FRANCHISE DISCLOSURE DOCUMENT

Yogurt Mountain Franchising, LLC
an Alabama Limited Liability Company
402 Industrial Lane
Birmingham, AL 35211
(205) 909-1321
www.yogurtmountain.com
franchise@yogurtmountain.com

The franchise is for a Yogurt Mountain® store featuring self-service frozen yogurt and related products and, at your option, a café offering coffee, baked goods, and related products. The total investment necessary to begin operation of a Yogurt Mountain® store without a café ranges from $274,610 to $859,500. This includes $30,000 to $35,000 that must be paid to the franchisor or its affiliates. The total investment necessary to begin operation of a Yogurt Mountain® store with a café ranges from $287,110 to $934,000. This includes $30,000 to $35,000 that must be paid to the franchisor or its affiliates.

The total investment necessary to acquire the development rights under the multi-unit development agreement is in the range of $284,610 – $959,000. This includes (i) $10,000 to $25,000 (based on a standard 2 to 5 store development deal) that must be paid to the franchisor or its affiliates, and (ii) the total initial investment to begin operation of your first Yogurt Mountain store, which includes $30,000 to $35,000 that must be paid to the franchisor or its affiliates.

This Disclosure Document summarizes certain provisions of your franchise agreement and other information in plain English. Read this Disclosure Document and all accompanying agreements carefully. You must receive this Disclosure Document at least 14 calendar days before you sign a binding agreement with, or make any payments 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 for you. To discuss the availability of disclosures in different formats, contact Yogurt Mountain Franchising, LLC, 402 Industrial Lane, Birmingham, Alabama 35211, (205) 909-1321. The terms of your contract will govern your franchise relationship. Don't rely on this Disclosure Document alone to understand your contract. Read all of your contract carefully. Show your contract and this Disclosure Document to an advisor, like a lawyer or an accountant.

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

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

ISSUANCE DATE: JUNE 4, 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 be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit C includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Yogurt Mountain® business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Yogurt Mountain® franchisee?	Item 20 or Exhibit F list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this Disclosure Document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

Business model can change. The franchise agreement and/or the multi-unit development 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 and/or the multi-unit development 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 and/or the multi-unit development agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

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

When your franchise ends. The franchise agreement and/or the multi-unit development agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out of State Dispute Resolution.** The franchise and multi-unit development agreements require you to resolve disputes with the franchisor by litigation only in Birmingham, Alabama. Out-of-state litigation may force you to accept a less favorable settlement for disputes. It may also cost more to litigate with the franchisor in Alabama than in your home state.

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

3. **Spousal Liability**. Your spouse must sign a document that makes your spouse liable for all financial obligations under the Franchise Agreement, even if 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.

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

THE FOLLOWING APPLY TO TRANSACTIONS GOVERNED BY MICHIGAN FRANCHISE INVESTMENT LAW ONLY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000, the franchisor shall, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations to provide real estate, improvements, equipment, inventory, training, or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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
Consumer Protection Division
Attn: Franchise
670 G. Mennen Williams Building
525 West Ottawa
Lansing, Michigan 48933
Telephone Number: (517) 373-7117

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

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

The Franchisor.

The franchisor is Yogurt Mountain Franchising, LLC, which we refer to in this franchise disclosure document (this "Disclosure Document") as "Franchisor" or "we." We use "you" to refer to the person or entity that buys the franchise. If you are not a natural person, we may require your owners to sign guaranties under which they will personally assume your obligations under the agreements you sign, so when we refer to "you," we will also be referring to your owners who sign a guaranty. We refer to the Yogurt Mountain Store that you will develop and operate under a franchise agreement with us as "your Store."

We are an Alabama limited liability company. We began offering franchises for Yogurt Mountain Stores (defined below) in March 2010. Our sole business is, and always has been, to offer and sell franchises for, and provide services to franchisees of, Yogurt Mountain Stores. We have never (i) conducted any other business, (ii) owned or operated any Yogurt Mountain Stores, or (iii) offered franchises in any other line. We do not conduct business under any name other than our corporate name and the trade name "Yogurt Mountain." Our principal business address is 402 Industrial Lane, Birmingham, Alabama 35211, phone: (205) 909-1321.

Our Parent, Predecessors and Affiliates.

We have no predecessor. Our parent is Yogurt Mountain Holding, LLC, a Delaware limited liability company which shares our principal address ("Parent"). Its parent is Books-A-Million, Inc., a Delaware corporation which shares our principal address ("BAM").

Our affiliate, Yogurt Mountain, LLC, an Alabama limited liability company which shares our principal address ("YMLLC"), owns, and has licensed us the right to use and sublicense the use of the trademarks and other intellectual property used in the operation of Yogurt Mountain Stores. YMLLC has also owned and operated Yogurt Mountain Stores since September 2009. YMLLC has never granted franchises for this or any other concept.

Our affiliate, Yogurt Mountain Card Services, LLC, an Alabama limited liability company which also shares our principal address, manages our gift and loyalty card programs. It has never operated Yogurt Mountain Stores or offered franchises for this or any other concepts.

BAM owns and licenses us the rights to use and sublicense the use of certain trademarks that are used in Yogurt Mountain Stores whose owners elect to offer the Café Line (defined below). BAM also owns and operates retail bookstores and, pursuant to Franchise Agreements with us, it has developed and, since November 2009, has operated Yogurt Mountain Stores within certain of its retail bookstores. BAM has never granted franchises for Yogurt Mountain Stores or any other concepts.

Agents for Service of Process.

Our agent for service of process in Alabama is CT Corporation, 2 North Jackson Street, Ste 605, Montgomery, Alabama 36104. Our registered agents for service of process in other states with franchise registration laws are listed in Exhibit A.

Franchise We Offer

We offer and grant franchises to operate retail establishments specializing in the sale of frozen desserts, including self-serve frozen yogurt, and related products and services, using the "Yogurt Mountain" name and other Marks (each a "Yogurt Mountain Store"). We allow our franchisees to

incorporate into their Yogurt Mountain Stores a line of packaged coffee, coffee drinks, baked goods, coffee making products, and other related retail goods (the "Café Line").

Your Store must operate at a site selected by you and approved by us (your "Premises"). A typical Yogurt Mountain Store will operate in a retail space that is dedicated entirely to the Yogurt Mountain Store (as, for example, in a retail shopping center). But in some cases, we may approve a franchisee to operate a Yogurt Mountain Store in a non-traditional location, for example, an area within a store that is identified by another brand, an airport, or other venues with captive customers, or where products, services, or operating model is otherwise different than those typical of other Yogurt Mountain Stores (each a "Non-Traditional Store").

To acquire the franchise to develop and operate a Yogurt Mountain Store, you will enter into a franchise agreement in the form attached as Exhibit B-1 to this Disclosure Document (a "Franchise Agreement"). If your Store will be a Non-Traditional Store, you will sign the Non-Traditional Amendment to Franchise Agreement attached as Exhibit B-2 to this Disclosure Document. If you elect to offer the Café Line in your Store, you will also sign the Café Line Amendment to Franchise Agreement attached as Exhibit B-3 to this Disclosure Document.

We may also offer you the right to enter into a multi-unit development agreement (a "Development Agreement") in which you would commit to acquiring multiple franchises to develop and operate an agreed upon number of Yogurt Mountain Stores within a specifically described geographic territory (a "Development Area"), and to open them in satisfaction of a specified development schedule (the "Development Schedule"). Our typical Development Agreement would require a commitment to acquire a specific number of Yogurt Mountain Store franchises (typically, between 2 to 5 Yogurt Mountain Stores), and the Development Schedule would require all Yogurt Mountain Stores to be opened within 1 to 2 years depending on the number of franchises you agree to purchase. The form of Development Agreement you would sign is attached as Exhibit B-4 to this Disclosure Document. You will sign the Franchise Agreement for your first Yogurt Mountain Store when you sign the Development Agreement. You will sign each subsequent Franchise Agreement when we approve the proposed site for the Yogurt Mountain Store. Each Franchise Agreement you sign after the 1st one will be on our then-current form, and that form may materially differ from the form of Franchise Agreement attached to this Disclosure Document.

Yogurt Mountain Stores are required to operate according to the business formats, methods, procedures, signs, designs, layouts, standards, specifications, and marks that we specify during the term of the Franchise Agreement (the "Franchise System").

Market Competition.

A Yogurt Mountain Store will offer its products and services to the general public and compete with other food service establishments. The market for both frozen desserts and coffee products is generally developed and very competitive in the United States. The market for frozen yogurt and other frozen desserts is impacted by seasonal changes in some states. You will compete with other frozen desserts store as well as grocery and other specialty stores that sell frozen desserts and similar products. If you elect to incorporate the Café Line, you will also compete with other coffee shops, cafes, and bakeries, as well as grocery and other specialty stores that sell coffee, coffee-related merchandise, baked goods, and similar products.

Regulations.

Certain aspects of food service businesses are heavily regulated by federal, state, and local laws, rules, and ordinances. The U.S. Food and Drug Administration, the U.S. Department of Agriculture, and various state and local departments of health and other agencies have laws and regulations concerning the preparation of food, display of nutrition facts, charging hidden/junk fees,

and sanitary conditions and food service facilities. State and local agencies routinely conduct inspections for compliance with these requirements. Certain provisions of these laws impose limits on emissions resulting from commercial food preparation. There may be other laws applicable to your business. We urge you to make further inquiries and consult with your professional advisors about these laws.

ITEM 2
BUSINESS EXPERIENCE

D. Scott Kappler: President

Mr. Kappler joined us and BAM in February 2017, and he has served us, YMLLC, and Parent as the President since August 2022 and has served as BAM's Executive Vice President of Operations since May 2020. Mr. Kappler serves in his roles from Birmingham, Alabama.

Damian Doggett: Chief Financial Officer

Mr. Doggett has been our and BAM's Chief Financial Officer since September 2024. Prior to this, Mr. Doggett served as our and BAM's Senior Vice President, Controller from July 2022 to September 2024 and Controller from February 2017 to July 2022. Mr. Doggett serves in his roles from Birmingham, Alabama.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

Initial Franchise Fee.

When you sign a Franchise Agreement, you will pay us a nonrefundable initial franchise fee of $30,000 unless your Store will be a Non-Traditional Store, in which case, the initial franchise fee will be $15,000. The initial franchise fee was uniformly assessed in fiscal year 2025 and is paid in a lump sum when you sign the Franchise Agreement.

Initial Training.

If, at your request, we allow you to send more than 4 people to our initial training program, or if a required trainee is unable to complete the initial training program and we train a replacement trainee, you will be required to pay us our then-current per diem training fee (currently, $500 per day). The duration of our initial training program is 7 to 10 days. Therefore, you must pay us, in a lump sum, when you enroll the additional trainee in the training program, a nonrefundable training fee in the range of $3,500 to $5,000 for providing initial training to your additional or replacement trainees. The training fee was uniformly assessed in fiscal year 2025.

Development Fee.

If you sign a Development Agreement, you will pay us a development fee equal to $5,000 times the number of Yogurt Mountain Stores you agree to purchase. For a typical development deal with 2 to 5 required openings, the development fee would be $10,000 to $25,000. The development fee is not refundable, but we will apply it, in $5,000 increments, toward payment of the initial franchise fee due as each Franchise Agreement is signed. The development fee is uniformly assessed and is due, in a lump sum, when you sign the Development Agreement.

ITEM 6
OTHER FEES

TYPE OF FEE[1]	AMOUNT	DUE DATE	REMARKS
Royalty	6% of Gross Sales (or for a Non-Traditional Store, 3% of Gross Sales).	Weekly (currently on Tuesday)	Each Royalty is based on your Store's Gross Sales in the 2nd week prior to the week in which we invoice you. See Note 2 for the definition of Gross Sales. For a Non-Traditional Store, Royalty will be capped at $7,500 per year, if you comply with the Franchise Agreement.
Vendor Payment Fees	Actual cost, plus an administrative fee of up to 10% of the amount we pay on your behalf. Currently we don't charge the administrative fee.	As invoiced	We may periodically elect to pay amounts that you owe third-party vendors on your behalf, and invoice you for such amounts, or auto-debit such amounts in the same manner as you pay the Royalties.
On-site Opening Assistance Fee	$500 - $1,000 per day, plus expenses we incur	As invoiced	We will bear the expenses of our on-site opening support team for your 1st Store. If your Store is not the 1st Yogurt Mountain Store you or your affiliates own, and we decide it is necessary to send a team to provide assistance at your opening, you will be responsible for paying us a daily fee and reimbursing us the costs and expenses we incur in providing the on-site training, including for travel, lodging, and meals. This fee is subject to change within the described range.
Training Fee	$500 per day, per trainee	Before attending the training program	Payable if: (i) you request that we provide additional training after the end of the initial training program; or (ii) you replace any of your personnel who we previously trained.

TYPE OF FEE[1]	AMOUNT	DUE DATE	REMARKS
Marketing Fund	2% of Gross Sales	Weekly (currently on Tuesday)	
Technology Fee	$290 to $320 per month	As incurred	We charge technology fee for providing certain technology-related services to our franchisees. We may increase the technology fee from time to time upon notice to you. Except for the actual technology and out of pocket expense that we will pass on to our franchisees, the technology fee will not exceed $1,000 per month.
Interest on Late Payment	The lesser of 2% per month or the maximum rate allowed by applicable law	As incurred	
Insufficient Funds Fee	$100 per returned check	As incurred	Payable if your check is returned for insufficient funds or you have insufficient funds in your designated bank account from which we auto-debit fees you owe.
Transfer Fee – Franchise Agreement	$5,000 or 50% of our then-current initial franchise fee	Prior to our approval of a transfer	If the transfer is to a family member or other person who has been actively involved in the business: $5,000; otherwise: 50% of then-current initial franchise fee. Transfer fee not paid for transfer to wholly owned entity or upon death or disability, but reimbursement of our costs required in such circumstances.
Transfer Fee – Development Agreement	$10,000 plus reimbursement of up to $3,000 of our expenses	Prior to our approval of a transfer	You must pay a cash deposit of $2,500 at the time you apply for a transfer, though such amount will be credited towards your transfer fee if the transfer is approved.
Successor Franchise Fee – Franchise Agreement	$2,500	Upon execution of successor franchise agreement	

TYPE OF FEE[1]	AMOUNT	DUE DATE	REMARKS
Inspection and Audit Fee	Costs of audit/ inspection	As invoiced	Payable only if (i) we audit your financial records because you failed to provide required reports or reveals a Royalty or Marketing Fund contribution understatement exceeding 2% of the amount that you actually reported, or (ii) we deem it necessary to re-inspect your Store after you fail a regular inspection or we are unable to complete the inspection.
Interim Operations Fee	10% of Gross Sales plus costs and expenses	Weekly	Only if we take possession of your Store and operate it because (1) you abandon or fail to actively operate your Store; or (2) you fail to comply with your Franchise Agreement or any System Standard and do not cure the failure within the specified time period.
Product testing	Will not exceed the greater of (i) our actual cost to test proposed product or vendor; or (ii) $1,000 per request	As incurred	Fee charged for testing samples of proposed new vendors you request us to approve.
Insurance	Will vary under the circumstances (estimated from $9,000 - $16,000 per quarter)	As incurred	If you fail to obtain and maintain insurance, we may, at our option, obtain or reinstate the insurance for you and you must promptly reimburse us for the cost of the insurance plus a reasonable fee for our services and our out-of-pocket expenses.
Indemnification	Will vary under circumstances	As incurred	You must reimburse us and our affiliates if any of us is held liable for claims related to your Store's operations
Costs and Attorneys' Fees	Will vary under circumstances	As incurred	Payable only if you do not comply with the Franchise Agreement or Development Agreement and we are required to hire counsel to enforce.

TYPE OF FEE[1]	AMOUNT	DUE DATE	REMARKS
Lost Revenue Damages	Will vary under circumstances	As incurred	Payable if we terminate the Franchise Agreement, or you terminate it without cause. An amount equal to the net present value of the Royalty fees and Marketing Fund contributions that would have become due had the Franchise Agreement not been terminated, from the date of termination to the scheduled expiration date. Calculated based on Gross Sales of your Store for the 12 months preceding the termination (or last date of operation in case of unauthorized closure), or if your Store has not been in operation for at least 12 months, then based on the average monthly gross sales of all Yogurt Mountain Stores during our prior fiscal year.

1. All fees are imposed by, collected by, and payable to us. All fees are non-refundable unless otherwise indicated. We may reduce or eliminate fees in our discretion, including short-term waivers of royalties or other fees. We have no obligation to waive, negotiate, or reduce any fees. Other than such negotiated changes or waivers we agree to, all fees are uniformly imposed.

2. "Gross Sales" means all revenue that you derive from operating your Store (whether or not in compliance with your Franchise Agreement), whether from cash, check, credit and debit card, barter exchange, trade credit, or other credit transactions, but (1) excluding all federal, state, or municipal sales, use, or service taxes collected from customers and paid to the appropriate taxing authority and (2) reduced by the amount of any documented refunds, credits and discounts your Store in good faith gives to customers and your employees. We include gift certificate, gift card, or similar program payments in Gross Sales when the gift certificate, gift card, other instrument, or applicable credit is redeemed or used. Gross Sales also include all insurance proceeds you receive for loss of business due to a casualty to or similar event at the Yogurt Mountain Store. If you fail to report the Gross Sales, we may debit your account for 110% of the average of the last 3 Royalty and Marketing Fund contributions that we debited. Once we have determined the correct Gross Sales, if the amounts that we debit from your account are less than the amounts you actually owe us, we will debit your account for the balance on the day we specify; if the amounts that we debit from your account are greater than the amounts you actually owe us, we will apply the excess toward the amounts we would debit the following week.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT (FRANCHISE AGREEMENT)

A. YOGURT MOUNTAIN STORES WITHOUT CAFÉ LINE

TYPE OF EXPENDITURE[1]	AMOUNT (WITHOUT CAFÉ LINE)		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
	Low	High			
Initial Franchise Fee[3]	$30,000	$30,000	Lump Sum	On Signing Franchise Agreement	Us
Leasehold Improvements[4]	$94,000	$467,000	As Arranged	As Arranged	Landlord / Third-party Suppliers
Furniture, Fixtures and Equipment[5]	$64,990	$231,000	As Incurred	As Invoiced	Third-party Suppliers
Signage	$11,500	$20,000	As Incurred	As Invoiced	Third-party Suppliers
Computer System[6]	$11,620	$15,000	As Incurred	As Invoiced	Third-party Suppliers
Three Month's Rent[7]	$14,000	$20,000	As Arranged	As Arranged	Landlord
Deposits, Business Licenses[8]	$5,000	$7,000	As Incurred	As Invoiced	Third-party Suppliers
Opening Inventory and Supplies[9]	$8,500	$10,000	As Incurred	As Invoiced	Third-party Suppliers
Grand Opening Advertising[10]	$5,000	$5,000	As Incurred	As Invoiced	Third-party Suppliers
Training Expenses[11]	$2,000	$7,500	As Incurred	As Invoiced	Us & Third-party Suppliers
Professional Fees[12]	$4,000	$8,000	As Incurred	As Invoiced	Third-party Suppliers
Insurance Premium[13]	$9,000	$14,000	As Incurred	As Invoiced	Third-party Suppliers

TYPE OF EXPENDITURE[1]	AMOUNT (WITHOUT CAFÉ LINE)		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
	Low	High			
Additional Funds - Three months[14]	$15,000	$25,000	As Incurred	As Invoiced	Third-party Suppliers and Employees
TOTAL ESTIMATED INITIAL INVESTMENT[15]	**$274,610**	**$859,500**			

B. YOGURT MOUNTAIN STORES WITH CAFÉ LINE[2]

TYPE OF EXPENDITURE[1]	AMOUNT (WITH CAFÉ LINE)		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
	Low	High			
Initial Franchise Fee[3]	$30,000	$30,000	Lump Sum	On Signing Franchise Agreement	Us
Leasehold Improvements[4]	$97,500	$487,000	As Arranged	As Arranged	Landlord / Third-party Suppliers
Furniture, Fixtures and Equipment[5]	$68,490	$261,000	As Incurred	As Invoiced	Third-party Suppliers
Signage	$11,500	$25,000	As Incurred	As Invoiced	Third-party Suppliers
Computer System[6]	$11,620	$15,000	As Incurred	As Invoiced	Third-party Suppliers
Three Month's Rent[7]	$15,500	$27,500	As Arranged	As Arranged	Landlord
Deposits, Business Licenses[8]	$5,500	$9,500	As Incurred	As Invoiced	Third-party Suppliers
Opening Inventory and Supplies[9]	$9,000	$12,500	As Incurred	As Invoiced	Third-party Suppliers
Grand Opening Advertising[10]	$5,000	$5,000	As Incurred	As Invoiced	Third-party Suppliers

TYPE OF EXPENDITURE[1]	AMOUNT (WITH CAFÉ LINE)		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
	Low	High			
Training Expenses[11]	$2,000	$9,500	As Incurred	As Invoiced	Us & Third-party Suppliers
Professional Fees[12]	$4,000	$10,000	As Incurred	As Invoiced	Third-party Suppliers
Insurance Premium[13]	$9,000	$16,000	As Incurred	As Invoiced	Third-party Suppliers
Additional Funds - Three months[14]	$18,000	$26,000	As Incurred	As Invoiced	Third-party Suppliers and Employees
TOTAL ESTIMATED INITIAL INVESTMENT[15]	**$287,110**	**$934,000**			

NOTES TO TABLES A and B:

1. No fee payable to us or our affiliates is refundable under any circumstances; fees paid to third-parties will be refundable only if you are able to make arrangements with such third-party for a refund.

2. Incorporation of the Café Line is at your option. No additional fees are paid to us if you elect to include this option, but your initial investment will increase, primarily because of the additional inventory, equipment and build-out necessary to offer the Café Line.

3. Your initial franchise fee will be reduced to $15,000 if your Store is a Non-Traditional Store. If you have signed a Development Agreement, we will apply the development fee you paid under that agreement, in $5,000 increments, toward the initial franchise fee due under the Franchise Agreement up to the amount of the aggregate amount of the development fee you paid.

4. Our estimate for leasehold improvements does not include any tenant improvement allowance that may be granted by landlords towards leasehold improvements. Tenant improvement allowances are site specific and dependent upon several variables, including rent, occupancy levels and local market conditions, which are beyond our control.

5. This estimate includes freight, installation, and applicable state and local taxes.

6. The computer system currently consists of: (i) a point-of-sale system currently licensed from our designated vendor, which includes cloud-based enterprise software and rental of 2 terminals, 2 EMV pin pad readers, cash drawers, receipt printers, and scales, (ii) a personal computer including Microsoft Office and office printer, (iii) a loss prevention system, which includes security cameras and digital recording device, (iv) remote printer and iPad with stand to participate in loyalty programs, (v) DSL or other high speed connections with firewall, and (vi) related cabling, networking, routing and other ancillary support products and services.

7. The cost of acquiring or leasing a location for your Store will depend on the market in which the proposed site is located. The size of a Yogurt Mountain Store ranges from approximately 1,500 square feet to 2,500 square feet. If you incorporate the Café Line, we estimate you will need to expand the size of your Store by roughly 600 square feet. Local market conditions, changes in the economy and inflation will all contribute to your real property costs. The location of the parcel of real property, its relationship to and the nature of any adjoining uses, and its accessibility will affect both its size and price. Lease agreements vary but usually require the lessee to pay for maintenance, insurance, taxes and any other charges or expenses for the land and building and the operation of the Yogurt Mountain Store or they may require that the lessee reimburse the lessor for its proportionate share of these payments (plus interest) made on behalf of the lessee and pay minimum monthly rent and/or percentage rent. The lease estimate in the table above is for a 3-month period. We must approve your lease.

8. This range includes one month's security deposit under the lease, which may be refundable under the terms of the lease.

9. Due to differences in local laws, prices, vendors, geography, and commercial practices, you may elect to carry a larger inventory. Local costs will greatly affect this investment.

10. If you incorporate the Café Line, you may choose, but will not be required, to spend additional monies to promote the additional product lines during your grand opening program.

11. This range includes (i) the costs that we believe you will owe to third parties in connection with sending the required trainees to our initial training program, including for payroll, travel, lodging, and meals, and (ii) $3,500 to $5,000 that you will owe to us if you send an additional trainee to attend the initial training program (based on one additional trainee completing between 7 to 10 days of training, at our current training fee of $500 per day) (See Item 5).

12. This includes the estimated start-up fees for accountants, lawyers, and architects.

13. You must, at your own expense, keep in force insurance policies for each Store. We may change types and amounts of coverage. This estimate is based on our current requirements, as detailed in Item 8 of this Disclosure Document.

14. This reflects our estimate of the amounts needed to cover your expenses for the first three months of your Store's operation and includes: replenishing your inventory, lease payments, initial advertising and promotional expenditures, payroll for managers and other employees, uniforms, utilities, and other variable costs.

15. The estimated initial investment figures shown above are based primarily on the costs incurred by our affiliate in opening its Yogurt Mountain Stores. Neither we nor our affiliates offer financing directly or indirectly for any part of the initial investment. The availability and terms of financing depend on the availability of financing generally, your creditworthiness and collateral, and lending policies of financial institutions. The estimated initial investment figures shown above do not include any estimates for debt service on loans that you obtain to finance your Store.

C. DEVELOPMENT AGREEMENT

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS MADE
Development Fee[1]	$10,000 - $25,000	Lump Sum	When you sign the Development Agreement	Us
Estimated initial investment to develop a Yogurt Mountain Store[2]	$274,610 - $934,000	As Incurred	As Invoiced	Us & Third-party Suppliers as described in Tables A and B.
TOTAL	**$284,610 – $959,000**			

Notes to Table C**:**

1. The actual amount of the development fee is determined by multiplying by the number of Yogurt Mountain Stores you agree to develop by $5,000. This estimate above assumes that you agree to develop 2 to 5 Yogurt Mountain Stores, which is our standard requirement under the Development Agreement. While you are not required to invest any other amounts in connection with the Development Agreement, refer to the above chart for our estimate of your initial investment needed to develop and open a Yogurt Mountain Store. Concurrently with the execution of the Development Agreement, you must execute a Franchise Agreement for the first Yogurt Mountain Store to be developed in satisfaction of your development obligation the Development Agreement and pay the entire initial franchise fee under such Franchise Agreement.

2. The low end of this range is the low end of the initial investment to begin operating a Yogurt Mountain Store without a Café Line as described in Table A above, and the high end of the range is the high end of the initial investment to begin operating a Yogurt Mountain Store with a Café Line as described in Table B above.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

System Standards for Products and Services

In order to maintain the quality and uniformity of all products, menu items, ingredients, services, materials, forms, items, supplies, fixtures, furnishings, computer system and equipment utilized in or by Yogurt Mountain Stores, you must meet our System Standards for all products, ingredients, fixtures, furnishings, equipment, décor items, and signage that you use at your Store (together, the "Operating Assets"). We will not issue to you or to our approved vendors (except as we deem necessary for purposes of production) the specifications and standards for Operating Assets.

We estimate that 60% to 75% of your initial investment and 40% to 60% of your ongoing expenditures will be to purchase products and services that will be restricted by us in some manner.

Approved and Designated Vendors

We may designate certain items or services used in the development or operation of your Store that you may purchase from a vendor of your choosing; if we do so, you must purchase all other items

or services only from manufacturers, vendors, distributors, suppliers, and producers that are then approved by us. We also have the right to approve or designate the terms and distribution methods for any goods or services. If we designate any goods and services must be purchased through approved and/or designated vendors, you must purchase such goods and services from such vendors pursuant to the terms and in the manner approved by us and/or our affiliates. Currently, you must purchase the computer system, branded items (including cups, napkins, bags, gift cards), and certain food items (including yogurt, gelato, sorbet, custard, Italian ice, and toppings) from our designated vendors. We have the right to make all decisions about approved or designated vendors based on our then-current criteria, which we do not currently issue to franchisees.

We may periodically designate ourselves or any of our affiliates as the vendor (including the sole designated vendor) for any item or services. We and/or any of our affiliates may use such revenue or profit without restriction. Currently, neither we nor our affiliates are the designated vendors of any products or services. As of the date of this Disclosure Document, none of our officers or directors owns an interest in any approved vendors.

If you would like us to consider approving a vendor that is not then approved, you must submit your request in writing before purchasing any items or services from that vendor. We will not be obligated to respond to your request, and any actions we take in response to your request will be at our sole and unfettered discretion, including the assessment of a fee to compensate us for the time and resources we spend in evaluating the proposed vendor (which fee will not exceed the greater of (i) the actual cost to test proposed product or vendor; or (ii) $1,000 per request). We will communicate our approval or denial in writing to you within a reasonable time after completion of the investigation, typically within 30 days after receipt of the information from you or from the proposed vendor. We may revoke our approval of any vendor at any time.

Material Benefits for Us and Our Affiliates

We and our affiliates negotiate purchase arrangements with certain vendors for the benefit of the franchise system, which may include the terms, including pricing terms (and volume discounts) that will be offered to franchisees. Currently, we have negotiated contracts, including pricing terms, with vendors of the following goods for the benefit of the franchise system: point-of-sale system, food items (such as yogurt and toppings), supplies (such as chemicals, marketing materials, uniforms, cups, spoons), and music system. Some vendors may pay fees to us and/or our affiliates for products purchased through these negotiated agreements, and willingness to pay us and/or our affiliates fees may be a condition for our approving a vendor. We may receive rebates of $100 to $500 from vendors based on franchisee purchases of certain equipment.

In fiscal year 2025, we and our affiliates did not receive any revenue from franchisee purchases or other material consideration from third-party vendors on the basis of franchisee purchases.

In some cases, we make advance payments to vendors on your behalf (for example, for in-store music programs and computer software and maintenance) and deduct amounts from your account on a weekly basis to reimburse us the amounts we have advanced. Although we have the right to charge an administrative fee of up to 10% of the amounts we advance on your behalf to compensate us for administering these programs and making such payments, we do not currently charge this fee.

Other than as described above, we do not provide any material benefits to franchisees based on their use of designated or approved vendors.

Purchasing and Distribution Cooperatives

As of the date of this Disclosure Document, there are no purchasing or distribution cooperatives for our franchise system.

Insurance Requirements

You must maintain in force at your sole expense insurance policies for your Store. Currently, we require you to maintain an umbrella policy with the limit of $2,000,000 (general aggregate), and the following policies with minimum coverage limits that we approve: comprehensive business owners coverage (including contents insurance, loss of business income, employee dishonesty, money coverage, and comprehensive general liability), hired/non owned auto liability, boiler and machinery coverage, umbrella coverage, building coverage, and auto liability coverage. You also must maintain workers' compensation insurance for your employees in accordance with laws applicable in the state in which your Store is operated. We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverages (including reasonable excess liability insurance) at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. All insurance policies for liability coverage must name us and any affiliates we designate as additional named insureds, using a form of endorsement we have approved, and provide for 30 days' prior written notice to us of a policy's material modification, cancellation, or expiration. You routinely must furnish us copies of your Certificate of Insurance or other evidence of your maintaining this insurance coverage and paying premiums. If you fail or refuse to obtain and maintain the insurance we specify, in addition to our other remedies, we may (but need not) obtain such insurance for you and your Store on your behalf, in which event you shall cooperate with us and reimburse us for all premiums, costs and expenses we incur in obtaining and maintaining the insurance, plus a reasonable fee for our time incurred in obtaining such insurance.

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

OBLIGATION	SECTION IN AGREEMENT	ITEM IN DISCLOSURE DOCUMENT
A. Site selection and acquisition/lease	Sections 2.A and 2.B in Franchise Agreement Section 2.A in Development Agreement.	Items 8 and 11
B. Pre-opening purchases/leases	Sections 2.D and 2.E in Franchise Agreement Not applicable in Development Agreement	Items 5, 7, 8, and 11
C. Site development and other pre-opening requirements	Section 2 in Franchise Agreement and Sections 1 and 2 of Non-Traditional Amendment Not applicable in Development Agreement	Items 7, 8, and 11

OBLIGATION	SECTION IN AGREEMENT	ITEM IN DISCLOSURE DOCUMENT
D. Initial and ongoing training	Sections 4.A and 4.B in Franchise Agreement Not applicable in Development Agreement	Item 11
E. Opening	Section 2.F in Franchise Agreement Not applicable in Development Agreement	Item 11
F. Fees	Section 3 in Franchise Agreement and Sections 3 and 4 of Non-Traditional Amendment Section 3 in Development Agreement	Items 5, 6, and 7
G. Compliance with standards and policies/ Operations Manual	Sections 4.B, 4.C and 8 in Franchise Agreement and Section 5 of Non-Traditional Amendment Not applicable in Development Agreement	Items 8, 11, and 14
H. Trademarks and proprietary information	Section 5 in Franchise Agreement Section 4 in Development Agreement	Items 13 and 14
I. Restriction on products/services offered	Section 8.B in Franchise Agreement Not applicable in Development Agreement	Items 8 and 16
J. Warranty and customer service requirements	Section 8.E in Franchise Agreement Not applicable in Development Agreement	None.
K. Territorial development and sales quotas	Section 1.D in Franchise Agreement Sections 2.C and 2.D in Development Agreement	Item 12
L. Ongoing product/service purchases	Sections 8.B and 8.D in Franchise Agreement Not applicable in Development Agreement	Item 8
M. Maintenance, appearance, and remodeling requirements	Sections 8.A and 8.I in Franchise Agreement Not applicable in Development Agreement	Item 11
N. Insurance	Section 8.F in Franchise Agreement Not applicable in Development Agreement	Items 7 and 8

OBLIGATION	SECTION IN AGREEMENT	ITEM IN DISCLOSURE DOCUMENT
O. Advertising	Section 9 in Franchise Agreement Not applicable in Development Agreement	Items 6, 8, and 11
P. Indemnification	Sections 5.E, 16.D and 17.I in Franchise Agreement Sections 8.B and 9.B in Development Agreement	Item 6
Q. Owner's participation, management, and staffing	Section 8.C in Franchise Agreement Section 1.D in Development Agreement	Items 11 and 15
R. Records/reports	Section 10 in Franchise Agreement Section 2.E in Development Agreement	Items 6 and 11
S. Inspections/audits	Section 11 in Franchise Agreement Not applicable in Development Agreement	Items 6 and 11
T. Transfer	Section 12 in Franchise Agreement Section 6 in Development Agreement	Items 6 and 17
U. Renewal	Section 13 in Franchise Agreement Section 1.B in Development Agreement	Item 17
V. Post-termination obligations	Section 15 in Franchise Agreement Sections 7.B and 7.C in Development Agreement	Item 17
W. Non-competition covenants	Sections 7 and 15.C in Franchise Agreement Section 7.C in Development Agreement	Item 17
X. Dispute resolution	Section 17 in Franchise Agreement Section 9 in Development Agreement	Item 17

ITEM 10
FINANCING

We do not offer direct or indirect financing, and we do not guarantee your promissory notes, mortgages, leases or other obligations to third parties.

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

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

Our Pre-opening Obligations.

Under the Franchise Agreement:

Before you open your Store, we will provide you the assistance listed below.

1) review and approval or disapproval of sites (Franchise Agreement – Section 2.A);

2) review and approval or disapproval of the lease (Franchise Agreement – Section 2.B);

3) provide the initial training to your trainees (Franchise Agreement – Section 4.A);

4) provide opening assistance for the first Yogurt Mountain Store opened by you or your affiliates (Franchise Agreement – Section 4.A);

5) provide access to our Operations Manuals (as defined below) (Franchise Agreement – Section 4.C); and

6) provide specifications for all required Operating Assets (including computer system), furniture, fixtures, and signs and lists of approved vendors. We do not directly provide, deliver, or install any equipment, signs, fixtures, opening inventory, and supplies for our franchisees. (Franchise Agreement – Sections 2.C, 2.D, 2.E and 4.B).

Under the Development Agreement (if you elect to sign a Development Agreement):

1) Review and approve sites you propose for the development of Yogurt Mountain Stores (Development Agreement - Section 2.A)

Site Selection.

If you have not yet located a site for the Premises as of the date you sign the Franchise Agreement, then within 60 days after that date, you must secure possession of a suitable site for your Store. You must obtain our written approval of the proposed site for your Store before signing any lease, sublease, or other document to secure its possession. We also have the right to approve the terms of any lease or other document before you sign it. We typically do not own or lease the site where your Store is located. When you have given us all the necessary information on the site you have selected, we generally will approve or disapprove the site within 30 days. If you have signed a Development Agreement, then once we approve, and before you obtain possession of the site, you must also sign a Franchise Agreement. If you fail to sign a Franchise Agreement within a reasonable time after our approval, we may revoke approval of the site. We must approve your lease prior to you signing it. If you fail to obtain our approval of the site of your Store and sign a lease we have approved to secure its possession within 60 days of signing the Franchise Agreement, we may terminate the Franchise Agreement and retain the entire initial franchise fee.

Opening of Your Store

We estimate that the time from when you sign the Franchise Agreement to the opening of your Store will be approximately 180 days. Factors that affect this time include obtaining a satisfactory site, financing arrangements, lease negotiations, local ordinances, delivery and installation of equipment, and renovation of the Premises. If you do not open your Store by the earlier of 120 days after you sign

a lease for the Premises or 210 days after signing the Franchise Agreement, we may terminate the Franchise Agreement and retain the entire initial franchise fee.

If you sign a Development Agreement, you must open Yogurt Mountain Stores within the time stated in the Development Schedule. We may terminate the Development Agreement and retain the entire development fee if you fail to comply with the Development Schedule.

Our Post-Opening Obligations.

We are not obligated to provide on-going support under the Development Agreement. Under the Franchise Agreement, we will perform the assistance listed below during the operation of your Store:

1) continue to provide you our Operations Manual and our System Standards (as defined below) (Franchise Agreement – Section 4.B and 4.C);

2) administer the Marketing Fund (Franchise Agreement – Section 9.A);

3) provide you with a list of authorized vendors for the Operating Assets (Franchise Agreement – Section 8.D); and

We may also designate minimum or maximum prices at which you must sell your products if we are permitted to do so under applicable law (Franchise Agreement – Section 8.G).

Advertising and Promotion:

A. **Marketing Fund**.

We maintain and administer a national advertising and marketing fund for Yogurt Mountain Stores (the "Marketing Fund"). You must contribute to the Marketing Fund an amount equal to 2% of your Gross Sales, payable in the same manner as the royalty. BAM contributes to the Marketing Fund at the same rate as the other franchisees for those Yogurt Mountain Stores it operates pursuant to a Franchise Agreement; other Yogurt Mountain Stores owned by our affiliates are not required to contribute to the Marketing Fund. Other Yogurt Mountain franchisees may contribute at a different rate. For our most recent fiscal year, the Marketing Fund was used to pay for media production (43%), media placement (10%), administrative expenses (2%), and loyalty advertising (45%). In our last fiscal year, no portion of the Marketing Fund was spent on research or used to solicit new franchisees.

We or our affiliates or other designees will direct all programs that are developed or presented by the Marketing Fund, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation. The Marketing Fund may advertise locally, regionally, and/or nationally in printed materials, on radio, and/or on the internet, whichever we think best. The Marketing Fund may conduct any of its advertising and marketing efforts through an in-house advertising department or by hiring a national or regional agency. The Marketing Fund may pay for preparing and producing video, audio, and written materials and electronic media; developing, implementing, and maintaining any Franchise System Website or other Online Presences; administering marketing and advertising programs, including digital, online, social, email, display, trade, direct mail, and other media campaigns; using advertising, promotion, and marketing agencies and other advisors to provide assistance; developing or managing customer loyalty programs; developing and maintaining applications, software, and integrations; and supporting public relations, market research, and other advertising, promotion, and marketing activities; and/or any other expenditures that are directly or indirectly related to promoting the Marks, the Franchise System, the brand, and/or Yogurt Mountain Stores.

We will account for the Marketing Fund separately from our other funds and not use the Marketing Fund for any of our general operating expenses. However, we may use the Marketing Fund

to reimburse ourselves or our affiliates for the reasonable salaries and benefits of personnel who manage and administer the Marketing Fund, the Marketing Fund's other administrative costs, travel expenses of personnel while they are on Marketing Fund business, meeting costs, overhead relating to Marketing Fund business, and other expenses that we or our affiliates incur in activities reasonably related to administering or directing the Marketing Fund and its programs, including conducting market research, public relations, preparing advertising, promotion, and marketing materials, and collecting and accounting for Marketing Fund contributions.

Neither we nor any of our affiliates has any fiduciary obligation to you or any other person for administering the Marketing Fund or any other reason. The Marketing Fund may spend in any fiscal year more or less than the total Marketing Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will prepare an annual, unaudited statement of Marketing Fund collections and expenses and give you such statement upon your written request. We may have the Marketing Fund audited annually, at the Marketing Fund's expense, by an independent certified public accountant. We may incorporate the Marketing Fund or operate it through a separate entity whenever we deem appropriate. The successor entity will have all of the rights and duties specified in the Franchise Agreement.

We intend for the Marketing Fund to promote recognition of the applicable Marks, the Franchise System, the Yogurt Mountain® brand, and patronage of the Yogurt Mountain Stores generally. We are not required to spend any particular amount on advertising in your Development Area or your Protected Territory. We are not required to ensure that Marketing Fund expenditures in or affecting any geographic area are proportionate or equivalent to Marketing Fund contributions by Yogurt Mountain Stores operating in that geographic area or that any Yogurt Mountain Store benefits directly or in proportion to its Marketing Fund contribution from the development of advertising and marketing materials or the placement of advertising and marketing.

We may use collection agents and institute legal proceedings to collect Marketing Fund contributions at the Marketing Fund's expense. We also may forgive, waive, settle, and compromise all claims by or against the Marketing Fund. We assume no liability or obligation to you for collecting amounts due to, maintaining, directing, or administering the Marketing Fund.

We may at any time defer, reduce or suspend Marketing Fund contributions of any Yogurt Mountain Store. If we terminate the Marketing Fund, we will, at our option, either spend all unspent monies in accordance with your Franchise Agreement until such amounts are exhausted, or distribute the funds in the Marketing Fund to Yogurt Mountain Store owners on a pro rata basis.

We may elect to maintain multiple Marketing Funds or the administration thereof, whether determined by geographic region, country, or otherwise, or consolidate or merge multiple Marketing Funds or the administration thereof, in each case provided that each such Marketing Fund will otherwise remain subject to the terms of your Franchise Agreement.

B. **Local Marketing Expenditure**.

You must spend an amount equal to 3% of your Store's Gross Sales on a quarterly basis on activities to advertise and promote your Store. Within 30 days after the end of each calendar quarter, you shall send us an accounting of your expenditures for local advertising and promotion during the preceding calendar quarter. Your local advertising and promotion must follow our guidelines. You must list and advertise your Store with the online directories we periodically prescribe, establish any other Online Presence (as defined below) we require or authorize, and list your Store in at least one recommended classified telephone directory distributed within the market area of your Store, each in accordance with our System Standards. If other Yogurt Mountain Stores are located within the

directory's distribution area, we may require you to participate in a collective advertisement with those other Yogurt Mountain Stores and to pay your share of that collective advertisement.

Your advertising, promotion, and marketing must be completely clear, factual, and not misleading and conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that we prescribe periodically. At least 20 days before you use them, you must send to us for approval samples of all advertising, promotional, and marketing materials which we have not prepared or previously approved. If you do not receive written disapproval within 10 days after we receive the materials, they are deemed to be approved. You may not use any advertising, promotional, or marketing materials that we have not approved or have disapproved.

In addition to your other advertising obligations, you must spend at least $5,000 for a grand opening marketing program for your Store to take place on the dates we designate before and after your Store opens, usually within a 60-day period around your opening. You must use the media and materials we develop or approve in connection with the grand opening advertising program.

You may not develop, maintain, or authorize any website, domain name, email address, social media account, username, other online presence or presence on any electronic, virtual, or digital medium of any kind ("Online Presence") that mentions your Store, links to any Franchise System website, or displays any of the Marks without our approval. You may also not engage in any promotional or similar activities, or sell any products or services, whether directly or indirectly, through any Online Presence, without our prior approval. If we approve the use of any Online Presence in the operation of your Store, you will develop and maintain that Online Presence only in accordance with our guidelines, including our guidelines for posting any messages or commentary on other third-party websites. We will own the rights to each such Online Presence.

C. **Local Advertising Cooperative and Advertising Council**

We have not formed any local advertising cooperative that you must contribute or any franchisee advertising council that advises us on advertising policies, though we may establish such local advertising cooperative and/or franchisee advertising council in the future.

Computer Hardware and Software

You must purchase from our approved vendors and use in the operation of your Store a computer system that meets our System Standards. The computer system currently consists of: (i) a point-of-sale system licensed from our designated vendor, which includes cloud-based enterprise software and rental of 2 terminals, 2 EMV pin pad readers, cash drawers, receipt printers, and scales, (ii) a personal computer including Microsoft Office and office printer, (iii) a loss prevention system, which includes security cameras and digital recording device, (iv) remote printer and iPad with stand to participate in loyalty programs, (iv) DSL or other high speed internet connections with firewall, and (vi) related cabling, networking, routing and other ancillary support products and services. We may, upon written notice to you, require you to upgrade or update your computer system at your cost. The Franchise Agreement does not limit our ability to require you to update or upgrade your computer system. Neither we nor our affiliates or any third party retained by us has any obligation to provide ongoing repair, maintenance, updates, or upgrades to your computer system.

