revoked and is in full force and effect, and Franchisee will not take any action against any person, firm or corporation acting in reliance on such a certificate or a copy of this Power of Attorney. Any instrument or document executed on behalf of Franchisee by Franchisor will be deemed to include such a certificate on the part of Franchisor, whether or not expressed. This paragraph will survive any termination of this Power of Attorney.

This power of Attorney will terminate two years following the expiration or termination of the Franchise Agreement dated evenly herewith between Franchisor and Franchisee. The termination, however, will not affect the validity of any act or deed of Franchisor prior to such date pursuant to the powers herein granted.

This instrument is to be construed and interpreted as an irrevocable Power of Attorney coupled with an interest. It is executed and delivered in the State of Texas and the laws of the State of Texas and will govern all questions as to its validity and the construction of its provisions.

The undersigned has signed this instrument on the_____day of_____, 20____.

FRANCHISEE:

By: _____

Name: _____
Title: _____

STATE OF_____, COUNTY OF _____

Acknowledge and subscribed before me, a Notary Public for such County and State on the_____day of_____, 20_____.

_____
NOTARY PUBLIC

Franchise Agreement
Exhibit 7

IRREVOCABLE POWER OF ATTORNEY
(Telephone Number)

KNOW ALL MEN BY THESE PRESENTS: That _____ ("Franchisee") does hereby irrevocably constitute and appoint World of Sourdough Franchising, LLC, a Texas limited liability company ("Franchisor") the true and lawful attorney-in-fact and agent for Franchisee and in Franchisee's name, place and stead, to do or cause to be done all things and to sign, execute, acknowledge, certify, deliver, accept record and file all such agreements, certificates, instruments and documents as in the sole discretion of Franchisor, may be necessary or advisable for the sole purpose of assigning to Franchisor all of Franchisees right, title and interest in and to any and all telephone numbers of Franchisee's franchise and all related Yellow Pages, White Pages and other business listings, including but not limited to, the execution and delivery of any *Transfer of Service Agreement* and/or any other transfer documentation required by the applicable telephone service company providing telephone services for Franchisee, hereby granting unto Franchisor full power and authority to do and perform any and all acts and things which, in the sole discretion of Franchisor, are necessary or advisable to be done as fully to all intents and purposes as Franchisee might or could itself do, hereby ratifying and confirming all that Franchisor may lawfully do or cause to be done by virtue of this Power of Attorney and the powers herein granted.

During the term of this Power of Attorney and regardless of whether Franchisee has designated any other person to act as its attorney-in-fact and agent, no person, firm or corporation dealing with Franchisor will be required to ascertain the authority of Franchisor, nor to see to the performance of the agency, nor be responsible in any way for the proper application of funds or property paid or delivered to Franchisor. Any person, firm or corporation dealing with Franchisor shall be fully protected in acting and relying on a certificate of Franchisor that this Power of Attorney on the date of such certificate has not been revoked and is in full force and effect, and Franchisee will not take any action against any person, firm or corporation acting in reliance on such a certificate or a copy of this Power of Attorney. Any instrument or document executed on behalf of Franchisee by Franchisor will be deemed to include such a certificate on the part of Franchisor, whether or not expressed. This paragraph will survive any termination of this Power of Attorney.

This power of Attorney will terminate two years following the expiration or termination of the Franchise Agreement dated evenly herewith between Franchisor and Franchisee. The termination, however, will not affect the validity of any act or deed of Franchisor prior to such date pursuant to the powers herein granted.

This instrument is to be construed and interpreted as an irrevocable Power of Attorney coupled with an interest. It is executed and delivered in the State of Texas and the laws of the State of Texas and will govern all questions as to its validity and the construction of its provisions.

The undersigned has signed this instrument on the_____day of_____, 20____.

FRANCHISEE:

By: _____

Name: _____
Title: _____

STATE OF_____, COUNTY OF _____

Acknowledge and subscribed before me, a Notary Public for such County and State on the_____day of_____, 20____.

_____
NOTARY PUBLIC

Franchise Agreement
Exhibit 8

RESTRICTIVE COVENANT AGREEMENT

THIS AGREEMENT is by and between_____, a _____ Organized under the laws of the State of_____ ("Franchisee"), and _____ ("Covenantor"), an individual resident of the State of _____.

This Agreement arises from Covenantor's involvement with the Franchised Restaurant located at:

Street Address: _____

City: _____

County: _____

State: _____

RECITALS

WHEREAS, pursuant to that certain Franchise Agreement by and between Franchisee and World of Sourdough Franchising, LLC ("Franchisor"), Franchisor granted Franchisee a franchise to operate distinctive type of restaurant which serves the general public using Franchisor's unique franchise system and Franchisor's registered service mark and other proprietary marks (the "Franchise" or the "Franchised Restaurant"); and

WHEREAS, Covenantor is a shareholder, officer, partner, employee, and/or member of Franchisee; and

WHEREAS, Franchisor has expended substantial amounts of time and money in developing the Marks (as hereinafter defined) and Franchisor's distinctive franchise system including, without limitation, recipes, unique services, sales and marketing methods, pricing techniques, promotional materials, new product/service development, financial information, and procedures for the operation of a location, all of which Covenantor acknowledges to be confidential and proprietary information; and

WHEREAS, in connection with the operation of the Franchise, Covenantor will have access to such confidential and proprietary information; and

WHEREAS, as a condition precedent to granting the Franchise to Franchisee, all shareholders, officers, partners, or members of Franchisee must execute the covenants contained herein.

NOW, THEREFORE, as additional consideration and inducement for granting the Franchise to Franchisee, Covenantor hereby agrees and covenants to Franchisee as follows:

1. Confidentiality. Covenantor acknowledges the proprietary and confidential nature of Franchisor's written standards and/or Operating Manuals, which Franchisee has received on loan from Franchisor, recipes, operations, unique services, sales and marketing methods, pricing techniques, promotional materials, new product/service development, financial information, customer or referral lists, procedures for the efficient operation of a franchise, and any other methods, procedures, processes, techniques, information, knowledge, or know-how concerning Franchisor's franchise system or Franchisee's Franchise, in particular, which may not be commonly known to the public or to Franchisor's or Franchisee's competitors and which Franchisor or Franchisee have identified or may identify as proprietary and confidential information ("Trade Secrets"). Covenantor shall use such Trade Secrets solely for Franchisee's benefit and shall not, during the term of the Franchise Agreement between Franchisor and Franchisee (the "Franchise Agreement"), or at any time thereafter, communicate, divulge, or use any Trade Secrets to or for the benefit of any other person, persons, partnership, association, or corporation.

2. Proprietary Marks. Covenantor acknowledges Franchisor's right, title, and interest in and to certain proprietary service marks, logos, symbols, and trade names presently used by Franchisor or which Franchisor may hereafter use or provide for use by Franchisee, and the identification, schemes, standards, specifications, operating procedures, and other concepts embodied in Franchisor's franchise system (the "Marks"). Covenantor further acknowledges that any use of the Marks outside the scope of the Franchise Agreement without Franchisor's prior written consent would be an infringement of Franchisor's rights in the Marks. Covenantor expressly covenants that he/she shall not, directly, or indirectly, commit an act of infringement or contest, or aid in contesting, the validity or ownership of the Marks or take any other action in derogation thereof during the term of the Franchise Agreement or after the expiration or termination thereof.

3. Covenants During Franchise Agreement Term. Covenantor covenants that he/she shall not, during the term of the Franchise Agreement, either directly or indirectly, for him/herself or through, on behalf of, or in conjunction with, any person(s), partnership, association, or corporation:

(a) participate directly or indirectly or serve in any capacity in any business engaged in the ownership or operation of store or other location or in the sale of products or services competitive with those offered by the Franchised Restaurant;

(b) divert or attempt to divert any business or customer of the Franchised Restaurant or of any other of Franchisor's company-owned, affiliate-owned, or franchised restaurant(s)/business(es) 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 and the System.

(c) employ or seek to employ any person who is at that time employed by Franchisor or any of its franchisees, or otherwise directly or indirectly induce or attempt to induce such person to leave his or her employment; or

(d) aid, assist or provide goods or services to any competitor of the Franchised Restaurant, Franchisor, or any other of Franchisor's franchisees.

The provisions of this Section shall survive the expiration, termination, or cancellation of this Agreement.

4. Non-Competition After Term of Franchise. Covenantor covenants that, during the term of the Franchise Agreement and for a continuous and uninterrupted period commencing upon the expiration or termination of the Franchise Agreement (regardless of the cause for termination) and continuing for two (2) years thereafter, neither Covenantor nor persons associated with Covenantor will participate directly or indirectly or serve in any capacity in any business engaged in the ownership or operation of a business or in the sale of products or services competitive with those offered by the Franchised Restaurant. This post-termination covenant applies to the entire county/parish in which the Franchised Restaurant is/was located (as identified above). The post-termination covenant shall also apply to the smaller of the following areas (a) a 15-mile radius of any other restaurant owned by Franchisor, its affiliates or its franchisees operating under the Franchisor's Marks (each a "SDCO Franchised Restaurant") in operation at the time of termination, or (b) any county/parish in which any SDCO Franchised Restaurant operates at the time of termination. The time period referred to in this section shall be stayed during any violation or breach of the terms of this Section. The provisions of this section shall survive the expiration, termination, or cancellation of this Agreement.

5. Remedies. Covenantor acknowledges that his/her violation of any of the covenants contained in this Agreement would result in irreparable injury to Franchisor and Franchisee for which no adequate remedy at law may be available, and accordingly consents to the issuance of, and agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor or Franchisee in obtaining, an injunction enjoining any conduct by Covenantor prohibited by the terms of the Agreement. This remedy shall be in addition to any and all other remedies which may be available to Franchisor or Franchisee.

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

7. Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors, and assigns.

8. Construction. The parties agree that this Agreement shall be deemed to have been entered into in and shall be governed by and construed in accordance with the laws of the state in which the Franchised Restaurant is situated.

9. Jurisdiction. The parties agree that any action based upon this Agreement brought by any party hereto against any other party hereto may be brought within the State of Texas in the judicial district in which Franchisor has its principal place of business, and hereby consent to the exercise of personal jurisdiction by any such court and waive any defense of lack of personal jurisdiction or improper venue for the purpose of carrying out this provision.

10. Legal Expenses. In the event a dispute arises under this Agreement, the prevailing party shall be entitled to recover its expenses, including reasonable attorney and accountant fees, in addition to any other relief to which it may be found entitled.

11. Franchisor Third-Party Beneficiary. Covenantor and Franchisee acknowledge and intend that the covenants contained in this Agreement shall directly benefit Franchisor, who shall be a third-party

beneficiary thereof, entitled to enforce the provisions thereof in Franchisor's own name without Franchisee as a party in any action filed for such purpose, and shall further be entitled to all remedies provided in Section 5 hereof.

IN WITNESS WHEREOF, the parties have executed this Agreement or caused it to be executed by their duly authorized representative, as of the dates set forth below.