Depending on many factors such as the size and configuration of your Store, your cost to purchase the entire computer system will range from $11,620 to $15,000. Your annual cost of maintaining or updating the computer system is estimated to be $3,600; however, such cost may change periodically, based on the price charged by the vendors.

We must have the ability to continuously and independently access certain information designated by us that is stored on your computer system, and there is no contractual limitation on our access or use of such information.

Operations Manual

We provide guidance through manuals and bulletins, including the operations manual (the "Operations Manual"), which may include one or more separate manuals as well as audiotapes, videotapes, compact discs, computer software, information available on through any Online Presence or other electronic media, and/or written materials. The Operations Manual contains mandatory specifications, standards, operating procedures, and rules that we periodically prescribe for operating Yogurt Mountain Stores ("System Standards"), other specifications, standards and policies we may suggest periodically, and information on your other obligations under your Franchise Agreement.

We may modify our System Standards for Non-Traditional Stores to accommodate the specific circumstances inherent in the Premises (including the products and services that may offered for sale therefrom, the appearance of such store, and the Operating Assets that are used therein), and that such modifications may not apply to traditional Yogurt Mountain Stores or other Non-Traditional Stores. You must comply with all such modifications that we communicate to you in writing.

The current Operations Manual is comprised of approximately 1008 pages. The table of contents to the current Operations Manual is attached as Exhibit D.

Training

The initial training program involves approximately 7 to 10 days of training at our principal office (currently, Birmingham, Alabama) and at a Yogurt Mountain Store in Birmingham, Alabama. We may change the location of the initial training program to another location we designate. You (or your Managing Owner) and your Designated Manager must complete the initial training program no later than 60 days before you open your Store; however, we may also require that up to 2 additional managers complete the initial training program. We may lengthen, shorten or restructure the contents of this program. We will schedule the training program several times a year on an as-needed basis.

We do not charge any initial training fee for you (or your Managing Owner), your Designated Manager and two (2) additional persons. However, we may charge our then current training fee (currently, $500 per day) for each additional trainee that attends the initial training program. If, at the end of the initial training program, you or your trainees request for additional training, we and you will jointly determine the duration of this additional training and we may charge our then current training fee for each day of additional training (currently, $500 per day). We may require your replacement Managing Owners and Designated Managers to complete our initial training program before managing the operations of your Store and charge our then-current training fees for providing initial training to them (currently, $500 per day).

We may require you (or your Managing Owner), your Designated Manager, and other previously trained and experienced employees to attend an annual franchisee conference and additional, periodic or refresher training courses at such times and locations that we designate or virtually, as determined by us. We may charge a reasonable fee for attendance at these programs and any training materials that we provide in connection with such training. We will not require you and your trainees to attend (i) more than 2 refresher courses per calendar year for a total of more than 5 business days, and (ii) 1 annual franchisee meeting for more than 4 days during any calendar year.

You will be responsible for the compensation, travel, lodging, and living expenses you and your trainees incur while attending our initial training program, any refresher training course, or conference.

If we determine that your trainees cannot complete initial training to our satisfaction, we may terminate your Franchise Agreement. Any individual attending the training who has not signed the form of Guarantee and Assumption of Obligations attached to the Franchise Agreement must sign a confidentiality agreement in the form approved or designated by us.

As of the date of this Disclosure Document, we provide the following initial training:

TRAINING PROGRAM

Subject	Hours Of Classroom Training[1]	Hours Of On-The-Job Training[1]	Location[2]
Orientation/Training Overview	4	2	Our headquarters (Birmingham, AL) and a Yogurt Mountain Store in Birmingham, AL
Back of House Functional Training	2	8	Our headquarters (Birmingham, AL) and a Yogurt Mountain Store in Birmingham, AL
Front of House Functional Training	2	8	Our headquarters (Birmingham, AL) and a Yogurt Mountain Store in Birmingham, AL
Store Management Training	2	2	Our headquarters (Birmingham, AL) and a Yogurt Mountain Store in Birmingham, AL
POS Training	2	2	Our headquarters (Birmingham, AL) and a Yogurt Mountain Store in Birmingham, AL
New Store Opening Procedures	2	2	Our headquarters (Birmingham, AL) and a Yogurt Mountain Store in Birmingham, AL
TOTAL	14	24	

Note 1: The hours devoted to each module are estimates and may vary based on how quickly trainees learn the material, their prior experience with the subject, and scheduling. On-the-job training includes cross training in all subject areas of the business.

Note 2: The following persons will oversee all training programs: (i) Jenny Moseley, who has more than 16 years of experience in the subjects taught and 16 years of experience with us and/or our affiliates, and (ii) Justin Mixon, who has more than 2 years of experience in the subjects taught and 1 year of experience with us and/or our affiliates. Certain other employees of ours and of our affiliates may also participate in the training programs.

In addition to the training schedule provided above, we will send a training team (the identity and composition of which will be in our discretion and may be 1 person) to the first Yogurt Mountain Store opened by you or your affiliates. We will bear the expense of providing that training team. If we decide it is necessary to send a representative to your or your affiliates' second or subsequent Yogurt Mountain Store to provide opening assistance, you will be responsible for paying us a daily fee to cover the representatives' salaries and reimbursing us the costs and expenses incurred by our training team. The training team shall determine the amount of required time and support necessary to have your staff prepared for the grand opening. If you incorporate the Café Line, we may extend the training program

by two days to give us time to properly explain the additional products and operational processes associated with those products.

ITEM 12
TERRITORY

FRANCHISE AGREEMENT

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

When you sign the Franchise Agreement, you will be granted a protected territory within which, except as described below, we will not operate, permit our affiliates to operate, or grant others the right and license to use the Marks or Franchise System in connection with the development or operation of, Yogurt Mountain Stores (the "Protected Territory"). The Protected Territory will consist of a circle with your Store at the center and a radius of 1 mile. Except as described above, you have no other exclusive rights or territorial protection for your Store. Your rights over the Protected Territory are not dependent on achieving a certain sales volume, market penetration or other contingency. However, we may modify or remove your Protected Territory if you are in default of the Franchise Agreement or any other agreement with us and our affiliates.

The Franchise Agreement grants you the right to operate your Store at a single location that you select and we approve (such location will be within the Development Area granted you by the Development Agreement, if you have signed a Development Agreement). The Franchise Agreement neither allows you to relocate your Store nor grants you any right of first refusal to acquire more Yogurt Mountain Stores.

Yogurt Mountain Stores, whether franchised or company-owned, are free to advertise, solicit and accept orders from any customers regardless of the location of your Store, and you will not be entitled to receive compensation should they do so. You are not restricted as to where you may advertise or solicit customers, but you may not engage in any promotional or similar activities, directly or indirectly, through or on the Internet without our consent.

We retain the right to engage in any activity that is not expressly prohibited under the Franchise Agreement, including, the right to (1) establish and operate, and allow others to establish and operate, Yogurt Mountain Stores using the Marks and the Franchise System, at any location on such terms and conditions we deem appropriate outside your Protected Territory; (2) establish and operate, and allow others to establish and operate at any location (including inside the Protected Territory) businesses that may offer products and services which are identical or similar to products and services offered by Yogurt Mountain Stores, under other trade names, trademarks, service marks and commercial symbols different from the Marks; (3) establish and operate, and allow others to establish and operate Yogurt Mountain Stores using the Marks and the Franchise System at non-traditional venues located anywhere (including inside the Protected Territory) such as grocery stores, book stores, convenience stores, gas stations, food courts, airports, casinos, hospitals, hotels, military installations, national parks, schools, stadiums, theme parks, and similar captive markets; (4) using the Marks or other trademarks and commercial symbols, market and sell, and grant to others the right to market and sell, anywhere (including within the Protected Territory), through other channels of distribution (for example, through ghost kitchens, kiosks, mail order, e-commerce and catalog sales, and product lines in other retail businesses), any products and services that are or have been authorized for sale at Yogurt Mountain Stores; and (5) acquire, be acquired by, merge, affiliate with, or engage in any transaction with other businesses (whether competitive or not) located anywhere and, even if such businesses are located in the Protected Territory, (i) convert the other businesses to Yogurt Mountain Stores, (ii) allow such

other businesses to operate as part of the Franchise System, whether or not converted as Yogurt Mountain Stores, and/or (iii) permit the other businesses to continue to operate under another name.

If we at any time require or permit you to offer delivery, catering and/or any other off-site products or services, we may limit the geographic area in which you may offer such services (which may be different than your Protected Territory) and we may modify that geographic area periodically.

We are not required to compensate you if we exercise any of the rights specified above.

DEVELOPMENT AGREEMENT

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

The Development Agreement grants you the right to develop, own and operate Yogurt Mountain Stores within the designated Development Area that will be described in Exhibit A attached to the Development Agreement. The boundaries of the Development Area will be described by counties, states, or other boundaries when appropriate, or by an area encompassed within a circle having a radius of a specific length. The Development Area is not subject to any minimum or maximum size requirements and we will agree on it with you before you sign the Development Agreement. We determine the size of the Development Area based on multiple factors, including demographics, traffic patterns, competition, your capacity to recruit and provide services in the Development Area, and site availability among other economic and market factors. The number of Yogurt Mountain Stores you commit to developing will also factor into the size of the Development Area. There is no required minimum area for the Development Area. However, a Development Area will typically not be less than an area encompassed by the county or city limits of 1 county or city. The Development Agreement expires on the required opening date specified on the Development Schedule for the last Store you are required to develop under the Development Agreement. When the Development Agreement expires or is terminated, the territorial protection in the Development Area terminates. Your right to use the Franchise System will be limited to those Yogurt Mountain Stores operating under Franchise Agreements you (or an Approved Affiliate) may have entered into before the expiration or termination of the Development Agreement. The designation or make-up of the Development Area cannot be changed without your and our consent or unless you commit a breach of the Development Agreement. In that event, we have the right, instead of terminating the entire Development Agreement, to terminate your territorial protection or to reduce the size of the Development Area.

So long as you are in compliance with the Development Agreement and all your Franchise Agreements, we will not establish or license others to establish Yogurt Mountain Stores within your Development Area during the term of the Development Agreement, except as provided below. You are not required to achieve certain sales volume, market penetration or other contingencies in order to maintain your territorial protection within the Development Area, other than satisfying your Development Schedule. Your failure to comply with the Development Schedule will be a breach of the Development Agreement, which may result in our terminating the Development Agreement or reducing the size of the Development Area.

You have no rights to acquire additional development rights, either pursuant to a right of first refusal or otherwise.

Under the Development Agreement, we and our affiliates retain the right to (1) establish, operate and allow others to establish and operate, Yogurt Mountain Stores using the Marks and the Franchise System, at any location outside the Development Area on such terms and conditions we deem appropriate; (2) establish, operate and allow others to establish and operate any location

(including inside the Development Area) businesses that offer products and services which are identical or similar to products and services offered by Yogurt Mountain Stores, under trade names, trademarks, service marks and commercial symbols which are different from the Marks; (3) establish, operate and license others to establish and operate Yogurt Mountain Store at non-traditional venues located anywhere (including inside the Development Area) such as grocery stores, book stores, convenience stores, gas stations, food courts, airports, casinos, hospitals, hotels, military installations, national parks, schools, stadiums, theme parks, and similar captive markets; (4) using the Marks or other trademarks and commercial symbols, market and sell, and grant to others the right to market and sell, anywhere (including within the Development Area), through other channels of distribution (for example, through ghost kitchens, kiosks, mail order, e-commerce and catalog sales, and product lines in other retail businesses), any products and services that are or have been authorized for sale at Yogurt Mountain Stores; and (5) acquire, be acquired by, merge, affiliate with, or engage in any transaction with other businesses (whether competitive or not) located anywhere and, even if such businesses are located in the Development Area, (i) convert the other businesses to Yogurt Mountain Stores, (ii) allow such other businesses to operate as part of the Franchise System, whether or not converted as Yogurt Mountain Stores, and/or (iii) permit the other businesses to continue to operate under another name.

We are not required to pay you if we exercise any of the rights specified above inside or outside your Development Area.

ITEM 13
TRADEMARKS

We grant you the non-exclusive right and obligation to use the trademarks under the Franchise Agreement. By "trademark" we mean trade names, trademarks, service marks and logos we authorize to identify Yogurt Mountain Stores (the "Marks"). If you elect to incorporate the Café Line into your Store, we will also grant you a sublicense to use the "Joe Muggs" mark. You must use the Marks as we require.

With the exception of the "Joe Muggs" mark, the Marks are owned by our affiliate, YMLLC, which exclusively licensed us the right to use and to sublicense the use of the Marks in granting new Yogurt Mountain Store franchises to our franchisees worldwide, under an Intellectual Property License Agreement, dated January 1, 2010 (the "YM License Agreement"). The YM License Agreement has a term of 99 years from January 1, 2010. We must maintain minimum quality and usage standards for the Marks. The YM License Agreement may be terminated before the end of its 99-year term if we cease to be an affiliate of YMLLC (resulting in the loss of our right to use and to sublicense the use of the Yogurt Mountain Marks). If the YM License Agreement expires or is terminated, your right to use the Marks will also terminate. All rights in and goodwill from the use of the Yogurt Mountain Marks accrue to us and our affiliates.

The "Joe Muggs" mark is owned by BAM, which has licensed us the right to use and to sublicense its use to our franchisees who incorporate the Café Line in their Yogurt Mountain Stores. The Intellectual Property License Agreement, dated April 24, 2014, between BAM and us (the "JM License Agreement") has a term of 99 years from April 24, 2014. We must maintain minimum quality and usage standards for the Yogurt Mountain Marks. The JM License Agreement will terminate automatically if BAM experiences a change of control or a sale of all or substantially all of its assets. It may also be terminated by BAM before the end of its 99-year term (i) for any reason on 30 days' written notice to us, or (ii) if we fail to make payments due under the agreement (7-day cure), if we breach the agreement (30-day cure), if we experience certain events of insolvency or change of control, or if we challenge BAM's ownership of the "Joe Muggs" mark. Termination of the JM License Agreement would result in the loss of our and your right to use and our right to sublicense the use of

the "Joe Muggs" mark. All rights in and goodwill from the use of the "Joe Muggs" mark accrues to BAM.

The following table provides for the principal Marks the status of registrations and applications for federal registration on the Principal Register with the United States Patent and Trademark Office ("PTO").

Mark	Registration Date	Registration Number
"America's Favorite Yogurt Store"	September 3, 2013	4397920
DESIGN 	March 15, 2011	3932596
	December 7, 2010	3888085
"Yogurt Mountain"	December 7, 2010	3888086
"Joe Muggs"	January 21, 2003,	2678360

All required affidavits and renewals have been filed in a timely manner.

We may establish new Marks in the future, and you must use and display these marks in accordance with specifications and bear all costs associated with changes to Marks or introduction of new Marks. You must follow our rules when you use the Marks. You cannot use a Mark as part of a corporate name or with modifying words, designs or symbols except with our consent which we may withhold in our absolute discretion. You may not use our Marks in the sale of an unauthorized product or service or in any manner we do not authorize in writing. You may not use any other mark, name, commercial symbol or logotype in connection with the operation of your Store. You may not use the Marks as part of any user name, screen name or profile in connection with any social networking sites or blogs.

There is presently no effective determination of the PTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, nor any pending infringement, opposition or cancellation proceeding or any pending material litigation involving our principal trademarks, service marks, trade names, logo-types or other commercial symbols.

You must not contest, directly or indirectly, our affiliates' ownership of the Marks and our right to use and license the Marks and the trade secrets, methods and procedures that are a part of the

Franchise System. You must not register, seek to register or contest our sole right to register, use and license others to use the Marks, names, information and symbols.

Any goodwill associated with Marks, including any goodwill which might be deemed to have arisen through your activities, inures directly and exclusively to our benefit or that of our affiliate. There are no agreements currently in effect which significantly limit our rights to use or license the use of any trademarks, service marks, trade names, logo-types or other commercial symbols.

You must notify us immediately in writing of any apparent infringement of or challenge to your use of any Mark, or claim by any person of any rights in any Mark or any similar trade name, trademark or service mark of which you become aware. You may not communicate with any person other than us and our counsel regarding any infringement, challenge or claim. We have sole discretion to take any action we deem appropriate and we have the right to exclusively control any litigation, PTO proceeding or other administrative proceeding arising out of any infringement, challenge or claim or otherwise relating to any Mark. You must sign all documents, render assistance and do such things as we deem or our counsel deems advisable to protect and maintain our interests.

Under the Franchise Agreement, we agree to indemnify you against, and reimburse you for, all damages for which you are held liable in any proceeding in which your use of any Mark in compliance with the Franchise Agreement is held to constitute trademark infringement, unfair competition or dilution, and for all reasonable costs you incur in the defense of any claim brought against you or in any proceeding in which you are named as a party, only if you have timely notified us of the claim or proceeding and have otherwise complied with the Franchise Agreement and only if you have given us the opportunity to defend the claim. If we defend the claim, we have no obligation to indemnify or reimburse you for any fees or disbursements to any attorney retained by you.

If it becomes advisable at any time, in our sole discretion, for us and/or you to modify or discontinue use of any Mark, and/or use one or more additional or substitute trademarks or service marks, you must immediately comply with our directions upon our notice, and our sole obligation in such event shall be to reimburse you for the out-of-pocket costs of complying with this obligation.

We do not know of any superior rights and/or infringing uses that could materially affect your use of the Marks.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

PATENTS AND COPYRIGHTS

We do not now own any rights to any patent and there is no pending patent application that is material to the franchise. We or our affiliates claim copyright protection for the Operations Manual and for any other written materials we develop to assist you in the development and operation of your Store. There are no determinations of the U.S. Copyright Office (Library of Congress) or any court, nor are there any pending infringement, opposition or cancellation proceedings or material litigation, involving the copyrighted materials which are relevant to their use by our franchisees. No agreements limit our right to use or license the use of our copyrighted materials. We are not obligated under any agreement to protect or defend our copyrights, although we intend to do so. We do not know of any infringing uses of or superior rights in our copyrighted materials.

We may authorize you to use certain works we claim copyright to. These include the Operations Manual, advertisements, promotional materials, packaging, posters and signs and may include all or parts of the marks, software, trade dress and other portions of the Franchise System. These are our property.

If you develop any methods, formulas, specifications, processes, procedures, programs, projects, works of art or other materials in the course of operating your Store which we approve for use and/or sale in the Yogurt Mountain Store, it will be deemed to be a work made-for-hire belonging to us, and automatically become our property. To the extent it is not deemed to be a work-made-for-hire, you assign all rights and ownership to us. At our request you must sign documents and take action we ask to enable us to secure all rights in us. If you don't, then we can sign and act on your behalf as your attorney-in-fact.

CONFIDENTIAL INFORMATION

You may receive certain proprietary and confidential information, including trade secrets relating to the operation of Yogurt Mountain Stores. This proprietary and confidential information includes processes, methods, techniques, recipes, ingredients, training materials, checklists and other information that is valuable and treated by us as confidential information. Much of this confidential information is included or referenced in our Operation Manual. You and your owners will not acquire any interest in our confidential information other than the right to use it in operating your Store. You must and must cause your owners and representatives to process, retain, use, collect, and disclose our confidential information strictly to the limited extent, and in such a manner, as necessary for the development and operation of your Store in accordance with your Franchise Agreement and in accordance with our System Standards. You and your owners must maintain the absolute confidentiality of the confidential information during and after the expiration or termination of the Franchise Agreement. You and your owners can divulge this confidential information only to your employees who must have access to it to operate your Store, and you must require such persons to sign a confidentiality agreement, the provisions of which are no less restrictive than your obligations under the Franchise Agreement, in the form approved or designated by us. Neither you nor your owners are permitted to make unauthorized copies, record or otherwise reproduce the materials or information or make them available to any unauthorized person. Our confidential information does not include such personal information that we designate from time to time, including your employee or other personnel's personal information.

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

FRANCHISE AGREEMENT

Either you or, if you are at any time a corporation, a limited liability company, a general, limited or limited liability partnership, or another form of business entity, an individual that directly or indirectly owns at least 25% of the ownership interest in you (the "Managing Owner"), approved by us must use best efforts to devote all of his or her business time and efforts to the supervision and conduct of the business contemplated by the Franchise Agreement.

If you are a legal entity, each owner must sign a guaranty and personal assumption of the your obligations under the Franchise Agreements. Each person signing a guaranty assumes and agrees to discharge all of the franchisee's obligations under Franchise Agreements. If any of your owners is married but his or her spouse will not have an ownership interest in you, his or her spouse will also be required to sign the guaranty agreement, but will do so solely to consent to his or her spouse's execution of the guaranty and to acknowledge that his or her interests in marital property (not the non-owning spouse's personal property) may be at risk under the guaranty.

You are solely responsible for the management, direction, and control of your Store. You (or your Managing Owner) must supervise the management and operation of your Store and continuously

exert best efforts to promote and enhance your Store. If you do not wish to supervise the day-to-day operation of your Store on a full-time basis, you must obtain our approval of any management level employee and/or other person, agent, or management company that you wish to engage to supervise the management of your Store ("Designated Manager"), prior to delegating any management or supervisory responsibilities to such Designated Manager. We may establish conditions for approving any such Designated Manager, which may include the completion of training, confirmation that they will have no competitive businesses activities, and/or execution of a non-disclosure agreement or other covenants we require. If your Designated Manager ceases to work at your Store, you must recruit a new Designated Manager within 30 days of the change and accurately identify the proposed Designated Manager for our review and approval. At any time that an approved Designated Manager is not supervising the operation of your Store, for any reason, you (or your Managing Owner) must supervise operations on a full-time basis.

In certain circumstances (such as if you abandon your Store or fail to comply with your Franchise Agreement) we have the right to take possession of your Store and operate (or to appoint a third party to do so). If we (or a third party) operates your Store due to your abandonment or failure to comply with your obligation under the Franchise Agreement, then (i) we won't operate your Store for more than 180 days and (ii) you must pay us (in addition to other amounts due under your Franchise Agreement) an amount equal to 10% of Gross Sales, plus our (or the third party's) direct out-of-pocket costs and expenses, for any period we deem appropriate. If we exercise our right to operate your Store while we are analyzing whether we want to purchase the assets of your Store after the expiration or termination of the Franchise Agreement, all revenue and expenses arising from the operation of your Store for the period during which we operate will be deemed to be our revenue and expenses, and you will not be entitled to any such revenue or liable for the expenses of operating your Store during such period.

DEVELOPMENT AGREEMENT

Either you or, if you are at any time a corporation, a limited liability company, a general, limited or limited liability partnership, or another form of business entity, an individual that directly or indirectly owns at least 25% of the ownership interest in you (the "Managing Owner"), approved by us must use best efforts to devote all of his or her business time and efforts to the supervision and conduct of the business contemplated by the Development Agreement and must not engage in any other business activity that requires any significant management responsibility or time commitments, or that otherwise conflicts with your obligations under the Development Agreement. You or the Managing Owner must supervise the development and operations of Yogurt Mountain Stores developed under Franchise Agreements issued under the Development Agreement.

If you are a legal entity, each owner must sign a guaranty and personal assumption of the your obligations under the Development Agreement. Each person signing a guaranty assumes and agrees to discharge all of the multi-unit developer's obligations under each of the Development Agreement. If any of your owners is married but his or her spouse will not have an ownership interest in you, his or her spouse will also be required to sign the guaranty agreement, but will do so solely to consent to his or her spouse's execution of the guaranty and to acknowledge that his or her interests in marital property (not the non-owning spouse's personal property) may be at risk under the guaranty.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell from your Store all of the products and services that we periodically specify. You may not offer or sell at your Store, the Premises or any other location any products or services we have not authorized. You must discontinue selling and offering for sale any products or services that we at any time disapprove.

You will offer for sale and sell at your Store authorized products and services only in the manner (including, days and hours of operation) and at the locations we have designated and will not sell any products or services wholesale or through alternative channels of distribution, including through any Online Presence. You must immediately bring your Store into compliance with our System Standards for such products or services, including by purchasing or leasing any necessary Operating Assets, making any required changes to signage and advertising materials, and updating your computers system to include any software, hardware or other equipment necessary to offer such products services through an online and/or automated system. If we at any time require or permit you to offer delivery, catering and/or any other off-site products or services, we may limit the geographic area in which you may offer such services, and we may modify that geographic area periodically.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the Franchise Agreement, Development Agreement and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.

PROVISION	SECTION IN AGREEMENT	SUMMARY
a. Length of the franchise term	Section 1.C in Franchise Agreement	Term of Franchise Agreement is 5 years.
	Section 1.B in Development Agreement	Term in Development Agreement ends on the earlier of (i) the scheduled opening date of the last Yogurt Mountain Store as specified on the Development Schedule or (ii) the last day of the development period as specified in the Development Schedule.
b. Renewal or extension of the term	Section 13 in Franchise Agreement	If you are in substantial compliance with the Franchise Agreement, you may extend the term for 3 consecutive terms of 5 years each.
	Development Agreement	Not Applicable

PROVISION	SECTION IN AGREEMENT	SUMMARY
c. Requirements for franchisee to renew or extend	Section 13 in Franchise Agreement	You must give at least 180 days, but no more than 270 days' notice, repair, replace and update equipment and Premises to our current standards, not be in breach of any agreement with us or our affiliates, satisfy all monetary obligations, have the right to remain in possession of your Premises; pay a successor franchise fee of $2,500; sign then-current Franchise Agreement and general release (unless prohibited by law) and comply with current qualifications and training requirements. You renewal rights are subject to us offering franchises for Yogurt Mountain Stores in your geographic market area. The then-current Franchise Agreement may contain terms and conditions materially different from those in your previous Franchise Agreements, such as different fee requirements.
	Development Agreement	Not Applicable
d. Termination by franchisee	Section 14.A in Franchise Agreement	You may terminate Franchise Agreement if we materially breach the agreement and do not cure default after notice from you.
	Development Agreement	Not Applicable
e. Termination by franchisor without cause	Section 14.B in Franchise Agreement	We may not terminate the Franchise Agreement if you or your affiliates are in breach of your or their obligations under any other agreement with us or our affiliates.
	Development Agreement 7.A.	We may not terminate the Development Agreement if you or your affiliates are in breach of your or their obligations any franchise agreement.
f. Termination by franchisor with cause	Section 14.B in Franchise Agreement Section 7.A in Development Agreement	We may terminate the Franchise Agreement and the Development Agreement only if you or your owners commit one of several violations described in Items 17(g) and 17(h).
g. "Cause" defined –curable defaults	Section 14.B in Franchise Agreement	Under Franchise Agreement, you have 10 days to cure monetary defaults and failure to maintain required insurance; 30 days to cure operational defaults and other defaults not listed in (h) below; violation of law, ordinance, rule, or regulation and fail to correct within 72 hours of notice from other party; and 15 days to cure quality assurance audits.

PROVISION	SECTION IN AGREEMENT	SUMMARY
	Section 7.A in Development Agreement	Under Development Agreement, you have 5 days to cure monetary defaults; and 7 days to cure any failure to observe, perform or comply with any other of the terms of conditions of the Development Agreement.
h. "Cause" defined – non-curable defaults	Section 14.B in Franchise Agreement	Non-curable defaults under the Franchise Agreement include material misrepresentations or omissions; failure to sign a lease for your Premises by applicable deadlines; failure to open on time; failure to complete training; abandonment or closure; unapproved transfers; conviction of a felony; dishonest or unethical conduct; loss of the right to occupy your Premises; unauthorized use or disclosure of the Operations Manual or other confidential information; failure to pay taxes; understating Gross Sales; repeated defaults (even if cured); an assignment for the benefit of creditors; appointment of a trustee or receiver; filing of a petition in bankruptcy; failure to comply with anti-terrorism laws; you or your owners or Designated Managers repeatedly behave abusively towards us, our franchisees, or customers; or you create or allow to exist any condition in or on your Premises which we reasonably determine to present a health or safety concern to employees or customers; failure to comply with any other agreement with us or our affiliates. If your Store is a Non-Traditional Store, we may, in addition to other rights to terminate the Franchise Agreement, also terminate the Franchise Agreement if (i) the host facility of your Store engages in any conduct that may adversely affect the reputation of the Yogurt Mountain Stores or the Marks, (ii) your host facility fails to cure within 72 hours of notice violation of any applicable law in connection with the operation of your Store or the host facility, (iii) your host facility materially reduces the size or configuration of the Premises, or the business conducted by the host facility materially changes, or the host facility requires that you materially change the manner in which your Store is operated, or (iv) host facility creates or allows to exist any condition in or at your Store or the host facility, which we reasonably determine to present a health or safety concern to employees or customers.

PROVISION	SECTION IN AGREEMENT	SUMMARY
	Section 7.A in Development Agreement	Non-curable defaults under the Development Agreement include ceasing or threatening to cease to carry on the business; liquidation of your assets; failure to pay any debts or other amounts when due and payable; failure to make progress in your development schedule or otherwise indicate that you will be unable to satisfy your obligations; failure to comply with the development schedule; an assignment for the benefit of creditors; appointment of a trustee or receiver; failure to comply with other agreements with us or our affiliate and you do not correct such failure within the applicable cure period, if any; failure to furnish reports, financial statements, tax returns or any other documentation required; in the event you are an entity, liquidation or dissolution or amalgamation; or if you lose your charter by expiration, forfeiture or otherwise; material misrepresentations or omissions; conviction of a felony; dishonest or unethical conduct; you or your owners repeatedly behave abusively towards us, our franchisees, or customers; repeated defaults (even if cured); or unapproved transfers of the Development Agreement or an ownership interest in you.
i. Franchisee's obligations on termination/non-renewal	Section 15 in Franchise Agreement	Under the Franchise Agreement, you must: (i) pay us all amounts you owe us within 15 days; (ii) close your Store for business; (iii) cease using the Marks; (iv) cease to identify yourself as a Store or franchisee and cancel all assumed names; (v) return or destroy all branded materials; (vi) make alterations to the Premises to de-identify as a Yogurt Mountain Store; (vii) cease using and cancel or transfer to us all telephone numbers, listings, Online Presences, and other contact information; (viii) cease using all confidential or branded materials, including the Operations Manual and customer data; (ix) comply with all other System Standards; and (x) provide us evidence of compliance within 30 days. You must also pay us lost revenue damages (see Item 6) within 15 days.
	Section 4, 7.B in Development Agreement	Under the Development Agreement, you must: (i) cease exercising any development rights; (ii) cease identifying yourself as a developer of Yogurt Mountain Stores; (iii) return or destroy all confidential or proprietary materials; (iv) cease using and cancel or transfer to us all telephone numbers, listings, Online Presences, and other contact information; (v) pay all amounts you owe us or our affiliates; (vi) comply with all other instructions; and (vii) provide us evidence of compliance within 30 days.

PROVISION	SECTION IN AGREEMENT	SUMMARY
j. Assignment of contract by franchisor	Section 12.A in Franchise Agreement Section 6 in Development Agreement	No restriction on our right to assign.
k. "Transfer" by franchisee-definition	Section 12.B in Franchise Agreement	Includes voluntary or involuntary sale, assignment, subdivision, sub-franchising; grant of mortgage, charge, lien or security interest; merger or consolidation; sale or exchange of voting securities; transfer caused by divorce or death; or transfer of your Franchise Agreement, your Store, your right to operate and manage your Yogurt Mountain Store, or direct or indirect ownership in you.
	Section 6.A in Development Agreement	Includes the sale, assignment, transfer, donation or dealing with ownerships interests; entering into of a mortgage, pledge, hypothecation, encumbrance or giving of a security interest in or which affects the development rights and rights under the Development Agreement.
l. Franchisor's approval of transfer by franchisee	Sections 12.B and 12.C in Franchise Agreement	We have the right to approve all transfers by you or your owners but will not unreasonably withhold approval.
	Sections 6.A in Development Agreement	We may withhold consent for any reason and are not required to consider a transfer unless requirements are complied with.
m. Conditions for franchisor approval of transfer	Section 12.C in Franchise Agreement	Transferee submits application and meets our criteria; you provided executed versions of all transfer documents; you sign all of our standard transfer documents; you have paid all amounts owed; you and your owners are not in breach; transferee completes training; all necessary actions under the lease are satisfied; you or the transferee have corrected any deficiencies at your Store; the transferee and its owners sign our then current Franchise Agreement and related documents; you pay the transfer fee; we determine the purchase price will not adversely affect your Store; any financing you offer transferee is subordinate to our rights; you provide evidence of transfer of operations.

PROVISION	SECTION IN AGREEMENT	SUMMARY
	Section 6.A(1) in Development Agreement	Transferee submits application and meets our criteria; you provided executed versions of all transfer documents; you sign all of our standard transfer documents; you and your owners are not in breach; transferee completes training; the transferee and its owners sign our then current Development Agreement and related documents; you pay a cash deposit; you pay the transfer fee and all of our expenses; you provide evidence of transfer of operations.
n. Franchisor's right of first refusal to acquire franchisee's Franchised Business	Section 12.H in Franchise Agreement	If you receive an offer to sell or transfer an interest, direct or indirect, in the Franchise Agreement, your Store or an ownership interest in you, we have a right of first refusal to purchase such interest offered for the price and on the terms and conditions contained in the offer with certain provisions; if this right is not exercised within 30 days of our receipt of notice of such intention to sell or transfer, then you may sell or transfer in accordance with items k through m of this Table.
	Section 6.B in Development Agreement	If you receive an offer to sell or transfer an interest, direct or indirect, in the Development Agreement, your business operated under the Development Agreement or an ownership interest in you, we have a right of first refusal to purchase such interest offered for the price and on the terms and conditions contained in the offer with certain provisions; if this right is not exercised within 30 days of our receipt of notice of such intention to sell or transfer, then you may sell or transfer in accordance with items (k) through (m) of this Table.
o. Franchisor's option to purchase franchisee's business	Section 15.D in Franchise Agreement.	In the case of termination or non-renewal, we may purchase the assets of your Store within 30 days of your receipt of our notice.
	Development Agreement	Not applicable
p. Death or disability	Section 12.E in Franchise Agreement	Upon death of franchisee (or Managing Owner), franchisee (or such Managing Owner), his/her ownership interest must be transferred within 9 months.
	Section 6.C in Development Agreement	Upon death of multi-unit developer (or Managing Owner), multi-unit developer (or such Managing Owner), his/her ownership interest must be transferred within 9 months.

PROVISION	SECTION IN AGREEMENT	SUMMARY
q. Non-competition covenants during the term of the franchise	Section 7 Franchise Agreement Section 5.A and 5.B in Development Agreement	You may not have any involvement, directly or indirectly, in a "Competitive Business." "Competitive Business" means any business (other than a Yogurt Mountain Store) operating, or granting franchises or licenses to others to operate, a store or other food service business deriving more than 10% of its revenue from the sale of frozen desserts of any kind, including frozen yogurt, frozen custard, ice cream, smoothies, or any products which are, to any degree, comprised of or which include frozen desserts of any kind, including frozen yogurt, frozen custard, ice cream or smoothies. If you acquire the right to operate a Café Line, "Competitive Business" also includes any business that derives more than 10% of its revenue from the sale of coffee, baked goods, and related products. You may not interfere with our relationships with vendors, franchisees, customers, or consultants nor engage in activities that would harm our Marks or Franchise System.
r. Non-competition covenants after the franchise is terminated, is assigned or expires	Section 15.C in Franchise Agreement	You may not have any involvement, directly or indirectly, in a Competitive Business for 24 months within a 5-mile radius of the Premises or any Yogurt Mountain Store in existence or under development as of the date of the Franchise Agreement or at the time of termination, assignment or expiration of Franchise Agreement. You may not interfere with our relationships with vendors, franchisees, customers, or consultants nor engage in activities that would harm our Marks or Franchise System.
	Section 7.C in Development Agreement	You may not have any involvement, directly or indirectly, in a Competitive Business for 24 months in multi-unit developer's Development Area, Development Area of any other Yogurt Mountain multi-unit developer, or within a 5-mile radius of any Yogurt Mountain Store in existence or under development as of the date of the Development Agreement or at the termination, assignment or expiration of Development Agreement. You may not interfere with our relationships with vendors, franchisees, customers, or consultants nor engage in activities that would harm our Marks or Franchise System.
s. Modification of the agreement	Section 17.K in Franchise Agreement Section 10.L in Development Agreement	No modifications except in writing and signed by both you and us.

PROVISION	SECTION IN AGREEMENT	SUMMARY
t. Integration/ merger clause	Section 17.N in Franchise Agreement Section 10.L in Development Agreement	Only the written terms of the agreement are binding (subject to state law). Any other promises are not enforceable. Any representation or promise outside of the Disclosure Document, Development Agreement and Franchise Agreement may not be enforceable. However, nothing in the Development Agreement or the Franchise Agreement is intended to disclaim the representations we make in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	Not applicable	Not applicable
v. Choice of forum	Section 17.H in Franchise Agreement Section 9.A in Development Agreement	You must sue us in the state where our corporate headquarters are located (currently, Birmingham, Alabama) (subject to state law).
w. Choice of law	Section 17.G in Franchise Agreement Section 10.F in Development Agreement	Alabama law (subject to state law)

Applicable state law might require additional disclosures related to the information contained in this Item 17. These additional disclosures, if any, appear in Exhibit H.

ITEM 18
PUBLIC FIGURES

We do not use any public figure to promote the Franchise System.

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

A. Description of Data Set

As of the end of our last fiscal year (January 31, 2026), there were 19 Yogurt Mountain Stores. Of the 19 stores, 8 were operated in non-traditional locations with varying numbers of dispensing

machines, limited numbers of products available to consumers, varying operating hours and processes, and/or with the Yogurt Mountain brand not being the principal brand on the outside of the business to attract consumers. Because of the wide variations in these locations, we have excluded those stores from the data set we use in this Item 19. The information provided in this Item 19 is for the remaining 11 Yogurt Mountain Stores, each of which was open and operating for the entire prior fiscal year (February 2, 2025 - January 31, 2026). Of those 11 Yogurt Mountain Stores, 7 are owned by franchisees (the "Franchised Stores"), and 4 are owned by our affiliate (the "Affiliate Stores"). Of the 7 Franchised Stores: 5 are in Alabama, 1 is in Georgia, 1 is in Tennessee. Of the 4 Affiliates Stores: 3 are in Alabama and 1 is in South Carolina.

One Franchised Store offers the Café Line. Gross Sales from the Café Line was under 10% of the overall Gross Sales of this Franchised Store, and the overall performance of this Franchised Store was not materially different than the performance of the other Franchised Stores. As such, we have included the data from this Franchised Store in Item 19, including Gross Sales generated from the Café Line, without any adjustments.

The information we used in the charts below is based, for the Affiliate Stores, on reports that were internally prepared by our affiliates, and, for the Franchised Stores, data we pulled from the franchisees' point of sales systems or that was reported to us by the franchisees. All data in the below tables is rounded to the nearest whole number.

B. Annual Gross Sales

The charts below show the average, median, highest, and lowest Gross Sales of Franchised Stores and Affiliate Stores the group for the prior fiscal year (February 2, 2025 - January 31, 2026). "Gross Sales" means all revenue that was derived from operating the Store (whether or not in compliance with the Franchise Agreement), whether from cash, check, credit and debit card, barter exchange, trade credit, or other credit transactions, but (1) excluding all federal, state, or municipal sales, use, or service taxes collected from customers and paid to the appropriate taxing authority and (2) reduced by the amount of any documented refunds, credits and discounts your Store in good faith gives to customers and your employees. We include gift certificate, gift card or similar program payments in Gross Sales when the gift certificate, gift card, other instrument or applicable credit is redeemed or used. This is the same basis on which you will calculate your Royalties and Marketing Fund contributions under your Franchise Agreement.

ANNUAL GROSS SALES OF AFFILIATE STORES

Average Gross Sales	# of Units at or above Average	Median Gross Sales	Range of Gross Sales
$399,727	2 / 50%	$ 396,163	$350,487 - $456,097

ANNUAL GROSS SALES OF FRANCHISED STORES

Average Gross Sales	# of Units at or above Average	Median Gross Sales	Range of Gross Sales
$353,752	3 / 43%	$273,362	$166,344 - $624,787

C. Certain Annual Expenses for Affiliate Stores

In the chart below, we show certain expenses incurred by the Affiliate Stores as a percentage of Gross Sales during the prior fiscal year (February 2, 2025 - January 31, 2026). Franchisees did not report cost information to us, so we are unable to provide the same information for the Franchised Stores. We are not aware of any material difference between Affiliate Stores and Franchised Stores with respect to Cost of Goods Sold, Labor, or Rent.

"Cost of Goods Sold" is the amount, as a percentage of Gross Sales, spent on food, beverage, certain supplies, and merchandise by the Affiliate Stores.

"Labor" is the amount, as a percentage of Gross Sales, spent on store-level wages (salaried & hourly). It does not include bonuses, payroll taxes, payroll fees, benefits, other employee-related labor expenses, or owner-operator salary.

"Rent" is the amount, as a percentage of Gross Sales, paid in base rent and common area maintenance charges.

ANNUAL EXPENSES OF AFFILIATE STORES AS PERCENTAGE OF GROSS SALES

Item	Average	# of Affiliate Stores with Same or Lower Than Average Cost*	Median	Range
Cost of Goods Sold	27%	2 / 50%	27%	27% to 28%
Labor	24%	2 / 50%	24%	22% to 26%
Rent	20%	2 / 50%	21%	15% to 26%

[remainder of page intentionally left blank]

D. Seasonality of Gross Sales

Since the primary product sold by Yogurt Mountain Stores is frozen yogurt, their revenue can be seasonal. In the charts below, we illustrate the seasonality of Gross Sales for the prior fiscal year (February 2, 2025 - January 31, 2026). For each group, the average Gross Sales is shown as distributed among the 12 accounting periods that made up the prior fiscal year (February 2, 2025 - January 31, 2026). Each accounting period is comprised of either 4 or 5 weeks, as indicated below.

SEASONALITY OF GROSS SALES FOR AFFILIATE STORES GROUP

Accounting Period	1	2	3	4	5	6	7	8	9	10	11	12
Number of Weeks in Period	4	5	4	4	5	4	4	5	4	4	5	4
Average Percent of Annual Gross Sales	7.55%	11.46%	9.37%	8.91%	11.25%	9.27%	8.64%	9.75%	6.45%	5.59%	6.10%	5.66%
Number that Met/Exceeded the Average	3	2	2	3	3	3	2	1	1	2	1	1
Median Percentage for Period	7.68%	11.46%	9.33%	9.85%	12.47%	10.22%	8.49%	8.81%	5.83%	5.40%	5.81%	5.10%
Highest Percentage for Period	7.88%	11.96%	10.26%	9.89%	13.07%	10.71%	9.50%	12.24%	8.23%	6.40%	7.19%	7.41%
Lowest Percentage for Period	6.86%	10.97%	8.50%	6.54%	7.63%	6.45%	7.82%	8.68%	5.58%	5.00%	5.62%	4.70%

SEASONALITY OF GROSS SALES OF FRANCHISED STORES GROUP

Accounting Period	1	2	3	4	5	6	7	8	9	10	11	12
Number of Weeks in Period	4	5	4	4	5	4	4	5	4	4	5	4
Average Percent of Annual Gross Sales	6.23%	10.96%	9.31%	10.16%	13.39%	10.63%	8.81%	9.42%	6.09%	4.86%	5.42%	4.74%
Number that Met/Exceeded the Average	3	4	4	4	3	3	3	4	2	4	3	4
Median Percentage for Period	6.16%	11.50%	9.76%	10.33%	12.72%	10.13%	8.68%	9.48%	6.03%	4.97%	5.15%	4.85%
Highest Percentage for Period	8.05%	12.58%	10.01%	10.96%	14.58%	11.28%	9.56%	10.33%	6.36%	5.16%	6.02%	5.57%
Lowest Percentage for Period	5.43%	9.61%	8.61%	9.30%	12.24%	9.17%	7.79%	9.13%	5.69%	4.36%	4.84%	3.91%

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

We will provide written substantiation for these financial performance representations to you upon reasonable request.

Other than the preceding financial performance representations, 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 Yogurt Mountain Store, however, we may provide you with the actual records of that Store. 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 Scott Kappler, Yogurt Mountain Franchising LLC, 402 Industrial Lane, Birmingham, Alabama 35211, (205) 909-1321, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1

SYSTEMWIDE YOGURT MOUNTAIN STORES SUMMARY FOR YEARS 2023 to 2025[1]

Outlet Type	Year	Yogurt Mountain Stores at the Start of the Year	Yogurt Mountain Stores at the End of the Year	Net Change
Franchised	2023	18	19	+1
	2024	19	18	-1
	2025	18	15	-3
Company Owned or Managed[2]	2023	5	5	0
	2024	5	5	0
	2025	5	4	-1
Total Businesses	**2023**	**23**	**24**	**+1**
	2024	**24**	**23**	**-1**
	2025	**23**	**19**	**-4**

1/ The numbers in this table and in Tables 2 through 4 are for our fiscal years ending January 27, 2024, February 1, 2025, and January 31, 2026.

2/ The Company Owned or Managed Yogurt Mountain Stores reflected tables 1 and 4 are those owned by our affiliate YMLLC.

TABLE NO. 2

TRANSFERS OF YOGURT MOUNTAIN STORES FROM FRANCHISEES TO NEW OWNERS (OTHER THAN FRANCHISOR OR AN AFFILIATE)

FOR YEARS 2023 to 2025

State	Year	Number of Transfers
Alabama	2023	0
	2024	0
	2025	3
Total	**2023**	**0**
	2024	**0**
	2025	**3**

TABLE NO. 3

STATUS OF FRANCHISED YOGURT MOUNTAIN STORES FOR YEARS 2023 to 2025

State	Year	Outlets at Start of Year	Outlets Opened	Terminat-ions	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of Year
Alabama	2023	6	1	0	0	0	0	7
	2024	7	0	0	0	0	0	7
	2025	7	0	0	0	0	1	6
Florida	2023	6	0	0	1	0	0	5
	2024	5	0	0	1	0	0	4
	2025	4	0	0	2	0	0	2
Georgia	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Maryland	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Mississippi	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
North Carolina	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Ohio	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Tennessee	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminat-ions	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of Year
Texas	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Totals	**2023**	**18**	**2**	**0**	**1**	**0**	**0**	**19**
	2024	**19**	**0**	**0**	**1**	**0**	**0**	**18**
	2025	**18**	**0**	**0**	**2**	**0**	**1**	**15**

TABLE NO. 4

STATUS OF AFFILIATE-OWNED YOGURT MOUNTAIN STORES[1]
FOR YEARS 2023 to 2025

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Alabama	2023	3	0	0	0	0	3
	2024	3	0	0	0	0	3
	2025	3	0	0	0	0	3
Florida	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	0	0	1	0	0
South Carolina	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	0	0	0	0	1
Totals	**2023**	**5**	**0**	**0**	**0**	**0**	**5**
	2024	**5**	**0**	**0**	**0**	**0**	**5**
	2025	**5**	**0**	**0**	**1**	**0**	**4**

TABLE NO. 5

PROJECTED OPENINGS FOR 2025 FISCAL YEAR
AS OF JANUARY 31, 2026

State	Franchise Agreements Signed But Franchised Business Not Opened	Projected New Franchised Businesses through the Next Fiscal Year	Projected New Affiliate-Owned Franchised Businesses through the Next Fiscal Year
Alabama	0	1	0
Georgia	0	1	0
Totals	**0**	**2**	**0**

Exhibit F contains a list of the names of all current franchisees and the addresses and telephone numbers of their Yogurt Mountain Stores, as well as a list of franchisees who have ceased to do

business under the Franchise Agreement or who had an outlet terminated, cancelled, or not renewed within the last fiscal year, or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Within the last three years, some of our franchisees have signed confidentiality provisions. In some instances, current and former franchisees sign provisions restricting their ability to speak only about their experience with the Franchise System. You may wish to speak with current and former franchisees but be aware that not all such franchisees will be able to communicate with you.

There is no trademark-specific organization associated with the franchise system being offered.

ITEM 21
FINANCIAL STATEMENTS

Attached as Exhibit C are the (i) the internally prepared and unaudited balance sheet and income statement of Parent as of May 2, 2026, and (ii) the audited consolidated financial report of Parent including the consolidated balance sheets as of January 31, 2026 and February 1, 2025, and the consolidated statements of operations, changes in members' equity, and cash flows for the fiscal years ended January 31, 2026, February 1, 2025, and February 3, 2024. Parent has guaranteed the performance of obligations to you under the Franchise Agreement or Development Agreement, as applicable and related documents. A copy of the Guarantee is also included in Exhibit C.

We operate on a 52-week or 53-week year, with the fiscal year ending on the Saturday closest to January 31.

ITEM 22
CONTRACTS

The following contracts are attached as exhibits to this Disclosure Document:

Exhibit B-1 – Franchise Agreement
Exhibit B-2 – Non-Traditional Amendment to Franchise Agreement
Exhibit B-3 – Café Line Amendment to Franchise Agreement
Exhibit B-4 – Development Agreement
Exhibit E – Representations and Acknowledgement Statement
Exhibit G – Sample General Release
Exhibit H – State Agreement Riders
Exhibit I – Renewal Addendum

ITEM 23
RECEIPTS

Exhibit J contains detachable documents acknowledging your receipt of this Disclosure Document.

EXHIBIT A

STATE ADMINISTRATORS/ AGENTS FOR SERVICE OF PROCESS

EXHIBIT A

STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

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

CALIFORNIA (state administrator) Department of Financial Protection & Innovation: 1 (866) 275-2677 *Los Angeles* 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 *Sacramento* 651 Bannon Street, Suite 300 Sacramento, California 95811 (916) 445-7205 *San Diego* 1455 Frazee Road, Suite 315 San Diego, California 92108 (619) 610-2093 *San Francisco* One Sansome Street, Suite 600 San Francisco, California 94104-4428 (415) 972-8559	**NEW YORK** (state administrator) New York State Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8222

HAWAII (state administrator) Commissioner of Securities State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division – Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (844) 808-3222	**NORTH DAKOTA** (state administrator) North Dakota Insurance & Securities Department 600 East Boulevard Avenue, Dept. 401 Bismarck, North Dakota 58505 (701) 328-2910
ILLINOIS Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	**RHODE ISLAND** (state administrator) Department of Business Regulation Division of Securities John O. Pastore Complex Building 69-1 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9645
INDIANA (state administrator) Indiana Secretary of State Securities Division 302 West Washington Street, Room E111 Indianapolis, Indiana 46204 (317) 232-6681 (agent for service of process) Indiana Secretary of State 200 West Washington Street, Room 201 Indianapolis, Indiana 46204 (317) 232-6531	**SOUTH DAKOTA** (state administrator) Division of Insurance Securities Regulation 124 S. Euclid, Second Floor Pierre, South Dakota 57501 (605) 773-3563

MARYLAND (state administrator) Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6300 (agent for service of process) Maryland Securities Commissioner at the Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360	**VIRGINIA** (state administrator) State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, Ninth Floor Richmond, Virginia 23219 (804) 371-9051 (agent for service of process) Clerk, State Corporation Commission 1300 East Main Street, First Floor Richmond, Virginia 23219 (804) 371-9733
MICHIGAN (state administrator) Michigan Attorney General's Office Corporate Oversight Division Attn: Franchise Section G. Mennen Williams Building, 5th Floor 525 West Ottawa Street Lansing, Michigan 48913 (517) 335-7567 (agent for service of process) Michigan Department of Commerce, Corporations, Securities & Commercial Licensing Bureau P.O. Box 30018 Lansing, Michigan 48909	**WASHINGTON** (state administrator) Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, Washington 98504-1200 (360) 902-8760 (agent for service of process) Director Department of Financial Institutions Securities Division 150 Israel Road, S.W. Tumwater, Washington 98501

MINNESOTA (state administrator) Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600	**WISCONSIN** (state administrator) Securities and Franchise Registration Wisconsin Department of Financial Institutions 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-0448 (agent for service of process) Office of the Secretary Wisconsin Department of Financial Institutions P.O. Box 8861 Madison, Wisconsin 53708-8861 (608) 261-9555

EXHIBIT B-1

FRANCHISE AGREEMENT

YOGURT MOUNTAIN FRANCHISING, LLC

FRANCHISE AGREEMENT

Franchisee Name: _____

Developer Name (if applicable): _____

Store Number: _____

Store Address: _____

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Exhibit A Entity Information
Exhibit B Guaranty and Assumption of Obligations

YOGURT MOUNTAIN FRANCHISING, LLC
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (this "**Agreement**") is entered into as of the Effective Date between **YOGURT MOUNTAIN FRANCHISING, LLC**, an Alabama limited liability company with its principal business address at 402 Industrial Lane, Birmingham, Alabama 35211 ("**us**"), and _____, a(n) _____ _____, whose principal business address is _____ _____("**you**"). The Effective Date is the date we execute this Agreement as shown on the signature page hereof.

1. **PREAMBLES, ACKNOWLEDGMENTS, AND GRANT OF FRANCHISE.**

A. **PREAMBLES.**

(1) We and our affiliates have developed (and may continue to develop and modify) a system for the development and operation of retail stores specializing in the sale of frozen yogurt and related products and services authorized by us from time to time (each a "**Yogurt Mountain Store**"). Yogurt Mountain Stores are developed and operate using certain specified and distinct business formats, methods, procedures, designs, layouts, standards, and specifications, all of which we may further develop, or otherwise modify from time to time.

(2) We and our affiliates use, promote, and license to others the right to use and promote certain trademarks, service marks, and other commercial symbols in operating Yogurt Mountain Stores, including, without limitation, the *Yogurt Mountain*® trademark, and may create, use, and license other trademarks, service marks, and commercial symbols to identify Yogurt Mountain Stores and the products and services offered by Yogurt Mountain Stores (collectively, the "**Marks**").

(3) We grant to persons who we determine satisfactorily meet our qualifications, and who confirm their willingness to undertake the investment and effort, a franchise to own and operate a Yogurt Mountain Store offering the products and services we authorize and using our and our affiliates' business formats, methods, procedures, signs, designs, layouts, standards, specifications, and Marks (the "**Franchise System**").

(4) You have applied for a franchise to develop, own and operate a Yogurt Mountain Store and have provided us with certain information in support of your application.

B. **CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP.**

If you are at any time a corporation, limited liability company, or partnership (each, an "**Entity**"), you agree and represent that:

(1) you have the authority to execute, deliver, and perform your obligations under this Agreement and all related agreements and are duly organized or formed and are and will, throughout this Agreement's term, remain validly existing and in good standing under the laws of the state of your incorporation or formation;

(2) your organizational documents, operating agreement, or partnership agreement, as applicable, will recite that this Agreement restricts the issuance and transfer of any ownership interests in you, and all certificates and other documents representing ownership interests in you will bear a legend referring to this Agreement's restrictions;

(3) Exhibit A to this Agreement completely and accurately describes all of your owners and their interests in you as of the Effective Date;

(4) each person or entity who, directly or indirectly, owns any interest in you at any time during this Agreement's term (and your and their spouses) will execute a guaranty in the form we prescribe undertaking personally to be bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between you and us. Our current form of guaranty is attached herein as Exhibit B. Subject to our rights and your obligations under Section 12, you and your owners shall sign and deliver to us revised Exhibits A to reflect any permitted changes in the information that Exhibit A now contains;

(5) you must identify on Exhibit A one of your owners who is a natural person with at least 25% ownership interest and voting power in you and who will have the authority of a chief executive officer (the "**Managing Owner**"). You must obtain our written consent prior to changing the Managing Owner, and deliver to us a revised Exhibit A to accurately identify the Managing Owner should the identity of that person change during the term of this Agreement as permitted hereunder; and

(6) your Managing Owner is authorized to deal with us on your behalf in respect of all matters whatsoever which may arise in respect of this Agreement. Any decision made by your Managing Owner will be final and binding upon you, and we will be entitled to rely solely upon the decision of your Managing Owner in any such dealings without the necessity of any discussions with any other party named in this Agreement, and we will not be held liable for any actions taken by you or otherwise, based upon any decision or actions of your Managing Owner.

C. GRANT OF FRANCHISE.

You have applied for a franchise to develop, own, and operate a Yogurt Mountain Store at the specific location which has been or will be approved by us pursuant to Section 2 of this Agreement (the "**Premises**"). If we have accepted the Premises for your Yogurt Mountain Store when we sign this Agreement, it is identified on Exhibit A and the cover page. If the Premises have not been approved when you sign this Agreement, you and we will revise Exhibit A and the cover page of this Agreement to identify the Premises once approved. Subject to this Agreement's terms, we grant you the license and franchise to operate a Yogurt Mountain Store

solely at the Premises and to use the Franchise System in its operation (the "**Franchise**"), for a term beginning on the Effective Date and expiring five (5) years from that date, unless sooner terminated under Section 14.

You shall, at all times, faithfully, honestly, and diligently perform your obligations under this Agreement and to use your best efforts to promote the business of your Yogurt Mountain Store. You may use the Premises only for your Yogurt Mountain Store. Once it opens for business, you agree to continuously operate your Yogurt Mountain Store in accordance with this Agreement for the duration of this Agreement's term. You agree not to conduct the business of your Yogurt Mountain Store at any location other than the Premises.

D. **EXCLUSIVITY AND RESERVATION OF RIGHTS**.

As long as you are in full compliance with this Agreement, we will not operate, permit our Affiliates to operate, or grant others the right and license to use the Marks or Franchise System in connection with the development or operation of Yogurt Mountain Stores within a circle which has your Yogurt Mountain Store as its center and a radius of one (1) mile (the "**Protected Territory**"). Otherwise, you have no exclusive rights and no territorial protection for your Yogurt Mountain Store.

You further acknowledge that we grant rights only by expressed provisions of written agreements and not by implication, inference, or innuendo. We (and our affiliates) retain the right at all times during and after this Agreement's term to engage in any and all activities that we (and they) deem appropriate and that have not been expressly granted to you in this Agreement, wherever and whenever we (and they) desire, and whether or not such activities compete with your Yogurt Mountain Store, including, without limitation, the right to:

(1) establish and operate, and allow others to establish and operate, Yogurt Mountain Stores using the Marks and the Franchise System, at any location on such terms and conditions we deem appropriate outside the Protected Territory;

(2) establish and operate, and allow others to establish and operate at any location (including inside the Protected Territory) businesses that may offer products and services which are identical or similar to products and services offered by Yogurt Mountain Stores, under other trade names, trademarks, service marks and commercial symbols different from the Marks;

(3) establish and operate, and allow others to establish and operate Yogurt Mountain Stores using the Marks and the Franchise System at non-traditional venues located anywhere (including inside the Protected Territory) such as grocery stores, bookstores, convenience stores, gas stations, food courts, airports, casinos, hospitals, hotels, military installations, national parks, schools, stadiums, theme parks, and similar captive markets;

(4) using the Marks or other trademarks and commercial symbols, market and sell, and grant to others the right to market and sell, anywhere (including within the Protected Territory), through other channels of distribution (for example, through ghost

kitchens, kiosks, mail order, e-commerce and catalog sales, and product lines in other retail businesses), any products and services that are or have been authorized for sale at Yogurt Mountain Stores; and

(5) acquire, be acquired by, merge, affiliate with, or engage in any transaction with other businesses (whether competitive or not) located anywhere and, even if such businesses are located in the Protected Territory, (i) convert the other businesses to Yogurt Mountain Stores, (ii) allow such other businesses to operate as part of the Franchise System, whether or not converted as Yogurt Mountain Stores, and/or (iii) permit the other businesses to continue to operate under another name.

E. THE EXERCISE OF OUR JUDGMENT.

We have the right to operate, develop, and change the Franchise System in any manner that is not specifically prohibited by this Agreement. Whenever we have reserved in this Agreement a right to take or to withhold an action, to grant or decline to grant you a right to take or withhold an action, or to provide or withhold approval or consent, we may, except as otherwise specifically provided in this Agreement, make our decision or exercise our rights in our sole and unfettered discretion.

2. SITE SELECTION, LEASE OF PREMISES, AND DEVELOPMENT AND OPENING OF YOUR YOGURT MOUNTAIN STORE.

A. SITE SELECTION.

If you have not yet located a site for the Premises as of the Effective Date, then within 60 days after the Effective Date, you shall secure possession of a suitable site for your Yogurt Mountain Store. You shall obtain our written approval of a proposed site for your Yogurt Mountain Store before signing any lease, sublease, or other document to secure its possession (the "**Lease**"). Our determination to approve or disapprove a site may be based on various criteria which may change from time to time in our discretion. You shall send us information we require to evaluate the proposed site. You may operate your Yogurt Mountain Store only at the Premises.

If we recommend or give you information regarding a site for the Premises, that recommendation or information is not a representation or warranty of any kind, express or implied, of the site's suitability for a Yogurt Mountain Store or any other purpose. Our recommendation indicates only that we believe that the site meets our then-current criteria which have been established for our own purposes and are not intended to be relied on by you as an indicator of the likely success of a Yogurt Mountain Store at, or the viability of, the proposed site. Applying criteria that have appeared effective with other sites and premises might not accurately reflect the potential for all sites and premises, and demographic and/or other factors included in or excluded from our criteria could change, even after our approval of the Premises or your development of the Yogurt Mountain Store, altering the potential of a site and premises. The uncertainty and instability of these criteria are beyond our control, and we are not responsible if a site and premises we recommend fail to meet your expectations. Your acceptance

of the Franchise and selection of the Premises are based on your own independent investigation of the site's suitability for the development and operation of the Yogurt Mountain Store.

B. **LEASE OF PREMISES.**

We have the right to approve the terms of any Lease before you sign it. You must provide us with all information and documents we request to approve a proposed Lease prior to execution. Our approval may be conditioned on the lessor's agreement to include certain provisions we require from time to time to protect the Yogurt Mountain brand and to ensure our ability to facilitate the continued operation of your Yogurt Mountain Store at the Premises despite your default of the Lease or the expiration or termination of this Agreement and our exercise of our rights under this Agreement. Our involvement in the review, approval or negotiation of the Lease is for our sole benefit and the benefit of the Franchise System generally. You understand that we do not guarantee that the terms (including rent) of any lease we approve or on which we might assist or advise you to negotiate will represent the most favorable terms available in that market, and you represent that you are not relying on our lease negotiations, lease review or approval, or site approval for your benefit. You further acknowledge that you have been advised to obtain the advice of your own professional advisors before you sign a lease. If you do not agree with the lease provisions that we have approved or negotiated, you may elect not to sign the lease, but you would have to find another suitable site for the Premises. You must not enter into a lease or any other contract for the premises of your Yogurt Mountain Store without our prior written consent.

C. **DEVELOPMENT OF YOUR YOGURT MOUNTAIN STORE.**

By the earlier of 120 days after the Lease is executed, or 210 days after the Effective Date, you must have completed at your expense the development of your Yogurt Mountain Store and be ready to open it for business in accordance with Section 2.F below. This includes the following: (a) obtain and submit to us for approval detailed construction plans and specifications and space plans for your Yogurt Mountain Store that comply with any design specifications provided by us and all applicable ordinances, building codes, permit requirements, and lease requirements and restrictions; (b) obtain all required zoning changes, planning consents, building, utility, sign and business permits and licenses and any other consents, permits and licenses necessary to lawfully open and operate your Yogurt Mountain Store; (c) construct all required improvements in compliance with construction plans and specifications approved by us; (d) decorate your Yogurt Mountain Store in compliance with plans and specifications approved by us; (e) purchase and install all Operating Assets (as defined in Section 2.D below); and (f) obtain all customary contractors' sworn statements and partial and final waivers of lien for construction, remodeling, decorating and installation services. You shall use the vendor(s) we select (which may include us or our affiliates) for design, engineering, construction management and purchasing services in connection with the development of your Yogurt Mountain Store.

D. **OPERATING ASSETS.**

We will provide you our then-current prototypical plans and specifications for the layout and placement specifications for all required equipment, furniture, fixtures and signs (collectively the "**Operating Assets**"). You shall use in operating your Yogurt Mountain Store

only those Operating Assets that we approve for Yogurt Mountain Stores as meeting our System Standards. You shall place or display at the Premises (interior and exterior) only the signs, emblems, lettering, logos, and display materials that we approve from time to time. You shall purchase or lease approved brands, types, or models of Operating Assets only from vendors we designate or approve (which may include or be limited to us and/or our affiliates).

E. **COMPUTER SYSTEM.**

You shall obtain and use specified integrated computer hardware and/or software, including an integrated computer-based order-entry system (the "**Computer System**"). We may modify specifications for, and components of, the Computer System. Our modification of specifications for the Computer System, and/or other technological developments or events, might require you to purchase, lease, and/or license new or modified computer hardware and/or software and to obtain service and support for the Computer System. Although we cannot estimate the future costs of the Computer System or required service or support, and although these costs might not be fully amortizable over this Agreement's remaining term, you shall incur the costs of obtaining the computer hardware and software comprising the Computer System (or additions and modifications) and required service or support. We have no obligation to reimburse you for any Computer System costs. Within 60 days after we advise you of changes to the Computer System, you agree to implement such changes, and if necessary, procure any additional equipment, components, hardware, or software we designate. You must at all times during the term of this Agreement ensure that your Computer System, as modified, meets our System Standards and functions properly.

We may require you to obtain from us and use an email address associated with our registered domain name. If we require you to obtain and use such an email address, you must do so according to our then-current System Standards. You acknowledge and agree that we will have unrestricted access and administrative rights to such email accounts, and all documents, data, materials, and messages shared from or by such accounts. We may deactivate any such account or limit your or your users' access to it at any time.

You agree that we or our affiliates may condition any license of proprietary software to you, or your use of technology that we or our affiliates develop or maintain, on your signing a software license agreement or similar document that we or our affiliates prescribe to regulate your use of, and our and your respective rights and responsibilities with respect to, the software or technology. We and our affiliates may charge you a fee for any proprietary software or technology that we or our affiliates license to you and for other maintenance and support services that we or our affiliates provide during this Agreement's term.

Although you must buy, use, and maintain the Computer System according to our System Standards, you will have sole and complete responsibility for: (1) the acquisition, operation, maintenance, and upgrading of the Computer System; (2) the manner in which your Computer System interfaces at our specified levels of connection speed with our and any third party's computer system; and (3) any and all consequences if the Computer System is not properly operated, maintained, and upgraded.

F. **BUSINESS OPENING.**

You may not open your Yogurt Mountain Store until you satisfy all pre-opening obligations under this Agreement, and all of our other System Standards, including that:

(1) you have obtained all required governmental licenses and permits;

(2) you (or your Managing Owner) and your Designated Manager (as defined in Section 8.C, if applicable) have completed our initial training to our satisfaction;

(3) you have paid the initial franchise fee and all other amounts then due to us and our affiliates;

(4) you have given us certificates for all required insurance policies; and

(5) we notify you in writing that we have approved your Yogurt Mountain Store for opening.

You must open the Yogurt Mountain Store for regular operations within five (5) days of our issuing the notice described in paragraph (5) above.

3. **FEES.**

A. **INITIAL FEES.**

You shall pay us on execution of this Agreement a nonrecurring and, except as specifically provided in this Agreement, nonrefundable initial franchise fee in the amount of $30,000. You acknowledge that the initial franchise fee is due, and fully earned by us, when you sign this Agreement and not refundable to you after it is paid.

B. **ROYALTY FEE.**

During the term of this Agreement, you shall pay us a weekly royalty fee (the "**Royalty**") in an amount equal to **six percent (6%)** of the Gross Sales (defined in Section 3.C. below) of your Yogurt Mountain Store. The Royalty will be due and payable based on the Gross Sales for such period and in such intervals that we require from time to time.

C. **DEFINITION OF "GROSS SALES".**

As used in this Agreement, the term "**Gross Sales**" means all revenue that you derive from operating your Yogurt Mountain Store (whether or not in compliance with this Agreement), whether from cash, check, credit and debit card, barter exchange, trade credit, or other credit transactions, but (1) excluding all federal, state, or municipal sales, use, or service taxes collected from customers and paid to the appropriate taxing authority and (2) reduced by the amount of any documented refunds, credits and discounts your Yogurt Mountain Store in good faith gives to customers and your employees. We include gift certificate, gift card or similar program payments in Gross Sales when the gift certificate, gift card, other instrument or applicable credit

is redeemed or used. Gross Sales also include all insurance proceeds you receive for loss of business due to a casualty to or similar event at the Yogurt Mountain Store.

D. **TECHNOLOGY FEE.**

You must pay a recurring technology fee ("**Technology Fee**") for identifying and/or developing certain technology for Yogurt Mountain Stores and for providing certain related maintenance and support services to you. We may increase the Technology Fee from time to time upon notice to you. Except for the actual technology and related out-of-pocket costs that we will pass on to our franchisees, the Technology Fee will not exceed $1,000 per month. In addition to paying us the Technology Fee, you may be required to purchase or license certain components of the Computer System and other technology that you receive through us directly from third-party vendors that we designate or approve.

E. **INTEREST ON LATE PAYMENTS.**

All amounts which you owe us for any reason will bear interest accruing as of their due date at two percent (2%) per month or the highest commercial contract interest rate the law allows, whichever is less. We will charge a service fee of $100 per occurrence for checks returned to us due to insufficient funds or in the event there are insufficient funds in the business account you designate to cover our withdrawals. We may debit your bank account automatically for the service charge and interest. You acknowledge that this Section 3.E is not our agreement to accept any payments after they are due or our commitment to extend credit to, or otherwise finance your operation of, your Yogurt Mountain Store.

F. **APPLICATION OF PAYMENTS.**

Despite any designation you make, we may apply any of your payments to any of your past due indebtedness to us. We and our affiliates may set off any amounts you or your owners owe us or our affiliates against any amounts we or our affiliates owe you or your owners.

G. **METHOD OF PAYMENT.**

You authorize us to debit your checking, savings or other account automatically for the Royalty, Marketing Fund (as defined in Section 9.B) contributions, and other amounts due to us or our affiliates (the "**EFT Authorization**"). You shall sign and deliver to us any documents we require for such EFT Authorization. Such EFT Authorization shall remain in full force and effect during the term of this Agreement. We will debit the account you designate for these amounts on their due dates (or the subsequent business day if the due date is a national holiday or a weekend day). You shall ensure that funds are available in your designated account to cover our withdrawals. If, through an accounting error, we debit your account for more than the amounts due, the excess amount debited will be applied to the amounts we otherwise would debit from your account during the following week.

If you fail to report the Gross Sales, we may debit your account for 110% of the average of the last three (3) Royalty and Marketing Fund contributions that we debited. Once we have determined the true and correct Gross Sales, if the amounts that we debit from your account are

less than the amounts you actually owe us, we will debit your account for the balance on the day we specify; if the amounts that we debit from your account are greater than the amounts you actually owe us, we will apply the excess toward the amounts we otherwise would debit from your account during the following week.

We may require you to pay any amounts due under this Agreement or otherwise by means other than automatic debit (*e.g.*, by check or wire) whenever we deem appropriate, and you shall comply with our payment instructions.

4. TRAINING AND ASSISTANCE.

A. TRAINING.

After you sign this Agreement and no later than 60 days before you open your Yogurt Mountain Store, you or your Managing Owner and Designated Manager (if applicable) must complete, to our satisfaction, initial training conducted by us on the material aspects of operating a Yogurt Mountain Store. We will provide our training program at our principal offices or at a designated training facility of our choice, and we will determine the duration and content of the training program. You or your Managing Owner and Designated Manager (if applicable) must satisfactorily complete initial training prior to operating your Yogurt Mountain Store. Scheduling of the training is based on your or your Managing Owner's and Designated Manager's availability, training Yogurt Mountain Store availability and the projected opening date for your Yogurt Mountain Store which is finally determined by us. We reserve the right to require up to two (2) additional managers to satisfactorily complete initial training. If we determine that you (or your Managing Owner) or your Designated Manager and, if required by us, the manager(s), cannot complete initial training to our satisfaction, we may terminate this Agreement. We may vary the initial training program depending on the experience and skill level(s) of the attendee(s).

Although we provide initial training for no additional fee for up to four (4) people, you must pay us a reasonable fee (which will not exceed $500 per trainee per day) for providing initial training to any additional trainee. We will not be responsible for any travel or living expenses which you (or your Managing Owner), your Designated Manager or any other persons attending training on your behalf incur or for your employee's wages and workers' compensation insurance while attending training. If a required trainee is unable to complete the initial training program and we train a replacement trainee, you will be required to pay us our then-current per diem training fee (which will not exceed $500 per trainee per day).

You or your Managing Owner (or your Designated Manager) may request additional training at the end of the initial training program, to be provided at our then current charges (which will not exceed $500 per trainee per day), if you (or your Managing Owner) or your Designated Manager do not feel sufficiently trained in the operation of a Yogurt Mountain Store. We and you will jointly determine the duration of this additional training. However, if you (or your Managing Owner) and your Designated Manager satisfactorily complete our initial training program, and have not expressly informed us in writing at the end of that program that you (or your Designated Manager) do not feel sufficiently trained in the operation of a Yogurt Mountain Store, then you will be deemed to have been trained sufficiently to operate a Yogurt Mountain Store.

If this Agreement is for the first Yogurt Mountain Store you or your affiliates open, when your Yogurt Mountain Store is ready to open for business, we will without any additional training fee and at our expense, send a training team (the identity and composition of which will be in our discretion and may be comprised of only one (1) person) to your Yogurt Mountain Store to assist with the grand opening of your Yogurt Mountain Store. If this is not the first Yogurt Mountain Store opened by you or your affiliates, and if we determine it to be necessary to send our training team to the site to assist with the grand opening of the Yogurt Mountain Store, we will do so, at our discretion, and you will pay us a daily fee (which will not exceed $1,000 per day) and be responsible for all travel and living expenses and related costs incurred by us in providing such assistance, including, without limitation, salary expenses. The training team shall determine in its absolute sole discretion the amount of required time and support necessary to have your staff prepared for your grand opening. Notwithstanding the foregoing, we will not be required to send any of our trainers or representatives to your Yogurt Mountain Store to provide training or assistance if, in our sole discretion, it is unsafe to do so. Such determination by us will not relieve you from your obligations under this Agreement (including, without limitation, to pay monies owed) and will not serve as a basis for your termination of this Agreement.

We may require you, your Managing Owner, and/or your Designated Manager to attend and satisfactorily complete various training courses that we require at the times and locations that we designate, including courses and programs provided by third-parties we designate. We will not require attendance at more than two (2) such courses, or for more than a total of five (5) business days, during a calendar year. Besides attending these courses, your Managing Owner and Designated Manager shall attend an annual meeting of all Yogurt Mountain Store franchise owners at a location we designate. Attendance at the annual meeting will not be required for more than four (4) days during any calendar year. You shall pay all costs to attend.

If you have a new Managing Owner or Designated Manager during this Agreement's term, the new Managing Owner or Designated Manager must satisfactorily complete our then current initial training program. We may charge reasonable fees for training new a Managing Owner or Designated Manager. You also agree to pay all travel or living expenses which your Managing Owner or Designated Manager incurs during any training courses and programs.

Notwithstanding anything to the contrary, for any training program (whether initial or additional) or national or regional conferences that we conduct, we may, in our discretion, supplement or replace in-person training with live or recorded online training modules.

You understand and agree that any specific ongoing training or advice we provide does not create an obligation (whether by course of dealing or otherwise) to continue to provide such specific training or advice, all of which we may discontinue and modify from time to time.

B. **GENERAL GUIDANCE.**

We may advise you from time to time regarding the operation of your Yogurt Mountain Store based on your reports or our inspections and will guide you with respect to:

(1) standards, specifications, and operating procedures and methods that Yogurt Mountain Stores use;

(2) purchasing required and authorized Operating Assets and other products and services;

(3) advertising and marketing materials and programs; and

(4) employee training.

We may also provide guidance via telephonic conversations and/or consultation at our offices. If you request, and we will provide, additional or special guidance, assistance, or training, we may charge you our then applicable fee, including our personnel's per diem charges and travel and living expenses.

C. **OPERATIONS MANUAL.**

We will furnish to you or grant you the access to one (1) copy of our manual for the operations of a Yogurt Mountain Store, which may include one or more separate manuals as well as audiotapes, videotapes, compact discs, computer software, information available through any Online Presence, other electronic media, and/or written materials (the "**Operations Manual**"). We will loan you during the term of this Agreement one (1) copy of the Operations Manual. The Operations Manual contains mandatory specifications, standards, operating procedures, and rules that we periodically prescribe for operating Yogurt Mountain Stores ("**System Standards**"), other specifications, standards and policies we may suggest from time to time, and information on your other obligations under this Agreement. We may modify the Operations Manual from time to time to reflect changes in System Standards, including, without limitation, in the form of memoranda and newsletters. You shall keep your copy of the Operations Manual current and in a secure location at your Yogurt Mountain Store. If there is a discrepancy between our copy of the Operations Manual and yours, our copy of the Operations Manual controls. You agree that the Operations Manual's contents are confidential, that you will keep it in a secure location which will not be accessible to persons who are not authorized to review it, and that you will not disclose the Operations Manual to any person other than your employees who need to know its contents. You may not at any time copy, duplicate, record, or otherwise reproduce any part of the Operations Manual.

At our option, we may make some or all of the Operations Manual available through an Online Presence. If we do so, you agree to monitor and access that Online Presence for any updates to the Operations Manual. Any passwords or other digital identifications necessary to access the Operations Manual on any Online Presence will be deemed to be part of the Confidential Information (as defined in Section 6).

D. **DELEGATION OF PERFORMANCE.**

You agree that we have the right to delegate the performance of any portion or all of our obligations under this Agreement to third-party designees, whether these designees are our agents or independent contractors with whom we have contracted to perform these obligations.

5. INTELLECTUAL PROPERTY.

A. OWNERSHIP AND GOODWILL.

Your right to use the Marks and the Franchise System is derived only from this Agreement and limited to your operating your Yogurt Mountain Store according to this Agreement and all System Standards we prescribe. Your unauthorized use of the Marks or the Franchise System is a breach of this Agreement and infringes our and our affiliate's rights. Your use of the Marks, the Franchise System, and/or any goodwill established by that use are exclusively for our and our affiliate's benefit and that this Agreement does not confer any goodwill or other interests in the Marks or the Franchise System upon you (other than the right to operate your Yogurt Mountain Store under this Agreement). All provisions of this Agreement relating to the Marks or the Franchise System apply to any additional, modified, or substitute trademarks, service marks, operating procedures, or other components of the foregoing that we authorize for Yogurt Mountain Stores. You may not at any time during or after this Agreement's term contest or assist any other person in contesting the validity of, or our rights to, the Marks or the Franchise System.

B. LIMITATIONS ON YOUR USE OF MARKS.

You shall use the Marks as the sole identification of your Yogurt Mountain Store, except that you shall identify yourself as its independent owner in the manner we prescribe. You may not use any Mark (1) as part of any corporate or legal business name, (2) with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos we have licensed to you), (3) in selling any unauthorized services or products or endorsing any third-party or its products or services, (4) as part of any website, domain name, email address, social media account, user name, other online presence or presence on any electronic, digital, or virtual medium of any kind ("**Online Presence**"), except in accordance with our guidelines set forth in the Operations Manual or otherwise in writing from time to time, or (5) in any other manner that we have not expressly authorized in writing. You shall display the Marks prominently as we prescribe at your Yogurt Mountain Store and on forms, advertising, supplies, and other materials we designate. You shall give the notices of trade and service mark registrations that we specify and to obtain any fictitious or assumed name registrations required under applicable law.

C. NOTIFICATION OF INFRINGEMENTS AND CLAIMS.

You shall notify us immediately of any apparent infringement or challenge to your use of any Mark, or of any person's claim of any rights in any Mark or any component of the Franchise System, and not to communicate with any person other than us, our affiliates, our or our affiliates' attorneys, and your attorneys, regarding any infringement, challenge, or claim. We and our affiliates (as their interests appear) may take the action we deem appropriate (including no action) and control exclusively any litigation, U.S. Patent and Trademark Office proceeding, or other administrative proceeding arising from any infringement, challenge, or claim or otherwise concerning any Mark or any component of the Franchise System. You shall sign any documents and take any other reasonable action that, in the opinion of our and our affiliate's attorneys, are necessary or advisable to protect and maintain our and our affiliate's interests in any litigation or U.S. Patent and Trademark Office or other proceeding or otherwise to protect and maintain our

and our affiliate's interests in the Marks or the Franchise System. We will reimburse you for your costs of taking any action that we or our affiliates have asked you to take.

D. **DISCONTINUANCE OR MODIFICATION.**

If it becomes advisable at any time for us to modify or discontinue using any Mark and/or to use one or more additional or substitute trademarks or service marks, you shall comply with our directions within a reasonable time after receiving notice. We need not reimburse you for your direct expenses of changing the signs of your Yogurt Mountain Store, for any loss of revenue due to any modified or discontinued Mark, or for your expenses of promoting a modified or substitute trademark or service mark. Our rights in this Section 5.D apply to any and all of the Marks (and any portion of any Mark) that we authorize you to use in this Agreement. We and our affiliates may exercise these rights at any time and for any reason, business or otherwise, that we or our affiliates think best. You acknowledge both our right to take this action and your obligation to comply with our directions.

E. **INDEMNIFICATION FOR USE OF MARKS.**

We will reimburse you for all damages and expenses that you incur in any trademark infringement proceeding disputing your authorized use of any Mark under this Agreement if you have timely notified us of, and comply with our directions in responding to, the proceeding. At our option, we or our affiliates (as their interests appear) may defend and control the defense of any proceeding arising from your use of any Mark under this Agreement.

6. **CONFIDENTIAL INFORMATION.**

In connection with your franchise under this Agreement, you and your owners and personnel may from time to time be provided and/or have access to non-public information about the Franchise System and the operation of Yogurt Mountain Stores (including your Yogurt Mountain Store) (some of which constitutes our trade secrets under applicable law), regardless of whether it is marked confidential (the "**Confidential Information**"), including:

(1) site selection criteria;

(2) training and operations materials and manuals, including the Operations Manual;

(3) the System Standards and other methods, formats, specifications, standards, systems, procedures, recipes, pricing analyses, operating techniques, sales and marketing techniques, knowledge, and experience used in developing, promoting and operating Yogurt Mountain Stores;

(4) market research, promotional, marketing and advertising programs for Yogurt Mountain Stores;

(5) knowledge of specifications for, and vendors of, Operating Assets and other products and supplies;

(6) any computer software or similar technology which is proprietary to us, our affiliates, or the Franchise System, including, without limitation, digital passwords and identifications and any source code of, and data, reports, and other printed materials generated by, the software or similar technology;

(7) knowledge of the operating results and financial performance of Yogurt Mountain Stores, including for your Yogurt Mountain Store;

(8) customer data; and

(9) any other information designated confidential or proprietary by us.

Confidential Information does not include (i) any information, materials, knowledge, or know-how, which is lawfully known to the public without violation of applicable law or an obligation to us or our affiliates, and (ii) Restricted Data.

You on behalf of yourself, your owners (if any), and your and their respective current and former spouses, immediate family members, officers, directors, employees, representatives, affiliates, successors and assigns agree that our Confidential Information, whether oral or written: (i) shall be deemed proprietary, (ii) shall be held by you in strict confidence, (iii) shall not be copied, disclosed or revealed to or shared with any other person except to your employees or contractors who have a need to know such Confidential Information for purposes of this Agreement and who sign a confidentiality agreement (and we reserve the right to approve or designate the form confidentiality agreement) no less restrictive than your obligations hereunder, or to individuals or entities specifically authorized by us in advance, and (iv) shall not be used in connection with any other business or capacity.

You on behalf of yourself, your owners (if any), and your and their respective current and former spouses, immediate family members, officers, directors, employees, representatives, affiliates, successors and assigns agree that (i) you and they will not acquire any interest in our Confidential Information other than the right to use it as we specify in operating your Yogurt Mountain Store during this Agreement's term, (ii) you and they will protect the Confidential Information from unauthorized use, access or disclosure in the same manner as you protect your own confidential or proprietary information of a similar nature and with no less than reasonable care, and (iii) you and they will adopt and implement administrative, physical and technical safeguards to prevent unauthorized use or disclosure of any of our Confidential Information.

You on behalf of yourself and your owners (if any) agree that during and after the term of this Agreement you will, and will cause each of your owners and your and their respective current and former spouses, immediate family members, officers, directors, employees, representatives, affiliates, successors and assigns to: (a) process, retain, use, collect, and disclose our Confidential Information strictly to the limited extent, and in such a manner, as necessary for the development and operation of your Yogurt Mountain Store in accordance with this Agreement, and not for any other purpose of any kind; and (b) process, retain, use, collect, and disclose our Confidential Information strictly in accordance with the privacy policies and System Standards we establish from time to time, and our and our representative's instructions.

You acknowledge and agree that, as between us and you, we are the sole owner of all right, title, and interest in and to the Franchise System and any Confidential Information. All improvements, developments, derivative works, enhancements, or modifications to the Franchise System and any Confidential Information (collectively, "**Innovations**") made or created by you, your employees or your contractors, whether developed separately or in conjunction with us, shall be owned solely by us. You represent, warrant, and covenant that your employees and contractors are bound by written agreements assigning all rights in and to any Innovations developed or created by them to you. To the extent that you, your employees or your contractors are deemed to have any interest in such Innovations, you hereby agree to assign, and do assign, all right, title and interest in and to such Innovations to us. To that end, you shall execute, verify, and deliver such documents (including, without limitation, assignments) and perform such other acts (including appearances as a witness) as we may reasonably request for use in applying for, obtaining, perfecting, evidencing, sustaining, and enforcing such ownership rights in and to the Innovations, and the assignment thereof. Your obligation to assist us with respect to such ownership rights shall continue beyond the expiration or termination of this Agreement. In the event we are unable for any reason, after reasonable effort, to secure your signature on any document needed in connection with the actions specified in this Section 6, you hereby irrevocably designate and appoint us and our duly authorized officers and agents as your agent and attorney in fact, which appointment is coupled with an interest and is irrevocable, to act for and on your behalf to execute, verify, and file any such documents and to do all other lawfully permitted acts to further the purposes of this Section 6 with the same legal force and effect as if executed by you. The obligations of this Section 6 shall survive any expiration or termination of the Agreement.

7. EXCLUSIVE RELATIONSHIP DURING TERM.

A. COVENANTS AGAINST COMPETITION.

You acknowledge that we have granted you the Franchise in consideration of and reliance upon your agreement to deal exclusively with us. Therefore, during this Agreement's term, neither you, any of your owners, nor any of your or your owners' immediate family members may either directly or indirectly:

(1) have any interest as an owner – whether of record, beneficially, or otherwise – in a Competitive Business (defined below), wherever located or operating (except that equity ownership of less than five percent (5%) of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this subparagraph);

(2) perform services as a director, officer, manager, employee, consultant, lessor, representative, or agent for a Competitive Business, wherever located or operating;

(3) divert or attempt to divert any actual or potential business or customer of your Yogurt Mountain Store to a Competitive Business; or

(4) appropriate, use or duplicate the Franchise System or System Standards, or any portion thereof, for use in any other business or endeavor.

The term "**Competitive Business**" means any business (other than a Yogurt Mountain Store) operating, or granting franchises or licenses to others to operate, a food service or retail business deriving more than 10% of its revenue from the sale of frozen desserts of any kind, including frozen yogurt, frozen custard, ice cream, smoothies or any products which are, to any degree, comprised of or which include frozen desserts of any kind, including frozen yogurt, frozen custard, ice cream or smoothies.

You shall obtain similar covenants from the personnel we specify, including officers, directors, managers, and other employees attending our training program or having access to Confidential Information. We have the right to regulate the form of agreement that you use and to be a third-party beneficiary of that agreement with independent enforcement rights.

B. **COVENANT OF NON-INTERFERENCE.**

You agree that, during the term of this Agreement, neither you, nor any of your owners, or your or your owners' affiliates, officers, directors, managers or immediate family members will interfere or attempt to interfere with our or our affiliates' relationships with any vendors, franchisees, customers or consultants.

8. BUSINESS OPERATIONS AND SYSTEM STANDARDS.

A. CONDITION AND APPEARANCE OF YOUR YOGURT MOUNTAIN STORE.

You agree that you will not use any part of the Premises for any purpose other than operating a Yogurt Mountain Store in compliance with this Agreement, and that you will place or display at the Premises (interior and exterior) only those signs, emblems, designs, artwork, lettering, logos and display and advertising materials that we approve from time to time. You shall also maintain the condition and appearance of your Yogurt Mountain Store, its Operating Assets and the Premises in accordance with the System Standards and, consistent with the image of Yogurt Mountain Stores, as an efficiently operated business offering high quality products and services and observing the highest standards of cleanliness and efficient, courteous service. Therefore, you shall take, without limitation, the following actions during this Agreement's term at your expense: (a) thorough cleaning, repainting and redecorating of the interior and exterior of the Premises at intervals that we may prescribe; (b) interior and exterior repair of the Premises as needed; and (c) repair or replacement, at our direction, of damaged, worn-out or obsolete Operating Assets at intervals that we may prescribe (or, if we do not prescribe an interval for replacing any Operating Asset, as that Operating Asset needs to be repaired or replaced).

In addition to the foregoing, you agree to renovate, refurbish, remodel, or replace, at your own expense, the real and personal property and equipment used in operating the Yogurt Mountain Store when reasonably required by us to comply with our System Standards. If we change our System Standards, we shall give you a reasonable period of time within which to comply with such changes.

B. PRODUCTS AND SERVICES YOUR YOGURT MOUNTAIN STORE OFFERS.

You agree that you (1) will offer and sell from your Yogurt Mountain Store all of the products and services that we periodically specify; (2) will not offer or sell at your Yogurt Mountain Store, the Premises or any other location any products or services we have not authorized; and (3) will discontinue selling and offering for sale any products or services that we at any time disapprove.