COVENANTOR

_____

Printed Name: _____

Date: _____

FRANCHISEE

_____

Company Name

By: _____

Name: _____

Title: _____

Date: _____

Franchise Agreement
Exhibit 9

PERSONAL GUARANTY

IN CONSIDERATION of and as an inducement for World of Sourdough Franchising, LLC, **("Franchisor")** to enter into the Franchise Agreement and related agreements (collectively the "Franchise Documents") with _____ **("Franchisee")**, the undersigned ("Guarantor(s)") hereby jointly and severally guarantee to the Franchisor, and to the Franchisor's successors and assigns (a) the timely payment of all franchise and other fees charges and interest provided for in the Franchise Agreement, (b) the timely payment of all principal, interest and other charges provided for in any and all promissory note(s), and (c) the timely performance of all of the provisions of the Franchise Documents for and during the term thereof (including all renewals thereof, if any). Guarantor(s) further specifically agree to be individually bound by all covenants, obligations and commitments of the Franchisee contained in the Franchise Documents to the same extent as if each of the Guarantor(s) had individually executed the Franchise Documents as Franchisee.

Guarantor(s) understand and agree that any modification of the Franchise Documents, including any addendum or addenda thereto, or waiver by the Franchisor of the performance by the Franchisee of its obligations thereunder, or the giving by the Franchisor of any extension of time for the performance of any of the obligations of the Franchisee thereunder, or any other forbearance on the part of the Franchisor or any failure by the Franchisor to enforce any of its rights under the Franchise Documents, including any addendum or addenda thereto, shall not in any way release Guarantor(s) from liability hereunder or terminate, affect or diminish the validity of this Guaranty, except to the same extent, but only to such extent, that the liability or obligation of the Franchisee is so released, terminated, affected or diminished. Notice to Guarantor(s) of any such modification, waiver, extension, or forbearance under the terms thereof is hereby waived.

Guarantor(s) hereby (i) waive any and all notice of default on the part of the Franchisee, (ii) waive exhausting of recourse against the Franchisee, and (iii) consent to any assignment of the Franchise Documents, in whole or in part, that the Franchisor or its assignees may make. Guarantor(s) agree to pay all costs, including reasonable attorneys' fees, incurred by Franchisor to collect or otherwise enforce the terms of this Guaranty. This Guaranty has been delivered in the State of California and shall be construed and enforced in accordance with the laws thereof. Jurisdiction and venue in any action to enforce this Guaranty shall be in any state or federal court within the State of California in the judicial district where Franchisor has its principal place of business. Guarantor(s) consent to the exercise of personal jurisdiction by any such court and waive any defense of lack of personal jurisdiction or improper venue.

_____ Date: _____
Guarantor's Signature

Printed Name: _____

_____ Date: _____
Guarantor's Signature

Printed Name: _____

Franchise Agreement
Exhibit 10

LEASE ADDENDUM

This Lease Addendum is entered into as of the date of the Lease Agreement by and between _____ ("Landlord") and _____ ("Tenant").

Landlord and Tenant are parties to that certain Lease of even date (the "Lease") covering the premises located at _____ ("Premises"), which Tenant will use to operate a Sourdough & Co. franchised restaurant ("Restaurant") under a Franchise Agreement between Tenant and World of Sourdough Franchising, LLC ("Franchisor"). Landlord and Tenant desire to amend the Lease to protect the various interests of Franchisor.

In consideration of the foregoing and the promises contained in the Lease, the parties agree as follows:

1. Permitted Use. Landlord and Tenant agree that so long as the Franchise Agreement remains in effect, Tenant may use the Lease premises only for a Sourdough & Co franchised restaurant.

2. Notice of Default. Landlord will provide Franchisor, by certified U.S. mail or a recognized overnight delivery service at the address listed in Section 9 (below), a minimum thirty-day (30- day) notice of any default under the Lease before Landlord initiates any action to terminate the Lease or exercise any remedy for such default.

3. Cure. Either Tenant or Franchisor may cure defaults under the Lease and Landlord will accept performance of obligations due under the Lease, as specified in the Lease, by either Franchisor or Tenant. Franchisor will not, however, be under any obligation to cure any default and nothing herein will require Franchisor at any time to comply with or take any action under the provisions of the Lease.

4. Rights of Franchisor After Cure. If Franchisor commences cure of any default under the Lease within the thirty-day (30-day) notice period described in Section 2, and if Franchisor thereafter diligently completes cure, Franchisor may, but will not be obligated to, give notice to Landlord and become Tenant under the Lease, in which event Landlord will not be entitled to terminate the Lease.

5. Assignment and Renewal. Landlord consents to an assignment or transfer of Tenant's rights under the Lease to Franchisor at any time during the term of the Lease. Landlord will give Franchisor notice of expiration of the term of the Lease at least three (3) months in advance thereof and grant Franchisor the right, but not the obligation, to exercise any then-existing renewal rights under the Lease.

6. Assignment Upon Termination of Franchise Agreement. Landlord and Tenant agree to the transfer or assignment of all of Tenant's rights under the Lease to Franchisor upon (a) written notice by Franchisor to Landlord and Tenant of the termination of the Franchise Agreement between Tenant and Franchisor ("Notice of Franchise Termination"), and (b) written notice by Franchisor to Landlord and Tenant of Franchisor's intent to assume the Lease ("Notice of Assumption"). Such transfer or assignment shall be effective as of the date of the Notice of Assumption. In the event that Franchisor assumes the Lease, Franchisor shall not be liable to Landlord for any amounts due under the Lease prior to the Notice of Assumption. Instead, Landlord may only recover such amounts from Tenant and its guarantors, if any.

7. Right of Entry and Subordination. Landlord will give Franchisor access to the Store at reasonable

times on not less than twenty-four (24) hours' notice (or such shorter notice as may be reasonable when circumstances dictate) either to inspect the Store for compliance with our requirements, to remove from the Restaurant any items bearing our marks or logos or to take other action permissible under the Agreements between Tenant and Franchisor. Landlord specifically subordinates any lien it may have in such items to Franchisor's rights as licensor of the marks or logos displayed on items.

8. Vacating Premises. Upon vacating the Lease premises, or termination of the Franchise Agreement or Lease (whichever occurs first), Tenant must remove all signs and materials bearing any of Franchisor's marks or logos.

9. Access to Premises. During the term of this Lease, Landlord and Tenant acknowledge and agree that the Franchisor shall have unrestricted access to the Premises to inspect the Premises and Tenant's business operations.

10. Notices. Any notices to Franchisor hereunder will be sent to:

World of Sourdough Franchising, LLC
8700 Auburn Folsom Rd., Suite 700
Granite Bay, California 95746
Attn: Jatinder ("Nick") Singh, Managing Member

11. Benefit. Landlord and Tenant acknowledge that they enter into this Agreement for the express benefit of Franchisor and that Franchisor is an intended beneficiary hereof.

12. Heirs and Successors. This Lease Addendum shall be binding upon and inure to the benefit of the parties (and Franchisor), their heirs, successors, and assigns.

13. Validity. Any invalidity of any portion of this Lease Addendum shall not affect the validity of the remaining portion and unless substantial performance of this Lease Addendum is frustrated by any such invalidity, this Lease Addendum shall continue in effect.

14. Governing Law. This Lease Addendum shall be governed by and construed in accordance with the internal laws of the State of California; however, if this Lease Addendum concerns a location in a state other than California and the laws of that other state require terms other than those or in addition to those contained herein, then this Lease Addendum shall be deemed modified so as to comply with the appropriate laws of such state, but only to the extent necessary to prevent the invalidity of this Lease Addendum or any provision hereof, the imposition of fines or penalties, or the creation of civil or criminal liability on account thereof. Any provision of this Lease Addendum which may be determined by competent authority to be prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of the prohibition or unenforceability without invalidating the remaining provisions of this Lease Addendum. Any prohibition against or unenforceability of any provisions of this Lease Addendum in any jurisdiction, including the state whose laws govern this Lease Addendum, shall not invalidate the provision, or render it unenforceable in any other jurisdiction. To the extent not prohibited by applicable law, Franchisee and Landlord waive any provision of law which renders any provision of this Lease Addendum prohibited or unenforceable in any respect.

15. Supremacy. This Addendum shall control and supersede any inconsistent provision of The Lease.

The parties have signed this Agreement the day and year referenced above.

LANDLORD:	**TENANT/FRANCHISEE**:
_____ (name of individual/entity) By:_____ Printed Name: _____ Title: _____	_____ (name of individual/entity) By:_____ Printed Name: _____ Title: _____

SOURDOUGH & CO. FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT C:

SAMPLE COPY OF GENERAL RELEASE

SAMPLE COPY OF GENERAL RELEASE

The undersigned_____("**Releasor**"),

_____ an individual domiciled in the State of_____, OR

_____ a legal business entity organized under the laws of the State of_____,

and Releasor' heirs, administrators, executors, parents, affiliates, owners, officers, directors, managers, shareholders, members, employees, agents, representatives, successors and assigns, (collectively "**Releasor-Parties**"), for good and valuable consideration, the receipt of which is hereby acknowledged, hereby release, and forever discharge World of Sourdough Franchising, LLC ("**Franchisor**"), a Texas limited liability company and its parents, affiliates, and their respective representatives, owners, officers, directors, managers, shareholders, members, employees, agents, successors and assigns, (collectively, the "**Franchisor-Released-Parties**") from any and all claims, whether at law or in equity, and all contracts, controversies, claims, and demands, judgments and causes of action of any kind whatsoever, at law or in equity, that Releasor and/or any of the Releasor-Parties ever had, now have or may have against any of the Franchisor-Released-Parties, whether known or unknown, vested or contingent, which any of the Releasor-Parties ever owned or held, now owns or holds, or may in the future own or hold including, without limitation, (i) any and all claims arising out of or related to that certain Franchise Agreement between Franchisor and Releasor dated_____(the "**Franchise Agreement**"); (ii) the offer and sale of any Sourdough & Co. franchise opportunity; (iii) the ownership of operation of the franchised business which is the subject of the Franchise Agreement; and (iv) any and all claims arising under federal, state, and local laws, rules, and ordinances related to any of the above. Whenever the text hereof requires, the use of singular number shall include the appropriate plural number as the text of the within instrument may require. This Release may not be changed orally. Releasor acknowledges that this General Release extends to claims of which Releasor may not know or suspect to exist at the time of executing this General Release, which if were known to Releasor may have materially affected Releasor's decision to enter into this General Release. Releasor expressly assumes the risk of the facts turning out to be so different and agree that this General Release shall be in all respects effective and not subject to termination or rescission by any such difference in facts.

IN WITNESS WHEREOF, the parties hereto have executed this General Release as of the date set forth below.

RELEASOR:

By:_____

Name: _____

Title: _____

Date: _____

[This General Release will be modified as necessary for consistency with any relevant state law regulating franchising.]

SOURDOUGH & CO. FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT D:

ADDITIONAL STATE-REQUIRED DISCLOSURES

The following modifications are to the World of Sourdough Franchising, LLC's Disclosure Document and will supersede certain portions of the Franchise Agreement dated _____, 20____.