You will offer for sale and sell at your Yogurt Mountain Store authorized products and services only in the manner (including, days and hours of operation) and at the locations we have prescribed and will not sell any products or services wholesale or through alternative channels of distribution, including through any Online Presence. You must immediately bring your Yogurt Mountain Store into compliance with our System Standards for such products or services, including by purchasing or leasing any necessary Operating Assets, making any required changes to signage and advertising materials, and updating your Computers System to include any software, hardware or other equipment necessary to offer such products services through an online and/or automated system. If we at any time require or permit you to offer delivery, catering and/or any other off-site products or services, we reserve the right to limit the geographic area in which you may offer such services (which may be different than your Protected Territory), and we may modify that geographic area from time to time, in our sole discretion.

C. MANAGEMENT OF YOUR YOGURT MOUNTAIN STORE.

You are solely responsible for the management, direction and control of your Yogurt Mountain Store. You (or your Managing Owner) must supervise the management and operation of your Yogurt Mountain Store and continuously exert best efforts to promote and enhance your Yogurt Mountain Store. If you do not wish to supervise the day-to-day operation of your Yogurt Mountain Store on a full-time basis, you must obtain our approval of any management level employee and/or other person, agent, or management company that you wish to engage to supervise the management of your Yogurt Mountain Store ("**Designated Manager**"), prior to delegating any management or supervisory responsibilities to such Designated Manager. We may establish conditions for approving any such Designated Manager in our discretion, which may include the completion of training, confirmation that they will have no competitive businesses activities, and/or execution of a non-disclosure agreement or other covenants we require. If your Designated Manager ceases to work at your Yogurt Mountain Store, you must recruit a new Designated Manager within thirty (30) days of the change and accurately identify the proposed Designated Manager for our review and approval. At any time that an approved Designated Manager is not supervising the operation of your Yogurt Mountain Store, for any reason, you (or your Managing Owner) must supervise operations on a full-time basis.

D. APPROVED VENDORS.

We may designate certain items or services used in the development or operation of your Yogurt Mountain Store that you may purchase from a vendor of your choosing; if we do so, you must purchase all other items or services only from manufacturers, vendors, distributors,

suppliers, and producers (collectively "**vendors**") that are then approved by us. We also have the right to approve or designate the terms, and distribution methods for any goods or services. If we designate any goods and services must be purchased through approved and/or designated vendors, you must purchase such goods and services from such vendors pursuant to the terms and in the manner approved by us and or our affiliates. We may arrange with designated vendors to collect or have our affiliates collect fees and expenses associated with products and services they provide to you and, in turn, pay the vendor on your behalf for such products or services. If we elect to do so, you agree that we or our affiliates may auto-debit your bank account for such amounts in the same manner and using the same authorization that you grant us with respect to payment of Royalty. We or any of our affiliates may be a vendor or otherwise party to these transactions, and may derive revenue or profit from such transactions. We and/or any of our affiliates may use such revenue or profit without restriction.

If you would like us to consider approving a vendor that is not then approved, you must submit your request in writing before purchasing any items or services from that vendor. We will not be obligated to respond to your request, and any actions we take in response to your request will be at our sole and unfettered discretion, including the assessment of a fee (which will not exceed the greater of (i) the actual cost to test proposed product or vendor; or (ii) $1,000 per request) to compensate us for the time and resources we spend in evaluating the proposed vendor. We may, with or without cause, revoke our approval of any vendor at any time.

E. COMPLIANCE WITH LAWS AND GOOD BUSINESS PRACTICES.

You must secure and maintain in force throughout this Agreement's term all required licenses, permits, and certificates relating to the operation of your Yogurt Mountain Store and operate your Yogurt Mountain Store in full compliance with all applicable laws, ordinances, and regulations. You shall comply and assist us in our compliance efforts, as applicable, with any and all laws, regulations, Executive Orders, or otherwise relating to anti-terrorist activities, including without limitation the U.S. Patriot Act, Executive Order 13224, and related U.S. Treasury and/or other regulations. In connection with such compliance efforts, you agree not to enter into any prohibited transactions and to properly perform any currency reporting and other activities relating to your Yogurt Mountain Store as may be required by us or by law. You confirm that you are not listed in the Annex to Executive Order 13224 and agree not to hire any person so listed or have any dealing with a person so listed (the Annex is currently available at http://www.treasury.gov). You are solely responsible for ascertaining what actions must be taken by you to comply with all such laws, orders and/or regulations, and specifically acknowledge and agree that your indemnification responsibilities as provided in Section 16.D pertain to your obligations hereunder. Notwithstanding the foregoing, in the event any guidance or recommendation issued by any federal, state, or local authority directly or indirectly affects the operation of Yogurt Mountain Stores, you will not close Yogurt Mountain Store unless you obtain our prior written consent.

Your Yogurt Mountain Store must in all dealings with its customers, vendors, us and the public adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. You shall refrain from any business or advertising practice which might injure our business or the goodwill associated with the Marks or other Yogurt Mountain Stores. You agree to comply with our Franchise System Website privacy policy, as it may be amended periodically. You further

agree to comply with any requests to return or delete customer personal information, whether requested by us or directly by the customer, as required by applicable data sharing and privacy laws. You must notify us in writing within three (3) business days of: (1) the commencement of any action, suit or proceeding relating to your Yogurt Mountain Store; (2) the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality relating to your Yogurt Mountain Store; (3) any notice of violation of any law, ordinance or regulation relating to your Yogurt Mountain Store and/or that any audit, investigation, or similar proceeding by any such person or governmental authority is pending or threatened against you on the basis of the foregoing; (4) receipt of any notice of complaint from the Better Business Bureau, any local, state or federal consumer affairs department or division, or any other government or independent third party involving a complaint from a client or potential client relating to your Yogurt Mountain Store; (5) written complaints from any actual or potential customer or vendor; and (6) any and all other notices you receive claiming that you (or your affiliates or representatives) have violated or breached any intellectual property rights, or the terms and conditions of any agreements related to the operation of your Yogurt Mountain Store, including any default notices from any landlord or vendor. You must immediately provide to us copies of any documentation you receive of any of the foregoing events and resolve the matter in a prompt and reasonable manner in accordance with good business practices.

F. **INSURANCE.**

During the term of this Agreement you must maintain in force at your sole expense comprehensive business owners coverage (including contents insurance, loss of business income, employee dishonesty, money coverage, and comprehensive general liability), hired/non owned auto liability, boiler and machinery coverage, umbrella coverage, building coverage, and auto liability coverage, all containing the minimum liability coverage we prescribe from time to time. You also must maintain workers' compensation insurance for your employees in accordance with laws applicable in the state in which the Yogurt Mountain Store is operated. We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverages (including reasonable excess liability insurance) at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. All insurance policies for liability coverage must name us and any affiliates we designate as additional named insureds, using a form of endorsement we have approved, and provide for 30 days' prior written notice to us of a policy's material modification, cancellation, or expiration. You routinely must furnish us copies of your Certificate of Insurance or other evidence of your maintaining this insurance coverage and paying premiums.

If you fail or refuse to obtain and maintain the insurance we specify, in addition to our other remedies, we may (but need not) obtain such insurance for you and your Yogurt Mountain Store on your behalf, in which event you shall cooperate with us and reimburse us for all premiums, costs and expenses we incur in obtaining and maintaining the insurance, plus a reasonable fee for our time incurred in obtaining such insurance.

Our requirements for minimum insurance coverage are not representations or warranties of any kind that such coverage is sufficient for your Yogurt Mountain Store's operations. Such requirements represent only the minimum coverage that we deem acceptable to protect our

interests. It is your sole responsibility to obtain insurance coverage for your Yogurt Mountain Store that you deem appropriate, based on your own independent investigation. We are not responsible if you sustain losses that exceed your insurance coverage under any circumstances.

Your obligation to maintain insurance coverage will not be limited in any respect by reason of insurance maintained by us or any other party. Additionally, no insurance coverage that you or any other party maintains will be deemed a substitute for your indemnification obligations to us or affiliates under Section 16.D or otherwise.

G. **PRICING.**

Unless prohibited by applicable law, we may periodically set a maximum or minimum price that you may charge for products and services offered by Yogurt Mountain Stores. If we impose such a maximum or minimum price for any product or service, you may charge any price for the product or service up to and including our designated maximum price or down to and including our designated minimum price. The designated maximum and minimum prices for the same product or service may, at our option, be the same. For any product or service for which we do not impose a maximum or minimum price, we may require you to comply with an advertising policy adopted by us which will prohibit you from advertising any price for a product or service that is different than our suggested retail price. Although you must comply with any advertising policy we adopt, you will not be prohibited from selling any product or service at a price above or below the suggested retail price unless we impose a maximum price or minimum price for such product or service.

H. **CONTACT INFORMATION AND LISTINGS**.

You agree that each telephone or facsimile number, directory listing, and any other type of contact information used by or that identifies or is associated with your Yogurt Mountain Store (any "**Contact Identifiers**") will be used solely to identify your Yogurt Mountain Store in accordance with this Agreement. You acknowledge and agree that, as between us and you, we have the sole rights to, and interest in, all Contact Identifiers and also all Online Presences.

I. **COMPLIANCE WITH SYSTEM STANDARDS**.

Operating and maintaining your Yogurt Mountain Store according to System Standards are essential to preserve the goodwill of the Marks and the goodwill of all Yogurt Mountain Stores. Therefore, you agree at all times to operate and maintain your Yogurt Mountain Store according to each and every System Standard, as we periodically modify and supplement them. Though we retain the right to establish and periodically modify System Standards which you have agreed to maintain in the operation of your Yogurt Mountain Store, you retain the right and sole responsibility for the day-to-day management and operation of your Yogurt Mountain Store and the implementation and maintenance of System Standards at your Yogurt Mountain Store. System Standards may regulate any aspect of the operation and maintenance of your Yogurt Mountain Store, including, but not limited to, any one or more of the following:

(1) sales, marketing, advertising and promotional programs and materials and media used in these programs;

(2) staffing levels for your Yogurt Mountain Store and employee qualifications, training, uniforms, and appearance (although you have sole responsibility and authority concerning employee selection and promotion, hours worked, rates of pay and other benefits, work assigned, the manner of performing work, and working conditions);

(3) use and display of the Marks;

(4) days and hours of operation;

(5) methods of payment that your Yogurt Mountain Store may accept from customers;

(6) participation in market research and testing and product and service development programs;

(7) participation in gift card and loyalty programs;

(8) policies for the registration, use, content, or management of Online Presences, or other technology systems, solutions, or products;

(9) participation in quality assurance and customer satisfaction programs;

(10) use of any third-party food delivery services, online ordering services, or other food aggregation services;

(11) menus, including product offerings, appearance, and inclusion of nutrition information;

(12) bookkeeping, accounting, data processing and record keeping systems and forms; formats, content and frequency of reports to us of sales, revenue, and financial performance and condition; and your obligation to give us copies of tax returns and other operating and financial information concerning your Yogurt Mountain Store (we will use reasonable efforts to keep such records confidential);

(13) types, amounts, terms, and conditions of insurance coverage required for your Yogurt Mountain Store, including criteria for your insurance carriers;

(14) forms of payment and currencies your Yogurt Mountain Store must or may accept; and

(15) any other aspects of operating and maintaining your Yogurt Mountain Store that we determine to be useful to preserve or enhance the efficient operation, image, or goodwill of the Marks and Yogurt Mountain Stores generally.

Our periodic modification of the System Standards (including, without limitation, changes and/or additions to Yogurt Mountain Store equipment and hardware and software required for the Computer System), may accommodate regional and/or local variations, and/or

may obligate you to invest additional capital in your Yogurt Mountain Store and/or incur higher operating costs.

J. **NON-DISPARAGEMENT.**

You agree not to (and to use your best efforts to cause your current and former shareholders, members, officers, directors, principals, agents, partners, employees, representatives, attorneys, spouses, affiliates, successors, and assigns not to) disparage or otherwise speak or write negatively, directly or indirectly, of us, our affiliates, any of our or our affiliates' directors, officers, employees, representatives or affiliates, the Yogurt Mountain brand, the Franchise System, any Yogurt Mountain Store, any business using the Marks, or any other brand concept offered by us or our affiliates, or undertake any act or omission which would (i) subject any of the foregoing to ridicule, scandal, reproach, scorn, or indignity, (ii) negatively impact the goodwill of the Marks or the Franchise System, or (iii) constitute an act of moral turpitude. The obligations of this Section 8.J shall survive any expiration or termination of the Agreement.

K. **INFORMATION SECURITY.**

You may from time to time have access to information that can be used to identify an individual, including names, addresses, telephone numbers, e-mail addresses, employee identification numbers, signatures, passwords, financial information, billing and payment information, biometric or health data, and government-issued identification numbers ("Personal Information"). You may gain access to such Personal Information from us, our affiliates, our vendors, and/or your own operations. You acknowledge and agree that all Personal Information. (other than Restricted Data, defined below) is our Confidential Information and is subject to the protections in Section 6. During and after the term of this Agreement, you (and if you are conducting business as an Entity, each of your owners) agree to, and to cause your respective current and former employees, representatives, affiliates, successors and assigns to: (a) process, retain, use, collect, and disclose all Personal Information only in strict accordance with all applicable laws, regulations, orders, the guidance and codes of practice issued by industry or regulatory agencies, and the privacy policies and terms and conditions of any applicable Online Presence; (b) assist us with meeting our compliance obligations under all applicable laws, regulations, and orders relating to Personal Information, including the guidance and codes of practice issued by industry or regulatory agencies; and (c) promptly notify us of any communication or request from any customer or other person to access, correct, delete, opt-out of, or limit activities relating to any Personal Information.

If you become aware of a suspected or actual breach of security or unauthorized access involving Personal Information, you will notify us immediately and specify the extent to which Personal Information was compromised or disclosed. You also agree to follow our instructions regarding curative actions and public statements relating to the breach. We reserve the right to conduct a data security and privacy audit of any of your Yogurt Mountain Store and your Computer Systems at any time, from time to time, to ensure that you are complying with our requirements.

Notwithstanding anything to the contrary in this Agreement or otherwise, you agree that we do not control or own any of the following Personal Information (collectively, the "**Restricted Data**"): (a) any Personal Information of the employees, officers, contractors, owners or other personnel of you, your affiliates, or your Yogurt Mountain Store; (b) such Personal Information that we don't have access to; and/or (c) such other Personal Information as we from time to time expressly designate as Restricted Data. Regardless of any guidance we may provide generally and/or any specifications that we may establish for other Personal Information, you have sole and exclusive responsibility for all Restricted Data, including establishing protections and safeguards for such Restricted Data; provided, that in each case you agree to comply with all applicable laws, regulations, orders, and the guidance and codes of practice issued by industry or regulatory agencies applicable to such Restricted Data.

L. EMPLOYEES, AGENTS AND INDEPENDENT CONTRACTORS.

You acknowledge and agree that you are solely responsible for all decisions relating to employees, agents, and independent contractors that you may hire to assist in the operation of your Yogurt Mountain Store. You agree that any employee, agent, or independent contractor that you hire will be your employee, agent, or independent contractor, and not our employee, agent, or independent contractor. You also agree that you are exclusively responsible for the terms and conditions of employment of your employees, including recruiting, hiring, firing, training, compensation, work hours and schedules, work assignments, safety and security, discipline, and supervision. You agree to manage the employment functions of your Yogurt Mountain Store in compliance with federal, state, and local employment laws.

Without limiting the foregoing, you agree that we may require that any employee, agent, or independent contractor that you hire and that will have access to Confidential Information, to execute a non-disclosure agreement and other covenants that we approve or designate. If we approve or designate any form of non-disclosure agreement and other covenants, it is solely to ensure that it meets our minimum standards to protect us and the Marks and System, it is your sole responsibility to ensure that the non-disclosure agreement and other covenants are enforceable under applicable laws in your jurisdiction.

M. PAYMENTS TO THIRD PARTIES.

You must timely pay all vendors, landlords, lessors, government agencies and other third parties all amounts when due without liability to us or our affiliates. Upon our request, you will provide us with proof of payment.

We may, from time to time, elect to pay amounts that you owe third-party vendors on your behalf, and you must reimburse us for such amounts. We may invoice you for such reimbursement amounts, or collect such amounts in the same manner as the Royalty. We also reserve the right to charge you an administrative fee for such services (which will not exceed 10% of the amount we pay on your behalf), and collect such fees in the same manner. We reserve the right to increase the amount that we charge you for such services, in our discretion, from time to time, or to discontinue offering such services. We also reserve the right, in our discretion, to require you to sign a separate agreement with us (or our affiliates) for any vendor payment services we offer you.

N. **FINANCING; MAXIMUM BORROWING LIMITS; LIQUIDITY**.

You acknowledge and agree that:

(1) you will, at all times, maintain sufficient working capital reserves as necessary and appropriate to comply with your obligations under this Agreement. At our request, you will provide us with evidence of working capital availability. We reserve the right, from time to time, to establish certain levels of working capital reserves, and you will comply with such requirements;

(2) we may from time to time designate the maximum amount of debt that Yogurt Mountain Stores may service, and you will ensure that you will comply with such limits; and

(3) you will apply for and diligently pursue any government-issued, government-sponsored, or government-guaranteed grants, non-recourse loans, or bail-outs for which you qualify and that are made available to small businesses as an economic stimulus, if necessary to comply with your obligations under this Agreement.

9. **MARKETING.**

A. **GRAND OPENING ADVERTISING.**

In addition to all other amounts you are required to spend on marketing under this Agreement, you shall spend at least $5,000 for a grand opening marketing program for your Yogurt Mountain Store to take place on the dates we designate before and after your Yogurt Mountain Store opens. You shall use the media, materials, programs and strategies we develop or approve in connection with the grand opening advertising program.

B. **MARKETING FUND.**

You shall contribute to a marketing fund (the "**Marketing Fund**") an amount equal to two percent (2%) of Gross Sales, payable in the same manner as the Royalty.

We or our affiliates or other designees will have exclusive control over all programs and services administered by the Marketing Fund, with sole control over the creative concepts, materials, campaigns and endorsements, and their geographic market, media placement and allocation. The Marketing Fund may pay for preparing and producing video, audio, and written materials and electronic media; developing, implementing, and maintaining any Franchise System Website (as defined in Section 9.D below) or other Online Presence and/or related strategies; administering marketing and advertising programs, including digital, online, social, email, display, trade journal, direct mail, and other media campaigns; using advertising, promotion, and marketing agencies and other advisors to provide assistance; developing or managing customer loyalty programs; developing and maintaining applications, software, and integrations; and supporting public relations, market research, and other advertising, promotion, and marketing activities; and/or any other expenditures that are directly or indirectly related to promoting the Marks, the Franchise System, the brand, and/or Yogurt Mountain Stores.

We will account for the Marketing Fund separately from our other funds and not use the Marketing Fund for any of our general operating expenses. We may use the Marketing Fund to reimburse us or our affiliates or designees for the reasonable salaries and benefits of personnel who manage and administer the Marketing Fund, the Marketing Fund's other administrative costs, travel expenses of personnel while they are on Marketing Fund business, meeting costs, overhead relating to Marketing Fund business, and other expenses that we or our affiliates or designees incur in activities reasonably related to administering or directing the Marketing Fund and its programs, including conducting market research, public relations, preparing advertising, promotion, and marketing materials, and collecting and accounting for Marketing Fund contributions.

Neither we nor any of our affiliates has any fiduciary obligation to you or any other person for administering the Marketing Fund or any other reason. The Marketing Fund may spend in any fiscal year more or less than the total Marketing Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will prepare an annual, unaudited statement of Marketing Fund collections and expenses and give you such statement upon your written request. We may have the Marketing Fund audited annually, at the Marketing Fund's expense, by an independent certified public accountant. We may incorporate the Marketing Fund or operate it through a separate entity whenever we deem appropriate. The successor entity will have all of the rights and duties specified in this Section.

We intend for the Marketing Fund to promote recognition of the applicable Marks, the Franchise System, the Yogurt Mountain® brand, and patronage of the Yogurt Mountain Stores generally. We are not required to spend any particular amount on advertising in your Protected Territory. We are not required to ensure that Marketing Fund expenditures in or affecting any geographic area are proportionate or equivalent to Marketing Fund contributions by Yogurt Mountain Stores operating in that geographic area or that any Yogurt Mountain Store benefits directly or in proportion to its Marketing Fund contribution from the development of advertising and marketing materials or the placement of advertising and marketing.

We have the right, but no obligation, to use collection agents and institute legal proceedings to collect Marketing Fund contributions at the Marketing Fund's expense. We also may forgive, waive, settle, and compromise all claims by or against the Marketing Fund. Except as expressly provided in this Section, we assume no direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing, or administering the Marketing Fund.

We may at any time defer or reduce contributions of a Yogurt Mountain Store franchise owner and, upon 30 days' prior notice to you, reduce or suspend Marketing Fund contributions and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Marketing Fund. If we terminate the Marketing Fund, we will, at our option, either spend all unspent monies in accordance with this Section until such amounts are exhausted, or distribute the funds in the Marketing Fund to Yogurt Mountain Store owners on a pro rata basis. We may elect to maintain multiple Marketing Funds or the administration thereof, whether determined by geographic region, country, or otherwise, or consolidate or merge multiple Marketing Funds or the administration thereof, in each case provided that each such Marketing Fund will otherwise remain subject to this Section.

C. **LOCAL MARKETING EXPENDITURES.**

In addition to your obligations under Section 9.A and Section 9.B above, you agree to spend an amount equal to three percent (3%) of your Yogurt Mountain Store's Gross Sales on a quarterly basis on activities to advertise and promote your Yogurt Mountain Store. Within 30 days after the end of each calendar quarter, you shall send us, in the manner we prescribe, an accounting of your expenditures for local advertising and promotion during the preceding calendar quarter. Your local advertising and promotion must follow our guidelines. You must list and advertise your Yogurt Mountain Store with the online directories we periodically prescribe, establish any other Online Presence we require or authorize, and list your Yogurt Mountain Store in at least one recommended classified telephone directory distributed within the market area of your Yogurt Mountain Store, each in accordance with our System Standards.

If other Yogurt Mountain Stores are located within the directory's distribution area, we may require you to participate in a collective advertisement with those other Yogurt Mountain Stores and to pay your share of that collective advertisement.

You agree that your advertising, promotion, and marketing will be completely clear, factual, and not misleading and conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that we prescribe from time to time. At least 20 days before you intend to use them, you shall send us for approval samples of all advertising, promotional, and marketing materials which we have not prepared or previously approved. If you do not receive written disapproval within 10 days after we receive the materials, they are deemed to be approved. Once we approve or the materials are deemed to have been approved, you are permitted to use them, unless and until we thereafter revoke such approval, for any reason. You may not use any advertising, promotional, or marketing materials that we have not approved or have disapproved.

D. **FRANCHISE SYSTEM WEBSITE.**

We have established and may continue to establish and develop Online Presences to advertise, market, and promote Yogurt Mountain Stores, the products and services that they offer and sell, and/or the Yogurt Mountain Store franchise opportunity (each a "**Franchise System Website**"). We may, but are not obligated to, provide you with a webpage or other Online Presence that references your Yogurt Mountain Store on any Franchise System Website. If we provide you with a webpage or other Online Presence on any Franchise System Website, you must provide us the information and materials we request to develop, update, and modify the information about your Yogurt Mountain Store, and notify us whenever any information on the Franchise System Website about your Yogurt Mountain Store is not accurate.

We will maintain each Franchise System Website in our sole discretion, and may use the Marketing Fund's assets to develop, maintain, and update the Franchise System Website. We periodically may update and modify any Franchise System Website (including references to your Yogurt Mountain Store). You acknowledge that we have final approval rights over all information on any Franchise System Website (including references to your Yogurt Mountain Store). We may implement and periodically modify System Standards relating to the Franchise System Website. Even if we provide you a webpage or other Online Presence on our Franchise

System Website, we will not be required to maintain it if you are not in full compliance with this Agreement and all System Standards (including, without limitation, those relating to the Franchise System Website).

If you are in default of any obligation under this Agreement or our System Standards, then we may, in addition to our other remedies, temporarily remove references to your Yogurt Mountain Store from any Franchise System Website until you fully cure the default. We will permanently remove all references to your Yogurt Mountain Store from each Franchise System Website upon this Agreement's expiration or termination. All advertising, marketing, and promotional materials that you develop for your Yogurt Mountain Store must contain notices of the Franchise System Website's domain name in the manner we designate.

Except as provided above, or as approved by us in writing or in the Operations Manual, you may not develop, maintain, or authorize any Online Presence that mentions your Yogurt Mountain Store, links to any Franchise System Website, or displays any of the Marks. You may also not engage in any promotional or similar activities, or sell any products or services, whether directly or indirectly, through any Online Presence, without our prior written approval. If we approve the use of any such Online Presence in the operation of your Yogurt Mountain Store, you will develop and maintain such Online Presence only in accordance with our guidelines, including our guidelines for posting any messages or commentary on other third-party websites. Unless we specify otherwise, we will own the rights to each such Online Presence. At our request, you agree to grant us access to each such Online Presence, and to take whatever action (including signing assignment or other documents) we request to evidence our ownership of such Online Presence, or to help us obtain exclusive rights in such Online Presence.

10. RECORDS, REPORTS, AND FINANCIAL STATEMENTS.

You shall establish and maintain at your own expense a bookkeeping, accounting, and recordkeeping system conforming to the requirements and formats we prescribe from time to time. We may require you to use a Computer System to maintain certain sales data and other information. We may also require you to use a third party approved by us for accounting and bookkeeping services. You shall give us in the manner and format that we prescribe from time to time:

(a) Along with each Royalty payment, a report of Gross Sales upon which such Royalty payment is based;

(b) on or before the fifth (5th) day of each accounting period specified by us from time to time (each an "**Accounting Period**"), a report on the Gross Sales of your Yogurt Mountain Store during the preceding Accounting Period;

(c) within 30 days after the end of each accounting quarter specified by us from time to time (each an "**Accounting Quarter**") , the operating statements, financial statements, statistical reports, purchase records, and other information we request regarding you and your Yogurt Mountain Store covering the previous Accounting Quarter and the fiscal year to date;

(d) within 90 days after the end of each fiscal year, annual profit and loss and source and use of funds statements and a balance sheet for your Yogurt Mountain Store as of the end of that calendar year. We reserve the right to require that you have these financial statements audited by an independent accounting firm in accordance with generally accepted accounting principles or, at our option, international accounting standards and principles; and

(e) within 10 days after our request, exact copies of federal and state income tax returns, sales tax returns, and any other forms, records, books, and other information we periodically require relating to your Yogurt Mountain Store, the Franchise or any of your owners (if you are an Entity).

You must verify and sign each report and financial statement in the manner we prescribe. We may disclose data derived from these reports. Moreover, we may, as often as we deem appropriate (including on a daily basis), access the Computer System and retrieve all information relating to the operation of your Yogurt Mountain Store. You shall preserve and maintain all records in a secure location at your Yogurt Mountain Store for at least three (3) years (including, but not limited to, sales checks, purchase orders, invoices, payroll records, customer lists, check stubs, sales tax records and returns, cash receipts and disbursement journals, and general ledgers).

Further, at our request, you will provide current financial information for your owners and guarantors sufficient to demonstrate such owners' and guarantors' ability to satisfy their financial obligations under their individual guarantees to this Agreement.

11. INSPECTIONS AND AUDITS.

A. OUR RIGHT TO INSPECT YOUR YOGURT MOUNTAIN STORE.

To determine whether you and your Yogurt Mountain Store are complying with this Agreement and all System Standards, we and our designated agents or representatives, may at all times and without prior notice to you:

(1) inspect your Yogurt Mountain Store;

(2) photograph your Yogurt Mountain Store and observe and videotape the operation of your Yogurt Mountain Store for consecutive or intermittent periods we deem necessary;

(3) remove samples of any products and supplies;

(4) interview the personnel and customers of your Yogurt Mountain Store;

(5) inspect your Computer System, including hardware, software, security, configurations, connectivity, and data access; and

(6) inspect and copy any books, records, and documents relating to the operation of your Yogurt Mountain Store.

You consent to such recordings and agree to cooperate with us and our designees fully. You agree to obtain all third-party consents required under applicable laws to permit such recordings. You shall cooperate with us and our designated agents or representatives fully. You shall present to your customers the evaluation forms that we periodically prescribe and participate and/or request your customers to participate in any surveys performed by or for us. You must reimburse all of costs (including supplier fees, travel expenses, room and board, and compensation of our employees) associated with re-inspections or follow-up visits that we conduct after any audit or inspection of your Yogurt Mountain Store identifies one or more failures of System Standards, and/or if any follow-up visit is necessary because we or our designated representatives were for any reason prevented from properly inspecting any or all of your Yogurt Mountain Store (including because you or your personnel refuse entry to the Premises). These remedies are in addition to our other remedies and rights under this Agreement and applicable law.

B. **OUR RIGHT TO AUDIT.**

We and our designated agents or representatives may at any time during your business hours, and without prior notice to you, examine your Yogurt Mountain Store, bookkeeping, and accounting records for your Yogurt Mountain Store, and sales and income tax records and returns, and other records. You shall cooperate fully with our representatives and independent accountants in any examination. If any examination discloses an understatement of the Gross Sales, you shall pay us, within 15 days after receiving the examination report, the Royalty and Marketing Fund contributions due on the amount of the understatement, plus our service charges and interest on the understated amounts from the date originally due until the date of payment. Furthermore, if an examination is necessary due to your failure to furnish reports, supporting records, or other information as required, or to furnish these items on a timely basis, or if our examination reveals a Royalty or Marketing Fund contribution understatement exceeding two percent (2%) of the amount that you actually reported to us for the period examined, you shall reimburse us for the costs of the examination, including, without limitation, the charges of attorneys and independent accountants and the travel expenses, room and board, and compensation of our employees. These remedies are in addition to our other remedies and rights under this Agreement and applicable law.

12. **TRANSFER.**

A. **BY US.**

You acknowledge that we maintain a staff to manage and operate the Franchise System and that staff members can change as employees come and go. You represent that you have not signed this Agreement in reliance on any particular shareholder, director, officer, or employee remaining with us in that capacity. We may change our ownership or form and/or assign this Agreement and any other agreement to a third party without restriction.

B. **BY YOU.**

You understand and acknowledge that the rights and duties this Agreement creates are personal to you and your owners and that we have granted you the Franchise in reliance upon our

perceptions of your and your owners' individual or collective character, skill, aptitude, attitude, business ability, and financial capacity.

Accordingly, without our prior written consent, neither you nor any owners, nor any of your or their permitted successors or assigns, shall transfer (i) any direct or indirect interest in this Agreement (including, without limitation, any or all of your rights or obligations under it), (ii) your Yogurt Mountain Store or its assets (other than in the ordinary course of business), (iii) your right to possession of the Premises, (iv) your right to operate and manage your Yogurt Mountain Store, or (v) any direct or indirect ownership interest in you (regardless of its size). In this Agreement, the term "**transfer**" includes a voluntary, involuntary, direct, or indirect assignment, sale, gift, or other disposition of any interest, including transfer by reason of merger, consolidation, issuance of additional securities, death, disability, divorce, insolvency, foreclosure, surrender or by operation of law. Any transfer without our prior written approval is a material breach of the Agreement, is void, and has no effect.

If you intend to list your Yogurt Mountain Store for sale with any broker or agent, you shall do so only after obtaining our written approval of the broker or agent and of the listing agreement. You may not use or authorize the use of any Mark in advertising any transfer that would require our approval under this Section 12.B, without our prior written consent.

C. **CONDITIONS FOR APPROVAL OF TRANSFER.**

Subject to the other provisions of this Section 12, we will approve a transfer that meets all of the following conditions before or concurrently with the effective date of the transfer:

(1) you submit an application in writing requesting our consent and provide us all information or documents we request about the proposed transfer, the transferee, and its owners, and each such person must have completed and satisfied all of our application and certification requirements, including the criteria that neither the transferee nor its owners (if the transferee is an entity) or affiliates have an ownership interest (direct or indirect) in or perform services for a Competitive Business;

(2) you have provided us executed versions of any documents executed by you (or your owners) and transferee (and its owners) to effect the transfer, and all other information we request about the proposed transfer, and such transfer meets all of our requirements, including criteria for terms and conditions, closing date, purchase price, amount of debt and payment terms;

(3) you (and your owners) and the transferee (and its owners) sign all of the documents we are then requiring in connection with a transfer, in a form satisfactory to us, including: (i) a general release of any and all claims against us and our affiliates and our and their owners, officers, directors, employees, and agents, (ii) a covenant that you and your transferring owners (and your and their immediate family members) will not, for two years beginning on the transfer's effective date, engage in any of the activities proscribed in Section 15.C, (iii) covenants that you and your transferring owners satisfy all other post-termination obligations under this Agreement;

(4) you have paid all Royalty and Marketing Fund contributions, and other amounts owed to us, our affiliates, and third-party vendors, and have submitted all required reports and statements;

(5) you and your owners have not violated any provision of this Agreement or any other agreement with us or our affiliates during both the 60-day period before you requested our consent to the transfer and the period between your request and the effective date of the transfer;

(6) the transferee (or its Managing Owner) and its Designated Manager (if applicable) satisfactorily complete our initial training program;

(7) if the proposed transfer (including any assignment of the Lease or subleasing of the Premises) requires notice to or approval from your landlord, or any other action under the terms of the Lease, you have taken such appropriate action and delivered us evidence of the same;

(8) you have corrected any existing deficiencies of your Yogurt Mountain Store of which we have notified you, and/or the transferee agrees to upgrade, remodel, and refurbish your Yogurt Mountain Store in accordance with our then-current requirements and specifications for Yogurt Mountain Stores within the time period we specify following the effective date of the transfer (we will advise the transferee before the effective date of the transfer of the specific actions that it must take and the time period within which such actions must be taken) and the transferee agrees to escrow an amount we approve for payment of the required upgrade, remodel or refurbishment;

(9) the transferee shall (if the transfer is of this Agreement), or you shall (if the transfer is of a controlling ownership interest in you or one of your owners), sign our then-current form of franchise agreement and related documents, any and all of the provisions of which may differ materially from any and all of those contained in this Agreement, including the Royalty and the Marketing Fund contribution; provided, however, that the term of the new franchise agreement signed will equal the remainder of the then-remaining term of this Agreement;

(10) you pay us a transfer fee of: (i) $5,000 if the transfer is to an approved member of your (or your owner's) immediate family or to a person who has been continuously employed by you in your Yogurt Mountain Store for at least three (3) consecutive years prior to the transfer, or (ii) 50% of our then-current franchise fee, for all other transfers;

(11) we have determined that the purchase price, amount of debt and payment terms will not adversely affect the transferee's operation of your Yogurt Mountain Store;

(12) if you or your owners finance any part of the purchase price, you and/or your owners agree that all of the transferee's obligations under promissory notes, agreements, or security interests reserved in your Yogurt Mountain Store are subordinate to the transferee's obligation to pay Royalty, Marketing Fund contributions, and other

amounts due to us, our affiliates, and third party vendors and otherwise to comply with this Agreement; and

(13) you provide us the evidence we reasonably request to show that appropriate measures have been taken to effect the transfer as it relates to the operation of your Yogurt Mountain Store, including, by transferring all necessary and appropriate business licenses, insurance policies, and material agreements, or obtaining new business licenses, insurance policies and material agreements.

We may review all information regarding your Yogurt Mountain Store that you give the transferee, correct any information that we believe is inaccurate, and give the transferee copies of any reports that you have given us or we have made regarding your Yogurt Mountain Store.

Our consent to a transfer pursuant to this Section is not a representation of the fairness of the terms of any contract between you and the transferee, a guarantee of your Yogurt Mountain Store's or transferee's prospects of success, or a waiver of any claims we have against you (or your owners) or of our right to demand the transferee's full compliance with this Agreement.

D. **TRANSFER TO A WHOLLY-OWNED ENTITY.**

Notwithstanding Section 12.C above, if you are in full compliance with this Agreement, you may transfer this Agreement to an Entity which conducts no business other than your Yogurt Mountain Store and, if applicable, other Yogurt Mountain Stores, in which you maintain management control, and of which you own and control 100% of the equity and voting power of all issued and outstanding ownership interests and not pay us the transfer fee described in Section 12.C(10); provided, that (i) you seek our prior written approval which we will not unreasonably withhold; (ii) all of the assets of your Yogurt Mountain Store are owned, and the business of your Yogurt Mountain Store is conducted, only by that Entity, (iii) the Entity must expressly assume all of your obligations under this Agreement, and (iv) you reimburse us for any direct costs we incur in connection with documenting and otherwise processing such transfer, including reasonable legal fees. Transfers of ownership interests in the Entity are subject to Section 12.C above. You shall remain personally liable under this Agreement as if the transfer to the Entity did not occur.

E. **YOUR DEATH OR DISABILITY.**

Upon your or your Managing Owner's death or disability, your or the Managing Owner's executor, administrator, conservator, guardian, or other personal representative must transfer your interest in this Agreement, or the Managing Owner's ownership interest in you, to a third party (which may be your or the Managing Owner's heirs, beneficiaries, or devisees). That transfer must be completed within a reasonable time, not to exceed nine (9) months from the date of death or disability, and is subject to all of the terms and conditions in this Section 12; except that, you will not be required pay us the transfer fee described in Section 12.C(10) but you must reimburse us for any direct costs we incur in connection with documenting and otherwise processing such transfer, including reasonable legal fees. The transferee must reimburse us for any direct costs we incur in connection with documenting and otherwise processing such transfer, including reasonable legal fees. A failure to transfer your interest in this Agreement or

the Managing Owner's ownership interest in you within this time period is a breach of this Agreement. The term "**disability**" means a mental or physical disability, impairment, or condition that is reasonably expected to prevent or actually does prevent you or the Managing Owner from supervising the management and operation of your Yogurt Mountain Store. In any event, the Yogurt Mountain Store shall at all times be managed by a Designated Manager who has complied with all of our training requirements, regardless of any death or permanent disability covered by this Section.

F. **EFFECT OF CONSENT TO TRANSFER.**

Our consent to a transfer of this Agreement and your Yogurt Mountain Store, or any interest in you or your owners, is not a representation of the fairness of the terms of any contract between you and the transferee, a guarantee of your Yogurt Mountain Store or transferee's prospects of success, or a waiver of any claims we have against you (or your owners) or of our right to demand full compliance by you and the transferee with this Agreement.

G. **PUBLIC OR PRIVATE OFFERING**.

You acknowledge that the written information used to raise or secure funds can reflect upon us and the Franchise System. You shall submit any written information intended to be used for that purpose to us before inclusion in any registration statement, prospectus or similar offering memorandum. Should we object to any reference to us or our affiliates or any of our business in the offering literature or prospectus, the literature or prospectus shall not be used until our objections are withdrawn. Notwithstanding the foregoing, you may not engage in a public offering of securities without our prior written consent.

H. **OUR RIGHT OF FIRST REFUSAL.**

If you (or any of your owners) at any time determine to sell or transfer for consideration an interest in this Agreement and your Yogurt Mountain Store, or a direct or indirect ownership interest in you, in a transaction that otherwise would be allowed under Sections 12.B and C above, you (or your owners) shall obtain from a responsible and fully disclosed buyer, and send us, a true and complete copy of a bona fide, executed written offer (which may include a letter of intent) relating exclusively to an interest in you or in this Agreement and your Yogurt Mountain Store. The offer must include details of the payment terms of the proposed sale and the sources and terms of any financing for the proposed purchase price. To be a valid, bona fide offer, the proposed purchase price must be in a dollar amount, and the proposed buyer must submit with its offer an earnest money deposit equal to five percent (5%) or more of the offering price. We may require you (or your owners) to send us copies of any materials or information sent to the proposed buyer or transferee regarding the possible transaction.

We may, by written notice delivered to you or your selling owner(s) within 30 days after we receive both an exact copy of the offer and all other information we request, elect to purchase the interest offered for the price and on the terms and conditions contained in the offer, provided:

(1) we may substitute cash for any form of payment proposed in the offer (such as ownership interests in a privately-held entity);

(2) our credit will be deemed equal to the credit of any proposed buyer (meaning that, if the proposed consideration includes promissory notes, we or our designee may provide promissory notes with the same terms as those offered by the proposed buyer);

(3) we will have an additional 30 days to prepare for closing after notifying you of our election to purchase; and

(4) we must receive, and you and your owners shall make, all customary representations and warranties given by the seller of the assets of a business or the ownership interests in a legal entity, as applicable, including, without limitation, representations and warranties regarding:

(a) ownership and condition of and title to ownership interests and/or assets;

(b) liens and encumbrances relating to ownership interests and/or assets; and

(c) validity of contracts and the liabilities, contingent or otherwise, of the entity whose assets or ownership interests are being purchased.

If we exercise our right of first refusal, you and your selling owner(s) (and your and their immediate family members) agree that, for two (2) years beginning on the closing date, you and they will be bound by the non-competition covenant contained in Section 15.C. We have the unrestricted right to assign this right of first refusal to a third party, who then will have the rights described in this Section 12.H.

If we do not exercise our right of first refusal, you or your owners may complete the sale to the proposed buyer on the original offer's terms, but only if we otherwise approve the transfer in accordance with, and you (and your owners) and the transferee comply with the conditions in, Sections 12.B and 12.C above. This means that, even if we do not exercise our right of first refusal (whether or not it is properly triggered as provided above), if the proposed transfer otherwise would not be allowed under Sections 12.B and 12.C above, you (or your owners) may not move forward with the transfer at all.

If you do not complete the sale to the proposed buyer within 60 days after we notify you that we do not intend to exercise our right of first refusal, or if there is a material change in the terms of the sale (which you shall tell us promptly), we or our designee will have an additional right of first refusal during the 30-day period following either the expiration of the 60-day period or our receipt of notice of the material change(s) in the sale's terms, either on the terms originally offered or the modified terms, at our or our designee's option.

13. **YOUR RIGHT TO ACQUIRE A SUCCESSOR FRANCHISE.**

When this Agreement expires you may acquire a successor franchise to operate your Yogurt Mountain Store for three (3) successive terms of five (5) years each, if:

(1) you give us written notice of your election to acquire a successor franchise no more than 270 days and no less than 180 days before this Agreement expires;

(2) you (and each of your owners) have substantially complied with this Agreement during its term; and

(3) you (and each of your owners) are, both on the date you give us written notice of your election to acquire a successor franchise and on the date on which the term of the successor franchise would commence, in full compliance with this Agreement and all System Standards;

(4) you maintain possession of and agree (regardless of cost) to remodel and/or expand your Yogurt Mountain Store, add or replace improvements and Operating Assets, and otherwise modify your Yogurt Mountain Store as we require to comply with System Standards then applicable for new Yogurt Mountain Store or (b) at your option, you secure a substitute premises that we approve and you develop those premises according to System Standards then applicable for Yogurt Mountain Stores;

(5) you and your owners sign the franchise agreement and all other ancillary documents and guaranties we then use to grant franchises for Yogurt Mountain Stores (modified as necessary to reflect the fact that it is for a successor franchise), which may contain provisions that differ materially from any and all of those contained in this Agreement;

(6) you and your owners agree to sign general releases, in a form satisfactory to us, of any and all claims against us and our owners, officers, directors, employees, agents, successors and assigns;

(7) we will waive the initial franchise fee under the new agreement, but you must pay a successor franchise fee $2,500; and

(8) at the time you give us written notice of your election to acquire a renewal franchise, we are then-offering franchises for Yogurt Mountain Stores in your geographic market area.

If you and/or your owners fail to meet the conditions set forth in this Section 13, you acknowledge that we are not required to offer you a successor franchise, whether or not we had, or chose to exercise, the right to terminate this Agreement during its term under Section 14B.

14. TERMINATION OF AGREEMENT.

A. BY YOU.

If you and your owners are fully complying with this Agreement and we materially fail to comply with this Agreement and do not correct the failure within 30 days after you deliver written notice of the material failure to us or if we cannot correct the failure within 30 days and we fail to give you within 30 days after your notice reasonable evidence of our effort to correct the failure within a reasonable time, you may terminate this Agreement effective an additional 30

days after you deliver to us written notice of termination. Your termination of this Agreement other than according to this Section 14.A. will be deemed a termination without cause and a breach of this Agreement.

B. **BY US.**

We may terminate this Agreement, effective upon delivery of written notice of termination to you, if:

(1) you (or any of your owners) have made or make any material misrepresentation or omission in acquiring the Franchise or operating your Yogurt Mountain Store;

(2) you do not sign a Lease that we have approved, for an acceptable site for the Premises of the Store that we have approved, within the time periods specified in Section 2.A;

(3) you do not open your Yogurt Mountain Store for business within the deadline set forth in Section 2.C;

(4) we determine if you (or your Managing Owner) or your Designated Manager (if applicable) are not capable or qualified to satisfactorily complete initial training;

(5) you (i) close your Yogurt Mountain Store for business or inform us of your intention to cease operation of your Yogurt Mountain Store, (ii) fail to actively operate your Yogurt Mountain Store for three or more consecutive days, or (iii) otherwise abandon or appear to have abandoned your rights under this Agreement;

(6) you (or any of your owners) are or have been convicted by a trial court of, or plead or have pleaded no contest or guilty to, a felony;

(7) you fail to maintain the insurance we require and do not correct the failure within 10 days after we deliver written notice of that failure to you;

(8) you (or any of your owners) engage in any conduct which, in our opinion, adversely affects the reputation of your Yogurt Mountain Store or the goodwill associated with the Marks;

(9) you (or any of your owners or, if one or more of your owners is an Entity, the owner of a controlling interest in that Entity) make or attempt to make an unauthorized transfer (as defined in Section 12.B);

(10) you lose the right to occupy the Premises;

(11) you (or any of your owners) knowingly make any unauthorized use or disclosure of any part of the Operations Manual or any other Confidential Information;

(12) you violate any law, ordinance, rule or regulation of a governmental agency in connection with the operation of your Yogurt Mountain Store and fail to correct such violation within 72 hours after you receive notice from us or any other party, regardless of any longer period of time that any governmental authority or agency may have given you to cure such violation;

(13) you fail to pay us or our affiliates any amounts due and do not correct the failure within 10 days after written notice of that failure has been delivered or fail to comply with any obligations owed to any third party in connection with your ownership or operation of your Yogurt Mountain Store and do not correct such failure within any cure periods permitted by the person or Entity to whom such obligations are owed;

(14) you fail to pay when due any federal or state income, service, sales, use, employment or other taxes due on or in connection with the operation of your Yogurt Mountain Store, unless you are in good faith contesting your liability for these taxes;

(15) you understate the Gross Sales three (3) times or more during this Agreement's term;

(16) you (or any of your owners) (a) fail on three (3) or more separate occasions within any 12 consecutive month period to comply with this Agreement, whether or not we notify you of the failures, and, if we do notify you of the failures, whether or not you correct the failures after our delivery of notice to you; or (b) fail on two (2) or more separate occasions within any six (6) consecutive month period to comply with the same obligation under this Agreement, whether or not we notify you of the failures, and, if we do notify you of the failures, whether or not you correct the failures after our delivery of notice to you;

(17) you make an assignment for the benefit of creditors or admit in writing your insolvency or inability to pay your debts generally as they become due; you consent to the appointment of a receiver, trustee, or liquidator of all or the substantial part of your property; your Yogurt Mountain Store is attached, seized, subjected to a writ or distress warrant, or levied upon, unless the attachment, seizure, writ, warrant, or levy is vacated within 30 days; or any order appointing a receiver, trustee, or liquidator of you or your Yogurt Mountain Store is not vacated within 30 days following the order's entry;

(18) you (or any of your owners) file a petition in bankruptcy or a petition in bankruptcy is filed against you;

(19) you (or any of your owners) fail to comply with anti-terrorism laws, ordinances, regulations, and Executive Orders;

(20) you create or allow to exist any condition in or at the Yogurt Mountain Store's Premises or otherwise in connection with the operation of your Yogurt Mountain Store, which we reasonably determine to present a health or safety concern for the Yogurt Mountain Store's customers or employees;

(21) you fail to pass quality assurance audits, and do not cure such failure within 15 days after we deliver written notice of failure to you;

(22) you (or any of your owners) fail to comply with any other provision of this Agreement or any System Standard, and do not correct the failure within 30 days after we deliver written notice of the failure to you;

(23) you (or any of your owners) have received two (2) or more notices from us that you (or your owner(s) or your Designated Managers) have acted inappropriately or abusively towards us and/or our representatives and affiliates, other franchisees, and/or your customers, whether in connection with the operation of your Yogurt Mountain Store under this Agreement or any other agreement between you and us or our affiliates; or

(24) you or an affiliate fails to comply with any other agreement with us or our affiliate and do not correct such failure within the applicable cure period, if any.

C. **INTERIM OPERATIONS.**

We have the right but not the obligation, under the circumstances described below, to enter the Premises and take possession of your Yogurt Mountain Store (or to appoint a third party to assume its management):

(1) if you abandon or fail to actively operate your Yogurt Mountain Store;

(2) if you fail to comply with any provision of this Agreement or any System Standard and do not cure the failure within the time period we specify in our notice to you; or

(3) if this Agreement expires or is terminated and we are deciding whether to exercise our option to purchase your Yogurt Mountain Store under Section 15.D.

If we exercise our rights under subparagraphs (1) or (2) above, then (i) we (or our designee) will take possession of your Yogurt Mountain Store for a period not to exceed 180 days, (ii) you shall pay us (in addition to the Royalty, Marketing Fund contributions, and other amounts due under this Agreement) an amount equal to 10% of Gross Sales, plus our (or the third party's) direct out-of-pocket costs and expenses, for any period we deem appropriate, and (iii) that will not affect our right to terminate this Agreement under Section 14.B above. You agree that we or our designee will have the sole right to collect all revenue, in whatever form, from the operation of your Yogurt Mountain Store and to use such revenue to pay expenses associated with the operation of your Yogurt Mountain Store (including payment of any fees and other amounts owed to us and our designee), and will be accounted for separately from our other revenue and expenses.

If we exercise our right under subparagraph (3) above, all revenue and expenses arising from the operation of your Yogurt Mountain Store for the period during which we operate your Yogurt Mountain Store will be deemed to be our revenue and expenses, and you will not be entitled to any such revenue or liable for the expenses of operating your Yogurt Mountain Store during such period.

If we exercise our rights under this Section, then we may, but are not required to, use your employees or designate our own personnel to manage and operate your Yogurt Mountain Store. You agree that any such entry or other action shall not be deemed a trespass or other illegal act, and we will not be liable in any manner to you for so doing. If we exercise our rights under this Section, you acknowledge that we (or the third party we designate) will have a duty to utilize only reasonable efforts and will not be liable to you or your owners for any debts, losses, or obligations your Yogurt Mountain Store incurs, or to any of your creditors for any supplies, products, or other assets or services your Yogurt Mountain Store purchases, while we (or the third party we designate) operate it.

During the period in which we or our designee operate your Yogurt Mountain Store under this Section, you will cooperate with us and our designees to support the operation of your Yogurt Mountain Store in compliance with all the System Standards, including making available any and all books, records, and accounts. We may elect to cease managing your Yogurt Mountain Store at any time on notice to you. We will not be liable to you or your owners for any debts, losses, or obligations your Yogurt Mountain Store incurs, or to any of your creditors. Your indemnification obligations set forth under Section 16.D will continue to apply during any period that we or our designee operate your Yogurt Mountain Store.

15. OUR AND YOUR RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION OF THIS AGREEMENT.

A. PAYMENT OF AMOUNTS OWED TO US.

You agree to pay us the Royalty, Marketing Fund contributions, interest, and all other amounts owed to us (and our affiliates) which then are unpaid within 15 days after this Agreement expires or is terminated.

B. DE-IDENTIFICATION.

Upon termination or expiration of this Agreement you and your owners must immediately:

(1) close your Yogurt Mountain Store for business to customers and cease to directly or indirectly sell any products and services of any kind and in any manner from the Yogurt Mountain Store and/or using the Marks, unless we direct you otherwise in connection with our exercise of our option to purchase pursuant to Section 15.D;

(2) cease to directly or indirectly use any Mark, any colorable imitation of a Mark, other indicia of a Yogurt Mountain Store, or any trade name, trademark, service mark, or other commercial symbol that indicates or suggests a connection or association with us, in any manner or for any purpose (except in connection with other Yogurt Mountain Stores you operate in compliance with the terms of a valid Franchise Agreement with us);

(3) cease to directly or indirectly identify yourself or your business as a current or former Yogurt Mountain Store or as one of our current or former franchise owners (except in connection with other Yogurt Mountain Stores you operate in compliance with the terms of a valid Franchise Agreement with us) and take the action required to cancel or assign all fictitious or assumed name or equivalent registrations relating to your use of any Mark;

(4) return to us or destroy (as we require) all items, forms and materials containing any Mark or otherwise identifying or relating to a Yogurt Mountain Store;

(5) if we do not exercise our option to purchase your Yogurt Mountain Store under Section 15.D, promptly and at your own expense, make the alterations we specify in the Operations Manual (or otherwise) to distinguish your Yogurt Mountain Store clearly from its former appearance and from other Yogurt Mountain Stores, including by removing all materials bearing our Marks and removing from both the interior and exterior of the Premises all materials and components of our trade dress as we determine to be necessary in order to prevent public confusion and in order to comply with the non-competition provisions set forth in Section 15.D;

(6) cease using or operating with any Contact Identifiers or Online Presence related to your Yogurt Mountain Store or the Marks, and take any action as may be required to disable such Contact Identifier or Online Presence, or transfer exclusive control and access of such Contact Identifier or Online Presence to us or our designee, as we determine in our sole discretion;

(7) cease using and return to us or destroy (as we require) all items, forms and materials containing any Mark or otherwise identifying or relating to a Yogurt Mountain Store, including copies of any and all Confidential Information (including the Operations Manual and any and all customer data or other information from your Computer System);

(8) comply with all other System Standards we establish from time to time (and all applicable laws) in connection with the closure and de-identification of your Yogurt Mountain Store, including as it relates to disposing of Personal Information, in any form, in your possession or the possession of any of your employees; and

(9) within 30 days after the expiration or termination of this Agreement, give us evidence satisfactory to us of your compliance with these obligations.

If you fail to take any of the actions or refrain from taking any of the actions described above, we may take whatever action and sign whatever documents we deem appropriate on your behalf to cure the deficiencies, including, without liability to you or third parties for trespass or any other claim, to enter the Premises and remove any signs or other materials containing any Marks from your Yogurt Mountain Store. You must reimburse us for all costs and expenses we incur in correcting any such deficiencies.

C. **RESTRICTIVE COVENANTS**

(1) **Non-Competition**. Upon termination, assignment or expiration of this Agreement, you and your owners agree that, for two (2) years beginning on the effective date of termination, assignment or expiration or the date on which all persons restricted by this Section begin to comply with this Section, whichever is later, neither you nor any of your owners (or their immediate family members) will have any direct or indirect interest as an owner (whether of record, beneficially, or otherwise), investor, partner, director, officer, employee, consultant, lessor, representative, or agent in any Competitive Business (as defined in Section 7.A above) located or operating:

(i) within a five (5) mile radius of the Premises; and

(ii) within a five (5) mile radius of any other Yogurt Mountain Store in operation on the later of the effective date of the termination or expiration of this Agreement or the date on which all persons restricted by this Section begin to comply with this Section.

These restrictions also apply to transferors of any transfer that are subject to our consent. If any person restricted by this Section refuses voluntarily to comply with these obligations, the two (2) year period for that person will commence with the entry of a court order enforcing this provision. You and your owners expressly acknowledge that you possess skills and abilities of a general nature and have other opportunities for exploiting these skills. Consequently, our enforcing the covenants made in this Section will not deprive you of your personal goodwill or ability to earn a living.

(2) **Non-Interference**. You further agree that from and after the effective date of termination or expiration, neither you, nor any of your owners, or your or your owners' affiliates, officers, directors, managers or immediate family members will interfere or attempt to interfere with our or our affiliates' relationships with any vendors, franchisees, or consultants.

D. **OUR RIGHT TO PURCHASE YOUR YOGURT MOUNTAIN STORE.**

If you decide to transfer your Yogurt Mountain Store and this Agreement, the assets of your Yogurt Mountain Store, or an ownership interest in you during this Agreement's term, the provisions of Section 12 generally will apply to the proposed transfer. However, upon:

(1) our termination of this Agreement according to its terms and conditions;

(2) your termination of this Agreement without cause; or

(3) expiration of this Agreement (if we offer, but you elect not to acquire, a successor franchise, or if we do not offer you a successor franchise due to your failure to satisfy the conditions for a successor franchise set forth in Section 13);

we have the option, exercisable by giving you written notice before or within 30 days after the date of termination or expiration to purchase your Yogurt Mountain Store. We have the

unrestricted right to assign this option to purchase. We are entitled to all customary warranties and representations in our asset purchase, including, without limitation, representations and warranties as to ownership and condition of and title to assets; liens and encumbrances on assets; validity of contracts and agreements; and liabilities affecting the assets, contingent or otherwise. If we exercise our right to purchase your Yogurt Mountain Store, you must assign your Lease for the Premises to us.

If we purchase your Yogurt Mountain Store pursuant to this Section, the purchase price for your Yogurt Mountain Store will be its liquidation value of your Yogurt Mountain Store's tangible assets (not the value of your Yogurt Mountain Store as a going concern). We may exclude from the assets purchased any Operating Assets or other items that are not reasonably necessary (in function or quality) to the operation of your Yogurt Mountain Store or that we have not approved as meeting System Standards for Yogurt Mountain Stores, and the purchase price will reflect these exclusions.

If we and you cannot agree on the purchase price, the purchase price will be determined by one (1) independent accredited appraiser designated by us who will conduct an appraisal and, in doing so, be bound by the criteria specified herein. We will select the appraiser within 15 days after we notify you that we wish to exercise our purchase option (if you and we have not agreed on fair market value before then). You and we will share equally the appraiser's fees and expenses. The appraiser must complete its appraisal within 30 days after its appointment. The purchase price will be the appraised value.

We (or our assignee) will pay the purchase price at the closing, which will take place not later than 60 days after the purchase price is determined. During this period, you shall cooperate with us in conducting due diligence, including providing us with access to your business and financial records, relevant contracts, and all other information relevant to the Yogurt Mountain Store. We may set off against the purchase price, and reduce the purchase price by, any and all amounts you or your owners owe us or our affiliates. At the closing, you shall deliver instruments transferring to us (or our assignee):

(a) good and merchantable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to us), with all sales and other transfer taxes paid by you;

(b) all of the licenses and permits for your Yogurt Mountain Store which may be assigned or transferred; and

(c) an assignment of the Lease.

You and your owners shall also execute general releases, in a form satisfactory to us, of any and all claims against us and our shareholders, officers, directors, employees, agents, successors, and assigns.

E. **LOST REVENUE DAMAGES.**

If we terminate this Agreement because of your breach or if you terminate this Agreement without cause, you and we agree that it would be difficult, if not impossible, to determine the amount of damages that we would suffer. due to the loss or interruption of the revenue stream we otherwise would have derived from your continued payment of Royalties and Marketing Fund contributions, through the remainder of the term of this Agreement. Therefore, you and we agree that a reasonable estimate of such damages, less any cost savings we might have experienced (the "**Lost Revenue Damages**"), is an amount equal to the net present value of the Royalties and Marketing Fund contributions that would have become due had this Agreement not been terminated, from the date of termination to the scheduled expiration of the term of this Agreement (the "**Measurement Period**"). For the purposes of this Section, Lost Revenue Damages shall be calculated as follows: (1) the number of calendar months in the Measurement Period, multiplied by (2) the aggregate of the Royalty fee and Marketing Fund contribution percentages, multiplied by (3) the average monthly Gross Sales of your Yogurt Mountain Store during the 12 full calendar months immediately preceding the termination date (or last date of operation in case of unauthorized closure); provided, that if as of the termination date (or last date of operation in case of unauthorized closure), your Yogurt Mountain Store was not in operation for at least 12 months, we will use the average monthly Gross Sales of all Yogurt Mountain Stores operating during the entirety of our fiscal year immediately preceding the termination date (or last date of operation in case of unauthorized closure) in order to calculate the Lost Revenue Damages.

You agree to pay us Lost Revenue Damages, as calculated in accordance with this Section, within fifteen (15) days after this Agreement expires or is terminated, or on any later date that we determine. You and we agree that the calculation described in this Section is a calculation only of the Lost Revenue Damages and that nothing herein shall preclude or limit us from proving and recovering any other damages caused by your breach of the Agreement.

F. **ASSIGNMENT OF CONTACT IDENTIFIERS AND ONLINE PRESENCES**

Upon termination or expiration of this Agreement, you agree to transfer, assign or otherwise convey to us full control of all Contact Information and Online Presences that you used to operate your Yogurt Mountain Stores or that displays any of the Marks or any reference to the Franchise System. Notwithstanding the foregoing, you agree that all liabilities and obligations arising from any such Contact Identifiers or Online Presence prior to the date of the transfer, assignment or conveyance to us will remain your sole responsibility in all respects, and any costs we incur in connection therewith will be indemnifiable under Section 16.D. You hereby appoint us your true and lawful attorney-in-fact to take such actions and execute such documents on your behalf as may be required to effect the foregoing purposes.

G. **CONTINUING OBLIGATIONS.**

All of our and your (and your owners') obligations which expressly or by their nature survive this Agreement's expiration or termination will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature expire, including, without limitation, all obligations relating to non-

disparagement, Personal Information, non-competition, non-interference, confidentiality, and indemnification.

16. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.

A. INDEPENDENT CONTRACTORS.

You and we understand and agree that this Agreement does not create a fiduciary relationship between you and us, that you and we are and will be independent contractors, and that nothing in this Agreement is intended to make either you or us a general or special agent, joint venturer, partner, or employee of the other for any purpose. You shall identify yourself conspicuously in all dealings with customers, vendors, public officials, your personnel, and others as the owner of your Yogurt Mountain Store under a franchise we have granted and to place notices of independent ownership on the forms, business cards, stationery, advertising, and other materials we require from time to time.

You also acknowledge that you will have a contractual relationship only with us and may look only to us to perform under this Agreement. Our affiliates are not a party to this Agreement and have no obligations under it. You may not look to our affiliates for performance. However, because our affiliate is the owner of the Marks, you and we agree that such affiliate will be a third-party beneficiary of those provisions in this Agreement relating to usage of the Marks, with the independent right to enforce such provisions against you and to seek damages from you for your failure to comply with those provisions.

B. NO LIABILITY FOR ACTS OF OTHER PARTY.

We and you may not make any express or implied agreements, warranties, guarantees, or representations, or incur any debt, in the name or on behalf of the other or represent that our respective relationship is other than franchisor and franchise owner. We will not be obligated for any damages to any person or property directly or indirectly arising out of the operation of your Yogurt Mountain Store or the business you conduct under this Agreement. We will have no liability for your obligations to pay any third parties, including any product vendors.

C. TAXES.

We will have no liability for any sales, use, service, occupation, excise, gross receipts, income, property, or other taxes, whether levied upon you or your Yogurt Mountain Store, due to the business you conduct (except for our income taxes). You are responsible for paying these taxes and must reimburse us for any such taxes that we must pay to any state taxing authority on account of your operation or payments that you make to us.

D. INDEMNIFICATION.

You shall indemnify, defend, and hold harmless us, our affiliates, and our and their respective shareholders, members, directors, officers, employees, agents, successors, and assignees (the "**Indemnified Parties**") against, and to reimburse any one or more of the Indemnified Parties for, all claims, obligations, and damages directly or indirectly arising out of the operation of your Yogurt Mountain Store, the business you conduct under this Agreement,

your breach of this Agreement, your employment practices or that are instituted by your employees and other personnel, any other activity occurring at the Premises of your Yogurt Mountain Store, including, without limitation, those alleged to be caused by the Indemnified Party's negligence, unless (and then only to the extent that) the claims, obligations, or damages are determined to be caused solely by our gross negligence or willful misconduct in a final, unappealable ruling issued by a court with competent jurisdiction. For purposes of this indemnification, "**claims**" include all obligations, damages (actual, consequential, or otherwise), and costs that any Indemnified Party reasonably incurs in defending any claim against it, including, without limitation, reasonable accountants', arbitrators', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation or alternative dispute resolution, regardless of whether litigation or alternative dispute resolution is commenced. Each Indemnified Party may, in its discretion and at your expense, control the defense of any claim against it (including choosing and retaining its own legal counsel), agree to settlements of claims against it, and take any other remedial, corrective, or other actions in response to such claims. This indemnity will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a claim against you under this subparagraph. You agree that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover from you under this subparagraph.

17. ENFORCEMENT.

A. SECURITY INTEREST.

As security for the performance of your obligations under this Agreement, including payments owed to us for purchase by you, you hereby collaterally assign to us the Lease and grant us a security interest in all of the Operating Assets and all other assets of your Yogurt Mountain Store, including but not limited to inventory, accounts, supplies, contracts, cash derived from operations and proceeds and products of all those assets. You shall execute such other documents as we may reasonably request in order to further document, perfect and record our security interest. If you default in any of your obligations under this Agreement, we may exercise all rights of a secured creditor granted to us by law, in addition to our other rights under this Agreement and at law. If a third-party lender requires that we subordinate our security interest in the assets of your Yogurt Mountain Store as a condition to lending you working capital for the construction and/or operation of your Yogurt Mountain Store, we will agree to subordinate pursuant to terms and conditions determined by us. This Agreement shall be deemed to be a Security Agreement and Financing Statement and may be filed for record as such in the records of any county and/or state that we deem appropriate to protect our interests.

B. SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS.

Except as expressly provided to the contrary in this Agreement, each section, paragraph, term, and provision of this Agreement is severable, and if, for any reason, any part is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency, or tribunal with competent jurisdiction,

that ruling will not impair the operation of, or otherwise affect, any other portions of this Agreement, which will continue to have full force and effect and bind the parties.

If any covenant which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, and/or length of time, but would be enforceable if modified, you and we agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant's validity.

If any applicable and binding law or rule of any jurisdiction requires more notice than this Agreement requires of this Agreement's termination or of our refusal to enter into a successor franchise agreement, or some other action that this Agreement does not require, or if, under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any System Standard is invalid, unenforceable, or unlawful, the notice and/or other action required by the law or rule will be substituted for the comparable provisions of this Agreement, and we may modify the invalid or unenforceable provision or System Standard to the extent required to be valid and enforceable or delete the unlawful provision in its entirety. You shall be bound by any promise or covenant imposing the maximum duty the law permits which is subsumed within any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement.

C. WAIVER OF OBLIGATIONS.

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

We and you will not waive or impair any right, power, or option this Agreement reserves (including, without limitation, our right to demand exact compliance with every term, condition, and covenant or to declare any breach to be a default and to terminate this Agreement before its term expires) because of any custom or practice at variance with this Agreement's terms; our or your failure, refusal, or neglect to exercise any right under this Agreement or to insist upon the other's compliance with this Agreement, including, without limitation, any System Standard; our waiver of or failure to exercise any right, power, or option, whether of the same, similar, or different nature, with other Yogurt Mountain Stores; the existence of franchise agreements for other Yogurt Mountain Stores which contain provisions different from those contained in this Agreement; or our acceptance of any payments due from you after any breach of this Agreement. No special or restrictive legend or endorsement on any check or similar item given to us will be a waiver, compromise, settlement, or accord and satisfaction. We are authorized to remove any legend or endorsement, which then will have no effect.

Neither we nor you will be liable for loss or damage or be in breach of this Agreement if our or your failure to perform our or your obligations results from: (1) compliance with the orders, requests, regulations, or recommendations of any federal, state, or municipal government; (2) acts of God; (3) fires, strikes, embargoes, war, acts of terrorism or similar events, or riot; or

(4) any other similar event or cause. Any delay resulting from any of these causes will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that these causes will not excuse payments of amounts owed at the time of the occurrence or payment of the Royalty or Marketing Fund contributions during such delay.

The following provision applies if you or the franchise granted hereby are subject to the franchise registration or disclosure laws in Illinois, Indiana, Maryland, Michigan, Virginia, or Wisconsin: 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.

D. **COSTS AND ATTORNEYS' FEES.**

The prevailing party in any proceeding shall be entitled to recover from the other party all damages, costs, and expenses, including arbitration and court costs and reasonable attorneys' fees, incurred by the prevailing party in connection with such proceeding.

E. **YOU MAY NOT WITHHOLD PAYMENTS DUE TO US.**

You agree that you will not withhold payment of any amounts owed to us on the grounds of our alleged nonperformance of any of our obligations under this Agreement or for any other reason, and you specifically waive any right you may have at law or in equity to offset any funds you may owe us or to fail or refuse to perform any of your obligations under this Agreement.

F. **RIGHTS OF PARTIES ARE CUMULATIVE.**

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

G. **GOVERNING LAW.**

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other United States federal law, this Agreement, the Franchise and all claims arising out of or related to this Agreement or any other agreement between you (or any of your owners) and us (or any of our affiliates) or our relationship with you will be governed by the laws of the State of Alabama, without regard to its conflict of laws rules, except that (1) any state law regulating the offer or sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this section, and (2) the enforceability of those provisions of this Agreement which relate to restrictions on you and your owners' competitive activities will be governed by the laws of the state in which your Yogurt Mountain Store is located.

H. CONSENT TO JURISDICTION.

Subject to the provisions below, you and your owners agree that all actions arising out of or related to this Agreement or any other agreement between you (or any of your owners) and us (or any of our affiliates) or our relationship with you must be commenced in a court nearest to our or our successor's (as applicable) then current principal place of business (currently Birmingham, Alabama), and you (and each owner) irrevocably submit to the jurisdiction of that court and waive any objection you (or the owner) might have to either the jurisdiction of or venue in that court.

I. WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL.

Except for your obligation to indemnify us for third party claims under Section 16.D, we and you (and your owners) waive to the fullest extent permitted by law any right to or claim for any punitive or exemplary damages against the other and agree that, in the event of a dispute between us and you, the party making a claim will be limited to equitable relief and to recovery of any actual damages it sustains. We and you irrevocably waive trial by jury in any action or proceeding brought by either of us.

J. INJUNCTIVE RELIEF.

Nothing in this Agreement bars our right to obtain specific performance of the provisions of this Agreement and injunctive relief against any threatened or actual conduct that will cause us, the Marks, or the Franchise System loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and temporary or preliminary injunctions. You agree that we may seek such relief from any court of competent jurisdiction in addition to such further or other relief as may be available to us at law or in equity. You agree that we will not be required to post a bond to obtain injunctive relief and that your only remedy if an injunction is entered against you will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by injunction being expressly waived hereby).

K. BINDING EFFECT.

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

L. LIMITATIONS OF CLAIMS; WAIVER OF CLASS ACTIONS.

You and your owners agree not to bring any claim asserting that any of the Marks are generic or otherwise invalid. EXCEPT FOR CLAIMS ARISING FROM YOUR NON-PAYMENT OR UNDERPAYMENT OF AMOUNTS YOU OWE US, ANY AND ALL CLAIMS ARISING OUT OF OR RELATED TO THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN YOU (OR ANY OF YOUR OWNERS) AND US (OR ANY OF OUR AFFILIATES) OR OUR RELATIONSHIP WITH YOU WILL BE BARRED UNLESS A PROCEEDING IS COMMENCED WITHIN ONE (1) YEAR FROM THE DATE ON WHICH THE PARTY ASSERTING THE CLAIM KNEW OR SHOULD HAVE KNOWN OF THE

FACTS GIVING RISE TO THE CLAIMS. The parties understand that such time limit might be shorter than otherwise allowed by law. You and your owners agree that your and their sole recourse for claims arising between the parties shall be against us or our successors and assigns. You and your owners agree that our and our affiliates' members, managers, shareholders, directors, officers, employees, and agents shall not be personally liable nor named as a party in any action between us or our affiliates and you or your owners.

WE AND YOU AGREE THAT ANY PROCEEDING WILL BE CONDUCTED ON AN INDIVIDUAL BASIS AND THAT ANY PROCEEDING BETWEEN US AND ANY OF OUR AFFILIATES, OR OUR AND THEIR RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES, ON THE ONE HAND, AND YOU OR YOUR OWNERS, GUARANTORS, AFFILIATES, AND EMPLOYEES, ON THE OTHER HAND, MAY NOT BE: (I) CONDUCTED ON A CLASS-WIDE BASIS, (II) COMMENCED, CONDUCTED OR CONSOLIDATED WITH ANY OTHER PROCEEDING, (III) JOINED WITH ANY CLAIM OF AN UNAFFILIATED THIRD-PARTY, OR (IV) BROUGHT ON YOUR BEHALF BY ANY ASSOCIATION OR AGENT.

No previous course of dealing shall be admissible to explain, modify, or contradict the terms of this Agreement. No implied covenant of good faith and fair dealing shall be used to alter the express terms of this Agreement.

M. **AGREEMENT EFFECTIVENESS.**

This Agreement shall not be effective until accepted by us as evidenced by dating and signing by an officer or other duly authorized representative of ours. Notwithstanding that this Agreement shall not be effective until signed by us, we reserve the right to make the effective date of this Agreement the date on which you signed the Agreement.

N. **CONSTRUCTION.**

The preambles and exhibits are a part of this Agreement which, together with the System Standards contained in the Operations Manual (which may be periodically modified, as provided in this agreement), constitutes our and your entire agreement, and there are no other oral or written understandings or agreements between us and you, or oral or written representations by us, relating to the subject matter of this Agreement, the franchise relationship, or your Yogurt Mountain Store (any understandings or agreements reached, or any representations made, before this Agreement are superseded by this Agreement). Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in any Franchise Disclosure Document. Any policies that we adopt and implement from time to time to guide us in our decision-making are subject to change, are not a part of this Agreement, and are not binding on us. Except as provided in Section 16.D, nothing in this Agreement is intended or deemed to confer any rights or remedies upon any person or legal entity not a party to this Agreement. If two or more persons are at any time the owners of the Franchise and your Yogurt Mountain Store, whether as partners or joint venturers, their obligations and liabilities to us will be joint and several.

Except where this Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any of your actions or requests, we have the absolute right to refuse any request you make or to withhold our approval of any of your proposed, initiated, or completed actions that require our approval. The headings of the sections and paragraphs are for convenience only and do not define, limit, or construe the contents of these sections or paragraphs.

References in this Agreement to "we," "us," and "our," with respect to all of our rights and all of your obligations to us under this Agreement, include any of our affiliates with whom you deal. The term "affiliate" means any person or entity directly or indirectly owned or controlled by, under common control with, or owning or controlling you or us. "Control" means the power to direct or cause the direction of management and policies.

References to "owner" mean any person holding a direct or indirect ownership interest (whether of record, beneficially, or otherwise) or voting rights in you (or a transferee of this Agreement and your Yogurt Mountain Store or an ownership interest in you), including, without limitation, any person who has a direct or indirect interest in you (or a transferee), this Agreement, the Franchise, or your Yogurt Mountain Store and any person who has any other legal or equitable interest, or the power to vest in himself or herself any legal or equitable interest, in their revenue, profits, rights, or assets. References to a "controlling ownership interest" in you or one of your owners (if an Entity) mean the percent of the voting shares or other voting rights that results from dividing 100% of the ownership interests by the number of owners. In the case of a proposed transfer of an ownership interest in you or one of your owners, the determination of whether a "controlling ownership interest" is involved must be made as of both immediately before and immediately after the proposed transfer to see if a "controlling ownership interest" will be transferred (because of the number of owners before the proposed transfer) or will be deemed to have been transferred (because of the number of owners after the proposed transfer). "Person" means any natural person, corporation, limited liability company, general or limited partnership, unincorporated association, cooperative, or other legal or functional entity. Unless otherwise specified, all references to a number of days shall mean calendar days and not business days. The term "your Yogurt Mountain Store" includes all of the assets of Yogurt Mountain Store you operate under this Agreement, including its revenue and the Lease. The term "including" and similar words mean "including but not limited to" unless stated otherwise in the text. This Agreement may be executed in multiple copies, each of which will be deemed an original. All amounts payable by you or your owners to us or our affiliates must be in United States dollars.

18. NOTICES AND PAYMENTS.

All written notices, reports, and payments permitted or required to be delivered by this Agreement or the Operations Manual will be deemed to be delivered on the earlier of the date of actual delivery or one of the following: (a) at the time delivered by hand, (b) at the time delivered via computer transmission and, in the case of the Royalty, Marketing Fund contributions, and other amounts due, at the time we actually receive electronic payment, (c) one (1) business day after being placed in the hands of a nationally recognized commercial courier service for next business day delivery, or (d) three (3) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid.

Any notice must be sent to the party to be notified at its or its successor's (as applicable) most current principal business address of which the notifying party has notice; except that, it will always be deemed acceptable to send notice to you at the address of your Yogurt Mountain Store. Any required payment or report which we do not actually receive during regular business hours on the date due will be deemed delinquent.

19. EXECUTION.

This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. This Agreement and all other documents related to this Agreement may be executed by manual or electronic signature. Either party may rely on the receipt of a document executed or delivered electronically, as if an original had been received.

20. PROHIBITED PARTIES.

You hereby represent and warrant to us, as an express consideration for the franchise granted hereby, that neither you nor any of your employees, agents, or representatives, nor any other person or entity associated with you, is now, or has been:

1. Listed on: (a) the U.S. Treasury Department's List of Specially Designated Nationals, (b) the U.S. Commerce Department's Denied Persons List, Unverified List, Entity List, or General Orders, (c) the U.S. State Department's Debarred List or Nonproliferation Sanctions, or (d) the Annex to U.S. Executive Order 13224.

2. A person or entity who assists, sponsors, or supports terrorists or acts of terrorism, or is owned or controlled by terrorists or sponsors of terrorism.

You further represent and warrant to us that you are now, and have been, in compliance with U.S. anti-money laundering and counter-terrorism financing laws and regulations, and that any funds provided by you to us or our affiliates are and will be legally obtained in compliance with these laws. You agree not to, and to cause all employees, agents, representatives, and any other person or entity associated with you not to, during the Term, take any action or refrain from taking any action that would cause such person or entity to become a target of any such laws and regulations.

You further covenant that neither you nor any of your employees, agents, or representatives, nor any other person or entity associated with you, will, during the term of the Franchise Agreement, become a person or entity described above or otherwise become a target of any anti-terrorism law.

.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement on the dates noted below, to be effective as of the Effective Date.

YOGURT MOUNTAIN FRANCHISING, LLC, an Alabama limited liability company

By:_____
Name:_____
Title:_____
EFFECTIVE DATE:_____

FRANCHISE OWNER (IF YOU ARE A LEGAL ENTITY):

By:_____
Name:_____
Title:_____

(IF YOU ARE AN INDIVIDUAL AND NOT A LEGAL ENTITY):

Sign:_____
Print Name:_____
Date:_____

EXHIBIT A
TO THE FRANCHISE AGREEMENT

1. **Form of Owner**.

(a) You operate as a _____ corporation, _____ limited liability company, _____ partnership, or _____ sole proprietorship. (CHECK ONE)

(b) You were formed on _____, under the laws of the State of _____. You have not conducted business under any name other than your entity name and _____ (INSERT ANY ASSUMED NAME OR DBA THAT YOU HAVE USED).

2. **Management.** The following is a list of your managers, directors, and officers, as applicable, as of the date of the Agreement:

Name	Position(s) Held
_____	_____
_____	_____
_____	_____
_____	_____

3. **Owners**. The following list includes the full name of each individual who is one of your owners, or an owner of one of your owners, and fully describes the nature of each owner's interest (attach additional pages if necessary).

Owner's Name and Email Address	Description of Interest
_____	_____
_____	_____
_____	_____
_____	_____

4. **Premises**: _____

5. **Host Facility** (if applicable): _____

6. **Managing Owner**: _____

7. **Designated Manager (if applicable)**: _____

IN WITNESS WHEREOF, the parties have executed and delivered this Exhibit A on the dates noted below, to be effective as of the Effective Date.

YOGURT MOUNTAIN FRANCHISING, LLC, an Alabama limited liability company

By:_____
Name:_____
Title:_____

DATED:_____

FRANCHISE OWNER (IF YOU ARE A LEGAL ENTITY):

_____
Name of Entity

By:_____
Name:_____
Title:_____

DATED:_____

(IF YOU ARE AN INDIVIDUAL AND NOT A LEGAL ENTITY):

Sign: _____
Name:_____

DATED:_____

EXHIBIT B
TO THE FRANCHISE AGREEMENT

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given by the persons indicated below who have executed this Guaranty (each a "**Guarantor**") to be effective as of the Effective Date of the Agreement (defined below).

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement (as amended, modified, restated, or supplemented from time to time, the "**Agreement**") by **YOGURT MOUNTAIN FRANCHISING, LLC** ("**us**"), each of the Guarantors personally and unconditionally (a) guarantees to us and our successors and assigns, for the term of the Agreement and afterward as provided in the Agreement, that _____ ("**Franchise Owner**") will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement, and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including the non-competition, confidentiality, and transfer requirements.

Each Guarantor consents and agrees that: (1) Guarantor's direct and immediate liability under this Guaranty will be joint and several, both with Franchise Owner and among other Guarantors; (2) Guarantor will render any payment or performance required under the Agreement upon demand if Franchise Owner fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon our pursuit of any remedies against Franchise Owner, any Guarantor, or any other person; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which we may from time to time grant to Franchise Owner or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement; (5) this undertaking will continue unchanged by the occurrence of any bankruptcy with respect to Franchisee or any assignee or successor of Franchisee or by any abandonment of the Agreement by a trustee of Franchisee.

Each Guarantor waives: (i) all rights to payments and claims for reimbursement or subrogation which any Guarantor may have against Franchise Owner arising as a result of each Guarantor's execution of and performance under this Guaranty; (ii) acceptance and notice of acceptance by us of his or her undertakings under this Guaranty, (iii) notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, (iv) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, (v) any other notices to which he or she may be entitled, (vi) the defense of the statute of limitations in any action hereunder or for the collection of any indebtedness or the performance of any obligation hereby guaranteed.

At our request, each Guarantor shall provide the updated financial information to us as may be reasonably necessary to demonstrate such Guarantor's ability to satisfy the obligations of the Franchise Owners under the Agreement.

By signing below, the undersigned spouse of each Guarantor indicated below, acknowledges and consents to the guaranty given herein by his/her spouse. Such consent also serves to bind the assets of the marital estate to Guarantor's performance of this Guaranty. Each Guarantor represents and warrants that, if no signature appears below for such Guarantor's spouse, such Guarantor is either not married or, if married, is a resident of a state which does not require the consent of both spouses to encumber the assets of a marital estate.

Each Guarantor that is a business entity, retirement or investment account, or trust acknowledges and agrees that if Franchisee (or any of its affiliates) is delinquent in payment of any amounts guaranteed hereunder, that no dividends or distributions may be made by such Guarantor (or on such Guarantor's account) to its owners, accountholders or beneficiaries or otherwise, for so long as such delinquency exists, subject to applicable law.

Guarantor agrees to be personally bound by the dispute resolution provisions contained in Article 17 of the Agreement. Guarantor further agrees to pay all costs and expenses (including attorneys' fees) incurred by us or any of our affiliates in connection with the enforcement of this Guaranty, including any collection or attempt to collect amounts due, or any negotiations relative to the obligations hereby guaranteed.

This Guarantee is binding upon each Guarantor and its respective executors, administrators, heirs, beneficiaries, and successors in interest.

[Signature page to follow]

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature on the same day and year as this Guaranty and Assumption of Obligations was executed.

DEVELOPER (IF DIFFERENT THAN FRANCHISEE)
Name:_____ Sign: _____ Email:_____

GUARANTOR(S)	**SPOUSE(S)**
Name:_____ Sign: _____ Address: _____ _____ _____ Email:_____	Name:_____ Sign: _____ Address: _____ _____ _____ Email:_____
Name**:**_____ Sign: _____ Address: _____ _____ _____ Email:_____	Name**:**_____ Sign: _____ Address: _____ _____ _____ Email:_____

EXHIBIT B-2

NON-TRADITIONAL AMENDMENT TO FRANCHISE AGREEMENT

NON-TRADITIONAL AMENDMENT TO FRANCHISE AGREEMENT

THIS NON-TRADITIONAL AMENDMENT TO FRANCHISE AGREEMENT (the "**Amendment**") is made by and between **YOGURT MOUNTAIN FRANCHISING, LLC** ("**us**") and **[FRANCHISEE NAME]** ("**you**") as of the date on which we execute this Amendment (the "**Effective Date**"), as shown beneath our signature below. Capitalized terms not defined in this Amendment have the meanings set forth in the Franchise Agreement (as defined below).

RECITALS

You and we are parties to a franchise agreement (the "**Franchise Agreement**") executed concurrently herewith, pursuant to which we granted you the right, and you undertook the obligation, to own and operate a Yogurt Mountain Store at a specific location identified or to be identified therein. The Premises at which you have chosen to develop and operate your Yogurt Mountain Store are not traditional premises from which Yogurt Mountain Stores typically operate and, thus, require adaptation of certain System Standards. You and we enter into this Amendment to address those requirements.

AGREEMENT

FOR AND IN CONSIDERATION of the foregoing Recitals (which are incorporated in and made a part of this Agreement), the covenants contained herein, and other valuable consideration, receipt and sufficiency of which are acknowledged, you and we agree as follows:

1. **Non-Traditional Premises**. Section 2.A. of the Franchise Agreement (Site Selection) is supplemented and amended by adding the following to the end of the Section:

> The Premises are situated within or adjacent to a host facility ("**Host Facility**") located at the address identified on Exhibit A hereto. If the placement and operation of your Yogurt Mountain Store in or in connection with the Host Facility requires the consent of the owner, franchisor, and/or licensor of the Host Facility, you hereby agree to obtain such consent in writing (and provide a copy thereof to us), and you also acknowledge and agree that such consent is a condition precedent to our grant of the right to establish and operate your Yogurt Mountain Store at the Premises. You acknowledge and agree that the Premises will be strictly limited to the physical area within the Host Facility occupied by your Yogurt Mountain Store. The "Premises" cannot and will not under any circumstances be defined as a geographic area or be described in terms other than a specific location within the Host Facility. During the term of this Agreement, the Premises shall be used exclusively to operate your Yogurt Mountain Store. During the term of this Agreement, you may not relocate the "Premises" (i) within the Host Facility, or (ii) to another location and/or facility, without our prior written approval.

2. **Point-of-Sale System**. Section 2.E of the Franchise Agreement (Computer System) is supplemented and amended by adding the following to the end of the Section:

> You may, if mandated by the Host Facility, use the point-of-sale system designated by the Host Facility in connection with the operation of your Yogurt Mountain Store; provided that, the Host Facility's point-of-sale system must (i) tally transactions and sales of your

Yogurt Mountain Store separately, and (ii) generate separate sales reports for your Yogurt Mountain Store in the manner prescribed and requested by us from time to time. If you are required to use the Host Facility's point-of-sale system, you must ensure that during the term of the Franchise Agreement we have the uninterrupted right to (i) remotely access your Yogurt Mountain Store's records on the Host Facility's point-of-sale system, and (ii) save and print copies of your Yogurt Mountain Store's sales, sales mix, and revenue information from the Host Facility's point-of-sale system.

3. **Initial Fees**. Section 3.A of the Franchise Agreement (Initial Fees) is supplemented and amended to provide that the initial franchise fee is reduced to $15,000.

4. **Royalty Fee**. Section 3.B of the Franchise Agreement (Royalty Fee) is deleted in its entirety and replaced with the following:

B. **ROYALTY FEE**.

During the term of this Agreement, you shall pay us a bi-weekly royalty fee (the "**Royalty**") in an amount equal to **three percent (3%)** of the Gross Sales (defined in Section 3.C. below) of your Yogurt Mountain Store during the preceding two (2) weeks; provided, however, that if you remain in compliance with this Agreement, once you have paid us Royalty under this Agreement in the aggregate amount of $7,500 during a calendar year, you will not be required to pay any further Royalty through the end of that calendar year. Your obligation to pay Royalty will recommence as of January 1 the following calendar year subject to the same limitation as described above. The Royalty will be due and payable on such day of the week that we require from time to time.

5. **System Standards**. Section 8.I of the Franchise Agreement (Compliance with System Standards) is supplemented and amended by adding the following to the end of the Section:

You acknowledge and agree that we may, in our discretion, modify our System Standards for your Yogurt Mountain Store to accommodate the specific circumstances inherent in the Premises (including the products and services that may offered for sale therefrom, the appearance of your Yogurt Mountain Store, and the Operating Assets that are used therein), and that such modifications may not apply to traditional Yogurt Mountain Stores or other non-traditional Yogurt Mountain Stores. You agree to comply with all such modifications that we communicate to you in writing.

6. **Termination – By Us**. Section 14.B of the Franchise Agreement (Termination – By Us) is supplemented and amended in the following particulars:

(a) by deleting clause (8) and replacing it with the following:

(8) you (or any of your owners) or the Host Facility engages in any conduct which, in our opinion, adversely affects the reputation of your Yogurt Mountain Store or the goodwill associated with the Marks;

(b) by deleting clause (10) and replacing it with the following:

(10) you lose the right to occupy the Premises, the Host Facility materially reduces the size or configuration of the Premises, the business conducted by the Host Facility materially changes, or the Host Facility requires that you materially change the manner in which your Yogurt Mountain Store is operated;

(c) by deleting clause (12) and replacing it with the following:

(12) you or the Host Facility violate any law, ordinance, rule or regulation of a governmental agency in connection with the operation of your Yogurt Mountain Store or the Host Facility and fail to correct such violation within 72 hours after you receive notice from us or any other party, regardless of any longer period of time that any governmental authority or agency may have given you to cure such violation;

and

(d) by deleting clause (20) and replacing it with the following:

(20) you or the Host Facility create or allow to exist any condition in or at the Yogurt Mountain Store's Premises or the Host Facility, or otherwise in connection with the operation of your Yogurt Mountain Store, which we reasonably determine to present a health or safety concern for the Yogurt Mountain Store's customers or employees;

7. **Assumption of Management**. Section 14.C of the Franchise Agreement (Assumption of Management) is supplemented and amended by adding the following to the end of the Section:

We acknowledge that our ability to exercise our rights under this Section may be prohibited or restricted by the Host Facility, but you agree to cooperate with us to secure the Host Facility's permission to allow us to assume management of your Yogurt Mountain Store if we exercise our rights under this Section.