I. FRANCHISOR/FRANCHISEE RELATIONSHIP STATUTES
(Including Renewal and Termination Rights)

For franchises governed by laws of the following states:

CALIFORNIA, COLORADO, HAWAII, ILLINOIS, INDIANA, IOWA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, WISCONSIN

These states have statutes that may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise:

ARKANSAS	Stat. Section 4-72-201 to 4-72-210
CALIFORNIA	Corporations Code Sections 31000 to 31516
CONNECTICUT	Gen. Stat. Section 42-133e to 42-133h
DELAWARE	Code, Tit. 6, Ch. 25, Sections 2551-2557
HAWAII	Rev. Stat. Section 482E-1 to 482E-12.
ILLINOIS	Rev. Stat. 815. ILCS 705/19 and 705/1 to 705/44
INDIANA	Stat. Sections 23-2-2.5.1 and 23-2-2.5.50
IOWA	Code Sections 523H.1 to H.17
MARYLAND	Business Regulation Code Ann. 14-201 to 14-233
MICHIGAN	Stat. Section 445.1501 to 445.1545
MINNESOTA	Stat. Section 80C.01 to 80C.22
MISSISSIPPI	Code Section 75-24-51 to 75-24-61
MISSOURI	Stat. Section 407.400 to 407-420
NEBRASKA	Rev. Stat. Section 87-401 to 87-414
NEW JERSEY	Stat. Section 56:10-1
NEW YORK	NY Gen. Bus 680 to 695
RHODE ISLAND	Gen. Laws 6-50-1 to 6-50-9
VIRGINIA	Code 13.1-557-57 to 13.1-574
WASHINGTON	Code Section 19.100.01 to 19.100.940
WISCONSIN	Stat. Section 135.01 to 135.065

These and other states may have court decisions that may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise.

In addition,

ILLINOIS Illinois franchisees should note that the conditions under which your franchise can be terminated, and your rights upon non-renewal are governed by Illinois laws, Illinois Complied status 815 ILCS 709/19 and 709/20.

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 a 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.

INDIANA Indiana franchisees should note that Indiana Law provides that it is unlawful for a Franchise Agreement to contain certain provisions in the area of required purchases, modification, competition, increases in the price of goods on order termination and non-renewal, covenants not to compete, and limitations on litigation. Indiana law also prohibits franchisors from engaging in certain acts and practices, including coercion, refusing delivery of goods or services, denying the surviving spouse or estate of the Franchisee an opportunity to participate in the ownership of the franchise, unreasonable competition, unfair competition, unfair discrimination among franchisees, and using deceptive advertising.

MINNESOTA law requires that with respect to the franchises governed by Minnesota law, the Franchisor will comply with Minnesota. Statute 80C.14 subdivisions 3, 4, and 5 which require except in certain specific 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 Franchise Agreement.

Minn. Stat. Sec. 80C.21 and Minn. Rule Part 2860.4400J, may prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

In accordance with Minnesota Rule 2860.4400J, and to the extent required by law, the Disclosure Document and the Franchise Agreement are modified so that the Franchisor cannot require a franchisee to waive his or her rights to a jury trial or to waive rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or to consent to liquidated damages, termination penalties, or judgment notes; provided that this part shall not bar an exclusive arbitration clause.

Pursuant to Minn. Stat. Sec. 80C.12, to the extent required by this Minnesota law, the Franchise Agreement and Item 13 of the Disclosure Document are amended to state that the Franchisor will protect your right to use the primary trademark, service mark, trade name, logotype or other commercial symbol or indemnify us our from any loss, costs or expenses arising out of any claim, suit, or demand regarding the use of the Franchisor's primary trade name.

All statements in the Disclosure Document and Franchise Agreement that state that Franchisor is entitled to injunctive relief are amended to read: "franchisor may seek injunctive relief" and a court will determine if a bond is required.

Minnesota Rule 2860.4400D prohibits the Franchisor from requiring a Franchisee to assent to a general release. The Disclosure Document and Franchise Agreement are modified accordingly, and to the extent required by law.

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17.Subd.5.

_____
(Signature of Franchisee)

_____
(Name of Franchisee)

_____
(Title)

RHODE ISLAND Notwithstanding anything in this Agreement to the contrary, all Rhode Island located franchisees will be governed by the Rhode Island Franchise Investment Act.

WASHINGTON If any of the provisions of this Franchise Disclosure Document or the Franchise Agreement are inconsistent with the relationship provisions of R.C.W. 19.100.180 or other requirements of the Washington Franchise Investment Protection Act, the provisions of the Act will prevail over inconsistent provisions of the Franchise Disclosure Document and the Franchise Agreement with regard to any franchise sold in Washington.

WISCONSIN Chapter 135, Stats. of the Wisconsin Fair Dealership Law supersedes any provisions of the Franchise Agreement that may be inconsistent with that law.

II. POST-TERM COVENANTS NOT TO COMPETE

For franchises governed by laws of the following states:

CALIFORNIA, CONNECTICUT, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, WISCONSIN

These states have statutes which limit the Franchisor's ability to restrict your activity after the Franchise Agreement has ended.

California Business and Professions Code	Sections 16.600 to 16.607
Michigan Compiled Laws	Section 445.771 et seq.
Montana Codes	SECTION 30-14-201
North Dakota Century Code	Section 9-08-06
Oklahoma Statutes	Section 15-217-19
Washington Code	Section 19.86.030

Other states have court decisions limiting the Franchisor's ability to restrict your activity after the Franchise Agreement has ended.

III. TERMINATION UPON BANKRUPTCY

For franchises governed by laws of the following states:

CALIFORNIA, CONNECTICUT, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, VIRGINIA, WASHINGTON, WISCONSIN

A provision in the Franchise Agreement which terminates the franchise upon the bankruptcy of the franchise may not be enforceable under Title 11, United States Code Section 101.

IV. LIQUIDATED DAMAGES PROVISIONS

The following states have statutes which restrict or prohibit the imposition of liquidated damages provisions:

CALIFORNIA	Civil Code Section 1671
INDIANA	IC 23.2-2.5-2
MINNESOTA	Rule 2860.4400

State courts also restrict the imposition of liquidated damages. The imposition of liquidated damages is also restricted by fair practice laws, contact law, and state and federal court decisions.

For franchises governed by the laws of the state of MINNESOTA, liquidated damage provisions are void.

V. STATE ADDENDUMS

The following are Addendums for Franchises governed by the laws of the respective states as follows:

CALIFORNIA

The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise to be delivered together with the Disclosure Document.

The franchisor, any person or franchise broker in Item 2 of the FDD is not subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et. Seq., suspending or expelling such persons from membership in such association or exchange.

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

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

The highest interest rate allowed by law in California is 10% annually.

The Franchise Agreement contains a covenant not to compete, which extends beyond the termination of the

franchise. This provision may not be enforceable under California law.

The Franchise Agreement may contain a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable**.**

The franchise agreement requires binding arbitration. The arbitration will occur in Placer County, Texas with the costs being borne by the prevailing party. 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.

The Franchise Agreement requires application of the law of California. This provision may not be enforceable under California law.

Section 31125 of the California Corporation Code requires us to give you a disclosure document, in a form and containing the information that the Commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code §31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code §§31 000 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).

Our website, www.sourdoughandco.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 Financial Protection and Innovation at www.dfpi.ca.gov.

The California Department of Financial Protection and Innovation requires that certain provisions contained in franchise documents be amended to be consistent with California law, including the California Franchise Investment Law, CAL. CORPORATIONS CODE Section 31000 et seq., and the California Franchise Relations Act, CAL. BUS. & PROF. CODE Section 20000 et seq. The Franchise Agreement is hereby amended to include the following language:

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

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

ILLINOIS

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

The governing law or choice of law clause described in the Disclosure Document (including a risk factor on the cover page) and contained in the Franchise Agreement may not be enforceable under Illinois law. This

governing law clause shall not be construed to negate the application for the Illinois Franchise Disclosure Act in all situations to which it is applicable.

Item 5 of the Disclosure Document and Section 4.1 of the Franchise Agreement is hereby amended if the Attorney General of Illinois requires the following: to provide that all initial franchise fees are deferred, or alternatively, deposited into escrow, until all Franchisor's pre-opening obligations to franchisee have been met and the franchisee is open for business. This deferral requirement has been imposed by the Illinois Attorney General's Office based upon Franchisor's financial condition. A financial assurance is not required as a condition of registration.

Illinois law requires that the Franchisor give you a copy of the Disclosure Document as registered with the Attorney General together with a copy of all proposed agreements relating to the sale of the franchise before the earlier of:

1. 14 days before our execution of a binding Franchise Agreement or other agreement, and
2. 14 days before the Franchisor receives any payment from you.

Your rights upon termination and non-renewal of the Franchise Agreement are set forth in Section 19 and Section 20 of the Illinois Franchise Disclosure Act.

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

WORLD OF SOURDOUGH FRANCHISING, LLC FRANCHISE

By:_____ By:_____

Title:_____ Title:_____

Date:_____ Date:_____

INDIANA

To the extent that Item 17 of the Disclosure Document and Section XVIII of the Franchise Agreement are inconsistent with the Indiana Deceptive Franchise Practice Law, which prohibits a prospective general release of any claims for liability imposed under it, the Indiana Deceptive Franchise Practice Law may supersede such inconsistent terms.

To the extent that Item 17 of the Disclosure Document and Section XXIV and Schedule 8 of the Franchise Agreement are in conflict with Section 2.7-1(9) of the Indiana Deceptive Franchise Practice Law, prohibiting non-competition agreements exceeding 3 years or an area greater than the exclusive area granted in the Franchise Agreement, Indiana law shall prevail.

Section 2.7-1(10) of the Indiana Deceptive Franchise Practice Law, which prohibits limiting litigation brought for breach of the agreement, supersedes items in this Disclosure Document and Franchise Agreement, to the extent that such items are inconsistent with Section 27-1(10) of the Indiana Deceptive Franchise Practice Laws.

MARYLAND

Item 17 of Disclosure Document and Section XXII of the Franchise Agreement requiring that franchisee sign a general release as a condition of purchase/renewal or assignment/transfer, may not be enforceable pursuant to the Maryland Franchise Registration and Disclosure Law, and are amended to the extent required by Maryland law. The requested release shall not apply to any liability under the Maryland Franchise Registration and Disclosure law.

Any provisions of the Disclosure Document or Franchise Agreement that require franchisee to disclaim the occurrence of or acknowledge the non-occurrence of acts that would constitute a violation of the Maryland Franchise Registration and Disclosure Law 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.

Provisions in the Disclosure Document and Franchise Agreement requiring franchisee to file any lawsuit in a court in the State of California may not be enforceable under the Maryland Franchise Registration and Disclosure Law. Franchisees may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Item 17 of the Disclosure Document and Section XXV of the Franchise Agreement are amended accordingly to the extent required by Maryland law.

To the extent that Franchise Agreement requires, and the Disclosure Document discloses that a Franchisee must agree to a period of limitations of less than three years, this limitation to a period of less than three years shall not apply to any claims arising under the Maryland Franchise Registration and Disclosure Law.

Item 5 of the Disclosure Document and Sections IX(C) of the Franchise Agreement is amended to provide that the initial franchise fee and any other initial payments are due and payable when all Franchisor's pre-opening obligations to franchisee have been met.

On the next page is the form of release that will be requested of Maryland franchisees as a condition to the franchisor's consent to the transfer of the franchise.