8. **Our Right to Purchase Your Yogurt Mountain Store**. Section 15.D of the Franchise Agreement (Our Right to Purchase Your Yogurt Mountain Store) is supplemented and amended by adding the following to the end of the Section:

Notwithstanding anything to the contrary, nothing in this Section grants us the right, or creates any obligation on us, to purchase any fixtures or equipment provided by the Host Facility or the real property belonging to the Host Facility or any third party. We also acknowledge that our ability to exercise our rights under this Section may be prohibited or restricted by the Host Facility, but you agree to cooperate with us to secure the Host Facility's cooperation if we exercise our rights under this Section.

9. **Miscellaneous**. This Amendment forms an integral part of the Franchise Agreement. The Franchise Agreement shall be amended only as described herein. All other provisions of the Franchise Agreement shall remain in full force and effect as provided therein. In the event of any inconsistency between the terms of this Agreement and the Franchise Agreement,

this Amendment shall govern such inconsistency. This Amendment may be signed in multiple counterparts which, when taken together, shall equal one agreement. Scanned copies of the executed Amendment transmitted electronically shall have and be given the same force and effect as originals.

THUS SIGNED as of the dates shown below and made effective as of the Effective Date.

YOGURT MOUNTAIN FRANCHISING, LLC	**[FRANCHISEE]**
By: _____	By: _____
Name: _____	Name/Title:
Title: _____	Date: _____
Date*: _____	
(*This is the Effective Date)	

EXHIBIT B-3

CAFÉ LINE AMENDMENT TO FRANCHISE AGREEMENT

CAFÉ LINE AMENDMENT TO FRANCHISE AGREEMENT

THIS CAFÉ LINE AMENDMENT TO FRANCHISE AGREEMENT (the "**Amendment**") is made effective as of the Effective Date between **YOGURT MOUNTAIN FRANCHISING, LLC** ("**us**") and **[FRANCHISEE NAME]** ("**you**"). The Effective Date is the date we sign this Amendment, as shown beneath our signature below.

RECITALS

You and we are parties to a franchise agreement (the "**Franchise Agreement**"), dated as of the Effective Date, pursuant to which you have been granted the right, and you have undertaken the obligation, to own and operate a Yogurt Mountain Store located at **[store address]** (the "**Store**"). You have requested our permission to incorporate the Joe Muggs branded café line (the "**Café Line**") into the Store. We are willing to grant that permission on the terms and conditions described in this Amendment.

AGREEMENT

FOR AND IN CONSIDERATION of the foregoing Recitals (which are incorporated in and made a part of this Agreement), the covenants contained herein, and other valuable consideration, receipt and sufficiency of which are acknowledged, you and we agree as follows:

1. **Joe Muggs Marks**. Article 5 of the Franchise Agreement (Marks) is supplemented and amended by adding a new section to immediately follow Section 5.E, as follows:

F. **JOE MUGGS MARK**.

You acknowledge that the trademark "Joe Muggs" and the related trademarks, service marks, and other commercial symbols (the "**Joe Muggs Marks**") are owned by our affiliate, Books-a-Million, Inc., who has granted us a license to use and sublicense the use to certain of our franchisees. You and we agree that the Marks for which the license is granted under this Agreement include the Joe Muggs Marks for as long as the Store is operated in its current location or until our license from Books-a-Million, Inc. ceases to exist, whichever is earlier. Otherwise, your rights and obligations with respect to the use of the Joe Muggs Marks will be subject to the same terms and conditions as are applicable to your use of the other Marks under this Agreement, including each section of Article 5.

2. **Competitive Businesses**. The last paragraph of Section 7.A of the Franchise Agreement is supplemented and amended by adding the following language:

For the purposes of this Agreement, the term "**Competitive Business**" will also include any business (other than a Yogurt Mountain Store with a Café Line) operating, or granting franchises or licenses to others to operate, a food service or retail business deriving more than 10% of its revenue from the sale of coffee, baked goods, and related products.

3. **Additional Products**. Section 8.B of the Franchise Agreement is supplemented and amended by adding the following language:

> This will confirm that, until further notice, you will be authorized to offer and sell in your Store the products and services that we designate for the Café Line, subject to all other terms and conditions of this Agreement, including the requirement to offer such products and services in accordance with our System Standards, to install and use such Operating Assets as we designate for the Café Line, and the revenue from which will be included within Gross Sales.

4. **Miscellaneous**. The Franchise Agreement shall be amended only as described herein. All other provisions of the Franchise Agreement shall remain in full force and effect as provided therein. Capitalized terms used but not defined in this Amendment shall have the meanings ascribed to them in the Franchise Agreement. This Amendment may be signed in multiple counterparts which, when taken together, shall equal one agreement. Signatures transmitted via facsimile or scanned and transmitted electronically shall have and be given the same force and effect as originals.

THUS SIGNED as of the dates shown below and made effective as of the Effective Date.

YOGURT MOUNTAIN FRANCHISING, LLC	**[FRANCHISEE]**
By: _____	By: _____
Name: _____	Name/Title:
Title: _____	Date: _____
Date*: _____	
(*This is the Effective Date)	

EXHIBIT B-4

MULTI-UNIT DEVELOPMENT AGREEMENT

YOGURT MOUNTAIN FRANCHISING, LLC

MULTI-UNIT DEVELOPMENT AGREEMENT

_____
MULTI-UNIT DEVELOPER

_____
DATE OF AGREEMENT

_____
DEVELOPMENT AREA

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YOGURT MOUNTAIN FRANCHISING, LLC
MULTI-UNIT DEVELOPMENT AGREEMENT

THIS MULTI-UNIT DEVELOPMENT AGREEMENT (this "**Agreement**") is made and entered between **YOGURT MOUNTAIN FRANCHISING, LLC**, an Alabama limited liability company with its principal business address at 402 Industrial Lane, Birmingham, Alabama 35211 ("**we**," "**us**" or "**our**"), and _____, whose principal business address is _____ ("**you**" or "**your**"), as of the date signed by us and set forth below our signature on this Agreement (the "**Effective Date**").

1. **PREAMBLES AND GRANT OF RIGHTS.**

A. **Preambles.**

(1) We grant franchises (each a "**Franchise**"), to persons or entities who we determine meet our qualifications, for the development and operation of retail stores specializing in the sale of frozen yogurt and related products and services authorized by us from time to time under the trade name "Yogurt Mountain®" (each a "**Yogurt Mountain Store**"). Each Franchise is granted solely pursuant to a written franchise agreement and related documents and agreements signed by us and a franchisee (each a "**Franchise Agreement**").

(2) We also grant rights, to persons or entities who we determine meet certain additional qualifications and who are willing to commit, to acquire multiple Franchises for the development and operation of Yogurt Mountain Stores within a defined area (the "**Development Area**") pursuant to an agreed upon schedule (the "**Development Schedule**").

(3) You have requested that we grant you such rights, and we are willing to do so in reliance on all of the information, representations, warranties and acknowledgements you have provided to us in support of your request, and subject to the terms and conditions set forth in this Agreement.

B. **GRANT OF RIGHTS; EXCLUSIVITY; TERM.**

We grant you the right, and you undertake the obligation, either yourself or through your approved Affiliates (defined below), to acquire Franchises to develop, own and operate Yogurt Mountain Stores (the "**Development Rights**"). The Development Rights may only be exercised during the Term (defined below) and only for Yogurt Mountain Stores to be developed and operated within the Development Area. The Development Rights must be exercised in strict compliance with the Development Schedule as provided herein. Except as described in Section 1.C below, and provided you and your Affiliates are in full compliance with this Agreement and all Franchise Agreements and other agreements with us (or any of our affiliates), we will not, during the Term, (1) own and operate Yogurt Mountain Stores in the Development Area or (2) grant or authorize the grant to any other person or entity of Development Rights for the Development Area.

An "**Affiliate**" is an Entity (defined below) in which you or your owners (i) own more than 51% of the issued and outstanding ownership interest and voting rights or (ii) have the right and power to control and determine the Entity's management and policies.

The Development Rights may be exercised from the Effective Date and, unless sooner terminated as provided herein, continuing through the earlier of (1) the date on which the last Yogurt Mountain Store which is required to be opened in order to satisfy the Development Schedule opens for regular business or (2) the last day of the last Development Period (the "**Term**"). Unless required by applicable law, you are not entitled to renew or extend the Term.

C. **RIGHTS WE RESERVE.**

The Development Rights are limited to the rights to acquire Franchises in accordance with this Agreement as described in Section 1.B. The rights to develop Yogurt Mountain Stores and to use the Marks (defined below) and any copyrights and patents owned by us or our affiliates are granted only pursuant to individual Franchise Agreements, and the Development Rights do not include any such rights. We grant rights only pursuant to the expressed provisions of written agreements and not in any other manner, including, without limitation, orally or by implication, innuendo, extension or extrapolation.

Without limiting the foregoing, you agree that we may do any act or engage in any activity, and grant licenses to others to do any such act or engage in any such activity that is not expressly prohibited by this Agreement. Further, you agree that the Development Rights do not include the right to do any of the following and that we specifically reserve the right to:

(1) establish, operate and license others to establish and operate stores using the name and mark Yogurt Mountain® and any other marks that are licensed under Franchise Agreements (collectively, the "**Marks**") and the system and system standards under which Yogurt Mountain Stores are developed and operated (the "**Franchise System**"), offering products and services which are identical or similar to products and services offered by Yogurt Mountain Stores, outside the Development Area;

(2) establish, operate and allow others to establish and operate any location (including inside the Development Area) businesses that offer products and services which are identical or similar to products and services offered by Yogurt Mountain Stores, under trade names, trademarks, service marks and commercial symbols which are different from the Marks;

(3) establish, operate and license others to establish and operate Yogurt Mountain Store at non-traditional venues located anywhere (including inside the Development Area) such as grocery stores, book stores, convenience stores, gas stations, food courts, airports, casinos, hospitals, hotels, military installations, national parks, schools, stadiums, theme parks, and similar captive markets;

(4) using the Marks or other trademarks and commercial symbols, market and sell, and grant to others the right to market and sell, anywhere (including within the Development Area), through other channels of distribution (for example, through ghost

kitchens, kiosks, mail order, e-commerce and catalog sales, and product lines in other retail businesses), any products and services that are or have been authorized for sale at Yogurt Mountain Stores; and

(5) acquire, be acquired by, merge, affiliate with, or engage in any transaction with other businesses (whether competitive or not) located anywhere and, even if such businesses are located in the Development Area, (i) convert the other businesses to Yogurt Mountain Stores, (ii) allow such other businesses to operate as part of the Franchise System, whether or not converted as Yogurt Mountain Stores, and/or (iii) permit the other businesses to continue to operate under another name.

D. **BEST EFFORTS/BUSINESS ENTITY.**

You must at all times faithfully, honestly and diligently perform your obligations and fully exploit the Development Rights during the Term and throughout the entire Development Area. You must perform all of your obligations under this Agreement, and you may not subcontract or delegate any of those obligations to any third parties. If you are at any time a corporation, a limited liability company, a general, limited, or limited liability partnership, or another form of business entity (collectively, an "**Entity**"), you agree and represent that:

(1) your organizational documents, operating agreement, or partnership agreement will recite that this Agreement restricts the issuance and transfer of any ownership interests in you, and all certificates and other documents representing ownership interests in you will bear a legend referring to this Agreement's restrictions;

(2) Exhibit A to this Agreement lists all of your owners and their interests in you and that you and your owners will sign and deliver to us a revised Exhibit A to reflect any permitted changes in the information that Exhibit A now contains;

(3) such persons as we designate at any time during the Term, which may include each of your owners and their spouses, will execute an agreement, in the form set forth in Exhibit B to this Agreement, undertaking personally to be bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between you and us;

(4) the business that this Agreement contemplates and the Yogurt Mountain Stores you operate under Franchise Agreements, will be the only businesses you operate (although your owners may have other, non-competitive business interests);

(5) an individual whom we approve (the "**Managing Owner**") must directly or indirectly own at least 25% of the ownership interests in you and must devote all of his or her business time and efforts (i.e. at least 40 hours per week) to the exercise of the Development Rights under this Agreement and to the promotion, development and operation of Yogurt Mountain Stores pursuant to Franchise Agreements executed by you or your approved Affiliates. The Managing Owner's name is listed on Exhibit A; and

(6) the Managing Owner is authorized to deal with us on your behalf in respect of all matters whatsoever which may arise in respect of this Agreement; any decision made by the Managing Owner will be final and binding upon you, and we will be entitled to rely solely upon the decision of the Managing Owner in any such dealings without the necessity of any discussions with any other party whether or not named in this Agreement; and we will not be held liable for any actions taken by you or otherwise, based upon any decision or actions of the Managing Owner.

2. EXERCISE OF DEVELOPMENT RIGHTS.

A. PROPOSED SITES FOR YOGURT MOUNTAIN STORES.

You agree to give us all information and materials we request to assess each proposed Yogurt Mountain Store site as well as your and your proposed Affiliate's financial and operational ability to develop and operate each proposed Yogurt Mountain Store. We have the absolute right to disapprove any site and/or any Affiliate (a) that does not meet these criteria, or (b) if you or your Affiliates are not then in compliance with any existing Franchise Agreements executed pursuant to this Agreement or operating your or their Yogurt Mountain Stores in compliance with the System Standards (as defined in the Franchise Agreement). We agree to use our reasonable efforts to review and approve or disapprove the sites you propose within 30 days after we receive all requested information and materials. If we approve a proposed site, you or your approved Affiliate must sign a separate Franchise Agreement as described in Section 2.B. If you or your approved Affiliate fails to do so promptly after we approve the proposed site, we may withdraw our approval.

B. EXECUTION OF FRANCHISE AGREEMENTS.

Simultaneously with signing this Agreement, you or an Affiliate we approve must sign and deliver to us a Franchise Agreement and related documents representing the first Franchise you are obligated to acquire under this Agreement. You or your approved Affiliates must sign the number of Franchise Agreements indicated on Exhibit A, and thereafter open and operate a Yogurt Mountain Store according to the terms of that Franchise Agreement. Once we have approved a site, and prior to signing a lease or to otherwise securing possession of the site, you or an approved Affiliate must sign our then-current form of Franchise Agreement and related documents, the terms of which may, with the exceptions provided hereunder, differ substantially from the terms contained in the Franchise Agreement in effect on the Effective Date. The Franchise Agreement will govern the development and operation of the Yogurt Mountain Store at the approved site identified therein.

C. DEVELOPMENT SCHEDULE.

Exhibit A to this Agreement sets forth the Development Area and the Development Schedule. Each period described in the Development Schedule is a "**Development Period**." You or your approved Affiliates must acquire Franchises, secure possession of sites we approve (and deliver to us fully executed leases for such sites) and open and operate Yogurt Mountain Stores in the Development Area pursuant to the corresponding Franchise Agreements as necessary to satisfy the requirements of the Development Schedule and each Development

Period. The Development Schedule is not our representation, express or implied, that the Development Area can support, or that there are or will be sufficient sites for, the number of Yogurt Mountain Stores specified in the Development Schedule or during any particular Development Period. We are relying on your representation that you have conducted your own independent investigation and have determined that you can satisfy the development obligations under each Development Period of the Development Schedule.

We will count a Yogurt Mountain Store toward the Development Schedule only if it actually is operating in the regular course within the Development Area and substantially complying with the terms of its Franchise Agreement as of the end of the Development Period. However, a Yogurt Mountain Store which is, with our approval or because of fire or other casualty, permanently closed during the last 90 days of a Development Period, after having been open and operating, will be counted toward the development obligations for the Development Period in which it closed, but not thereafter.

D. **FAILURE TO COMPLY WITH DEVELOPMENT SCHEDULE.**

Time is of the essence with respect to your agreement to comply with the Development Schedule. If you fail to comply with the Development Schedule as of the end of any Development Period, in addition to terminating this Agreement as provided under Section 7, and asserting any other rights we have under this Agreement as a result of such failure, we may (but need not) elect to do either or both of the following:

(1) terminate any territorial protection granted under Section 1.B; and/or

(2) reduce the Development Area to a lesser area that we determine.

E. **RECORDS AND REPORTING.**

You agree to provide us with the following records and reports:

(1) within 60 days after the Effective Date, you must prepare and give us, a business plan covering your projected revenues, costs and operations under this Agreement. This business plan will include your detailed projections of costs for Yogurt Mountain Store development and detailed revenue projections for your activities under this Agreement and Yogurt Mountain Stores. Within 60 days after the start of each calendar year during the Term, you must update the business plan each year to cover both actual results for the previous year and projections for the then current year. While we may review and provide comments on the business plan and any updates you submit to us, regardless of whether we approve, disapprove, require revisions or provide other comments with respect to the business plan or any updated business plan, we take no responsibility for and make no guarantees or representations, expressed or implied, with respect to your ability to meet the business plan or to achieve the results set forth therein. You bear the entire responsibility for achievement of the business plan you develop;

(2) within 7 days after the end of each month during the Term, you must send us a report of your business activities during that month, including information about

your efforts to find sites for Yogurt Mountain Stores in the Development Area and the status of development and projecting openings for each Yogurt Mountain Store under development in the Development Area;

(3) within 28 days after the end of each calendar quarter, you must provide us with a balance sheet and profit and loss statement for you and your Affiliates covering that quarter and the year-to-date; and

(4) within 60 days after the end of each calendar year, you must provide us with an annual profit and loss and source and use of funds statements and a balance sheet for you and your Affiliates covering the previous year.

Each of the foregoing shall be in the form and format that we reasonably specify, shall be delivered to us in the manner we specify, and shall be certified as correct by you or, if you are not a natural person, by your Managing Owner.

Further, at our request, you will provide financial information of your owners and guarantors sufficient to demonstrate such owners' and guarantors' ability to satisfy their financial obligations under the Agreement.

3. **FEES.**

A. **YOUR INITIAL FEE TO US.**

On your execution of this Agreement and in consideration of the grant of the Development Rights, you shall pay us a nonrecurring and nonrefundable fee in an amount equal to the amount shown on Exhibit A hereto (the "**Initial Fee**"). We will apply the Initial Fee, in increments of $5,000 each, as a credit against the initial franchise fees due under each Franchise Agreement which you or your Affiliates execute pursuant to this Agreement. The Initial Fee is fully earned by us when you and we sign this Agreement and is nonrefundable regardless of whether you execute any or all of the required number of Franchise Agreements.

B. **INITIAL FRANCHISE FEES AND ROYALTY.**

Unless otherwise agreed upon us in writing, the initial franchise fee and Royalty rate due under each Franchise Agreement executed pursuant to this Agreement will be $30,000 and 6% of gross sales, respectively.

C. **METHOD OF PAYMENT.**

All amounts payable by you pursuant to this Agreement will, unless otherwise directed in writing by us, be paid by way of certified check or bank draft delivered to us at the address set out herein or at such other place as we designate in writing.

4. **CONFIDENTIAL INFORMATION/INNOVATIONS.**

A. **CONFIDENTIAL INFORMATION.**

In connection with your exercise of the Development Rights granted under this Agreement, you and your owners and personnel may from time to time be provided and/or have access to non-public information about the Franchise System and the operation of Yogurt Mountain Stores (including your Yogurt Mountain Store) (some of which constitutes our trade secrets under applicable law), regardless of whether it is marked confidential (the "**Confidential Information**"), including:

(1) site selection criteria;

(2) training and operations materials and manuals, including the Operations Manual;

(3) the System Standards and other methods, formats, specifications, standards, systems, procedures, recipes, pricing analyses, operating techniques, sales and marketing techniques, knowledge, and experience used in developing, promoting and operating Yogurt Mountain Stores;

(4) market research, promotional, marketing and advertising programs for Yogurt Mountain Stores;

(5) knowledge of specifications for, and vendors of, Operating Assets and other products and supplies;

(6) any computer software or similar technology which is proprietary to us, our affiliates, or the Franchise System, including, without limitation, digital passwords and identifications and any source code of, and data, reports, and other printed materials generated by, the software or similar technology;

(7) knowledge of the operating results and financial performance of Yogurt Mountain Stores, including for your Yogurt Mountain Store;

(8) any other information designated confidential or proprietary by us.

Confidential Information does not include (i) any information, materials, knowledge, or know-how, which is lawfully known to the public without violation of applicable law or an obligation to us or our affiliates, and (ii) any Restricted Data as that term is defined in the Franchise Agreement.

You on behalf of yourself, your owners (if any), and your and their respective current and former spouses, immediate family members, officers, directors, employees, representatives, affiliates, successors and assigns agree that our Confidential Information, whether oral or written: (i) shall be deemed proprietary, (ii) shall be held by you in strict confidence, (iii) shall not be copied, disclosed or revealed to or shared with any other person except to your employees or contractors who have a need to know such Confidential Information for purposes of this Agreement and who sign a confidentiality agreement (and we reserve the right to approve or designate the form confidentiality agreement) no less restrictive than your obligations hereunder, or to individuals or entities specifically authorized by us in advance, and (iv) shall not be used in connection with any other business or capacity.

You on behalf of yourself, your owners (if any), and your and their respective current and former spouses, immediate family members, officers, directors, employees, representatives, affiliates, successors and assigns agree that (i) you and they will not acquire any interest in our Confidential Information other than the right to use it as we specify for your exercise of the Development Rights granted under this Agreement, (ii) you and they will protect the Confidential Information from unauthorized use, access or disclosure in the same manner as you protect your own confidential or proprietary information of a similar nature and with no less than reasonable care, and (iii) you and they will adopt and implement administrative, physical and technical safeguards to prevent unauthorized use or disclosure of any of our Confidential Information.

You on behalf of yourself and your owners (if any) agree that during and after the term of this Agreement you will, and will cause each of your owners and your and their respective current and former spouses, immediate family members, officers, directors, employees, representatives, affiliates, successors and assigns to: (a) process, retain, use, collect, and disclose our Confidential Information strictly to the limited extent, and in such a manner, as necessary for your exercise of the Development Rights granted under this Agreement, and not for any other purpose of any kind; and (b) process, retain, use, collect, and disclose our Confidential Information strictly in accordance with the privacy policies and System Standards we establish from time to time, and our and our representative's instructions.

B. **INNOVATIONS.**

As between the parties, you acknowledge and agree that we are the sole owner of all right, title, and interest in and to the Franchise System and any Confidential Information. All improvements, developments, derivative works, enhancements, or modifications to the Franchise System and any Confidential Information (collectively, "**Innovations**") made or created by you, your employees or your contractors, whether developed separately or in conjunction with us, shall be owned solely by us. You represent, warrant, and covenant that your employees and contractors are bound by written agreements assigning all rights in and to any Innovations developed or created by them to you. To the extent that you, your employees or your contractors are deemed to have any interest in such Innovations, you hereby agree to assign, and do assign, all right, title and interest in and to such Innovations to us. To that end, you shall execute, verify, and deliver such documents (including, without limitation, assignments) and perform such other acts (including appearances as a witness) as we may reasonably request for use in applying for, obtaining, perfecting, evidencing, sustaining, and enforcing such ownership rights in and to the

Innovations, and the assignment thereof. Your obligation to assist us with respect to such ownership rights shall continue beyond the expiration or termination of this Agreement. In the event we are unable for any reason, after reasonable effort, to secure your signature on any document needed in connection with the actions specified in this Section 4.B, you hereby irrevocably designate and appoint us and our duly authorized officers and agents as your agent and attorney in fact, which appointment is coupled with an interest and is irrevocable, to act for and on your behalf to execute, verify, and file any such documents and to do all other lawfully permitted acts to further the purposes of this Section 4.B with the same legal force and effect as if executed by you. The obligations of this Section 4.B shall survive any expiration or termination of the Agreement.

5. EXCLUSIVE RELATIONSHIP DURING TERM.

A. COVENANTS AGAINST COMPETITION.

You acknowledge that we have granted you the Development Rights in consideration of and reliance upon your agreement to deal exclusively with us. You therefore agree that, during the Term, neither you, your Affiliates nor any of your or their owners or the immediate family members of any of the foregoing will:

(1) have any direct or indirect interest as an owner – whether of record, beneficially, or otherwise – in a Competitive Business (defined below), wherever located or operating, other than equity ownership of less than 5% of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange;

(2) perform services as a director, officer, manager, employee, consultant, lessor, representative, or agent for a Competitive Business, wherever located or operating;

(3) divert or attempt to divert any actual or potential business, sites or customers of your business associated with this Agreement to a Competitive Business; or

(4) directly or indirectly, appropriate, use or duplicate the Franchise System or any portion thereof, in any business in which such person may have any interest of any kind (whether directly or indirectly) or in which such person is otherwise employed.

The term "**Competitive Business**" means any business (other than a Yogurt Mountain Store) operating, or granting franchises or licenses to others to operate, a food service or retail business deriving more than 10% of its revenue from the sale of frozen desserts of any kind, including frozen yogurt, frozen custard, ice cream, smoothies or any products which are, to any degree, comprised of or which include frozen desserts of any kind, including frozen yogurt, frozen custard, ice cream or smoothies.

B. **COVENANT OF NON-INTERFERENCE.**

You agree that, during the Term, neither you, nor any of your owners, or your or your owners' affiliates, officers, directors, managers or immediate family members will interfere with the relationships we have from time to time with vendors, franchisees, customers, or consultants.

C. **COVENANTS FROM OTHERS.**

You agree to obtain similar covenants from the personnel we specify, including officers, directors, managers, and other employees attending our training program or having access to Confidential Information. We have the right to regulate the form of agreement that you use and to be a third party beneficiary of that agreement with independent enforcement rights. You must require all employees performing managerial or supervisory functions and all employees receiving training from us to execute non-disclosure and non-interference covenants similar to those set out in this Section 5, in the form supplied by us. Contemporaneously with the signing of this Agreement, you must deliver to us, properly executed non-disclosure, non- interference and non-competition covenants similar to those as set out in this Section 5, in the form supplied by us, from all of your owners, directors, officers, and Affiliates and from all owners, directors and officers of such Affiliates, other than those parties who have signed a Guaranty in the form attached as **Exhibit B**. In addition, you must cause each new Affiliate of yours and each new partner, director, officer and shareholder of yours and such Affiliates to deliver to us properly executed non-disclosure, non- interference and non-competition covenants similar to those set out in this Section 5 immediately upon their becoming a shareholder or partner, or upon their appointment or election as a director or officer, of you or such Affiliate.

D. **INNOVATIONS.**

All improvements and/or techniques and/or information with respect to the grant or exercise of Development Rights or with respect to the Franchise System that you or your employees prepare or develop during the Term and relating to the business operated hereunder, whether developed separately or in conjunction with us will be deemed to be modifications and/or changes to the Franchise System, all of which will be deemed to be owned by us.

E. **NON-DISPARAGEMENT.**

You agree not to (and to use your best efforts to cause your current and former shareholders, members, officers, directors, principals, agents, partners, employees, representatives, attorneys, spouses, affiliates, successors, and assigns not to) disparage or otherwise speak or write negatively, directly or indirectly, of us, our affiliates, any of our or our affiliates' directors, officers, employees, representatives or affiliates, current and former franchisees or developers of us or our affiliates, the Yogurt Mountain brand, the Franchise System, any Yogurt Mountain Store, any business using the Marks, any other brand or service-marked or trademarked concept of us or our affiliates, or which would subject the Yogurt Mountain brand or such other brands to ridicule, scandal, reproach, scorn, or indignity, or which would negatively impact the goodwill of the Marks or the Franchise System. The obligations of this Section 5.E shall survive any expiration or termination of the Agreement.

6. **TRANSFER.**

A. **SALE OR ENCUMBRANCE.**

You acknowledge that we have granted you the rights pursuant to this Agreement based upon, among other things, the character, background and other qualifications and abilities personal to you or, if applicable, your owners.

Accordingly, without our prior written consent, neither you nor any owners, nor any of your or their permitted successors or assigns, shall transfer (i) any direct or indirect interest in this Agreement (including, without limitation, any or all of your rights or obligations under it), (ii) the Development Rights granted hereunder, or (iii) any direct or indirect ownership interest in you (regardless of its size). In this Agreement, the term "**transfer**" includes a voluntary, involuntary, direct, or indirect assignment, sale, gift, or other disposition of any interest, including transfer by reason of merger, consolidation, issuance of additional securities, death, disability, divorce, insolvency, foreclosure, surrender or by operation of law. Any transfer without our prior written approval is a material breach of the Agreement and has no effect.

The Development Rights may not be transferred separate and apart from the entirety of this Agreement, and a proposed transfer of this Agreement may not be made separately from or independently of a transfer to the same transferee of all of the Franchise Agreements (and the Yogurt Mountain Stores operated pursuant thereto) executed pursuant to this Agreement.

If you intend to list your Development Rights for Sale with any broker or agent, you shall do so only after obtaining our written approval of the broker or agent and of the listing agreement. You may not use or authorize the use of any Mark in advertising the transfer nor may you use or authorize the use of, and no third party shall on your behalf use, any written materials to advertise or promote the transfer without our prior written approval of such materials.

We may withhold our consent to a transfer for any reason, and we will not be required to consider a proposed transfer unless you comply with the following requirements either at the time the request is made or, if applicable, by the completion of the transfer:

(1) you submit an application in writing requesting our consent and provide us all information or documents we request about the proposed transfer, the transferee, and its owners, and each such person must have completed and satisfied all of our application and certification requirements, including the criteria that neither the transferee nor its owners (if the transferee is an entity) or affiliates have an ownership interest (direct or indirect) in or perform services for a Competitive Business;

(2) you have provided us executed versions of any documents executed by you (or your owners) and transferee (and its owners) to effect the transfer, and all other information we request about the proposed transfer, and such transfer meets all of our requirements, including criteria for terms and conditions, closing date, purchase price, amount of debt and payment terms;

(3) you (and your owners) and the transferee (and its owners) sign all of the documents we are then requiring in connection with a transfer, in a form satisfactory to us, including: (i) a general release of any and all claims against us and our affiliates and our and their owners, officers, directors, employees, and agents, (ii) a covenant that you and your transferring owners (and your and their immediate family members) will not, for two years beginning on the transfer's effective date, engage in any of the activities proscribed in Section 7.C, (iii) covenants that you and your transferring owners satisfy all other post-termination obligations under this Agreement;

(4) you and your owners have not violated any provision of this Agreement or any other agreement with us or our affiliates during both the 60-day period before you requested our consent to the transfer and the period between your request and the effective date of the transfer;

(5) the transferee shall (if the transfer is of this Agreement), or you shall (if the transfer is of a controlling ownership interest in you or one of your owners), sign our then-current form of multi-unit development agreement and related documents, any and all of the provisions of which may differ materially from any and all of those contained in this Agreement;

(6) you pay the sum of $2,500 by means of cash or certified check at the time you submit your transfer application, which amount will be non-refundable, except that if the transfer is successfully completed, the entire amount will be applied by us against the amount payable by you pursuant to Section 6.A(9) below, or such other amounts as may be owing by you to us pursuant to this Agreement;

(7) you must pay all of our expenses incurred in connection with the transfer, whether or not such transfer is completed, up to a maximum amount of $3,000 plus disbursements and applicable taxes thereon; in this regard, you must deliver to us together with the original application submitted for approval of the transfer, the sum of $1,500 towards such expenses plus applicable goods and services taxes thereon and pay the balance upon completion of the approved Sale;

(8) you must pay to us a transfer fee in the amount of $10,000;

(9) you provide us the evidence we reasonably request to show that appropriate measures have been taken to effect the transfer as it relates to the operation of the business granted to you under this Agreement, including, by transferring all necessary and appropriate business licenses, insurance policies, and material agreements, or obtaining new business licenses, insurance policies and material agreements;

(10) we have determined that the purchase price, amount of debt and payment terms will not adversely affect the transferee's exercise of the Development Rights; and

(11) if you or your owners finance any part of the purchase price, you and/or your owners agree that all of the transferee's obligations under promissory notes, agreements, or security interests reserved in your Development Rights are subordinate to

the transferee's payment obligations to us, our affiliates, and third party vendors and otherwise to comply with this Agreement.

We may review all information that you give the transferee, correct any information that we believe is inaccurate, and give the transferee copies of any reports that you have given us or we have made regarding your operations under this Agreement.

Our consent to a transfer pursuant to this Section is not a representation of the fairness of the terms of any contract between you and the transferee, a guarantee of your or transferee's prospects of success, or a waiver of any claims we have against you (or your owners) or of our right to demand the transferee's full compliance with this Agreement.

B. **FIRST RIGHT OF REFUSAL.**

Notwithstanding anything contained in this Section 6, in the event you make or receive (and intend to accept) an offer of Sale, without in any way derogating from our right to grant or not grant our consent thereto, we will have the option, to be exercised by notice in writing delivered to you within 30 days of receipt of your application referred to in Section 6.A(1) hereof, to acquire the said rights and the business operated hereunder upon the same terms and conditions as set out in the said application except as provided hereinafter. If we exercise our option, we will complete the transfer upon the same terms and conditions as set out in the said application save and except that we will be entitled to deduct from the purchase price (i) the amount of any sales or other commissions (if any) which would have been payable by you had the transfer been completed with the transferee and (ii) an amount equal to that amount to which we are entitled pursuant to Section 6.A(9) hereof, and save and except we will have the right to substitute cash for any other form of consideration specified in the offer accompanying the application and the right to pay in full, the entire amount of the purchase price at the time of closing. If we do not exercise our option, we may then, in our discretion, determine if we will consent to the proposed transfer to the transferee; we will notify you of our decision within 30 days of receipt of said application. The sale, assignment, transfer, donation or other dealing must be completed within 60 days of the receipt by us of your original application, failing which, you must again make application to us in the manner set out in Section 6.A(1) hereof, and in all such events the provisions of this Section 6.B will apply anew, and such procedure will continue to be repeated so often as you desire to complete any Sale. If we do not notify you of our intention to consent within such 30-day period, we will be deemed not to have given our consent.

C. **DEATH OR DISABILITY.**

Upon your or your Managing Owner's death or disability, your or the Managing Owner's executor, administrator, conservator, guardian, or other personal representative must transfer your interest in this Agreement, or the Managing Owner's ownership interest in you, to a third party (which may be your or the Managing Owner's heirs, beneficiaries, or devisees). That transfer must be completed within a reasonable time, not to exceed 9 months from the date of death or disability, and will be treated as a Sale for all purposes set forth in this Section 6; except that, Section 6. A. (1) (g) and Section 6. A. (1) (g) will not apply to the transfer described in this Section. None of your obligations under this Agreement will be suspended or otherwise affected during this time. A failure to transfer your interest in this Agreement or the Managing Owner's

ownership interest in you within this time period is a breach of this Agreement. The term "**disability**" means a mental or physical disability, impairment, or condition that is reasonably expected to prevent or actually does prevent you or the Managing Owner from supervising the management and operation of your business related to this Agreement. In any event, your business related to this Agreement shall at all times be managed by a person who has arranged for and successfully completed to our satisfaction, all or such training in the operations of the multi-unit development business and a Yogurt Mountain Store, at his/her or your sole expense, as we deem necessary.

D. **PUBLIC OR PRIVATE OFFERINGS.**

You acknowledge that the publication or dissemination of written information used to raise or secure funds can reflect upon us and the Franchise System. Therefore, you may not engage in a public offering of securities without our prior written consent. If you desire to request that we consent to any such event, you must submit any written information intended to be used for that purpose to us before inclusion in any registration statement, prospectus or similar offering memorandum. Should we object to any reference to us or our affiliates or any of our business in the offering literature or prospectus, the literature or prospectus shall not be used until our objections are withdrawn or resolved.

7. **TERMINATION OF AGREEMENT.**

A. **EVENTS OF TERMINATION.**

Notwithstanding anything otherwise contained in this Agreement, we will have the right to terminate this Agreement at any time and without notice, upon the happening of any one or more of the following events:

(1) if default is made in the payment of any amount payable under this Agreement or any Franchise Agreement with us when and as same becomes due and payable, and such default continues for a period of 5 days after written notice;

(2) if (i) you have failed to make progress in the development of Yogurt Mountain Stores to indicate, in our determination, that you will be able to satisfy your development obligations under this Agreement for the then-current Development Period, (ii) you otherwise cease or threaten to cease exercising the rights granted to you under this Agreement, (iii) you take or threaten to take any action to liquidate your assets, or (iv) you do not pay any debts or other amounts incurred by you in exercising the rights granted to you hereunder when such debts or amounts are due and payable;

(3) if you fail to comply with the Development Schedule;

(4) if you make or purport to make a general assignment for the benefit of creditors; or if you hereto institute any proceeding under any statute or otherwise relating to insolvency or bankruptcy, or should any proceeding under any such statute or otherwise be instituted against you; or if a custodian, receiver, manager or any other person with like powers is appointed to take charge of all or any part of the business

granted hereunder or of the shares or documents of title owned by any of your shareholders or title holders; or if you commit or suffer any default under any contract of conditional sale, mortgage or other security instrument in respect of the business being operated hereunder or of the shares or documents of title owned by any of your shareholders or title holders; or if any of your goods, chattels or assets or of the business are seized or taken in execution or in attachment by a creditor, or if a writ of execution is issued against any of such goods, chattels, or assets; or if a judgment or judgments for the payment of money in amounts in excess of $20,000, is rendered by any court of competent jurisdiction against you;

(5) if you fail to furnish reports, financial statements, tax returns or any other documentation required by the provisions of this Agreement;

(6) if you are an Entity, (i) if an order is made or a resolution passed or any proceedings taken towards your winding up or liquidation or dissolution or amalgamation; or (ii) if you lose your charter by expiration, forfeiture or otherwise;

(7) if you or any of your owners has made any material misrepresentation or omission in your or their application and the documents and other information provided to us to support your or their application to acquire the rights granted in this Agreement;

(8) if you or any of your owners transfers or attempts to transfer, or grants a security interest in, any interest in the business operated hereunder, you, or this Agreement, without complying with the transfer provisions contained in Section 6;

(9) if you or any of your owners is convicted of or plead guilty or "no-contest" to a felony or any crime or other offense likely to adversely affect the reputation of Yogurt Mountain Stores or the goodwill of the Marks, or if you (or any of your owners) engage in any conduct which, in our opinion, adversely affects or, if you were to continue as a multi-unit developer under this Agreement, is likely to adversely affect the reputation of the business you conduct pursuant this Agreement, the reputation and goodwill of Yogurt Mountain Stores generally or the goodwill associated with the Marks;

(10) if you (or any of your owners) (a) fail on 3 or more separate occasions within any 12-consecutive months to comply with this Agreement, whether or not we notify you of the failures, and, if we do notify you of the failures, whether or not you correct the failures after our delivery of notice to you; or (b) fail on 2 or more separate occasions within any 6-consecutive months to comply with the same obligation under this Agreement, whether or not we notify you of the failures, and, if we do notify you of the failures, whether or not you correct the failures after our deliver of notice to you;

(11) if you or your Affiliates fail to comply with any provision of any Franchise Agreement and do not cure such failures within the applicable cure period, if any;

(12) you (or any of your owners) have received two (2) or more notices from us that you (or your owner(s)) have acted inappropriately or abusively towards us and/or our

representatives and affiliates, and/or other franchisees or developers, whether in connection with your actions under this Agreement or any other agreement between you and us or our affiliates; or

(13) if you fail to observe, perform or comply with any other of the terms or conditions of this Agreement not listed in items (1) through (11) above, and such failure continues for a period of 7 days after written notice thereof has been given by us to you.

B. **EFFECTS OF TERMINATION.**

Upon termination or expiration of this Agreement, all of your rights under this Agreement, including the Development Rights, will cease and you and your owners must immediately:

(1) cease exercising the Development Rights and conducting any business under this Agreement;

(2) cease to directly or indirectly identify yourself as a current or former Yogurt Mountain developer or as one of our current or former franchise owners (except in connection with other Yogurt Mountain Stores you operate in compliance with the terms of a valid Franchise Agreement with us) and take the action required to cancel or assign all fictitious or assumed name or equivalent registrations relating to your use of any Mark;

(3) return to us or destroy (as we require) all items, forms and materials provided to you pursuant to this Agreement together with all copies thereof;

(4) cease use of all telephone numbers, directory listings, email addresses, online presences, and other contact information in any way connected with the business you currently operate hereunder, and take any action as may be required to disable any of the foregoing contact information, or transfer exclusive control and access of any of the foregoing contact information to us or our designee, as we determine in our sole discretion; you hereby irrevocably appoint us as your lawful attorney to instruct the telephone company or listing service to cancel or transfer all such numbers or listings to us or as we may direct;

(5) pay all amounts owing to us pursuant to this Agreement up to the date of termination or expiration;

(6) comply with all other instructions we give you from time to time (and all applicable laws) in connection with the ceasing your business under this Agreement, including as it relates to disposing of Confidential Information, in any form, in your possession or the possession of any of your employees; and

(7) within 30 days after the expiration or termination of this Agreement, give us evidence satisfactory to us of your compliance with these obligations.

If you fail to take any of the actions or refrain from taking any of the actions described above, we may take whatever action and sign whatever documents we deem appropriate on your

behalf to cure the deficiencies. You must reimburse us for all costs and expenses we incur in correcting any such deficiencies.

C. **RESTRICTIVE COVENANTS POST-TERMINATION.**

(1) **Non-Competition**. Upon termination, assignment or expiration of this Agreement, you and your owners agree that, for 2 years beginning on the effective date of termination, assignment or expiration or the date on which all persons restricted by this Section 7.C begin to comply with this Section 7.C, whichever is later, neither you nor any of your owners, or your or your owners' affiliates, officers, directors, managers or immediate family members will have any direct or indirect interest as an owner (whether of record, beneficially, or otherwise), investor, partner, director, officer, employee, consultant, lessor, representative, or agent in any Competitive Business (as defined in Section 5.A above) located or operating:

(a) within the Development Area; and

(b) within a 5-mile radius of any Yogurt Mountain Store in operation or under construction on (1) the Effective Date of this Agreement or (2) the later of the effective date of the termination or expiration of this Agreement or the date on which all persons restricted by this Section 7.C begin to comply with this Section 7.C.

These restrictions also apply after transfers, as provided in Section 6. If any person restricted by this Section 7.C refuses voluntarily to comply with these obligations, the 2-year period for that person will commence with the entry of a court order enforcing this provision. You expressly acknowledge that you, your Affiliates, your and their owners and the immediate family members of each possess skills and abilities of a general nature and have other opportunities for exploiting these skills. Consequently, our enforcing the covenants made in this Section 7.C will not deprive you or them of any personal goodwill or ability to earn a living.

(2) **Non-Interference**. You further agree that from and after the effective date of termination or expiration, neither you nor any of your owners, your or your owners' Affiliates, or the officers, directors, managers or immediate family members of any of the foregoing, will interfere or attempt to interfere with our or our affiliates' relationships with any vendors, franchisees, customers or consultants.

D. **SURVIVAL OF COVENANTS.**

Notwithstanding the termination or other expiration of this Agreement for any reason whatsoever, or any Sale, all covenants and agreements to be performed and/or observed by you will survive any such termination, expiration or Sale.

8. **RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.**

A. **INDEPENDENT CONTRACTORS.**

We and you hereby acknowledge and agree that each of us is an independent contractor,

that neither of us is considered to be the agent, representative, master or servant of the other for any purpose whatsoever, and that neither of us has any authority to enter into any contract, to assume any obligations or to give any warranties or representations on behalf of the other. Nothing in this Agreement may be construed to create a relationship of partners, joint venturers, fiduciaries, agency or any other similar relationship between us and you.

B. **INDEMNIFICATION.**

You hereby agree to indemnify and save us and our affiliates and the officers, directors, affiliates, shareholders, employees, agents and other representatives of each (collectively, the "**Yogurt Mountain Parties**") harmless from any and all liabilities, losses, suits, claims, damages, demands, costs, fines and actions of any kind or nature whatsoever to which any of the Yogurt Mountain Parties are or may become liable for or suffer (i) by reason of any breach, violation, or non-performance by you or your Affiliates or your or their respective agents, employees, invitees, other representatives or officers, directors or shareholders (collectively, the "**Indemnitors**") of any term or condition of this Agreement or any agreement or covenant entered into pursuant hereto, or (ii) by reason of any injury, loss, damage or death to any person or to any property because of any act, neglect or default on the part of any of the Indemnitors in or about any of the Yogurt Mountain Stores within the Development Area, or (iii) by reason of any injury, loss, damage or death to any person arising out of any products sold, dispensed, handled or otherwise dealt in by any of the Indemnitors, or (iv) by reason of any willful or negligent act or omission of any of the Indemnitors, or (v) by reason of a claim of any party arising from the operation by you or your Affiliates of Yogurt Mountain Stores.