FORM OF RELEASE FOR MARYLAND FRANCHISEES

This Release is made on _____, 20___, between World of Sourdough Franchising, LLC, a Texas limited liability company ("Franchisor") and its officers, directors, and agents ("Affiliates"), and_____ ("Franchisee").

RECITALS

A. Franchisor and Franchisee entered into a Franchise Agreement dated _____, 20__ (the "Franchise Agreement") in which Franchisor granted franchisee the right to located, develop, and operate a SDCO franchise business (the "Franchised business"), and Franchisee assumed obligations to located, develop, and operate the franchised Business.

B. As a condition to Franchisor's consent to the transfer of the Franchised Business, Franchisee is willing to release franchisor from certain obligations arising from the Franchise Agreement and related agreements, and any claims franchisee may have against each Franchisee as described herein.

AGREEMENT

1. RELEASE AND COVENANT NOT TO SUE

Subject to the terms of this Release, and in consideration for the consent described above, Franchisee and the undersigned individual guarantors, if applicable, hereby release and discharge and hold harmless Franchisor, its principals, agents, shareholders, officers, directors, employees, successors, assigns, subsidiaries, and affiliated groups and each of them ("Affiliates"), from any and all losses, claims, debts, demands, liabilities, actions, and causes of action, of any kind, whether known or unknown, past or present, that any of them may have or claim to have against Franchisor or its Affiliates and any of them before or on the date of this release, arising out of or related to the offer, negotiation, execution, and performance of the Franchise Agreement, the operation of the Franchised Business, and all circumstances and representations relating to such offer, negotiation, execution, performance, and operation (collectively, "Released Claims", except as specifically reserved:

_____

_____

_____

Franchisee and guarantors agree that Released Claims shall specifically include any claim or potential claims under the Title 14 Sections 14-201 through 14-233 of the Maryland Annotated Code and laws otherwise governing relationships between franchisors and franchisees. Franchisee and guarantors hereby covenant and agree that none of them will bring any action against Franchisor or its Affiliates in connection with any Released Claim.

2. NO ADMISSION

Nothing contained in this Agreement shall be construed as an admission of liability by either party.

3. NO ASSIGNMENT

Each party represents and warrants to the other that it has not assigned or otherwise transferred or subrogated any interest in the Franchise Agreement or in any claims that are related in any way to the subject matter of this Release. Each party agrees to indemnify and hold the other fully and completely harmless from any liability, loss, claim, demand, damage costs, expense and attorneys' fees incurred by the other as a result of any breach of this representation or warranty.

4. ENTIRE AGREEMENT

This Release embodies the entire agreement between the parties and supersedes any and all prior representations, understandings, and agreements with respect to its subject matter. There are no other representations, agreements, arrangements, or understandings, oral or in writing, and signed by the party against whom it sought to be enforced.

5. FURTHER ACTS

The parties agree to sign other documents and do other things needed or desirable to carry out the purpose of this Release.

6. SUCCESSORS

This Amendment and Release shall bind and insure to the benefit of the parties, their heirs, successors, and assigns.

7. GOVERNING LAW; JURISDICTION

This Release shall be construed under and governed by the laws of the State of California, and the parties agree that the courts of Placer County, California, shall have jurisdiction over any action brought in connection with it, except to the extent that the Franchise Agreement is governed by the laws or venue provisions of another state.

8. SEVERABILITY

If any part of this release is held invalid or unenforceable to any extent by a court of competent jurisdiction, this Release shall remain in full force and effect and shall be enforceable to the fullest extent permitted, provided that it is the intent of the parties that it shall be entire, and if it is not so entire because it is held to be unenforceable, then this Release and the consent given as consideration for it shall be voided by frustration of its purpose.

9. VOLUNTARY AGREEMENT

Each party is entering into this Release voluntarily and, after negotiation, has consulted independent legal counsel of its own choice before signing it, is signing it with a full understanding of its consequences, and knows that is not required to sign this Amendment and Release. The parties acknowledge and agree that this Amendment and Release constitutes a release or waiver executed pursuant to a negotiated agreement between a Franchisee and a Franchisor arising after the Franchise Agreement has taken effect and as to which each part is represented by independent legal counsel.

SDCO Franchisee

By _____

Its _____

By _____

Its _____

MICHIGAN

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

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

A. A prohibition of 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 applied only if:

1. The term of the franchise is less than 5 years; and

2. The Franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of Franchisor's intent not to renew the franchise.

E. A provision that permits the Franchisor to refuse to renew a franchise on terms generally available to other Franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

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

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

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

2. The fact that the proposed transferee is a competitor of the Franchisor or Sub-Franchisor.

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

4. 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 bon 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 that permits the Franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

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

Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
Consumer Protection Division
Attn: Franchise
670 Law Building
Lansing, Michigan 48913
Phone: 517/373-7117

MINNESOTA

Minn. Stat. Sec. 80C.21 and Minn. Rule Part 2860.4400J, may prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

In accordance with Minnesota Rule 2860.440J, and to the extent required by law, the Disclosure Document and the Franchise Agreement are modified so that the Franchisor cannot require a franchisee to waive his or

her rights to a jury trial or to waive rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or to consent to liquidated damages, termination penalties, or judgment notes, provided that this part shall not bar an exclusive arbitration clause.

Pursuant to Minn. Stat. Sec. 80c.12), to the extent required by this Minnesota law, the Franchise Agreement and Item 13 of the Disclosure Document are amended to state that the Franchisor will protect your right to use the primary trademark, service mark, trade name, logotype or other commercial symbol or indemnify us from any loss, costs or expenses arising out of any claim, suit, or demand regarding the use of the Franchisor's primary trade name.

All statements in the Disclosure Document and Franchise Agreement that state that Franchisor is entitled to injunctive relief are amended to read: "franchisor may seek injunctive relief" and a court will determine if a bond is required.

Minnesota Rule 2860.4400D prohibits the Franchisor from requiring a Franchisee to assent to a general release. The Disclosure Document and Franchise Agreement are modified accordingly, and to the extent required by law.

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17.Subd.5.

NEW YORK

FRANCHISE DISCLOSURE DOCUMENT

The cover page of the Franchise Disclosure Document will be supplemented with the following inserted at the bottom of the cover page:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

Item 3 of the Franchise Disclosure Document: Add the following:

2. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, and any person identified in Item 2. The following is added at the end of Item 3:

With regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party 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.

B. No such party has pending actions, other than routine litigation incidental to, the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party 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.

D. No such party 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. a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

Item 4 of the Franchise Disclosure Document: Add the following language:

A. Neither the Franchisor, its predecessors, or any person identified in Item 2 filled as an individual or business for protection under the U.S. Bankruptcy Code during the ten-year period immediately before the date of the Disclosure Document:

B. Filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code;

C. Obtained a discharge of its debuts under the bankruptcy code; or

D. 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 the officer or general partner held this position and or company or partnership.

Item 5 of the Franchise Disclosure Document: Add at the end of the last paragraph:

> The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

Item 17. Add the following:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

The following language replaces the "Summary" section of Item 17(d), titled "Termination by franchisee": You may terminate the agreement on any grounds available by law.

The following is added to the end of the "Summary" section of Item 17(j), titled "Assignment of contract by franchisor": However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.

The following is added to the end of the "Summary" sections of Item 17(v), titled "Choice of forum", and Item 17(w), titled "Choice of law": The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York

NORTH DAKOTA

No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

I. Item 5 is amended by the addition of the following language to the original language:

Refund and cancellation provisions do not apply to franchises operating under the North Dakota franchise Investment Law. If the Company elects to cancel the Franchise Agreement, the Company will be entitled to a reasonable fee for its evaluation of you and related preparatory work performed and expenses actually incurred. This amount may not be more than fifty percent (50%) of the Franchise Fee.

II. Item 5, Note 1, the last paragraph shall be amended to read as follows:

If your Franchise Agreement is terminated, you may be required to continue royalty payments for so long as you or our assignee or successor continues to use our trademarks or systems in any way.

III. Item 6, Note 4, shall be amended to read as follows:

Note 4: You must protect, indemnify, and hold us harmless against any claims or losses arising out of your operation of the franchise business. Each party will bear its own expenses of any litigation to enforce the agreement.

IV. Item 17 is amended by the addition of the following language to the original language:

A. A provision is the Franchise Agreement that terminates the Franchise Agreement on the bankruptcy of the franchisee may not be enforceable under Title II, U.S. Code, Section 101.

B. The erosion of a general release on renewal, assignment, or termination does not apply to franchises operating under the North Dakota Franchise Investment Law.

C. The North Dakota Century Code, Section 9-08-06 limits the franchisor's ability to restrict your ability to restrict your activity after the Franchise Agreement has ended.

D. Under North Dakota law, liquidated damages provisions are void. State courts also restrict the imposition of liquidated damages. The imposition of liquidated damages is also restricted by fair practice laws, contract law, and state and federal court decisions. Thus, the provision requiring you to continue to pay amounts to franchisor if you elect to cancel the agreement may not be enforceable under North Dakota law.

V. Item 17 is amended to read as follows:

PROVISION	FRANCHISE AGREEMENT	SUMMARY
Your obligations on termination non-renewal	FA: XXIV	De-Identification, payment, non-disclosure, non-competition; you continue to pay royalties for so long as you use the trademarks if terminated for breach, unless you abandon the business, abide by post termination covenants, and release and indemnify us.

VI. Item 17: The Choice of Law and Arbitration sections are amended to read as follows:

A. The Franchise Agreement shall be governed by the laws of North Dakota.

B. Except as specifically otherwise provided in the Franchise Agreement, all contract disputes that cannot be amicably settled will be determined by arbitration under the Federal Arbitration Act and in accordance with the rules of the American Arbitration Association. Arbitration will take place at an appointed time and place in the county and state in which your franchised business is located. However, nothing in the Franchise Agreement limits or precludes the parties from bringing an action in a court of competent jurisdiction for injunction or other provisional relief as needed or appropriate to compel a party to comply with its obligations or to protect the marks or the company's other property rights.

C. The Choice of Forum section is amended to delete the following:

Any action will be brought in the state or federal courts in Placer County, California.

FRANCHISE AGREEMENT

I. Article IX, concerning refunds of initial franchise fees and royalties, is amended to add the following:

Refund and cancellation provisions do not apply to franchisees operating under the North Dakota Franchise Investment Law. If Franchisor elects to cancel this Franchise Agreement, Franchisor shall be entitled to a reasonable fee for its evaluation of Franchisees and related preparatory work performed and expenses actually incurred. This amount shall be no more than fifty percent (50%) of the franchise fee.

II. Sections XXIII and XXII, relating to termination and transfer, are amended to add the following:

The execution of a general release on renewal, assignment, or termination does not apply to franchises operating under the North Dakota Franchise Investment Law.

III. Section XXIII(H), providing for liquidated damages on termination of the Franchise Agreement, is hereby amended to read as follows:

h. Pay to Franchisor royalty fees and other ongoing fees, and other amounts Franchisee owes to Franchisor, as though Franchisee were still an active Franchisee, for so long as Franchisee or its assignee or successor continues to use the trademarks in any way. Franchisor is also entitled to all other applicable remedies.