In the event that any of the Yogurt Mountain Parties is made a party to any litigation commenced by or against you, you must indemnify and save the Yogurt Mountain Parties harmless against all losses, claims, or damages whatsoever arising therefrom and must pay all costs and expenses including reasonable legal fees incurred or paid by the Yogurt Mountain Stores in connection with such litigation. Further, if it is established that you have breached any of the terms or conditions of this Agreement or covenant entered into pursuant hereto, you must pay all costs and expenses including such legal fees as may be incurred by us in enforcing our rights and remedies.

9. **ENFORCEMENT.**

A. **CONSENT TO JURISDICTION.**

Subject to the provisions below, you and your owners agree that all actions arising out of or related to this Agreement or any other agreement between you (or any of your owners) and us (or any of our affiliates) or our relationship with you must be commenced in a court nearest to our or our successor's (as applicable) then current principal place of business (currently Birmingham, Alabama), and you (and each owner) irrevocably submit to the jurisdiction of that court and waive any objection you (or the owner) might have to either the jurisdiction of or venue in that court.

B. **WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL.**

Except for your obligation to indemnify us for third party claims under Section 8.B, we and you (and your owners) waive to the fullest extent permitted by law any right to or claim for any punitive or exemplary damages against the other and agree that, in the event of a dispute between us and you, the party making a claim will be limited to equitable relief and to recovery of any actual damages it sustains. We and you irrevocably waive trial by jury in any action or proceeding brought by either of us.

C. **INJUNCTIVE RELIEF.**

Nothing in this Agreement bars our right to obtain specific performance of the provisions of this Agreement and injunctive relief against any threatened or actual conduct that will cause us, the Marks, or the Franchise System loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and temporary or preliminary injunctions. You agree that we may seek such relief from any court of competent jurisdiction in addition to such further or other relief as may be available to us at law or in equity. You agree that we will not be required to post a bond to obtain injunctive relief and that your only remedy if an injunction is entered against you will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by injunction being expressly waived hereby).

D. **LIMITATION OF CLAIMS; WAIVER OF CLASS ACTIONS.**

You and your owners agree not to bring any claim asserting that any of the Marks are generic or otherwise invalid. EXCEPT FOR CLAIMS ARISING FROM YOUR NON-PAYMENT OR UNDERPAYMENT OF AMOUNTS YOU OWE US, ANY AND ALL CLAIMS ARISING OUT OF OR RELATED TO THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN YOU (OR ANY OF YOUR OWNERS) AND US (OR ANY OF OUR AFFILIATES) OR OUR RELATIONSHIP WITH YOU WILL BE BARRED UNLESS A PROCEEDING IS COMMENCED WITHIN ONE (1) YEAR FROM THE DATE ON WHICH THE PARTY ASSERTING THE CLAIM KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THE CLAIMS. The parties understand that such time limit might be shorter than otherwise allowed by law. You and your owners agree that your and their sole recourse for claims arising between the parties shall be against us or our successors and assigns. You and your owners agree that our and our affiliates' members, managers, shareholders, directors, officers, employees, and agents shall not be personally liable nor named as a party in any action between us or our affiliates and you or your owners.

WE AND YOU AGREE THAT ANY PROCEEDING WILL BE CONDUCTED ON AN INDIVIDUAL BASIS AND THAT ANY PROCEEDING BETWEEN US AND ANY OF OUR AFFILIATES, OR OUR AND THEIR RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES, ON THE ONE HAND, AND YOU OR YOUR OWNERS, GUARANTORS, AFFILIATES, AND EMPLOYEES, ON THE OTHER HAND, MAY NOT BE: (I) CONDUCTED ON A CLASS-WIDE BASIS, (II) COMMENCED, CONDUCTED OR CONSOLIDATED WITH ANY OTHER PROCEEDING, (III) JOINED WITH ANY CLAIM OF AN UNAFFILIATED THIRD-PARTY, OR (IV) BROUGHT ON YOUR BEHALF BY ANY ASSOCIATION OR AGENT.

No previous course of dealing shall be admissible to explain, modify, or contradict the terms of this Agreement. No implied covenant of good faith and fair dealing shall be used to alter the express terms of this Agreement.

E. ATTORNEYS' FEES AND COSTS.

The prevailing party in any proceeding shall be entitled to recover from the other party all damages, costs and expenses, including arbitration and court costs and reasonable attorneys' fees, incurred by the prevailing party in connection with such proceeding.

10. MISCELLANEOUS.

A. JOINT AND SEVERAL OBLIGATION.

If either you are comprised of more than one individual or Entity, the obligations of each such individual and Entity will be joint and several.

B. SEVERABILITY.

If for any reason whatsoever, any term or condition of this Agreement is, to any extent declared to be invalid or unenforceable, all other terms and conditions of this Agreement, other than those as to which it is held invalid or unenforceable, will not be affected thereby and each term and condition of this Agreement will be separately valid and enforceable to the fullest extent permitted by law.

C. NO WARRANTY OR REPRESENTATION.

You hereby acknowledge that we and our agents, affiliates, officers, directors, managers, owners, employees and other representatives have not made or given to you any warranties, representations, undertakings, commitments, covenants or guarantees respecting the subject matter of this Agreement except as expressly stated in this Agreement, and specifically without limiting the generality of the foregoing, you hereby acknowledge and agree that we and our agents, affiliates, officers, directors, managers, owners, employees and other representatives have not made or given any warranty, representation, undertaking, commitment, covenant or guarantee in respect of sales or profit to be derived or costs or expenses to be incurred by you and that you are not relying upon any warranties, representations, undertakings, commitments, covenants or guarantees of us and our officers, directors, shareholders, employees and other representatives except as provided in this Agreement.

D. NOTICE.

All written notices, reports, and payments permitted or required to be delivered by this Agreement will be deemed to be delivered on the earlier of the date of actual delivery or one of the following: (a) at the time delivered by hand, (b) at the time delivered via computer transmission and, in the case of any monetary payments, at the time we actually receive electronic payment, (c) one (1) business day after being placed in the hands of a nationally recognized commercial courier service for next business day delivery, or (d) three (3) business

days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid. Any notice must be sent to the party to be notified at its most current principal business address of which the notifying party has notice; except that, it will always be deemed acceptable to send notice to you at the address of any of your Yogurt Mountain Stores. Any required payment or report which we do not actually receive during regular business hours on the date due will be deemed delinquent.

E. **HEADINGS.**

Headings preceding the text, sections and subsections hereof have been inserted solely for convenience of reference and will not be construed to affect the meaning, construction or effect of this Agreement.

F. **APPLICABLE LAW.**

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other United States federal law, this Agreement, your Development Rights and all claims arising from the relationship between us and you will be governed by the laws of the State of Alabama, without regard to its conflict of laws rules, except that (1) any state law regulating the offer or sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this section, and (2) the enforceability of those provisions of this Agreement which relate to restrictions on you and your owners' competitive activities will be governed by the laws of the state in which the Development Area is located.

G. **TIME OF ESSENCE.**

Time is of the essence of this Agreement and of each and every part hereof.

H. **WAIVER.**

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

We and you will not waive or impair any right, power, or option this Agreement reserves (including, without limitation, our right to demand exact compliance with every term, condition, and covenant or to declare any breach to be a default and to terminate this Agreement before its term expires) because of any custom or practice at variance with this Agreement's terms; our or your failure, refusal, or neglect to exercise any right under this Agreement or to insist upon the other's compliance with this Agreement; our waiver of or failure to exercise any right, power, or option, whether of the same, similar, or different nature, with other multi-unit developers of Yogurt Mountain Stores; the existence of multi-unit development agreements for Yogurt Mountain Stores which contain provisions different from those contained in this Agreement; or our acceptance of any payments due from you after any breach of this Agreement. No special or

restrictive legend or endorsement on any check or similar item given to us will be a waiver, compromise, settlement, or accord and satisfaction. We are authorized to remove any legend or endorsement, which then will have no effect.

The following provision applies if you or the franchise granted hereby are subject to the franchise registration or disclosure laws in Illinois, Indiana, Maryland, Michigan, Virginia, or Wisconsin: 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.

I. ASSIGNMENT BY US.

In the event of a sale, transfer or assignment by us of our interest in this Agreement or any interest herein, to the extent that the purchaser or assignee assumes our covenants and obligations under this Agreement, we will thereupon and without further agreement, be freed and relieved of all liabilities with respect to such covenants and obligations. In no event will anything, including without limitation, anything contained in this Agreement, prevent us from selling, transferring or assigning any interest we may have in the Franchise System and/or the Marks or any part thereof, and notwithstanding we have no obligations to you under or pursuant to this Agreement, if for any reason it is determined otherwise by a governmental authority, legislative act, court of competent jurisdiction or in any other manner whatsoever, upon completion of any such sale, transfer or assignment, we will be freed and relieved of all your liability whatsoever.

J. AGREEMENT EFFECTIVE.

This Agreement shall not be effective until accepted by us as evidenced by dating and signing by an officer or other duly-authorized representative of ours. Notwithstanding that this Agreement shall not be effective until signed by us, we reserve the right to make the effective date of this Agreement the date on which you signed the Agreement.

K. FURTHER ASSURANCES.

You and we agree to execute and deliver such further and other agreements, assurances, undertakings, acknowledgements or documents, cause such meetings to be held, resolutions passed and by-laws enacted, exercise our vote and influence and do and perform and cause to be done and performed any further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every part hereof.

L. ENTIRE AGREEMENT.

This Agreement and all schedules attached hereto constitute the entire agreement of the parties hereto and all prior negotiations, commitments, representations, warranties, agreements and undertakings made prior hereto are hereby merged. There are no other inducements,

representations, warranties, agreements, undertakings, or promises, (oral or otherwise) among you and us relating to the subject matter of this Agreement. No subsequent alteration, amendment, change or addition to this Agreement or any schedules will be binding upon the parties hereto unless reduced to writing and signed by us and you or our and your respective heirs, executors, administrators, successors or assigns. Nothing contained herein shall be deemed a waiver of any right you may have to rely on the franchise disclosure document.

M. **LAWFUL ATTORNEY.**

Notwithstanding anything otherwise contained in this Agreement, if you do not execute and deliver any documents or other assurances so required of you pursuant to this Agreement and/or if we take over the management or operation of the business operated hereunder on your behalf for any reason, you hereby irrevocably appoint us as your lawful attorney with full power and authority, to execute and deliver in your name any such documents and assurances, and/or to manage or operate the business on your behalf, and/or to do all other acts and things, all in such discretion as we may desire, and you hereby agree to ratify and confirm all of our acts as your lawful attorney and to indemnify and save us harmless from all claims, liabilities, losses, or damages suffered in so doing. You also hereby appoint us as your attorney-in-fact to receive and inspect your confidential sales and other tax records and hereby authorize all tax authorities to provide such information to us for all tax periods during the term of this Agreement.

N. **RIGHTS OF PARTIES ARE CUMULATIVE.**

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

O. **BINDING AGREEMENT.**

This Agreement will inure to the benefit of and be binding upon us and our successors and assigns and will be binding upon you and your heirs, executors, administrators, successors and authorized assigns.

P. **EXECUTION.**

This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement. This Agreement and all other documents related to this Agreement may be executed by manual or electronic signature. Either party may rely on the receipt of a document executed or delivered electronically, as if an original had been received.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement to be effective as of the Effective Date.

YOGURT MOUNTAIN FRANCHISING LLC, an Alabama limited liability company

Sign:_____
Name:_____
Title:_____
*Date:_____
*(This is the Effective Date)

MULTI-UNIT DEVELOPER (if a corporation, limited liability or partnership):

Sign:_____
Name:_____
Title: _____
Dated:_____

(IF INDIVIDUALS):

Sign: _____
Print Name:_____
Dated:_____

EXHIBIT A

TO THE MULTI-UNIT DEVELOPMENT AGREEMENT

DATA SHEET

1. **Form of Owner**: You operate as a _____ corporation, _____ limited liability company, _____ partnership, or _____ sole proprietorship. (CHECK ONE) You were formed on _____, under the laws of the State of _____. You have not conducted business under any name other than your entity name and _____ (INSERT ANY ASSUMED NAME OR DBA THAT YOU HAVE USED).

2. **Management:** The following is a list of your managers, directors, and officers, as applicable, as of the date of the Agreement:

Name	Position(s) Held
_____	_____
_____	_____
_____	_____
_____	_____

3. **Owners**: The following list includes the full name of each individual who is one of your owners, or an owner of one of your owners, and fully describes the nature of each owner's interest (attach additional pages if necessary).

Owner's Name	Description of Interest
_____	_____
_____	_____
_____	_____
_____	_____

4. **Managing Owner**:

5. C**alculation of Initial Fee (Section 3.A):**

____ Franchise Agreements x $5,000 = $_____

6. **Development Area**: The Development Area is comprised of the counties listed below or, if no counties are listed below, as described on the map attached hereto. If the Development Area is identified by counties or other political subdivisions, political boundaries will be considered fixed as of the date of this Agreement and will not change, notwithstanding a political reorganization or change to the boundaries or regions.

County: _____ State of _____

County: _____ State of _____

MAP OF DEVELOPMENT AREA

[*insert map*]

7. **Development Schedule**:

The Development Schedule is as follows:

Development Period	Cumulative Number of Franchise Agreements Signed by End of Development Period	Stores Opened During Development Period	Cumulative Number of Stores Opened as of End of Development Period
___/___/20__ to ___/___/20__			
___/___/20__ to ___/___/20__			
___/___/20__ to ___/___/20__			
___/___/20__ to ___/___/20__			
___/___/20__ to ___/___/20__			
___/___/20__ to ___/___/20__			
___/___/20__ to ___/___/20__			
___/___/20__ to ___/___/20__			

[*Signature page follows*]

IN WITNESS WHEREOF, the parties have executed and delivered this Exhibit A to be effective as of the Effective Date.

YOGURT MOUNTAIN FRANCHISING LLC, an Alabama limited liability company

Sign:_____
Name:_____
Title:_____
DATED:_____

MULTI-UNIT DEVELOPER

_____
Name of Entity

By:_____
Name:_____
Title:_____

DATED:_____

(IF YOU ARE AN INDIVIDUAL AND NOT A LEGAL ENTITY):

Sign: _____
Name:_____

DATED:_____

EXHIBIT B

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given by the persons indicated below who have executed this Guaranty (each a "**Guarantor**") to be effective as of the Effective Date of the Agreement (defined below).

In consideration of, and as an inducement to, the execution of that certain Multi-Unit Development Agreement (as amended, modified, restated, or supplemented from time to time, the "**Agreement**") on this date by Yogurt Mountain Franchising, LLC, an Alabama limited liability company ("**we**," "**us**," or "**our**"), each of the Guarantors personally and unconditionally (a) guarantees to us and our successors and assigns, for the term of the Agreement (including extensions) and afterward as provided in the Agreement, that _____ ("**Developer**") will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement (including any amendments or modifications of the Agreement), and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement (including any amendments or modifications of the Agreement), both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including the non-competition, confidentiality, and transfer requirements.

Each Guarantor consents and agrees that: (1) Guarantor's direct and immediate liability under this Guaranty will be joint and several, both with Developer and among other Guarantors; (2) Guarantor will render any payment or performance required under the Agreement upon demand if Developer fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon our pursuit of any remedies against Developer, any Guarantor, or any other person; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which we may from time to time grant to Developer, any other Guarantor, or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims (including the release of other Guarantors), none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement (including extensions), for so long as any performance is or might be owed under the Agreement by Developer or any Guarantor, and for so long as we have any cause of action against Developer or any Guarantor; (5) this Guaranty will continue in full force and effect for (and as to) any extension or modification of the Agreement and despite the transfer of any interest in the Agreement or Developer, and each Guarantor waives notice of any and all renewals, extensions, modifications, amendments, or transfers.

Each Guarantor waives: (i) all rights to payments and claims for reimbursement or subrogation which any Guarantor may have against Developer arising as a result of that Guarantor's execution of and performance under this Guaranty; and (ii) acceptance and notice of acceptance by us of his or her undertakings under this Guaranty, notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices to which he or she may be entitled.

At our request, each Guarantor agrees to provide the updated financial information to us as may be reasonably necessary to demonstrate such Guarantor's ability to satisfy the obligations of the Franchise Owners under the Agreement.

By signing below, the undersigned spouse of each Guarantor, acknowledges and consents to the guaranty given herein by his/her spouse. Such consent also serves to bind the assets of the marital estate to Guarantor's performance of this Guaranty. Each Guarantor represents and warrants that, if no signature appears below for such Guarantor's spouse, such Guarantor is either not married or, if married, is a resident of a state which does not require the consent of both spouses to encumber the assets of a marital estate.

Each Guarantor that is a business entity, retirement or investment account, or trust acknowledges and agrees that if Franchisee (or any of its affiliates) is delinquent in payment of any amounts guaranteed hereunder, that no dividends or distributions may be made by such Guarantor (or on such Guarantor's account) to its owners, accountholders or beneficiaries or otherwise, for so long as such delinquency exists, subject to applicable law.

Guarantor agrees to be personally bound by the dispute resolution provisions contained in Article 9 of the Agreement. Guarantor further agrees to pay all costs and expenses (including attorneys' fees) incurred by us or any of our affiliates in connection with the enforcement of this Guaranty, including any collection or attempt to collect amounts due, or any negotiations relative to the obligations hereby guaranteed.

This Guarantee is binding upon each Guarantor and its respective executors, administrators, heirs, beneficiaries, and successors in interest.

[Signature page to follow]

IN WITNESS WHEREOF, each Guarantor has affixed his or her signature on the same day and year as this Guaranty and Assumption of Obligations was executed.

GUARANTOR(S)	SPOUSE(S)
Name:_____ Sign: _____ Address: _____ _____ _____ Email: _____	Name:_____ Sign: _____ Address: _____ _____ _____ Email: _____
Name**:**_____ Sign: _____ Address: _____ _____ _____ Email: _____	Name**:**_____ Sign: _____ Address: _____ _____ _____ Email: _____

EXHIBIT C

FINANCIAL STATEMENTS

UNAUDITED FINANCIAL STATEMENTS

THESE FINANCIAL STATEMENTS WERE PREPARED WITHOUT AN AUDIT. INVESTORS IN OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS OPINION WITH REGARD TO THEIR CONTENTS OR FORM.

Yogurt Mountain Holding, LLC
Balance Sheet
For Period Ending May 2, 2026

Description	5/2/2026 Actual
Assets:	
Cash	92,647
Accounts Receivable	12,957
Inventory	19,071
Prepaid Expenses	76,543
Total Current Assets	201,218
Gross Fixed Assets	1,035,253
Accumulated Depreciation	(962,642)
Net Fixed Assets	72,612
Goodwill	105,903
Operating Lease Asset	629,031
Other Assets	125,810
Total Other Assets	860,744
Total Assets	1,134,573
Liabilities & Equity:	
Unearned Income	18,875
Accounts Payable	176,879
Accounts Payable - Related Party	13,483
Short Term Operating Lease Liability	332,707
Short Term Lines of Credit	2,421,305
Accrued Expenses	176,829
Total Current Liabilities	3,140,079
LT Note Payable & Deferred Rent	146,785
Long Term Operating Lease Liabilities	298,284
Total Long Term Liabilities	445,069
Shareholders Equity	(2,450,574)
Total Liabilities & Shareholders Equity	1,134,573

THESE FINANCIAL STATEMENTS WERE PREPARED WITHOUT AN AUDIT. INVESTORS IN OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS OPINION WITH REGARD TO THEIR CONTENTS OR FORM.

INCOME STATEMENT FOR FY2027 PERIOD 3 ENDING 05/02/26
YOGURT MOUNTAIN HOLDING, LLC
CONSOLIDATED P&L

	YEAR-TO-DATE THIS YEAR
TOTAL GROSS SALES	572,560
TOTAL NET SALES	564,120
TOTAL COST OF SALES	141,405
GROSS MARGIN B4 OCCUP	422,715
TOTAL OCCUPANCY COSTS	118,029
TOTAL GROSS MARGIN	304,687
TOTAL OPERATING EXPENSE	320,647
EBITDA	(15,961)
UNCAPITALIZED FIXTURES EXP	4,360
TOTAL DEPR/AMORT	50,075
TOTAL OPERATING PROFIT	(70,396)
TOTAL INTEREST (INC)/EXP	42,633
NET INCOME BEFORE TAX	(113,029)
NET INCOME(LOSS)	(113,029)

THESE FINANCIAL STATEMENTS WERE PREPARED WITHOUT AN AUDIT. INVESTORS IN OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS OPINION WITH REGARD TO THEIR CONTENTS OR FORM.

AUDITED FINANCIAL STATEMENTS

Consolidated Financial Statements and Independent Auditor's Report

Yogurt Mountain Holding, LLC and Subsidiaries

As of January 31, 2026 and February 1, 2025 and for the years ended January 31, 2026, February 1, 2025, and February 3, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Managing Members of Yogurt Mountain Holding, LLC and Subsidiaries:

Opinion

We have audited the consolidated financial statements of Yogurt Mountain Holding, LLC and Subsidiaries, (collectively, the "Company"), which comprise the consolidated balance sheets as of January 31, 2026 and February 1, 2025, and the related consolidated statements of operations, changes in members' deficit, and cash flows for the years ended January 31, 2026, February 1, 2025, and February 3, 2024, and the related notes to the consolidated financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of January 31, 2026 and February 1, 2025, and the results of its operations and its cash flows for the years ended January 31, 2026, February 1, 2025, and February 3, 2024, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

The Company is 50.1% owned by Books-A-Million, Inc. ("BAM"). As discussed in Note 6 to the financial statements, the Company has a revolving credit agreement with BAM. Additionally, as discussed in Note 7 to the financial statements, BAM participates in a service agreement with the Company for the purpose of providing certain non-management services in the areas of accounting, real estate, legal and human resources. The Company also participates in a multi-unit development agreement under which BAM has the right to acquire franchises to develop, own and operate Yogurt Mountain stores. The Company had transactions in the normal course of business with BAM including franchise, royalties, advertising, and information technology fees. Our opinion is not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the

design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Deloitte & Touche LLP

June 3, 2026

Consolidated balance sheets

	January 31, 2026	February 1, 2025
	$	$
Assets		
Current assets:		
Cash and cash equivalents	82,203	86,627
Accounts receivable, net	6,597	7,500
Inventories, net	20,123	16,517
Prepaid expenses and other current assets	101,466	94,987
Total current assets	210,389	205,631
Non-current assets:		
Property and equipment, net	90,935	65,390
Goodwill, net	141,204	282,408
Other intangible assets, net	136,082	177,170
Right of use asset, net	694,820	409,546
Total assets	1,273,430	1,140,145
Liabilities and Members' Deficit		
Current liabilities:		
Trade accounts payable	161,823	216,117
Related party accounts payable	33,346	14,060
Accrued expenses	239,844	275,402
Short-term operating lease liability	346,558	279,579
Current portion of note payable	3,215	3,215
Total current liabilities	784,786	788,373
Non-current liabilities:		
Related party long-term borrowings and long-term payables	2,476,607	1,946,785
Long-term operating lease liability	349,603	135,643
Total liabilities	3,610,996	2,870,801
Commitments and Contingencies (Note 8)		
Members' deficit	(2,337,566)	(1,730,656)
Total liabilities and members' deficit	1,273,430	1,140,145

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

Consolidated statements of operations

	Year ended January 31, 2026	Year ended February 1, 2025	Year ended February 3, 2024
	$	$	$
Product sales	1,721,689	1,889,189	1,892,624
Franchise revenues	280,371	278,891	267,124
Gift card income	11,269	8,022	7,958
Total revenues	2,013,329	2,176,102	2,167,706
Cost of goods sold, including occupancy costs	1,003,695	1,058,504	1,019,905
Operating, selling and administrative expenses	1,243,349	1,164,928	1,160,742
Depreciation and amortization	204,494	215,359	222,327
Operating loss	(438,209)	(262,689)	(235,268)
Interest expense	168,701	155,742	162,804
Net loss	(606,910)	(418,431)	(398,072)

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

Consolidated statements of changes in members' deficit

	Total members' deficit
	$
Balance at January 28, 2023	(914,153)
Net loss	(398,072)
Balance at February 3, 2024	(1,312,225)
Net loss	(418,431)
Balance at February 1, 2025	(1,730,656)
Net loss	(606,910)
Balance at January 31, 2026	(2,337,566)

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

Consolidated statements of cash flows

	Year ended January 31, 2026	Year ended February 1, 2025	Year ended February 3, 2024
	$	$	$
Cash flows from operating activities:			
Net loss	(606,910)	(418,431)	(398,072)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	204,494	215,359	222,327
Operating lease non-cash charges	(4,333)	(6,569)	(5,319)
(Increase) decrease in assets:			
Accounts receivable	903	3,425	5,005
Inventories	(3,606)	(200)	6,982
Prepaid expenses and other current assets	(6,479)	9,185	(8,499)
Increase (decrease) in liabilities:			
Trade and related party payables	143,834	59,585	15,874
Accrued expenses	215,422	7,449	24,748
Net cash used in operating activities	(56,675)	(130,197)	(136,954)
Cash flows from investing activities:			
Capital expenditures	(66,299)	(2,724)	(46,798)
Proceeds received from disposal of fixed assets	18,550	-	-
Net cash used in investing activities	(47,749)	(2,724)	(46,798)
Cash flows from financing activities:			
Borrowings from related party revolving credit agreement	100,000	150,000	140,000
Net cash provided by financing activities	100,000	150,000	140,000
Net (decrease) increase in cash and cash equivalents	(4,424)	17,079	(43,752)
Cash and cash equivalents, beginning of period	86,627	69,548	113,300
Cash and cash equivalents, end of period	82,203	86,627	69,548
Supplemental disclosures of cash flow information:			
Cash paid during the period for interest	168,701	155,742	162,804

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

Notes to consolidated financial statements

1 Summary of Significant Accounting Policies

Business

Yogurt Mountain Holding, LLC, a Delaware Corporation, and its subsidiaries (the "Company") are principally engaged in the sale of self-serve frozen yogurt through a chain of retail yogurt stores. The Company presently operates four retail yogurt stores and fifteen franchise yogurt stores in ten states, which are predominantly located in the southeastern United States. The Company consists of Yogurt Mountain Holding, LLC and its three wholly owned subsidiaries, Yogurt Mountain, LLC, Yogurt Mountain Franchising, LLC and Yogurt Mountain Card Services, LLC.

Yogurt Mountain Holding, LLC, was incorporated in March 2010 as a limited liability company under the provisions of the Delaware Limited Liability Company Act ("the Act"). The terms of formation are specified by the operating agreement of the Company. Except as otherwise specifically provided for in the Act, the liability of the members is generally limited to their initial capital contributions. After admissions, members are not obligated to contribute additional funds or make loans to the Company. The principal members of the Company are the managing members, Books-A-Million, Inc. ("BAM") and Anderson Private Capital Partners I, L.P. ("APCP").

Fiscal Year

The Company operates on a 53-week or 52-week year, with the fiscal year ending on the Saturday closest to January 31. Fiscal year 2026 ("fiscal 2026") and fiscal year 2025 ("fiscal 2025") were 52-week periods. Fiscal year 2024 ("fiscal 2024") was a 53-week period.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting periods. Due to the inherent uncertainty involved in making estimates, actual results could differ from those estimates.

Principles of Consolidation

All intercompany balances and transactions have been eliminated in consolidation.

Revenue Recognition

The Company recognizes revenue from the sale of products at the time the product is sold and the customer takes delivery. Revenue is presented net of sales tax collected. The amount of collected sales tax payable to taxing authorities as of year-end is included in accrued expenses on the consolidated balance sheets. The cost of coupon sales incentives is recognized at the time the related revenue is recognized by the Company.

Franchise revenue is derived from development and initial franchise fees relating to new store openings and ongoing royalties charged to franchisees based on their sales. Development and franchise fees for new stores are deferred until the store is opened, which is the time at which the Company has performed substantially all of the initial services it is required to provide. Royalties are recognized in income as underlying franchisee sales occur.

The Company sells gift cards to its customers in its retail stores. The gift cards do not have an expiration date.

Income is recognized from gift cards when: (1) the gift card is redeemed by the customer; or (2) the likelihood of the gift card being redeemed by the customer is remote (gift card breakage), and there is no legal obligation to remit the value of the unredeemed gift cards to the relevant jurisdictions. The estimated unredeemed balances of gift cards are recognized as gift card income in the consolidated statements of operations proportionately as redemptions occur. The Company has a gift card subsidiary, Yogurt Mountain Card Services, LLC, to administer the Company's gift card program. The Company recognized $11 thousand, $8 thousand, and $8 thousand of gift card breakage income in fiscal 2026, 2025, and 2024, respectively. The Company's contract liabilities relate to its gift card program. Below is a summary of the changes during fiscal 2026 and 2025:

	January 31, 2026	February 1, 2025
	$	$
Gift card liabilities beginning balance	46,776	42,094
Gift card breakage	(11,269)	(8,022)
Gift card redemptions	(18,956)	(19,877)
Gift card issuances	28,239	32,581
Gift card liabilities ending balance	44,790	46,776

Accounts Payable

The Company classifies its checks written but not yet cleared by the bank in accounts payable since the right to offset does not exist, as described in the provisions under the Financial Accounting Standards Board ("FASB") Accountings Standards Codification ("ASC") 210-20-05, *Offset Amounts Related to Certain Contracts*. Checks are only written and cleared by the bank once approved by management.

Inventories

Inventories are recorded at the lower of cost or net realizable value, with cost determined using the first-in, first-out method.

During the fiscal years ended January 31, 2026 and February 1, 2025, the Company purchased approximately 60% and 55% of its inventory from one vendor, respectively. The top 4 vendors for fiscal 2026 make up approximately 89% of inventory purchases and the top 5 vendors make up approximately 95% of inventory purchases for fiscal 2025.

Property and Equipment

Property and equipment are recorded at cost. Depreciation of equipment and furniture and fixtures is provided on the straight-line method over the estimated useful lives, which range from two to ten years. Amortization of leasehold improvements, including remodels, is provided on the straight-line basis over the lesser of the assets' estimated useful lives (ranging from 3 to 7 years) or, if applicable, the remaining term on the related leases. Determination of useful asset life is based on several factors requiring judgment by management and adherence to generally accepted accounting principles for depreciable periods. Judgment used by management in the determination of useful asset life could relate to any of the following factors: expected use of the asset; expected useful life of similar assets; any legal, regulatory or contractual provisions that may limit the useful life; and other factors that may impair the economic useful life of the asset. Maintenance and repairs are charged to expense as incurred. Improvement costs, which extend the useful life of an asset, are capitalized to property accounts and depreciated over the asset's expected remaining life. The cost and accumulated depreciation of assets sold, retired or otherwise disposed of are removed from the accounts, and the related gain or loss is credited or charged to income.

Long-Lived Assets

The Company's long-lived assets consist of property and equipment, which includes leasehold improvements. As of January 31, 2026, the Company had $91 thousand of property and equipment, net of accumulated depreciation. The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable in accordance with ASC 360-10, *Accounting for the Impairment or Disposal of Long-Lived Assets*. The Company evaluates its retail store long-lived assets for impairment at the individual store level, which is the lowest level at which individual cash flows can be identified. When evaluating long-lived assets for potential impairment, the Company will first compare the carrying amount of the assets to the individual store's estimated future undiscounted cash flows. If the estimated future cash flows are less than the carrying amount of the assets, an impairment loss calculation is prepared. The fair values used in the impairment calculation are considered to be level 3 within the fair value hierarchy. The impairment loss calculation compares the carrying amount of the assets to the individual store's fair value based on its estimated undiscounted future cash flows. If required, an impairment loss is recorded for that portion of the asset's carrying value in excess of fair value. There were no impairment charges needed in fiscal years 2026, 2025, or 2024.

Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. The Company amortizes goodwill over a ten-year period. The Company tests goodwill for impairment at the end of the reporting period, at the entity level, when events occur or circumstances change that indicate that the fair value of the entity may be below its carrying value, a triggering event. If no triggering events are identified, the Company does not perform any further impairment analysis. If a triggering event is identified, the Company performs a goodwill impairment analysis, which first consists of performing an optional qualitative analysis about the likelihood of goodwill impairment to determine whether a calculation of the fair value of a reporting unit is necessary. If it is determined that, based on the results of the qualitative analysis, goodwill is more likely than not impaired, the Company performs a one-step impairment test of goodwill in accordance with Accounting Standards Update ("ASU") 2017-04, *Simplifying the Test for Goodwill Impairment*. The one-step test is performed by comparing the estimated fair value of a reporting unit with its carrying amount. An impairment loss is recognized for the amount by which the carrying value of the reporting unit exceeds its fair value, limited to the carrying amount of goodwill. The Company's single reporting unit had a negative carrying value as of fiscal 2026, 2025, and 2024.

The valuation approaches used in the goodwill impairment test are subject to key judgments and assumptions that are sensitive to change, such as judgments and assumptions about appropriate sales growth rates, operating margins, weighted average cost of capital and comparable company market multiples. When developing these key judgments and assumptions, the Company considers economic, operational and market conditions that could impact the fair value of the reporting unit. However, estimates are inherently uncertain and represent only management's reasonable expectations regarding future developments.

The Company recognized amortization expense on goodwill of $141 thousand in fiscal 2026, 2025, and 2024. No goodwill impairment charges were recorded for fiscal 2026, 2025, or 2024.

Leases

The majority of the Company's lease obligations are related to the premises for its retail stores leased under operating leases. For any lease with an initial term in excess of 12 months, the related lease assets and liabilities are recognized on our consolidated balance sheets as operating leases at the inception of an agreement where it is determined that a lease exists. We have lease agreements that contain both lease and non-lease components. For lease agreements entered into or reassessed after the adoption of ASC 842, *Leases*, we have elected to combine lease and non-lease components for all classes of assets. Leases with an initial term of 12 months or less are not recorded on our consolidated balance sheets.

Many of these leases contain renewal options. When we have the option to extend the lease term and it is reasonably certain that we will do so, we consider these options in determining the classification and measurement of the lease. However, generally at lease commencement, it is not reasonably certain that we will exercise an extension option. For contingent termination provisions, we generally consider both the likelihood of the contingency occurring in addition to the economic factors we consider when assessing any other termination or renewal option.

Operating lease assets represent the right to use an underlying asset for the lease term and operating lease liabilities represent the obligation to make lease payments arising from the lease. Lease liabilities are recognized based on the present value of future payments over the lease term at the commencement date. We estimate the incremental borrowing rate for each lease based on an evaluation of our credit ratings and the prevailing market rates for collateralized debt in a similar economic environment with similar payment terms and maturity dates commensurate with the terms of the lease. Our operating leases in some cases require payment of real estate taxes, common area maintenance and insurance. These components comprise the majority of our variable lease cost and are excluded from the present value of our lease obligations. In instances where they are fixed, they are included due to our election to combine lease and non-lease components. The lease right of use assets are measured based on the initial measurement of the lease liabilities adjusted for initial direct cost, prepayments, and lease incentives. Fixed payments may contain predetermined fixed rent escalations. We recognize the related rent expense on a straight-line basis from the commencement date to the end of the lease term.

Store Opening and Closing Costs

New store opening costs primarily include payroll expenses, training costs and straight-line rent expenses. All pre-opening costs are included in operating, selling and administrative expenses in the consolidated statements of operations. There were no new store opening costs during fiscal 2026, 2025, or 2024.

The Company continually evaluates the profitability of its stores. When the Company closes or relocates a store, the Company incurs unrecoverable costs, including net book value of abandoned fixtures and leasehold improvements, lease termination payments, costs to transfer inventory and usable fixtures and other costs of vacating the leased location. Such costs are expensed as incurred and are included in operating, selling and administrative expenses in the consolidated statements of operations. During fiscal 2026, the Company recognized $33 thousand in store closing costs related to the closure of the Bradenton, FL location. During fiscal 2025 and fiscal 2024, there were no store closing costs.

Advertising Costs

The Company administers its franchise system's advertising funds (the "Ad Fund") which receive contributions from franchisees as required by their franchising agreements based upon a percentage of revenue. In accordance with ASC 952, *Franchisors*, the related advertising contributions and corresponding expenses are not reflected in the consolidated statements of operations. From the inception of the Ad Fund, the Company has incurred expenses in excess of the amounts collected from the franchisees. The Company has considered such additional amounts as expenses of the Company. During the fiscal years 2026, 2025, and 2024, the Company spent $26 thousand, $7 thousand, and $9 thousand, respectively, on advertising, inclusive of amounts spent in excess of amounts collected for the Ad Fund, which is recorded as a component of operating, selling and administrative expense in the consolidated statements of operations.

Accounts Receivable

Accounts receivable represent amounts due within one year and are net of any allowance for credit losses. The collectability of trade receivable balances is regularly evaluated based on a combination of factors, such as customer credit-worthiness, past transaction history with the customer, current economic industry trends, changes in customer payment patterns, and reasonable and supportable forecasts regarding future events. If it is determined that an accounts receivable balance will not be fully realized, a specific accrual for credit losses is recorded to reduce the related receivable to the amount expected to be recovered. Such estimates inherently involve uncertainties and assessments of the outcome of future events, and changes in facts and circumstances may result in adjustments to the estimate for credit losses. No allowance was recorded as of January 31, 2026 or February 1, 2025, as all amounts were considered collectible.

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Company places its cash and cash equivalents in high credit quality financial institutions. The Company is exposed to credit risk in the event of default by these institutions to the extent the amount recorded on the consolidated balance sheets exceeds Federal Deposit Insurance Corporation (FDIC) deposit limits per institution.

Insurance Accruals

The Company is subject to deductibles under its workers' compensation, property, general liability, and auto insurance policies. Amounts are accrued currently for the estimated cost of claims incurred, both reported and unreported.

Income Taxes

The Company has elected to be treated as a Partnership for U.S. federal income tax purposes. No provision for federal income taxes has been recorded in the accompanying consolidated financial statements as the Company's income or loss for federal income tax purposes is passed on to its members. State income taxes only relate to states that do not recognize pass-through status of limited liability companies. Appropriate provisions have been recorded but are immaterial to the consolidated financial statements.

Fair Value Measurements

The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Company determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

- Level 1 Inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.
- Level 2 Inputs: Inputs other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 Inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date.

The Company has no items measured at fair value on a recurring basis. The carrying amount of short-term assets and liabilities approximate fair value because of the short-term maturity of these instruments.

2 Recent Accounting Pronouncements

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which establishes new income tax disclosure requirements in addition to modifying and eliminating certain existing requirements. For entities other than public business entities, ASU 2023-09 is effective for fiscal years beginning after December 15, 2025 and may be adopted early in any annual period for which financial statements have not yet been issued or made available for issuance. The guidance may be applied either prospectively or retrospectively at the Company's election. Because the update affects disclosures only and does not change the recognition or measurement of income-tax amounts, management does not expect adoption of ASU 2023-09 to have a material impact on the Company's combined financial position, results of operations or cash flows.

3 Leases

The Company leases the premises for its yogurt stores under operating leases. Store operating lease cost is included in cost of goods sold, including occupancy costs in the consolidated statements of operations. Short-term leases are not recorded on our consolidated balance sheets and short-term lease cost is immaterial.

The Company's lease costs recognized in the consolidated statements of operations consist of the following:

	January 31, 2026	February 1, 2025
	$	$
Operating lease cost	348,052	363,099
Variable lease cost	90,073	91,452
Total	438,125	454,551

Variable lease cost includes common area maintenance, insurance and real estate tax.

The following table provides supplemental balance sheet information related to leases:

	January 31, 2026	February 1, 2025
Weighted average remaining lease term (in years):		
Operating leases	3.0	1.9
Weighted average discount rate:		
Operating leases	6.44%	3.77%

Future lease payments under our non-cancellable leases as of January 31, 2026, were as follows:

	Operating Leases
Fiscal Year	**$**
2027	301,270
2028	263,976
2029	71,951
2030	73,388
2031	55,670
Total minimum lease payments	766,255
Less: amount representing interest	70,094
Present value of lease liabilities	696,161

Supplemental cash flow information related to leases was as follows:

Other Information	January 31, 2026	February 1, 2025
Cash paid for amounts included in the measurements of lease liabilities:		
Operating cash flows from operating leases	$ 334,189	$ 351,526
Right-of-use assets obtained in exchange for new lease liabilities:		
Operating leases	$ 595,382	$ -

4 Property and Equipment

Property and equipment consists of the following:

	Useful lives	January 31, 2026	February 1, 2025
		$	$
Equipment	3-7 years	603,943	752,831
Leasehold improvements	3-5 years	350,514	541,667
Furniture and fixtures	3-7 years	94,618	128,755
Total property and equipment		1,049,075	1,423,253
Accumulated depreciation		(958,140)	(1,357,863)
Total property and equipment, net		90,935	65,390

Depreciation expense for the fiscal years ended January 31, 2026, February 1, 2025, and February 3, 2024, was approximately $22 thousand, $33 thousand, and $40 thousand, respectively, which is included in depreciation and amortization in the consolidated statements of operations.

5 Goodwill and Other Intangible Assets

(a) *Acquired Intangible Assets*

	Weighted average amortization period	January 31, 2026	February 1, 2025
Trademark		$	$
Gross carrying amount	20 years	135,204	135,204
Accumulated amortization		(92,251)	(86,459)
Net carrying amount		42,953	48,745
Franchise rights			
Gross carrying amount	15 years	603,942	603,942
Accumulated amortization		(510,813)	(475,517)
Net carrying amount		93,129	128,425

Amortization expense for amortizing intangible assets for the fiscal years ended January 31, 2026, February 1, 2025, and February 3, 2024 was approximately $41 thousand each year. Estimated amortization expense for the future years is as follows:

	Amortization
Fiscal year:	$
2027	41,087
2028	41,087
2029	21,868
2030	8,140
2031	8,140
Thereafter	15,760
Total	136,082

(b) *Goodwill*

The Company recognized amortization expense on goodwill of $141 thousand in fiscal 2026, 2025, and 2024. No goodwill impairment charges were recorded for fiscal 2026, 2025, or 2024. Accumulated impairment charges as of January 31, 2026 and February 1, 2025 were $1.8 million. The table below shows the changes in goodwill carrying value during fiscal 2026 and 2025:

	February 3, 2024	Amortization	February 1, 2025	Amortization	January 31, 2026
	$	$	$	$	$
Gross goodwill	1,412,038	-	1,412,038	-	1,412,038
Accumulated amortization	(988,427)	(141,203)	(1,129,630)	(141,204)	(1,270,834)
Goodwill, net	423,611	(141,203)	282,408	(141,204)	141,204

6 Borrowings and Long-term Debt

	Debt and Payments Due as of January 31, 2026						
	Total	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Thereafter
	$	$	$	$	$	$	$
Related party credit facility	1,900,000	-	1,900,000	-	-	-	-
Long term debt, including current portion	150,000	3,215	3,711	3,853	4,000	4,152	131,069
Total debt	2,050,000	3,215	1,903,711	3,853	4,000	4,152	131,069

On July 24, 2017, the Company entered into a revolving credit agreement with BAM with a maximum principal amount of $650 thousand, which matured on July 21, 2020 and bore interest at the LIBOR rate plus a 2.0% margin. The obligations of the Company under the revolving credit agreement are secured by the inventories, accounts receivable and certain other personal property of the Company pursuant to the terms of a security agreement with BAM. During fiscal 2024, BAM entered into the Third Amendment to the Third Amended and Restated Credit Agreement which among other things, changed the interest rate to the Federal Reserve Bank of New York's Secured Overnight Financing Rate ("SOFR") index. Subsequent to the amendment, interest on borrowings under the Credit Agreement is determined based upon the SOFR plus an applicable margin. Additionally, the revolving credit agreement contains certain non-financial covenants. During fiscal 2025, the Company entered into the fourth amended and restated promissory note with BAM which increased the maximum principal amount of the credit agreement to $1.8 million and extended the maturity date to July 1, 2026. During fiscal 2026, the Company entered into the fifth amended and restated promissory note with BAM which increased the maximum principal amount of the credit agreement to $2.1 million and extended the maturity date to July 1, 2028. As of January 31, 2026, there were outstanding borrowings under the revolving credit agreement of $1.9 million classified as related party long-term borrowings in the consolidated balance sheets. Included in related party long-term borrowings is accrued interest due from the Company to BAM totaling $251 thousand. Based on the agreement with BAM and expected repayment schedule, accrued interest has been classified as non-current in the consolidated balance sheet as of January 31, 2026. Accrued interest was classified as current in the consolidated balance sheet as of February 1, 2025.

Yogurt Mountain received a Small Business Economic Injury Disaster loan on July 20, 2020 in the amount of $150 thousand, bearing interest at a fixed rate of 3.75%, with the balance of interest and principal repayable on July 20, 2050. The loan is secured by all tangible and intangible assets of Yogurt Mountain. The proceeds are to be used for working capital purposes to alleviate economic injury caused by the COVID-19 pandemic. As of January 31, 2026, the outstanding balance of the loan was $150 thousand, of which $3 thousand was classified as current portion of note payable and $147 thousand was classified as long-term note payable in the consolidated balance sheets.