IV. Section XXV is amended to read as follows:

In any action to enforce this Agreement or to seek remedies on default by either party, each party shall bear its own expenses of litigation or enforcement.

V. A. Section XXV is amended to add the following:

THIS AGREEMENT AND THE RIGHTS OF THE PARTIES HEREUNDER TAKE EFFECT ON ACCEPTANCE AND EXECUTION BY THE COMPANY AND SHALL BE INTERPRETED AND CONSTRUED UNDER THE LAWS OF NORTH DAKOTA, EXCEPT TO THE EXTENT GOVERNED BY THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT 15, U.S.C. SECTIONS 1015, ET. SEQ.).

B. Section XXV (H), providing for exclusive jurisdiction in Placer County, California is deleted.

C. Paragraph XXV to the extent it provides for a limitation of one year on actions under the Franchise Agreement is hereby deleted.

D. Section XXV to the extent it provides for a waiver of punitive or exemplary damages, and a waiver of jury trial, is deleted.

VI. The Arbitration section shall be deleted and amended to read as follows:

> Except as specifically otherwise provided in this Agreement, the parties agree that all contract disputes that cannot be amicably settled shall be determined by arbitration under the Federal Arbitration Act as amended and in accordance with the rules of the American Arbitration Association or any successor thereof. Arbitration shall take place at an appointed time and place in the County and State in which Franchisee's franchised business is located. However, nothing contained herein shall be construed to limit or to preclude the parties from brining any action in any court of competent jurisdiction for injunctive or other provisional relief as the parties deem to be necessary or appropriate to compel either party to comply with its obligations hereunder or to protect the marks or other property rights of franchisor.

VII. The Acknowledgement section is amended to add the following:

> Franchisee acknowledges that Franchisee received a copy of this Franchise Agreement, the attachments hereto, if any, and agreements relating thereto, if any, at least seven (7) days prior to the date on which this Agreement was executed.

VIII. The Covenants section is amended to add the following:

> Covenants not to compete on termination or expiration of the Franchise Agreement are generally unenforceable in the State of North Dakota except in limited instances as provided by law.

RHODE ISLAND

§19-28.1-14 of the Rhode Island Franchise Investment Act provides that:

> A provision in a Franchise Agreement restricting jurisdiction of venue to a forum outside this state or requiring the application of the laws of another state are void with respect to a claim otherwise enforceable under this Act.

VIRGINIA

In recognition of the restrictions contained in 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for World of Sourdough Franchising, LLC for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure: The following statements are added to Item 17.h.

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement 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.

Estimated Initial Investment. The franchisee will be required to make an estimated initial investment ranging from $330,000 to $589,025. This amount exceeds the franchisor's stockholders' equity as of December 31, 2025, which is (-2,577,651)."

No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

WASHINGTON

WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, THE FRANCHISE AGREEMENT, AND ALL RELATED AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. **Site of Arbitration, Mediation, and/or Litigation.** 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.

4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such

release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants.** 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 provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. **Nonsolicitation Agreements.** 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.

16. **Questionnaires and Acknowledgments.** No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

19. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

20. The Disclosure Document and Franchise Agreement are amended to reflect that the Franchisor will defer collection of all initial fees until the Franchisor has fulfilled all of its pre-opening obligations to the franchisee under the Franchise Agreement and the franchisee is open for business.

The undersigned does hereby acknowledge receipt of this addendum.

Dated this _____ day of _____ 20_____.

_____ _____

FRANCHISOR FRANCHISEE

This addendum may also be used as a rider to the Franchise Disclosure Document

SOURDOUGH & CO. FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT E:

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Sourdough & Co

Sandwiches • Soups • Salads

SOURDOUGH & CO.

OPERATING MANUAL

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SOURDOUGH & CO. FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT F: LIST OF

CURRENT FRANCHISEES
& FRANCHISEES
WHO HAVE LEFT THE SYSTEM

The following are the names, addresses and telephone numbers of all current SDCO franchisees as of December 31, 2025:

State	Location Address	Owners Name	Phone Number
AZ	10220 W McDowell Rd., Unit 120 Avondale, AZ, 85392	Andrew Nagalma, LLC	623-440-4192
AZ	2115 South Alma School Rd, Suite C-5 Chandler, AZ, 85286	Sutter Bros One, LLC	628-777-6685
AZ	3531 East Honeysuckle Drive Chandler, AZ 85286	Muralidhar Manyam MM Strategic Holdings, LLC	847-312-4819
AZ	18291 N Pima Rd, Suite 110-408 Scottsdale, AZ, 95255	Nuance Ventures LLC	916-952-9411
CA	8255 Dalkeith Way Antelope, CA 95843	Oscar Ortega	(916) 883-9561
CA	8504 Mist Valley Way Antelope, CA 95843	Baseline SD, Inc.	(209) 200-0818
CA	2176 Grass Valley Hwy Auburn, CA	Rohit Rahl	916-600-4397
CA	10201 Hillsgate Ave Bakersfield CA 93311	Manjit Singh Batth/ Gurtej Singh Hehar	(267) 455-2436
CA	9512 Dusty Wheat Dr Bakersfield CA 93313	Ravjodh Heer/Sukhdeep Kaur	(661) 699-3557

CA	5604 Tyringham Rd Bakersfield CA 93313	Surinder Pal Singh	(661) 665-8909
CA	10301 Hillgate Ave Bakersfield CA 93311	Satpal Singh Dhanoa	(661) 371-5833
CA	2509 Haste St. Berkeley, CA 94704	Karen Kaur	209-665-8342
CA	2375 Sand Creek Rd Ste 106 Brentwood, CA	DCSDC, Inc Sandeep Gill	916-640-6377
CA	3317 Coach Lane, Ste 100 Cameron Park, CA 95682	Ramaundeep Singh Cheema	916-823-3900
CA	2733 Yuma Ct. Cameron Park, CA 93730	Tristan Xavier & Gursimran Dhaliwal	530-774-5441
CA	35395 Beach Rd Capistrano Beach CA 92624	Bradley Lane Jenkins	(916) 889-7000
CA	2588 El Camino Real Carlsbad CA 92008	WHITEMOOR EAST INC./Saranjit Kaur	(702) 327-4317
CA	2517 Mitchell Rd., Ste E. Ceres, CA 95307	Valley Investment Solutions, Inc. Mohammed Samim Faisal	415-949-8518
CA	11254 Mallard Cove Dr Chowchilla CA 93610	Prabhneet Singh	(360) 201-0651
CA	5437 Sunrise Blvd Citrus Heights, CA 95610	Ramaundeep Singh Cheema	916-823-3900
CA	2842 Fowler Ave., Clovis, CA 93611	Jeff Ressler	559-259-6180
CA	1975 Mt. Diablo St. Concord, CA 94520	Sarb Cheema	707-392-6631
CA	1607 Chestnut Grove Way Concord CA 94519	Janmey Deepak Shah	(916) 745-5522

CA	514 Westlake Center Daly City, CA 94015	DCSDC, Inc. Sandeep Gill	916-640-6377
CA	34145 Pacific Coast HWY #804 Dana Point CA 92629	Brad Jenkins	(916) 889-7000
CA	241 Hartz Avenue Danville CA 94526	Arvinder Kaur	209-627-8803
CA	615 Exeter Pl. Danville, CA 93730	Almouthanna Altasi	650-995-4156
CA	6238 Massara St Danville CA 94506	Kunal Lamba	(925) 339-7493
CA	6236 Massara St Danville CA 94506	Sandeep Kumbar Lamba	(925) 339-0159
CA	1240 Columbia Dr. Dixon, CA 93730	Inderjit Singh Sanga & Spandan Dinesh Patel	916-912-0958
CA	2696 Dublin Blvd. Dublin, CA 94568	Mandeep Kaur	209-627-8803
CA	1450 Ary Lane Dixon, CA 95620	Paul Matharu	707-365-9791
CA	7600 Ridgeline Dr Dublin CA 94568	Anika Berry	(925) 219-5069
CA	8656 Mangola Hill Way Elk Grove, CA 95624	Joselito Navarrow	916-271-5609
CA	5322 Jade Creek Way Elk Grove, CA 95757	Vikramjeet Singh	916-821-5325
CA	3101 Lennox Dr. El Dorado Hills, CA 96762	Amarinder Singh Bhatia	718-964-7385
CA	4390 Town Center Blvd El Dorado Hills, CA 95762	Food Professionals, Inc. Jatinder Singh	916-509-2495

CA	381 Green Valley Rd El Dorado Hills, CA 95762	R & S Foods, Inc. Pritpal Singh	916-582-4768
CA	7025 Rosado Dr. El Dorado Hills, CA 95762	Yan Ding & John D Conry	303-260-8461
CA	2626 Broadway St, Ste B Eureka, CA 95501	Broadway SDC Inc. Charandeep Singh Uppal	916-534-4444
CA	807 Baybridge Pl. Fairfield, CA 94534	Broadway SDC Inc. Charandeep Singh Uppal	916-534-4444
CA	475 Chelsea Way Fairfield CA 94533	Rupinder Kaur Sandhu/Rajvir Singh Sandhu	(707) 450-6158
CA	3336 N. Texas St. STE K, Fairfield, CA 94533	Sarb Cheema	707-392-6631
CA	1134 Turnberry Ave. Fresno, California 93730	Arminder Singh	559-567-5517
CA	55121 Neal St. Grass Valley, CA 95945	Harkerat Singh Nijjar	916-806-7699
CA	280 Sierra College Dr, Suite 205 Grass Valley CA 95945	SAVOR FOOD CHAIN LLC Kuldip Singh Gill Nalni Rana Lovepreet Singh Gurjant Singh	(936) 320-6938
CA	1257 Henderson Ln. Hayward, CA 94544	Jarnail Dhindsa	(510) 760-3452
CA	301 Brookhaven CT. Hayward, CA 94544	Raminder S. Hayre/Kuldeep K. Hayre	925-989-1781
CA	29152 Bowhill Rd. Hayward, CA 92152	Karmjit & Gurinder Shahi	510-449-2795

CA	100 Ridgepoint Ct Hercules CA 94547	Samraj Sweets N Chaatnut LLC Balraj Singh Sambhi/Manvir Singh Sambhi	(510) 604-9110
CA	25132 Ericson Way Laguna Hills, CA 93730	Abdul Meedi & Rana Alattar JRL United Group	619-889-6006
CA	3212 Mulholland Drive Lathrope, CA 95330	Mohammad Samim & Martha Faisal	415-949-8518
CA	15924 Rocky Harbor Rd. Lanthrop, CA 95330	Vishaldeep Singh Sanga	702-835-3851
CA	640 Twelve Bridges Dr., Ste 105 Lincoln, CA 95648	Rohit Ralh	916-600-4397
CA	2150 Portola Ave Ste. B Livermore, CA 94551	Arvinder Kaur	209-627-8803
CA	1022 Plumas Way Manteca, CA 95336	David Niemoeller	209-624-6826
CA	190 Commerce Way Ste. 103 Manteca, CA 95336	Simar's Venture Group, Inc. Jasdeep Sandhu	603-730-2992
CA	214 Ash Renee St Manteca CA 95337	Jasvir Kaur /Dilraj Kaur	(209) 229-6650
CA	1043 Arnold Dr. Martinez, CA 94553	Karen Kaur	209-665-8342
CA	142 Ladybug Ln. Martinez, CA 94553	James 1515, LLC Seffie James	707-720-7110/510-290-5177
CA	1801 H St. Modesto, CA 95354	Jeevanjot Restaurant Group, Inc. Harkirate Singh Samra	408-913-6572

CA	530 Showers Drive, STE 1 Mountain View, CA 94040	Jarnail Dhindsa	510-760-3452
CA	2731 Del Paso Rd. STE 100 Natomas, CA 95835	Saheb Food Services Satnam Singh	916-333-1230
CA	21225 Pine Needle Ln. Nevada City, CA 95959	Megan Renee Fillips MDMS Ventures I, Inc.	530-277-3691
CA	5800 Nave Dr., Ste. 2 Novato, CA 94949	Sean Foods, Inc. Boj Karki	415-994-8723
CA	441 N. McDowell Blvd Ste 10 Petaluma CA 94954	Charandeep Singh Uppal Broadway SDC Inc	916-534-4444
CA	2674 Alice Way Pinole, CA 94564	Diwakar Thapa	916-612-9574
CA	1924 Contra Costa BLVD, Pleasant Hill, CA	Karen Kaur	209-665-8342
CA	1148 Muir Ranch Ct Plumas Lake CA 95961	Mahaveer Enterprises Inc./Kartik Singh	(831) 245-8316
CA	11978 Mariposa Bay Ln Porter Ranch CA 91326	DLA Group Inc	(818) 422-2574
CA	3812 Mandy Way Ramon CA 94582	Iqbal Singh Ganda	(510) 449-7923
CA	2823 Zinfandel Blvd Rancho Cordova, CA 95670	Asa Jabbal	916-472-8472
CA	13080 Norica Dr Rancho Cucamonga CA 91739	Rakesh Sudhir Mehta	(909) 967-3038
CA	Diwaker Thapa & Suman Nepal 25 Quail Hill Ln Richmond, California 94803	Mata Business, Inc.	916-612-9574/510-480-7493
CA	4875 Granite Dr. Rocklin, CA 95677	Harkinder Singh	530-709-0800

CA	799 Edward Werth Dr Rodeo CA 94572	RV FOODS INC Mandeep Kaur	(510) 965-8347
CA	6356 Commerce Blvd Rohnert Park, CA 94928	Charandeep Singh Uppal Broadway SDC Inc	916-534-4444
CA	4721 Waterstone Dr Roseville CA 95747	Aryan Spandan Patel Inderjit Singh Sangha	(916) 871-7724
CA	6033 Barnside Pl. Roseville, CA 95747	Gursimran Singh Dhaliwal	530-774-5441
CA	625 Crosby Ct. Roseville, CA 95747	Mangat & Ganda LLC Navjot Mangat	510-449-2005
CA	1900 Park Oak Dr. Roseville, CA 95661	Yash, Inc. Satnam Toor	916-837-3039
CA	3854 Aetna Springs Way Sacramento, CA 95834	Aishleen Food Services Satnam Singh	617-335-2399
CA	8166 Delta Shores Cr., Ste. 110 Sacramento, CA 95832	Asa Jabbal	916-472-8472
CA	841 Regency Park Cir Sacramento CA 95835	Davinder Singh/Harwinder Kaur	(916) 519-4600
CA	1229 Howe Ave Sacramento, CA 95825	Mark Beichler	(916) 531-7778
CA	1506 Constitution Blvd Salinas, CA 93905	Paul Matharu	707-365-9791
CA	1797 Marsala Way Salinas, CA 93730	Kamaljit Singh & Rubel Kaur Sofivaan, LLC	707-206-8603
CA	1619 Amberly Ln. San Jose, CA 95121	Satinder Singh Banwait	408-981-5046
CA	100 Palm Valley BLVD 2044 San Jose CA 95213	Navpreet Singh	(408) 480-8722

CA	4075 Solero Court San Jose CA 95127	Satinder Singh Banwait/Navjot S. Bola	(408) 981-5046
CA	2415 San Ramon Valley Rd, Ste 11, San Ramon, CA	Jatinder Singh Food Professionals Inc	916-509-2495
CA	201 W. Napa St, Ste 8 Sonoma, CA 95476	Charandeep Singh Uppal Broadway SDC Inc	916-534-4444
CA	2826 March Ln Stockton, CA 95219	S & S Restaurant Group, Inc. Taranjit Romana	209-215-4010
CA	2064 Santa Rosa Ave Santa Rose, CA 95404	Broadway SDC Inc. Charandeep Singh Uppal	916-534-4444
CA	2313 Bartrum Run Way Stockton, CA 95212	Amerilogis Food Inc Inderjit Singh/Manpreet Singh/Karen Kaur	209-665-8342
CA	2323 Bartram Run Way Stockton, CA 93730	Manpreet Singh Amerilogis Food Services, Inc.	209-665-8343
CA	2323 Bartram Run Way Stockton, CA 93730	Manpreet Singh Amerilogis Restaurant Group, Inc.	209-665-8343
CA	604 Queensland Cir Stockton CA 95206	Jaswant Singh/Harvinder Jhim	(209) 851-5385
CA	304 W. El Camino Real Sunnyvale, CA 94087	Jarnail Dhindsa	510-760-3452
CA	12137 Via Santa Lucia Sylmar CA 91342	STMC STAR INC Charanjit Singh/Mandeep Kaur	(818) 516-7908
CA	1462 Parkington Ln. Tracy, CA 95377	Charanjit Singh	209-407-8007
CA	2742 Dorset Ln. Tracy, CA 95377	Devendra Kumar S. Wala	(540) 300-0099
CA	4769 English Oaks Ct. Tracy, CA 95377	Inderjeet Singh Suri	425-305-0114
CA	4769 English Oaks Ct Tracy, CA 95377	Inderjeet Suri	425-305-0114

CA	1915 Addison Dr. Turlock, CA 95382	Raj Pal Singh	(209) 485-6911
CA	1238 Airport Park Blvd Ukiah, CA 95482	Charandeep Singh Uppal Broadway SDC Inc	916-534-4444
CA	2279 Hartford Dr. Union City, CA 93730	Gurpreet Khalsa & Manjeet Khalsa	510-364-4174
CA	227 Brighton Cr. Vacaville, CA 95687	Iqbal Matharu	707-365-9791
CA	307 Anchorage Dr Vacaville CA 95687	Jaswant Inc. Gurjeet Kaur Sukhinjder Kaur Rangi/Bhavneet Mavi	(707) 392-6631
CA	227 Brighton Circle Vacaville, CA 93730	Iqbal Singh Matharu	707-365-9791
CA	2361 Oak Grove Rd, Bld H, Walnut Creek, CA	Rohit Rahl	916-600-4397
CA	6560 Hembree Lane, Ste 190 Windsor, CA 95492	Charandeep Singh Uppal Broadway SDC Inc	916-534-4444
CA	2051 Bronze Star Dr. STE 200 Woodland, CA 95776	Satnam Singh Aishleen Food Services	530-908-2511
CA	1696 Hoffman St. Woodland, CA 93730	Rudra Khati	707-567-8677
CA	1713 Morrison Bend Yuba City CA 95991	Jaydeep Kang/Sukhjit Kang	(530) 329-6944
CO	9364 Valley Run Ct. Colorado Springs, CO 80927	Sheikh Qaisar	804-714-7391
CO	5217 Sirbal Dr. Colorado Springs, CO 80924	Bikramjit Brar	719-725-8800
CO	9565 East Lake Avenue, Ste 100 Greenwood Village, CO 80111	Jeff Jance Bull Bull Doughzer, LLC	303-522-4693
FL	Highbury NW1 Holdings 941 Southwest 21st Street Boca Raton, FL 33846	Leonidas Oxby & Beatriz Mascaro	646-468-5894
FL	8714 Ethans Glen Terrace Jacksonville, FL 32256 T	James & Andrew Simak Jax Sourdough, LLC	904-631-0333

FL	7750 North Davis Highway Pensacola FL 32514	Vishal Patel & Devangi Amin Krishna Empire, LLC	201-362-8969
FL	1803 Laurel Oak Dr. North Rockledge, FL 32955	Tracy & Stephanie Chase Rock-It-Services, Inc.	321-271-5084
FL	137 Needle Cast Lane Watersound, FL 32461	David & Laurie Dubiel	850-865-1211
GA	388 McDaniel Pl. Canton, GA 30115	Shiv Shankar Prasad & Rashmi Bharti	678-549-2444
GA	2673 Bluestone Dr. Atlanta, GA 30331	Calbin Lee	770-843-4640
GA	201 Westchester Drive Griffin, GA 30223	Shivam (Sam) Patel PTC Dough LLC	901-857-8740
GA	200 Little McCall Road Guyton, GA 31312	Jonathan Scott Thompson Thompson Hospitality Group	912-663-5457
IA	9532 Century Woods Circle Johnston, IA 50131	Akinbode Egbelakin	317-728-2981
MA	41 Wedgewood Drive North Easton MA	Helenio Gilabert Mawyn Nexus Development Group, LLC	508-345-2897
MI	2292 Nickelby Drive Shelby Township MI 48316	Sam & Wesson Asmaro	586-443-3340
MO	203 Glen Cove Dr. Chesterfield, MO 63017	Eileen & Glen Mitchell Mitchell Family, LLC	314-651-6068
MO	1224 South Main Street Saint Charles MO 63301	Leslie Duncan KMA Crave, Inc.	415-706-0754
NC	1314 Pomar Circle Marvin, NC 28173	Vijay Vala	408-431-5990
NC	610 Yucatan Drive Waxhaw, NC 28173	Santosh Chiteni	
NC	108 Glenwood Dr. Waxhaw, NC 28173	Sean & Beth Grim	717-965-0235
NV	8350 Haven St Las Vegas NV 89123	JJJ Judge Sourdough II, LLC Inderdeep Singh Judge	(702) 327-4317

NV	8350 Haven St Las Vegas NV 89123	JJJ Judge Sourdough III, LLC/Inderdeep Singh Judge	(702) 327-4317
NV	8350 Haven St Las Vegas NV 89123	Manpreet Kaur Judge	(702) 327-4317
NV	1859 Autumn Gold Ave Las Vegas NV 89123	Prabhjot Singh	(702) 927-1791
NV	865 E. Lake Mead Pkwy Henderson, NV 89015	Inderdeep Judge JJJ Judge Sourdough IV, LLC	(702) 327-4317
NV	2213 Humble Hollow Pl. North Las Vegas, NV 89084	Sukwinder Singh & Satinderpal Padda SW Pahrump	951-544-3083
NV	18493 Spicer Lake Ct Reno NV 89508	WMK Nevada INC Sukhwinder Kaur/Gurjit Singh Atwal	(513) 787-1237
NV	8321 Montgomery St. Las Vegas, NV 89123	Daljeet Singh Sodhi	925-594-1074
NY	24 Pilla Drive Newburgh, NY 13550	Ussama Arshad, Brenda Besteiro, Scott J. Morris Miami Sourdough Enterprises 1, LLC	318-423-9220
NY	87 Circle Road Staten Island, NY 10304	Robert Aiello Aiello Food Group	917-299-5048
OH	11805 Quail Woods Drive Chardon, OH 44024	Monica & Bryan Nelson	440-339-5936
OR	18060 Medowlark Lane Lake Oswego, OR 97034	Libby and Jeff Hope	949-514-4620
OR	55 Rossanley Dr., Ste. C1B Medford, OR 97501	Harkerat Singh Nijjar	916-806-7699
OR	11089 SE Scotts Summit Ct. Nevada City, OR 97086	Eric Levaughn Stubbert 4 Mountains, Inc.	760-617-7511
OR	12161 SW Lausanne St Wilsonville, OR 97070	Yana Kosukhin Semenova & Roman Kosukhin	503-504-9409