7 Related Party Transactions

Certain members and directors (including certain officers) of the Company have controlling ownership interests in other entities with which the Company conducts business. Transactions between the Company and these various other entities (related parties) are summarized in the following paragraphs.

BAM and APCP (collectively, the Ownership Group) have a 50.1% and 49.9% equity interest in the Company, respectively. BAM participates in a service agreement with the Company for the purpose of providing certain non-management services in the areas of accounting, real estate, legal and human resources. During the fiscal years ended January 31, 2026, February 1, 2025, and February 3, 2024, the Company was billed approximately $50 thousand by BAM under these various agreements. The amounts payable to BAM under the service agreement, as of January 31, 2026 and February 1, 2025, were approximately $33 thousand and $14 thousand, respectively. Additionally, there are related party cost allocations for certain functions which are currently being provided and administered by BAM on behalf of the Company and by the Company on behalf of BAM. There are also shared services, such as marketing, insurance, and shipping costs, which will be administered by one of either the Company or BAM but whose costs will be shared between the two parties. These related party transactions are expected to continue on an on-going basis and result in payables due from the Company to BAM, totaling $178 thousand as of January 31, 2026 and $110 thousand as of February 1, 2025. BAM will not require payment in full for related party payables and accrued interest (see Note 5) through at least one year and a day beyond June 3, 2026, the date the financial statements were available to be issued. These balances have been classified as non-current in the consolidated balance sheet as of January 31, 2026.

The Company also participates in a multiunit development agreement under which BAM has the right to acquire franchises to develop, own and operate Yogurt Mountain stores. The Company had transactions in the normal course of business with BAM including franchise, royalties, advertising, and information technology fees. During the fiscal years ended January 31, 2026, February 1, 2025, and February 3, 2024, the Company received from BAM approximately $153 thousand, $167 thousand, and $162 thousand, respectively, under the various franchise agreements. The Company had amounts receivable from BAM of $3 thousand as of January 31, 2026 and $5 thousand as of February 1, 2025.

The Company has a revolving credit agreement with BAM, see Note 5, Borrowings and Long-term Debt.

8 Commitments and Contingencies

The Company is otherwise involved, from time to time, in litigation, other legal claims, and proceedings involving matters associated with or incidental to its business, including, among other things, matters involving contractual and employment relationships, and various other matters. The Company believes at present that the resolution of currently pending matters will not individually or in the aggregate have a material adverse effect on its combined financial statements. However, the Company's assessment of the current litigation or other legal claims could potentially change in light of the discovery of facts not presently known or determinations by adjudicating parties which are not in accord with management's evaluation of the possible liability or outcome of such litigation or claims.

From time to time, the Company enters into certain types of agreements that require the Company to indemnify parties against third party claims. Generally, these agreements relate to: (a) agreements with vendors and suppliers, under which the Company may provide customary indemnification to its vendors and suppliers in respect of actions that they take at the Company’s request or otherwise on its behalf, and (b) real estate leases, under which the Company may agree to indemnify the lessors for claims arising from the Company’s use of the property.

The nature and terms of these types of indemnities vary. The events or circumstances that would require the Company to perform under these indemnities are transaction and circumstance specific. The overall maximum amount of obligations cannot be reasonably estimated. Historically, the Company has not incurred significant costs related to performance under these types of indemnities. No liabilities were recorded for these obligations on the Company's balance sheet at each of January 31, 2026 and February 1, 2025, as such liabilities were not probable at such dates.

9 Accrued Expenses

Accrued expenses consist of the following:

	January 31, 2026	February 1, 2025
	$	$
Unearned income and gift card liabilities	61,442	79,160
Other	49,240	31,421
Salaries, wages and benefits	44,312	44,933
Capital expenditures	25,796	-
Insurance	24,543	-
Taxes (other than income)	21,563	17,542
Occupancy	10,597	9,946
Interest	2,351	92,400
Total accrued expenses	239,844	275,402

10 Members' Equity

Membership interests in the Company are represented by membership units divided into two classes, common and preferred. BAM holds 40,083 preferred units and APCP holds 39,917 preferred units, or 50.1% and 49.9%, respectively. The common membership units are currently being held by the Company. The preferred membership units and common membership units are identical in their right and obligations except as noted herein. In the event of dissolution, the preferred membership units have a preference in distribution of the assets of the Company after the satisfaction of debts and liabilities equal to $75.00 per unit. The holders of the preferred membership units may elect to convert the preferred membership units to common membership units at any time on the basis of a one-to-one exchange for common membership units.

11 Subsequent Events

On May 14, 2026, the Company entered into a sixth amended and restated note with BAM which increased the maximum principal amount of the credit agreement to $2.7 million. The sixth amended and restated promissory note extended the maturity date to July 1, 2029.

The Company evaluated all events or transactions that occurred after January 31, 2026 through June 3, 2026, the date the financial statements were available to be issued. During this period, other than as disclosed herein, no subsequent events occurred.

GUARANTEE OF PERFORMANCE

GUARANTY OF PERFORMANCE

For value received, **YOGURT MOUNTAIN HOLDING, LLC**, a Delaware limited liability company (the "Guarantor"), located at **402 INDUSTRIAL LANE, BIRMINGHAM, ALABAMA 35211**, absolutely and unconditionally guarantees the performance by **YOGURT MOUNTAIN FRANCHISING, LLC**, located at **402 INDUSTRIAL LANE, BIRMINGHAM, ALABAMA 35211** (the "Franchisor"), of all of the obligations of Franchisor in accordance with the terms and conditions of the franchise registration in each state where the franchise is registered, and under its Development Agreement and Franchise Agreement identified in its 2026 Franchise Disclosure Document, as it may be amended, and as that Development Agreement and Franchise Agreement may be entered into with developers or franchisees as amended, modified or extended from time to time. This guaranty continues in full force and effect until all obligations of the Franchisor under its franchise registrations, Development Agreements and Franchise Agreements are satisfied or until the liability of Franchisor to its developers or franchisees under the Development Agreement or Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee/developer against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive notice of Franchisor's default. This guaranty is binding on the Guarantor and its successors and assignees.

The Guarantor signs this guaranty at Birmingham, Alabama on June 4, 2026.

GUARANTOR:

YOGURT MOUNTAIN HOLDING, LLC

By: _____
Name: D. Scott Kappler
Title: President

EXHIBIT D

TABLE OF CONTENTS TO OPERATIONS MANUAL

Yogurt Mountain Franchising, LLC
Table of Contents to the Operations Manual

Communication – 29 pages

Inventory & Ordering – 22 pages

Job Descriptions – 3 pages

Marketing – 12 pages

Material Safety Data Sheets – 28 pages

Nutritional Information – 39 pages

Polices & Procedures – 418 pages

Training – 457 pages

Total page count: 1008

EXHIBIT E

REPRESENTATIONS AND ACKNOWLEDGMENT STATEMENT

REPRESENTATIONS AND ACKNOWLEDGMENT STATEMENT

DO NOT SIGN THIS QUESTIONNAIRE IF YOU ARE DOMICILED IN, OR YOUR YOGURT MOUNTAIN STORE WILL BE LOCATED IN: ILLINOIS, INDIANA, MARYLAND, MICHIGAN, VIRGINIA, OR WISCONSIN.

The purpose of this Statement is to demonstrate to **YOGURT MOUNTAIN FRANCHISING, LLC** ("Franchisor") that each person signing below ("I," "me" or "my"), whether acting individually or on behalf of any legal entity established to acquire the multi-unit development and/or franchise rights ("Franchisee"), (a) fully understands that the purchase of a Yogurt Mountain Store franchise is a significant long-term commitment, complete with its associated risks, and (b) is not relying on any statements, representations, promises or assurances that are not specifically set forth in Franchisor's Franchise Disclosure Document and Exhibits (collectively, the "FDD") in deciding to purchase the franchise. In that regard, I represent to Franchisor and acknowledge that:

I understand that buying a franchise is not a guarantee of success. Purchasing or establishing any business is risky, and the success or failure of the franchise is subject to many variables over which Franchisor has no control such as my skills and abilities (and those of my partners, officers, employees), the time my associates and I devote to the business, competition, interest rates, the economy, inflation, operation costs, location, lease terms, the market place generally and other economic and business factors. I am aware of and am willing to undertake these business risks. I understand that the success or failure of my business will depend primarily upon my efforts and not those of Franchisor.	INITIAL:
I received a copy of the FDD, including the Franchise Agreement and Multi-Unit Development Agreement, at least 14 calendar days before I executed the Franchise Agreement and/or the Multi-Unit Development Agreement. I understand that all of my rights and responsibilities and those of Franchisor in connection with the franchise are set forth in these documents and only in these documents. I acknowledge that I have had the opportunity to personally and carefully review these documents and have, in fact, done so. I have been advised to have professionals (such as lawyers and accountants) review the documents for me and to have them help me understand these documents. I have also been advised to consult with other franchisees regarding the risks associated with the purchase of the franchise.	INITIAL:
Neither the Franchisor nor any of its officers, employees or agents (including any franchise broker) has made a statement, promise or assurance to me concerning any matter related to the franchise (including those regarding advertising, marketing, training, support service or assistance provided by Franchisor) that is contrary to, or different from, the information contained in the FDD.	INITIAL:
My decision to purchase the franchise has not been influenced by any oral representations, assurances, warranties, guarantees or promises whatsoever made by the Franchisor or any of its officers, employees or agents (including any franchise broker), including as to the likelihood of success of the franchise.	INITIAL:
I have made my own independent determination as to whether I have the capital necessary to fund the business and my living expenses, particularly during the start-up phase.	INITIAL:

SPECIAL REPRESENTATION REGARDING RECEIPT OF FINANCIAL INFORMATION.

PLEASE READ THE FOLLOWING QUESTION CAREFULLY. THEN SELECT YES OR NO AND PLACE YOUR INITIALS WHERE INDICATED.

Have you received any information from the Franchisor or any of its officers, employees or agents (including any franchise broker) concerning actual, average, projected or forecasted sales, revenues, income, profits or earnings of the franchise business (including any statement, promise or assurance concerning the likelihood of success) other than information contained in the FDD?

☐ Yes ☐ No (INSERT INITIAL HERE:_____)

If you selected "Yes," please describe the information you received on the lines below:

_____

_____.

[Signature page follows]

FRANCHISEE:

Sign here if you are taking the franchise as an **INDIVIDUAL(S)**
(Note: use these blocks if you are an individual or a partnership but the partnership is not a separate <u>legal</u> entity)

_____
Signature
Print Name: _____
Date: _____

_____
Signature
Print Name: _____
Date: _____

_____
Signature
Print Name: _____
Date: _____

_____
Signature
Print Name: _____
Date: _____

Sign here if you are taking the franchise as a **CORPORATION, LIMITED LIABILITY COMPANY OR PARTNERSHIP**

_____
Print Name of Legal Entity

By: _____
Signature

Print Name: _____
Date: _____
Date: _____

EXHIBIT F

LIST OF FRANCHISEES

FRANCHISEES WITH OPEN STORES AS OF JANUARY 31, 2026

Alabama:

Address	Phone	Franchisee
300 Colonial Pkwy, #2200 Alabaster, AL 35007	205-663-9017	Books-A-Million, Inc.*
521 Fieldstown Road Gardendale, AL 35071[1]	205-285-5165	Falgun Patel
115 W Grand Ave Suite 20, Rainbow City, AL 35906[1]	256-467-4006	Dhruv Gogia
3032 John Hawkins Pkwy, Suite 130 Hoover, AL 35244	205-733-1436	Heena Chitkara
2710 Carl T. Jones Drive, Suite G Huntsville, AL 35801	256-881-1677	Chris Shiner
3312 Woodward Ave, Suite A-103, Muscle Shoals, AL 35661[1]	205-814-1190	Falgun Patel

Florida:

Address	Phone	Franchisee
1910 Wells Road Orange Park, FL 32073	904-215-2300	Books-A-Million, Inc.*
1825 Tamiami Trail Port Charlotte, FL 33948	941-629-0340	Books-A-Million, Inc.*

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

Georgia

Address	Phone	Franchisee
1795 Parker Rd SE, Conyers, GA 30094	770-679-0039	Katrina and Satrick Anthony

Maryland:

Address	Phone	Franchisee
7000 Arundel Mills Circle, Suite B3 Hanover, MD 21076	443-755-0210	Books-A-Million, Inc.*

Mississippi:

Address	Phone	Franchisee
2600 Beach Boulevard, Suite 70 Biloxi, MS 39531	228-594-6823	Books-A-Million, Inc.*

North Carolina:

Address	Phone	Franchisee
8301 Concord Mills Blvd. Concord Mills, NC 28027	704-979-8300	Books-A-Million, Inc.*

Ohio:

Address	Phone	Franchisee
4453 Walnut Street Beaver Creek, OH 45440	937-429-2169	Books-A-Million, Inc.*

Tennessee:

Address	Phone	Franchisee
5225 Old Hickory Blvd., Suite 204 Hermitage, TN 37076	615-871-7070	Clayton Alexander

Texas:

Address	Phone	Franchisee
5000 Katy Mills Circle, Suite 221 Katy, TX 77494	281-644-2665	Books-A-Million, Inc.*

***Books-A-Million, Inc. is one of the owners of our parent.**

[1]This location transferred franchisees in 2025

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

FRANCHISEES WHO HAVE SIGNED A FRANCHISE AGREEMENT BUT NOT OPENED THEIR YOGURT MOUNTAIN STORE AS OF JANUARY 31, 2026

None.

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

FRANCHISEES WHO LEFT THE SYSTEM
DURING THE FISCAL YEAR ENDED AS OF JANUARY 31, 2026 AND/OR HAVE FAILED TO COMMUNICATE WITH US FOR MORE THAN 10 WEEKS

Address	Phone	Franchisee	Reason
3419 Colonnade Pkwy Ste 500, Birmingham, AL 35243 Colannade, AL	205-238-5385	Heena Chitkara	Closure
521 Fieldstown Road Gardendale, AL 35071[1]	205-382-3630	Jim Lee	Transfer
3312 Woodward Ave, Suite A-103, Muscle Shoals, AL 35661[1]	205-382-3630	Jim Lee	Transfer
115 W Grand Ave Suite 20, Rainbow City, AL 35906[1]	205-382-3630	Jim Lee	Transfer
1520 Town Center Drive Lakeland, FL 33803	863-688-6382	Books-A-Million, Inc.*	Non-renewal
777 East Merritt Causeway, Suite 115 Merritt Island, FL 32952	321-453-5177	Books-A-Million, Inc.*	Non-renewal

** Books-A-Million, Inc. owns other Yogurt Mountain franchises.*

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

EXHIBIT G

SAMPLE GENERAL RELEASE

YOGURT MOUNTAIN FRANCHISING, LLC

GRANT OF FRANCHISOR CONSENT AND [FRANCHISEE] OR [MULTI-UNIT DEVELOPER] RELEASE

Yogurt Mountain Franchising, LLC ("**we**," "**us**," or "**our**") and the undersigned party ("you" or "**your**"), currently are parties to a certain [franchise agreement or multi-unit developer agreement] (the "**Agreement**") dated _____, 20___. You have asked us to take the following action or to agree to the following request: _____
_____
_____
_____
_____
_____. We have the right under the Agreement to obtain a general release from you and your owners as a condition of taking this action or agreeing to this request. Therefore, we are willing to take the action or agree to the request specified above if you and your owners give us the release and covenant not to sue provided below in this document. You and your owners are willing to give us the release and covenant not to sue provided below as partial consideration for our willingness to take the action or agree to the request described above.

Consistent with the previous introduction, you, on your own behalf and on behalf of your current and former parents, affiliates, and subsidiaries, and each such foregoing person's or entity's respective agents, spouses, heirs, principals, attorneys, owners, officers, directors, employees, representatives, predecessors, successors, and assigns (collectively, the "**Releasing Parties**"), hereby forever release and discharge us and our current and former parents, subsidiaries, and affiliates, and each such foregoing entity's respective current and former owners, officers, directors, employees, managers, agents, representatives, predecessors, successors, and assigns (collectively, the "**Yogurt Mountain Parties**") of and from any and all claims, damages (known and unknown), demands, causes of action, suits, duties, liabilities, and agreements of any nature and kind (collectively, "**Claims**"), whether at law or in equity, that you and any of the other Releasing Parties now has, ever had, or, but for this document, hereafter would or could have against any of the Yogurt Mountain Parties, including without limitation, (1) arising out of or related to the Yogurt Mountain Parties' obligations under the Agreement or (2) otherwise arising from or related to your and the other Releasing Parties' relationship, from the beginning of time to the date of your signature below, with any of the Yogurt Mountain Parties. You, on your own behalf and on behalf of the other Releasing Parties, further covenant not to sue any of the Yogurt Mountain Parties on any of the Claims released by this paragraph and represent that you have not assigned any of the Claims released by this paragraph to any individual or entity who is not bound by this paragraph.

If the franchise you operate under the Agreement is located in Maryland or if any of the Releasing Parties is a resident of Maryland, the following shall apply:

> Any general release provided for hereunder shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement on the date stated below.

YOGURT MOUNTAIN FRANCHISING LLC, an Alabama limited liability company

By:_____

Name:_____

Title:_____

Dated:_____

FRANCHISEE:

_____
[Name of Franchisee or Developer]

By:_____

Name:_____

Title:_____

OWNERS:

_____
Signature

_____
Print Name

_____
Signature

_____
Print Name

EXHIBIT H

STATE ADDENDA AND AGREEMENT RIDERS

ADDITIONAL DISCLOSURES FOR THE FRANCHISE DISCLOSURE DOCUMENT OF YOGURT MOUNTAIN FRANCHISING, LLC

The following are additional disclosures for the Franchise Disclosure Document of YOGURT MOUNTAIN FRANCHISING, LLC required by various state franchise laws. Each provision of these additional disclosures will only apply to you if the applicable state franchise registration and disclosure law applies to you.

FOR THE FOLLOWING STATES: ILLINOIS, INDIANA, MARYLAND, MICHIGAN, VIRGINIA, OR WISCONSIN.

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.

ILLINOIS

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 following language is added to Items 5 and 7:

Payment of Initial and Development Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

The following paragraphs are added to the end of Item 17:

Except for the U.S. Federal Arbitration Act and other federal laws in the U.S, Illinois law governs the Agreements.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement or development agreement may provide for arbitration outside of Illinois.

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.

Your rights upon termination and non-renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

MARYLAND

1. 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.

2. The following is added to Items 5 and 7:

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement and the outlet is opened. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

3. The following is added to the end of Item 17(c), and Item 17(m) :

However, any release required as a condition of renewal and/or assignment/transfer, will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

4. The following is added to the end of Item 17(h):

The Development Agreement and Franchise Agreement provide for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.), but we will enforce it to the extent enforceable.

5. The following sentence is added to the end of Item 17(v):

You may bring suit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

6. The following language is added to the end of Item 17:

You must bring any claims arising under the Maryland Franchise Registration and Disclosure Law within 3 years after the grant of the franchise.

VIRGINIA

1. 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.

2. The following language is added to Items 5 and 7:

Pursuant to an order of the Virginia State Corporation Commission's Division of Securities and Retail Franchising, we will defer collection of the initial franchise fee and other initial payments you owe us until we have completed all of our pre-opening obligations to you under the Franchise Agreement and you have begun operating your Store. If you sign a Development Agreement, we will defer the collection of the initial development fee until we have completed our pre-opening obligations under the Development Agreement.

3. The following language is added to Item 17(e):

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Development Agreement or 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.

4. The following terms will apply to the franchise offered hereby to the extent required by applicable law, if and only if the franchise is granted on or after July 1, 2026:

Under subsection D of § 13.1-559 of the Virginia Retail Franchising Act, for all franchises located in Virginia, the franchise contract or agreement offered or entered into pursuant to terms of this chapter shall be governed by the laws of the Commonwealth of Virginia.

Under subdivision A 4 of § 13.1-563 of the Virginia Retail Franchising Act ("Act"), it is unlawful to offer or enter into a franchise agreement that restricts the right of a franchisee to engage in the business of offering, selling, or distributing goods or services at retail after termination or expiration of the franchise agreement. However, subsection B of § 13.1-563 of the Act provides that if a franchisee sells a franchise at a mutually agreed upon price to a third party or back to the franchisor, such sale may include a term restricting the right of such franchisee to engage in the business of offering, selling, or distributing goods or services at retail for a period of no more than two years after such sale.

THE FOLLOWING PAGES IN THIS EXHIBIT ARE STATE-SPECIFIC RIDERS TO THE FRANCHISE AGREEMENT

RIDER TO FRANCHISE AGREEMENT
FOR USE IN THE STATE OF ILLINOIS

THIS RIDER is made and entered into as of the Effective Date between **YOGURT MOUNTAIN FRANCHISING, LLC**, an Alabama limited liability company with its principal business address at 402 Industrial Lane, Birmingham, Alabama 35211 ("**we**," "**us**," or "**our**"), and _____, a(n) _ _____, whose principal business address is _____ _____ ("**you**" or "**your**").

1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement dated _____, 20___ (the "**Franchise Agreement**") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are domiciled in the State of Illinois, or (b) the offer of the franchise is made or accepted in the State of Illinois and the Yogurt Mountain Store that you develop under your Franchise Agreement is or will be operated in the State of Illinois.

2. **DISCLAIMER**. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. **CERTAIN FEES**. The following is added to Section 3.A. of the Franchise Agreement:

> Pursuant to an order of the Illinois Attorney General's Office, we will defer collection of the initial franchise fee and other initial payments you owe us until we have completed all of our pre-opening obligations to you under this Agreement and you have begun operating your Store.

4. **CONSTRUCTION**. The following language is added to the end of Section 17.N of the Franchise Agreement:

> Notwithstanding the foregoing, nothing contained in this Agreement is intended to disclaim the express representations made in the Franchise Disclosure Document.

5. **ILLINOIS FRANCHISE DISCLOSURE ACT**. The following language is added to the end of the Franchise Agreement:

> Except for the U.S. Federal Arbitration Act and other federal laws in the U.S., Illinois law governs the Agreements.
>
> Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of

Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

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.

Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the effective date of the Franchise Agreement.

YOGURT MOUNTAIN FRANCHISING LLC, an Alabama limited liability company

Sign:_____
Name: _____
Title: _____

FRANCHISEE:

(IF A LEGAL BUSINESS ENTITY):

_____
Name of Entity

Sign:_____
Name: _____
Title: _____

(IF INDIVIDUALS):

_____
Name of Individual

Sign:_____

_____
Name of Individual

Sign:_____

RIDER TO FRANCHISE AGREEMENT
FOR USE IN THE STATE OF MARYLAND

THIS RIDER is made and entered into as of the Effective Date between **YOGURT MOUNTAIN FRANCHISING, LLC**, an Alabama limited liability company with its principal business address at 402 Industrial Lane, Birmingham, Alabama 35211 ("**we**," "**us**," or "**our**"), and _____, a(n) _____ _____, whose principal business address is _____ _____ ("**you**" or "**your**").

1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement dated _____, 20___ (the "**Franchise Agreement**") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are a resident of the State of Maryland; or (b) the Yogurt Mountain Store that you develop under your Franchise Agreement is or will be operated in the State of Maryland; or (c) the offer to sell is made in the State of Maryland; or (d) the offer to buy is accepted in the State of Maryland.

2. **DISCLAIMER**. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. **CERTAIN FEES**. The following is added to Section 3.A. of the Franchise Agreement:

> Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement and the outlet is opened. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

4. **ACKNOWLEDGMENTS**. The following language is added to the end of Section 1.B of the Franchise Agreement:

> All representations requiring you to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

5. **AGREEMENTS/RELEASES.** The following language is added to the end of Section 12.C(3), 13.C(4) and 15.D of the Franchise Agreement:

> However, any release required as a condition of renewal, sale and/or assignment/transfer will not apply to any claims or liability arising under the Maryland Franchise Registration and Disclosure Law.

6. **INSOLVENCY**. The following sentence is added to the end of Sections 14.B(17) and 14.B(18) of the Franchise Agreement:

> This Section may not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.).

7. **GOVERNING LAW**. Section 17.G of the Franchise Agreement is deleted and replaced with the following:

> Notwithstanding the foregoing, to the extent required by applicable law, Maryland law will apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

8. **CONSENT TO JURISDICTION**. The following language is added to the end of Section 17.H of the Franchise Agreement:

> A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

9. **LIMITATIONS OF CLAIMS**. The following sentence is added to the end of Section 17.L of the Franchise Agreement:

> You must bring any claims arising under the Maryland Franchise Registration and Disclosure Law within 3 years after we grant you the franchise.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the effective date of the Franchise Agreement.

YOGURT MOUNTAIN FRANCHISING LLC, an Alabama limited liability company

Sign:_____
Name: _____
Title: _____

MULTI-UNIT DEVELOPER:

(IF A LEGAL BUSINESS ENTITY):

_____
Name of Entity

Sign:_____
Name: _____
Title: _____

(IF INDIVIDUALS):

_____
Name of Individual

Sign:_____

_____
Name of Individual

Sign:_____

RIDER TO FRANCHISE AGREEMENT
FOR USE IN THE STATE OF VIRGINIA

THIS RIDER is made and entered into as of the Effective Date between **YOGURT MOUNTAIN FRANCHISING, LLC**, an Alabama limited liability company with its principal business address at 402 Industrial Lane, Birmingham, Alabama 35211 ("**we**," "**us**," or "**our**"), and _____, a(n) _ _____, whose principal business address is _____ _____ ("**you**" or "**your**").

1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement dated _____, 20___ (the "**Franchise Agreement**") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are domiciled in the State of Virginia, or (b) the Yogurt Mountain Store that you develop under your Franchise Agreement is or will be operated in the State of Virginia.

2. **DISCLAIMER**. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. **CERTAIN FEES**. The following is added to Section 3.A. of the Franchise Agreement:

> Pursuant to an order of the Virginia State Corporation Commission's Division of Securities and Retail Franchising, we will defer collection of the initial franchise fee and other initial payments you owe us until we have completed all of our pre-opening obligations to you under this Agreement and you have begun operating your Store.

4. The following terms will apply to the franchise offered hereby to the extent required by applicable law, if and only if the franchise is granted on or after July 1, 2026:

> Under subsection D of § 13.1-559 of the Virginia Retail Franchising Act, for all franchises located in Virginia, the franchise contract or agreement offered or entered into pursuant to terms of this chapter shall be governed by the laws of the Commonwealth of Virginia.
>
> Under subdivision A 4 of § 13.1-563 of the Virginia Retail Franchising Act ("Act"), it is unlawful to offer or enter into a franchise agreement that restricts the right of a franchisee to engage in the business of offering, selling, or distributing goods or services at retail after termination or expiration of the franchise agreement. However, subsection B of § 13.1-563 of the Act provides that if a franchisee sells a franchise at a mutually agreed upon price to a third party or back to the franchisor, such sale may include a term restricting the right

of such franchisee to engage in the business of offering, selling, or distributing goods or services at retail for a period of no more than two years after such sale.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the effective date of the Franchise Agreement.

YOGURT MOUNTAIN FRANCHISING LLC, an Alabama limited liability company

Sign:_____
Name: _____
Title: _____

FRANCHISEE:

(IF A LEGAL BUSINESS ENTITY):

_____
Name of Entity

Sign:_____
Name: _____
Title: _____

(IF INDIVIDUALS):

_____
Name of Individual

Sign:_____

_____
Name of Individual

Sign:_____

THE FOLLOWING PAGES IN THIS EXHIBIT ARE STATE-SPECIFIC RIDERS TO THE MULTI-UNIT DEVELOPMENT AGREEMENT

RIDER TO MULTI-UNIT DEVELOPMENT AGREEMENT
FOR USE IN THE STATE OF ILLINOIS

THIS RIDER is made and entered into between **YOGURT MOUNTAIN FRANCHISING, LLC**, an Alabama limited liability company with its principal business address at 402 Industrial Lane, Birmingham, Alabama 35211 ("**we**," "**us**," or "**our**"), and _____ _____, whose principal business address is _____ ("**you**" or "**your**").

1. **BACKGROUND**. We and you are parties to that certain Multi-Unit Development Agreement dated _____, 20___ (the "Development Agreement") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Development Agreement. This Rider is being signed because (a) you are domiciled in the State of Illinois, or (b) the offer of the franchise is made or accepted in the State of Illinois and the Yogurt Mountain Stores that you develop under your Development Agreement are or will be located in the State of Illinois.

2. **CERTAIN FEES**. The following is added to Section 3.A. of the Development Agreement:

> Payment of Initial and Development Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

3. **DISCLAIMER**. 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.

4. **ENTIRE AGREEMENT**. The last sentence of Section 10.F of the Development Agreement is deleted and replaced with the following:

> Notwithstanding the foregoing, nothing contained in this Agreement is intended to disclaim the express representations made in the Franchise Disclosure Document.

5. **ILLINOIS FRANCHISE DISCLOSURE ACT**. The following language is added to the end of the Development Agreement:

> Except for the U.S. Federal Arbitration Act and other federal laws in the U.S., Illinois law governs the Agreements.
>
> Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of

Illinois is void. However, a multi-unit development agreement may provide for arbitration outside of Illinois.

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.

Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the effective date of the Development Agreement.

YOGURT MOUNTAIN FRANCHISING LLC, an Alabama limited liability company

Sign:_____
Name: _____
Title: _____

MULTI-UNIT DEVELOPER:

(IF A LEGAL BUSINESS ENTITY):

_____
Name of Entity

Sign:_____
Name: _____
Title: _____

(IF INDIVIDUALS):

_____
Name of Individual

Sign:_____

_____
Name of Individual

Sign:_____

RIDER TO MULTI-UNIT DEVELOPMENT AGREEMENT
FOR USE IN THE STATE OF MARYLAND

THIS RIDER is made and entered into between **YOGURT MOUNTAIN FRANCHISING, LLC**, an Alabama limited liability company with its principal business address at 402 Industrial Lane, Birmingham, Alabama 35211 ("**we**," "**us**," or "**our**"), and _____ _____, whose principal business address is _____ ("**you**" or "**your**").

1. **BACKGROUND**. We and you are parties to that certain Multi-Unit Development Agreement dated _____, 20___ (the "Development Agreement") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Development Agreement. This Rider is being signed because (a) you are a resident of the State of Maryland; or (b) the Yogurt Mountain Stores that you develop under your Development Agreement are or will be operated in the State of Maryland; or (c) the offer to sell is made in the State of Maryland; or (d) the offer to buy is accepted in the State of Maryland.

2. **DISCLAIMER**. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. **CERTAIN FEES**. The following is added to Section 3.A. of the Development Agreement:

> Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

4. **RELEASES**. The following language is added to the end of Section 6.A(1)(c) of the Development Agreement:

> Any release required as a condition of assignment/transfer will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

5. **INSOLVENCY**. The following sentence is added to the end of Section 7.A(4) of the Development Agreement:

> This Section may not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.).

6. **CONSENT TO JURISDICTION**. Section 9.A of the Development Agreement is supplemented by adding the following to the end of the Section:

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

7. **LIMITATION OF CLAIMS**. The following sentence is added to the end of Section 9.D of the Development Agreement:

You must bring any claims arising under the Maryland Franchise Registration and Disclosure Law within 3 years after we grant you the Franchise.

8. **APPLICABLE LAW**. The following language is added to the end of Section 10.F of the Development Agreement:

Notwithstanding the foregoing, to the extent required by applicable law, Maryland law will apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

9. **ACKNOWLEDGMENTS**. The following language is added to the end of the Development Agreement:

All representations requiring you to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the effective date of the Development Agreement.

YOGURT MOUNTAIN FRANCHISING LLC, an Alabama limited liability company

Sign:_____
Name: _____
Title: _____

MULTI-UNIT DEVELOPER:

(IF A LEGAL BUSINESS ENTITY):

_____
Name of Entity

Sign:_____
Name: _____
Title: _____

(IF INDIVIDUALS):

_____
Name of Individual

Sign:_____

_____
Name of Individual

Sign:_____

RIDER TO MULTI-UNIT DEVELOPMENT AGREEMENT
FOR USE IN THE STATE OF VIRGINIA

THIS RIDER is made and entered into as of the Effective Date between **YOGURT MOUNTAIN FRANCHISING, LLC**, an Alabama limited liability company with its principal business address at 402 Industrial Lane, Birmingham, Alabama 35211 ("**we**," "**us**," or "**our**"), and _____, a(n) _ _____, whose principal business address is _____ _____ ("**you**" or "**your**").

1. **BACKGROUND**. We and you are parties to that certain Multi-Unit Development Agreement dated _____, 20___ (the "Development Agreement") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Development Agreement. This Rider is being signed because (a) you are domiciled in the State of Virginia, or (b) the Yogurt Mountain Store(s) that you may develop under your Development Agreement are or will be operated in the State of Virginia.

2. **DISCLAIMER**. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. **CERTAIN FEES**. The following is added to Section 3.A. of the Development Agreement:

> Pursuant to an order of the Virginia State Corporation Commission's Division of Securities and Retail Franchising, we will defer collection of The Initial Fee and other initial payments you owe us until we have completed all of our pre-opening obligations to you under this Agreement.

4. The following terms will apply to the franchise offered hereby to the extent required by applicable law, if and only if the franchise is granted on or after July 1, 2026:

> Under subsection D of § 13.1-559 of the Virginia Retail Franchising Act, for all franchises located in Virginia, the franchise contract or agreement offered or entered into pursuant to terms of this chapter shall be governed by the laws of the Commonwealth of Virginia.
>
> Under subdivision A 4 of § 13.1-563 of the Virginia Retail Franchising Act ("Act"), it is unlawful to offer or enter into a franchise agreement that restricts the right of a franchisee to engage in the business of offering, selling, or distributing goods or services at retail after termination or expiration of the franchise agreement. However, subsection B of § 13.1-563 of the Act provides that if a franchisee sells a franchise at a mutually agreed upon price to a third party or back to the franchisor, such sale may include a term restricting the right

of such franchisee to engage in the business of offering, selling, or distributing goods or services at retail for a period of no more than two years after such sale.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the effective date of the Franchise Agreement.

YOGURT MOUNTAIN FRANCHISING LLC, an Alabama limited liability company

Sign:_____
Name: _____
Title: _____

FRANCHISEE:

(IF A LEGAL BUSINESS ENTITY):

_____
Name of Entity

Sign:_____
Name: _____
Title: _____

(IF INDIVIDUALS):

_____
Name of Individual

Sign:_____

_____
Name of Individual

Sign:_____

EXHIBIT I

SUCCESSOR FRANCHISE ADDENDUM

SUCCESSOR FRANCHISE ADDENDUM

This **SUCCESSOR FRANCHISE ADDENDUM** (this "**Addendum**") is made by and between **YOGURT MOUNTAIN FRANCHISING, LLC** ("**us**"), and _____, a(n) _____("**you**"). This Addendum is affixed and amends that certain Franchise Agreement dated _____ (the "**Successor Franchise Agreement**") under which we granted you the right and you undertook the obligation to own and operate a Yogurt Mountain Store located at _____ (the "**Store**"). All capitalized terms not defined in this Addendum will have the meaning ascribed to them in the Successor Franchise Agreement. This Addendum will be effective as of the effective date of the Successor Franchise Agreement (the "**Effective Date**").

RECITALS

A. You and we are parties to that certain Franchise Agreement dated _____, under which we granted you the right and you undertook the obligation to own and operate the Store (the "**Expiring Franchise Agreement**").

B. The Expiring Franchise Agreement will expire in accordance with its terms on until _____, 20___ , and you have notified us that you wish to exercise your right to acquire a successor franchise to continue operating the Store.

C. As required under the terms of the Expiring Franchise Agreement, you and we are concurrently entering into the Successor Franchise Agreement to govern your ownership and operation of the Store from and after the Effective Date.

AGREEMENT

FOR AND IN CONSIDERATION of the foregoing recitals, the covenants set forth herein and other valuable consideration, the parties agree as follows:

1. **Expiring Franchise Agreement Terminated**. The parties acknowledge and agree that, as of the Effective Date, the Expiring Franchise Agreement is deemed to have expired, and the ownership and operation of the Store will be governed by and subject to the Successor Franchise Agreement. Notwithstanding the foregoing, the parties agree that nothing will be deemed to terminate or release you or any of your owners from any of the following obligations (together, the "**Surviving Obligations**"): (i) any obligations under the Expiring Franchise Agreement or any guaranty thereof that, either expressly or by their nature, survive termination thereof (including, indemnification, dispute resolution, non-disparagement and confidentiality provisions), other than those post-termination obligations requiring you to de-identify the Store which are hereby waived; or (ii) any obligations under this Addendum.

2. **Representation and Warranties**. You represent and warrant to us as of the Effective Date that: (i) you are duly organized, validly existing and in good standing under the laws of your jurisdiction of organization; (ii) you have all requisite power and authority to be

bound by the terms hereof and to carry out and perform its obligations under this Addendum, the Surviving Obligations, and the Successor Franchise Agreement; (iii) you have substantially complied with all terms and conditions of the Expiring Franchise Agreement during its term; (iv) your Store is materially in compliance with the terms of the Expiring Franchise Agreement and our current System Standards; (v) you and the landlord of your Premises have agreed to an extension or renewal of your Lease for a term no shorter than the term of the Successor Franchise Agreement and you have delivered us accurate copies of that extension or renewal Lease (and we have approved that extension or renewal Lease in accordance with the terms of the Successor Franchise Agreement); and (vi) any and all information and materials provided by you or your owners or representatives to us in connection with entering into the Successor Franchise Agreement is accurate, clear, not misleading, and contains no material misrepresentation or omission.

3. **Renewal Terms of Successor Franchise Agreement**. Because you are acquiring a successor franchise to operate your Store, the following terms apply to your rights and obligations under the Successor Franchise Agreement:

A. Development of the Store. The conditions in the Successor Franchise Agreement that pertain to development of a new Yogurt Mountain Store are deemed to have been satisfied as of the Effective Date, including, conditions contained in Section 2.A (Site Selection), Section 2.C (Development of your Store) and Section 2.F (Business Opening).

B. No Initial Fee; Successor Fee. You previously paid an initial franchise fee in connection with entering the Expiring Franchise Agreement. Therefore, the requirement that you pay an initial franchise fee (as set forth in Section 3.A) is hereby waived; provided, however, you pay us the successor franchise fee described in the Expiring Franchise Agreement.

C. Initial Training. You have previously completed an initial training program for the operation of a Yogurt Mountain Store. Therefore, you will not be required to participate in the initial training program (as required under Section 4.A), and we are not required to provide the initial training program to you or any of your owners, managers or employees. Notwithstanding the foregoing, all of your (and your managers and employees) requirements for ongoing training and re-training, and the requirements for the initial training of new managers and employees, will continue to apply (each as provided in Section 4.A).

D. On-Site Training. We will not be required to send a training team to your Yogurt Mountain Store to assist you with any grand opening (as set forth in Section 4.A). If we at any time send any training team or other representatives to your Yogurt Mountain Store to assist with your operations, you will be responsible for the costs and fees for training as set forth in the Successor Franchise Agreement.

E. Grand Opening Marketing. You will not be required to conduct a grand opening marketing program (as required in Section 9.A) unless you choose to do so.

F. Renewal Terms. Subject to certain applicable conditions, under the terms of the Expiring Franchise Agreement, you were granted the right to acquire up to [three (3)] successive five (5) year successor franchises. You are hereby exercising the right to acquire one

such successor franchise. Therefore, Section 13 of the Successor Franchise Agreement is amended by deleting the phrase, "[three (3)] successive periods of five (5) years each" and replacing it with the phrase, "[two (2)] successive period of five (5) years".

4. **General Release of Claims**. You, on behalf of yourself and your current and former parents, affiliates, and subsidiaries, and your and their respective agents, spouses, heirs, principals, attorneys, owners, officers, directors, employees, representatives, predecessors, successors, and assigns (collectively, the "**Releasing Parties**"), do hereby absolutely and irrevocably release and discharge us and our parents, subsidiaries, and affiliates, and our and their respective current and former owners, officers, directors, employees, managers, agents, representatives, predecessors, successors, and assigns (the "**Franchisor Parties**"), of and from any and all claims, obligations, debts, proceedings, demands, causes of actions, rights to terminate and rescind, liabilities, losses, damages, and rights of every kind and nature whatsoever, whether known or unknown, suspected or unsuspected, at law or in equity (collectively, "**Claims**"), which any of them has, had or may have, from the beginning of time to the Effective Date, including, without limitation, those arising out of or relating in any way to the Store or the Expiring Franchise Agreement. You, on behalf of yourself and on behalf of the other Releasing Parties, covenant not to sue any of the Franchisor Parties on any of the Claims released by this Section and warrant and represent that you and they have not assigned or otherwise transferred any Claims released by this Section.

The following will apply if the Store located in Maryland, or if any Releasing Parties are residents of Maryland:

> Any release provided for hereunder shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law

5. **Miscellaneous**. The Successor Franchise Agreement shall be amended only in the particulars set forth above. All other provisions of the Successor Franchise Agreement shall continue in full force and effect as set forth therein. The terms of this Addendum form an integral part, and hereby are incorporated into and made a part, of the Successor Franchise Agreement. In the event of a conflict between the terms contained in the Successor Franchise Agreement and this Addendum, the terms and conditions of this Addendum shall govern, control, and supersede any inconsistent or conflicting terms of the Successor Franchise Agreement. This Addendum may be signed in counterparts, each of which shall be deemed an original but all of which taken together shall constitute one and the same instrument. Signature by electronic means is hereby authorized and shall have the same force and effect as an original.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, you and we have signed this Addendum on the dates shown below and made effective as of the Effective Date.

FRANCHISOR:	**FRANCHISEE:**
YOGURT MOUNTAIN FRANCHISING, LLC	_____ **[Name]**
Sign: _____	Sign: _____
Name: _____	Name: _____
Title: _____	Title: _____

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin. This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

California	Not Registered
Hawaii	Not Registered
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	June 4, 2026
Minnesota	Not Registered
New York	Not Registered
North Dakota	Not Registered
Rhode Island	Not Registered
South Dakota	Not Registered
Virginia	Pending
Washington	Not Registered
Wisconsin	June 4, 2026

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

EXHIBIT J

RECEIPTS

RECEIPT
(OUR COPY)

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 Yogurt Mountain Franchising, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Under Iowa law, the franchisor must give you this disclosure document at the earlier of its 1st personal meeting with you or 14 calendar days before you sign an agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

If Yogurt Mountain Franchising, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

Franchise seller(s) offering the franchise: Yogurt Mountain Franchising LLC, 402 Industrial Lane, Birmingham, AL 35211, (205) 909-1324 or (205) 909-1321. Also, please identify any additional individual franchise seller who offered you a Yogurt Mountain franchise in the space provided below:

❑ Scott Kappler
Yogurt Mountain Franchising, LLC
402 Industrial Lane
Birmingham, AL 35211
(205) 909-1324 or (205) 909-1321

❑ _____
Yogurt Mountain Franchising, LLC
402 Industrial Lane
Birmingham, AL 35211
(205) 909-1324 or (205) 909-1321

❑ Franchise Seller:_____
Principal Business Address:
_____
_____

Issuance Date: June 4, 2026

See Exhibit A for our registered agents authorized to receive service of process.

I have received a Disclosure Document dated June 4, 2026 that included the following Exhibits:

Exhibit A	State Administrators/Agents for Service	Exhibit E	Representations and Acknowledgment Statement
Exhibit B-1	Franchise Agreement		
Exhibit B-2	Non-Traditional Addendum to Franchise Agreement	Exhibit F	List of Current and former Franchisees
		Exhibit G	General Release
Exhibit B-3	Café Line Amendment	Exhibit H	State Addenda and Agreement Riders
Exhibit B-4	Multi-unit Development Agreement	Exhibit I	Renewal Addendum
Exhibit C	Financial Statements and Parent Guarantee	Exhibit J	Receipts
Exhibit D	Table of Contents to Operations Manual		

PROSPECTIVE FRANCHISEE:

If a business entity:

_____
Name of Business Entity
By: _____
Its: _____
Print Name: _____
Dated: _____
(Do not leave blank)

If an individual:

_____
Print Name: _____

Dated: _____
(Do not leave blank)

Please sign this copy of the receipt, print the date on which you received this Disclosure Document, and return it, by mail, facsimile or e-mail, to Yogurt Mountain Franchising, LLC, 402 Industrial Lane, Birmingham, AL 35211, Facsimile: (205) 909-1327, email: franchise@yogurtmountain.com.

RECEIPT
(YOUR COPY)

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

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❑ _____
Yogurt Mountain Franchising, LLC
402 Industrial Lane
Birmingham, AL 35211
(205) 909-1324 or (205) 909-1321

❑ Franchise Seller:_____
Principal Business Address:
_____
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PROSPECTIVE FRANCHISEE:

If a business entity:

_____
Name of Business Entity
By: _____
Its: _____
Print Name: _____
Dated: _____
(Do not leave blank)

If an individual:

_____
Print Name: _____

Dated: _____
(Do not leave blank)