PA	2747 Farmstead Drive Easton, PA 18040	Salwa Ahsan, Nusrat Ninad, Muhtasim Karim, Mohammed Zakiul Islam Fourforks, LLC	917-345-0022
SC	1 River Birch Road Columbia, SC 29229	Jugadish Vattikuti	
TN	6530 Eudaily-Cavington Rd. College Grove, TN 37046	Stephen Lipa Sal Investments, LLC	615-970-8968
TX	16205 Double Eagle Drive Austin, TX 78717	Haritha Thikkavarapu	
TX	2923 Blacksmith CT. Grand Prairie, TX,75052	GW Mulondo LLC	469-358-7788
TX	2799 Katy FWY Suite 120 Houston, TX 77007	Texas Golden Eats LLC	832-504-2977
TX	2917 Ellsworth Ave Melissa, TX 75454	Lambs Kouassi Ndjassi & Co., LLC	682-521-6637
UT	Darell & Anne Leremia 4863 West Mountain Circle Highland, UT	Eight Plates, Co.	801-369-0855
UT	1158 W 4200 N. Pleasant View, UT 84414	Sourdough Enterprises, Inc.	916-220-4977
WA	11212 SE 268TH ST Kent WA 98030	Buta Singh	(206) 375-7420
WA	14817 20TH Ave. S.E. Renton, WA 98059	Carolina Kamoi Moraes	425-520-9548
WI	601 Forest Street, St. A Wausau, WI	Aaron Olson & Alan Kent Olson AO Ventures, LLC	715-573-0739

Aryan Spandan Patel
Inderjit Singh Sangha
4721 Waterstone Dr
Roseville CA 95747
(916) 871-7724

Baseline SD Inc.
Kamal Preet Kaur

8504 Mist Valley Way
Antelope CA 95843
(209) 200-0818

Satinder Singh Banwait/Navjot S. Bola
4075 Solero Court
San Jose CA 95127
(408) 981-5046

Brad Jenkins
34145 Pacific Coast HWY #804
Dana Point CA 92629
(916) 889-7000

Bradley Lane Jenkins
35395 Beach Rd
Capistrano Beach CA 92624
(916) 889-7000

Davinder Singh/Harwinder Kaur
841 Regency Park Cir
Sacramento CA 95835
(916) 519-4600

DLA Group Inc
Lakhwinder Singh/Amit Kaur
11978 Mariposa Bay Ln
Porter Ranch CA 91326
(818) 422-2574

Rakesh Sudhir Mehta
13080 Norica Dr
Rancho Cucamonga CA 91739
(909) 967-3038

Iqbal Singh Ganda
3812 Mandy Way
Ramon CA 94582
(510) 449-7923

Janmey Deepak Shah
1607 Chestnut Grove Way
Concord CA 94519

(916) 745-5522

Jasvir Kaur /Dilraj Kaur
214 Ash Renee St
Manteca CA 95337
(209) 229-6650

Jaswant Singh/Harvinder Jhim
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Stockton CA 95206
(209) 851-5385

Jaydeep Kang/Sukhjit Kang
1713 Morrison Bend
Yuba City CA 95991
(530) 329-6944

Diwaker Thapa & Suman Nepal
Mata Business, Inc.
25 Quail Hill Ln
Richmond, California 94803
Tel: 916-612-9574/510-480-7493

Diwakar Thapa
2674 Alice Way
Pinole, CA 94564
Tel: 916-612-9574

Seffie James
142 Ladybug Ln.
James 1515, LLC
Martinez, CA 94553
Tel: 707-720-7110/510-290-5177

Arminder Singh
1134 Turnberry Ave.
Fresno, California 93730
Tel: 559-567-5517

Tristan Xavier & Gursimran Dhaliwal
2733 Yuma Ct.

Cameron Park, CA 93730
Tel: 530-774-5441

Inderjeet Suri
4769 English Oaks Ct
Tracy, CA 95377
Tel: 425-305-0114

Almoouthanna Altasi
615 Exeter Pl.
Danville, CA 93730
Tel: 650-995-4156

Inderjit Singh Sanga & Spandan Dinesh Patel
1240 Columbia Dr.
Dixon, CA 93730
Tel: 916-912-0958

Manpreet Singh
Amerilogis Food Services, Inc.
2323 Bartram Run Way
Stockton, CA 93730
Tel: 209-665-8343

Manpreet Singh
Amerilogis Restaurant Group, Inc.
2323 Bartram Run Way
Stockton, CA 93730
Tel: 209-665-8343

Gurpreet Khalsa & Manjeet Khalsa
2279 Hartford Dr.
Union City, CA 93730
Tel: 510-364-4174

Megan Renee Fillips
MDMS Ventures I, Inc.
21225 Pine Needle Ln.
Nevada City, CA 95959
Tel: 530-277-3691

Karmjit & Gurinder Shahi

29152 Bowhill Rd.
Hayward, CA 92152
Tel: 510-449-2795

Abdul Meedi & Rana Alattar
JRL United Group
25132 Ericson Way
Laguna Hills, CA 93730
Tel: 619-889-6006

Iqbal Singh Matharu
227 Brighton Circle
Vacaville, CA 93730
Tel: 707-365-9791

Rudra Khati
1696 Hoffman St.
Woodland, CA 93730
Tel: 707-567-8677

Kamaljit Singh & Rubel Kaur
Sofivaan, LLC
1797 Marsala Way
Salinas, CA 93730
Tel: 707-206-8603

Vishaldeep Singh Sanga
15924 Rocky Harbor Rd.
Lanthrop, CA 95330
Tel: 702-835-3851

Daljeet Singh Sodhi
8321 Montgomery St.
Las Vegas, NV 89123
Tel: 925-594-1074

Inderdeep Judge
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865 E. Lake Mead Pkwy
Henderson, NV 89015
(702) 327-4317

Sukwinder Singh & Satinderpal Padda
SW Pahrump
2213 Humble Hollow Pl.
North Las Vegas, NV 89084
Tel: 951-544-3083

Eric Levaughn Stubbert
4 Mountains, Inc.
11089 SE Scotts Summit Ct.
Nevada City, OR 97086
Tel: 760-617-7511

Libby and Jeff Hope
18060 Medowlark Lane
Lake Oswego, OR 97034
Tel: 949-514-4620

Yan Ding & John D Conry
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Tel: 303-260-8461

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Colorado Springs, CO 80927
Tel: 804-714-7391

Bikramjit Brar
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Colorado Springs, CO 80924
Tel: 719-725-8800

Jeff Jance Bull
Bull Doughzer, LLC
9565 East Lake Avenue, Ste 100
Greenwood Village, CO 80111
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203 Glen Cove Dr.

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Tel: 314-651-6068

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1224 South Main Street
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Vijay Vala
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Tel: 408-431-5990

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Waxhaw, NC 28173

Jugadish Vattikuti
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Columbia, SC 29229

Haritha Thikkavarapu
16205 Double Eagle Drive
Austin, TX 78717

Sean & Beth Grim
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Tel: 717-965-0235

Shiv Shankar Prasad & Rashmi Bharti
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Canton, GA 30115
Tel: 678-549-2444

Calbin Lee
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Tel: 770-843-4640

Jonathan Scott Thompson
Thompson Hospitality Group
200 Little McCall Road
Guyton, GA 31312
Tel: 912-663-5457

Shivam (Sam) Patel
PTC Dough LLC
201 Westchester Drive
Griffin, GA 30223
Tel: 901-857-8740

Mralinhar Manyam
MM Strategic Holdings, LLC
3531 East Honeysuckle Drive
Chandler, AZ 85286
Tel: 847-312-4819

Alan & Kent Olson
AO Ventures, LLC
601 Forest Street, St. A
Wausau, WI
Tel: 715-573-0739

Sam & Wesson Asmaro
2292 Nickelby Drive
Shelby Township MI 48316
Tel: 586-443-3340

Yana Kosukhin Semenova & Roman Kosukhin
12161 SW Lausanne St
Wilsonville, OR 97070
Tel: 503-504-9409

Akinbode Egbelakin
9532 Century Woods Circle
Johnston, IA 50131
Tel: 317-728-2981

Lambs Kouassi
Ndjassi & Co., LLC
2917 Ellsworth Ave

Melissa, TX 75454
Tel: 682-521-6637

David & Laurie Dubiel
137 Needle Cast Lane
Watersound, FL 32461
Tel: 850-865-1211

Leonidas Oxby & Beatriz Mascaro
Highbury NW1 Holdings
941 Southwest 21st Street
Boca Raton, FL 33846
Tel: 646-468-5894

Ussama Arshad, Brenda Besteiro, Scott J. Morris
Miami Sourdough Enterprises 1, LLC
24 Pilla Drive
Newburgh, NY 13550
Tel: 318-423-9220

Vishal Patel & Devangi Amin
Krishna Empire, LLC
7750 North Davis Highway
Pensacola FL 32514
Tel: 201-362-8969

James & Andrew Simak
Jax Sourdough, LLC
8714 Ethans Glen Terrace
Jacksonville, FL 32256
Tel: 904-631-0333

Tracy & Stephanie Chase
1803 Laurel Oak Dr. North
Rock-It-Services, Inc.
Rockledge, FL 32955
Tel: 321-271-5084

Stephen Lipa
Sal Investments, LLC
6530 Eudaily-Cavington Rd.

College Grove, TN 37046
Tel: 615-970-8968

Monica & Bryan Nelson
11805 Quail Woods Drive
Chardon, OH 44024
Tel: 440-339-5936

Robert Aiello
Aiello Food Group
87 Circle Road
Staten Island, NY 10304
Tel: 917-299-5048

Salwa Ahsan, Nusrat Ninad, Muhtasim Karim, Mohammed Zakiul Islam
Fourforks, LLC
2747 Farmstead Drive
Easton, PA 18040
Tel: 917-345-0022

Helenio Gilabert Mawyn
Nexus Development Group, LLC
41 Wedgewood Drive
North Easton MA
Tel: 508-345-2897

Darell & Anne Leremia
Eight Plates, Co.
4863 West Mountain Circle
Highland, UT
Tel: 801-369-0855

Japishar Singh
Caca Brothers, LLC
2235 Pastoral Loop
San Jose, CA 95122
Tel: 510-449-2005

JJJ Judge Sourdough II, LLC
Inderdeep Singh Judge
8350 Haven St
Las Vegas NV 89123

(702) 327-4317

JJJ Judge Sourdough III, LLC
Inderdeep Singh Judge
8350 Haven St
Las Vegas NV 89123
(702) 327-4317

Manpreet Kaur Judge
8350 Haven St
Las Vegas NV 89123
(702) 327-4317

Mahaveer Enterprises Inc
Kartik Singh
1148 Muir Ranch Ct
Plumas Lake CA 95961
(831) 245-8316

Manjit Singh Batth/ Gurtej Singh Hehar
10201 Hillsgate Ave
Bakersfield CA 93311
(267) 455-2436

Amerilogis Food Inc
Inderjit Singh/Manpreet Singh
2313 Bartram Run Way
Stockton CA 95212
(702) 327-4317

Iqbal Singh Matharu
227 Brighton Cir
Vacaville CA 95687
(707) 365-9791

STMC STAR INC
Charanjit Singh/Mandeep Kaur
12137 Via Santa Lucia
Sylmar CA 91342
(818) 516-7908

Prabhjot Singh
1859 Autumn Gold Ave
Las Vegas NV 89123
(702) 927-1791

Prabhneet Singh
11254 Mallard Cove Dr
Chowchilla CA 93610
(360) 201-0651

Ravjodh S Heer/Sukhdeep Kaur
9512 Dusty Wheat Dr
Bakersfield CA 93313
(661) 699-3557

Rupinder Kaur Sandhu/Rajvir Singh Sandhu
475 Chelsea Way
Fairfield CA 94533
(707) 450-6158

RV FOODS INC
Mandeep Kaur
799 Edward Werth Dr
Rodeo CA 94572
(510) 965-8347

Samraj Sweets N Chaatnut LLC
Balraj Singh Sambhi/Manvir Singh Sambhi
100 Ridgepoint Ct
Hercules CA 94547
(510) 604-9110

Satpal Singh Dhanoa
10301 Hillgate Ave
Bakersfield CA 93311
(661) 371-5833

SAVOR FOOD CHAIN LLC
Kuldip Singh Gill
Nalni Rana
Lovepreet Singh
Gurjant Singh

280 Sierra College Dr, Suite 205
Grass Valley CA 95945
(936) 320-6938

Sandeep Kumbar Lamba
6236 Massara St
Danville CA 94506
(925) 339-0159

Kunal Lamba
6238 Massara St
Danville CA 94506
(925) 339-7493

Surinder Pal Singh
5604 Tyringham Rd
Bakersfield CA 93313
(661) 665-8909

Whitemoor East King
Saranjit Kaur
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Carlsbad CA 92008
(702) 327-4317

WMK Nevada INC
Sukhwinder Kaur/Gurjit Singh Atwal
18493 Spicer Lake Ct
Reno NV 89508
(513) 787-1237

Jaswant Inc
Gurjeet Kaur/Sukhinjder Kaur Rangi/Bhavneet Mavi
307 Anchorage Dr
Vacaville CA 95687
(707) 392-6631

Charandeep Singh Uppal/Ramandeep Singh Cheema
807 Baybridge Place
Fairfield CA 94534
(707) 334-7660

Navpreet Singh
100 Palm Valley BLVD 2044
San Jose CA 95213 (408) 480-8722

Anika Berry
7600 Ridgeline Dr
Dublin CA 94568
(925) 219-5069

Buta Singh
11212 SE 268TH ST
Kent WA 98030
(206) 375-7420

NO FRANCHISEES HAVE LEFT THE FRANCHISE SYSTEM
AS OF THE DATE OF THE DISCLOSURE DOCUMENT.

SOURDOUGH & CO. FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT G:

AUDITED FINANCIAL STATEMENTS 2025

(YTD through December 31, 2025)

SOURDOUGH & CO. FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT H:

FRANCHISEE DISCLOSURE AND COMPLIANCE QUESTIONNAIRE

FRANCHISEE DISCLOSURE AND COMPLIANCE QUESTIONNAIRE FOR FRANCHISE AGREEMENT

As you know, World of Sourdough Franchising, LLC and you are preparing to enter into a Franchise Agreement for the operation of a Sourdough & Co. Franchised Restaurant. In this *Franchisee Disclosure and Compliance Questionnaire*, World of Sourdough Franchising, LLC will be referred to as "we" or "us." The purpose of this Questionnaire is to determine whether any statements or promises were made to you that we did not authorize and that may be untrue, inaccurate, or misleading. It is also used to ensure compliance with the various state laws and regulations that may govern our transaction. Please review each of the following questions carefully and provide honest and complete responses to each question.

1. Have you received and personally reviewed our Franchise Agreement and each exhibit and schedule attached to it?

   Yes ____ No____ Your Initials _____

2. Do you understand all the information contained in the Franchise Agreement and each exhibit and schedule attached to it?

   Yes ____ No____ Your Initials _____

   If "No," what parts of the Franchise Agreement do you not understand?
   (Attach additional pages, if necessary)

   _____

   _____

   _____

   _____

3. Have you received and personally reviewed the Disclosure Document we provided to you?

   Yes ____ No____ Your Initials _____

4. Do you understand all the information contained in the Disclosure Document?

   Yes ____ No____ Your Initials _____

   If "No," what parts of the Disclosure Document do you not understand?
   (Attach additional pages, if necessary)

   _____

   _____

   _____

   _____

5. Have you discussed the benefits and risks of operating a Franchised Business with an attorney, accountant, or other professional advisor and/or do you understand the risks?

   Yes ____ No____ Your Initials _____

6. Has any employee or other person speaking on our behalf made any statement or promise concerning the revenues, profits or operating costs of a Franchised Business operated by us or our franchisees?

   Yes ____ No____ Your Initials _____

7. Has any employee or other person speaking on our behalf made any statement or promise concerning the Franchised Business that is contrary to, or different from, the information contained in the Disclosure Document?

   Yes ____ No____ Your Initials _____

8. Has any employee or other person speaking on our behalf made any statement or promise regarding the amount of money you may earn in operating a Franchised Business?

   Yes ____ No____ Your Initials _____

9. Has any employee or other person speaking on our behalf made any statement or promise concerning the total amount of revenue a Franchised Business will generate?

   Yes ____ No____ Your Initials _____

10. Has any employee or other person speaking on our behalf made any statement or promise regarding the costs you may incur in operating a Franchised Business that is contrary to, or different from, the information contained in the Disclosure Document?

Yes ____ No____ Your Initials _____

11. Has any employee or other person speaking on our behalf made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a Franchised Business?

Yes ____ No____ Your Initials _____

12. Has any employee or other person speaking on our behalf made any statement, promise, or agreement concerning the advertising, marketing, training, support service or assistance that we will furnish you that is contrary to, or different from, the information contained in the Disclosure Document?

Yes ____ No____ Your Initials _____

13. If you have answered "Yes" to any of questions 7 through 13, please provide a full explanation of your answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.)

If you have answered "No" to all of questions 7 through 13, please leave the following lines blank.

_____

_____

_____

_____

14. Do you understand that in all dealings with you, our officers, directors, employees, and agents act only in a representative capacity and not in an individual capacity and such dealings are solely between you and the Franchisor?

_____

Yes ____ No____ Your Initials _____

You understand that your answers are important to us and we will rely on them. By signing this Questionnaire, you, on behalf of yourself (and your franchise entity), are representing that you have responded truthfully to the above questions.

_____
Signature (individually and on behalf of franchise entity)

_____
Print Name

_____
Date

SOURDOUGH & CO. FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT I:

STATE EFFECTIVE DATES

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

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

State	Effective Date
California	Pending
Hawaii	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	Pending
Wisconsin	Pending

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

SOURDOUGH & CO. FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT J:

RECEIPTS

RECEIPTS

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 we offer you a franchise, we must provide this disclosure document to you at least 14 calendar days before you sign a binding agreement with, or make payment to, us or an affiliate in connection with the proposed franchise sale.

If we do not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580, and the appropriate state agency identified on Exhibit "A."

World of Sourdough Franchising, LLC's Franchise Sellers are: Jatinder (Nick) Singh, Steve Presson and David Bagley; 8700 Auburn Folsom Rd., Suite 700, Granite Bay, California 95746, (916) 509-2495; Steve Presson; 4547 Carmen Dr., El Dorado Hills, California 95762 Franchise Fastlane Brokers: Mike Samson, Julie Sailers, Jennifer Lauer, Savannah Showalter, Katie Randall, Hannah Miller, Cassandra Gordon, and Amie Hawk with an address of 14301 FNB Pkwy, Suite 312, Omaha, NE 68154 (531) 333-3278.

Issuance Date: March 20, 2026.

See Exhibit A for our registered agents authorized to receive service of process.

I have received a disclosure document dated March 20, 2026. This disclosure document is included in the following exhibits:

A. List of State Administrators and Agents for Service of Process
B. Franchise Agreement and Exhibits
C. General Release (Sample Form)
D. Additional State Required Disclosures
E. Table of Contents of Operating Manual
F. List of Current Franchisees & Franchisees Who Have Left the System
G. Audited Financial Statements – Fiscal Year 2025
H. Franchisee Disclosure and Compliance Questionnaire
I. State Effective Dates
J. Receipts

Date: _____

_____
Franchisee (Signature)

_____
(Print Name)

Email: _____

_____
(Telephone Number)

Please sign a copy of this receipt, date your signature, and return it to Jatinder ("Nick") Singh, World of Sourdough Franchising, LLC, 8700 Auburn Folsom Rd., Suite 700, Granite Bay, California 95746, Tel: (916) 509-2495.

THIS SIGNED FORM REMAINS WITH THE FRANCHISE APPLICANT

RECEIPTS

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 we offer you a franchise, we must provide this disclosure document to you at least 14 calendar days before you sign a binding agreement with, or make payment to, us or an affiliate in connection with the proposed franchise sale.

If we do not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580, and the appropriate state agency identified on Exhibit "A."

World of Sourdough Franchising, LLC's Franchise Sellers are: Jatinder (Nick) Singh, Steve Presson and David Bagley; 8700 Auburn Folsom Rd., Suite 700, Granite Bay, California 95746, (916) 509-2495; Steve Presson; 4547 Carmen Dr., El Dorado Hills, California 95762; Franchise Fastlane Brokers: Mike Samson, Julie Sailers, Jennifer Lauer, Savannah Showalter, Katie Randall, Hannah Miller, Cassandra Gordon, and Amie Hawk with an address of 14301 FNB Pkwy, Suite 312, Omaha, NE 68154 (531) 333-3278.

Issuance Date: March 20, 2026
See Exhibit A for our registered agents authorized to receive service of process.

I have received a disclosure document dated March 20, 2026. This disclosure document is included in the following exhibits:

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H. Franchisee Disclosure and Compliance Questionnaire
I. State Effective Dates
J. Receipts

Date: _____

_____
Franchisee (Signature)

Email: _____

_____
(Print Name)

_____
(Telephone Number)

Mail to: Jatinder ("Nick") Singh, World of Sourdough Franchising, LLC, 8700 Auburn Folsom Rd., Suite 700, Granite Bay, California 95746, Telephone: (916) 509-2495.

RETURN THIS SIGNED FORM TO THE FRANCHISOR