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FRANCHISE DISCLOSURE DOCUMENT

JBR FRANCHISE CO
A FLORIDA CORPORATION
4190 MILLENIA BLVD.
ORLANDO, FLORIDA 32839
(407) 213-1337
FRANCHISING@JEFFSBAGELRUN.COM
WWW.JEFFSBAGELRUN.COM

The franchise offered is for "JEFF'S BAGEL RUN" stores (**"JEFF'S BAGEL RUN" Store**") that specializes in the sale of fresh-baked bagels, cream cheeses and other spreads, specialty coffees and teas, baked sweets and snacks, among other things. We offer 2 franchise programs:

1. A single "JEFF'S BAGEL RUN" Store. The total investment necessary to begin operation of a "JEFF'S BAGEL RUN" franchise ranges from $415,000 to $712,500, excluding land. This includes initial fees totaling between $175,000 to $288,000 that must be paid to the franchisor or its affiliates.

2. Multiple "JEFF'S BAGEL RUN" Stores within a defined area under an Area Development Agreement. There is a non-refundable initial development fee of $10,000 multiplied by the number of "JEFF'S BAGEL RUN" Stores (excluding the first "JEFF'S BAGEL RUN" Store) which you must open, plus $30,000 representing the initial franchise fee and $10,000 representing the initial training fee for your first Franchise Agreement. However, if you are an existing franchisee with an open and operational "JEFF'S BAGEL RUN" Store and then enter into an Area Development Agreement, you will pay an initial franchise fee equal to $20,000 for each additional "JEFF'S BAGEL RUN" Store you agree to open. If you (or your owner in the case of an entity) are an Experienced Manager, with at least 2 years of prior experience as a manager or assistant manager at a "JEFF'S BAGEL RUN" Store owned by us or our affiliate, the initial franchise fee for your first (and each subsequent) Franchise Agreement for your "JEFF'S BAGEL RUN" Stores will be equal to $20,000 and you will not pay an initial training fee. In all cases, we will credit the development fee against the initial franchise fees (at the rate of $10,000 for the second and each subsequent Franchise Agreement).

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, 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 the Franchise Sales Team at franchising@jeffsbagel.com or (407) 213-1337.

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The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like an attorney 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: May 6, 2024

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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 I.
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 H 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 "JEFF'S BAGEL RUN" 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 "JEFF'S BAGEL RUN" franchisee?	Item 20 or Exhibit I lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

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What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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.

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Special Risks to Consider About *This* Franchise

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

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

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

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EXHIBITS:

Exhibit A – Franchise Agreement
Exhibit B – Area Development Agreement
Exhibit C – General Release
Exhibit D – Guaranty
Exhibit E – Confidentiality Agreement
Exhibit F - Table of Contents of Manuals
Exhibit G – State Addenda
Exhibit H – Financial Statements
Exhibit I – System Information
Exhibit J – Agents for Service of Process and State Administrators
Exhibit K – Participation Agreement
Exhibit L - Receipts

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

To simplify the language in this disclosure document, "we," "us" or "JBR" means JBR Franchise Co, a Florida corporation, the franchisor. "You" means the individual, corporation, partnership, limited liability company, or other entity who buys the franchise. If the franchisee will operate through a corporation, partnership, limited liability company, or other entity, "you" also includes the franchisee's owners or partners.

Our principal business address is 4190 Millenia Boulevard, Orlando, Florida 32839. We conduct business under the name of our corporation. The principal business address of our agent for service of process in Florida is Min Cho at 4190 Millenia Boulevard, Orlando, Florida 32839. Our agents for service of process in other states are listed in the attached Exhibit J.

We are a Florida corporation, incorporated on March 13, 2023. We will franchise stores under the name "JEFF'S BAGEL RUN" ("**JEFF'S BAGEL RUN" Stores**"). We have not previously engaged in any other line of business. We have been offering "JEFF'S BAGEL RUN" franchises since October, 2023. One or more of our related parties owns an interest in entities that operate (as of December 31, 2023) two existing "JEFF'S BAGEL RUN" Stores that are substantially similar to the franchise "JEFF'S BAGEL RUN" Stores offered in this document. The two current corporate locations are in Ocoee, Florida and Orlando, Florida. We have not previously offered franchises in any other line of business, nor do we intend to operate "JEFF'S BAGEL RUN" Stores ourselves, though one or more of our related parties may continue to do so.

Our direct parent company is Jeff's Bagel Run Holdings Co, a Florida corporation formed on July 6, 2023, which is in turn owned by 1337 Capital Management LLC, a Florida limited liability company located at a 4190 Millenia Boulevard, Orlando, Florida, TheBagel, LLC a Florida limited liability company located at 2787 Old Winter Garden Road, Ocoee, Florida, and some of our employees through our employee stock plan.

Our predecessors are TheBagel, LLC which contributed all the intellectual property associated with the JEFF'S BAGEL RUN" Stores to us in March 2023 after having acquired the intellectual property from the chain's founders, Jeffrey and Danielle Perera and their company, Jeff's Bagel Run LLC (which currently operates the JEFF'S BAGEL RUN" Store in Ocoee, Florida pursuant to a license agreement with us).

JBR Supply Co LLC (referred to in this document as the "JBR Supply Co") was organized in Florida on July 26, 2023 and shares our principal business address. JBR Supply Co operates our distribution center and supplies certain goods, equipment, supplies, and other inventory to our franchisees and our affiliate-owned Stores.

Our affiliate, JBR Supply Co LLC acquired Otus Coffee Company LLC on April 1, 2024. Otus will be supplying coffee products to the franchisees. = Otus Coffee Company LLC's principal business address is 1331 Green Forest Ct., Unit 12, Winter Garden, Florida 34787. Otus Coffee Company LLC does not operate "Jeff's Bagel Run" Stores or offer franchises in any line of business and except as described above, we have no affiliates that provide products or services to franchisees.

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The "JEFF'S BAGEL RUN" store concept was developed by Jeff and Danielle Perera in August 2019. Jeff Perera formed Jeff's Bagel Run LLC in May 2020, and business through Jeff's Bagel Run LLC. In July 2021, Jeff's Bagel Run LLC opened the first "JEFF'S BAGEL RUN" Store.

"JEFF'S BAGEL RUN" Stores principally offer and sell fresh-baked bagels, cream cheeses and other spreads, specialty coffees and teas, baked sweets and snacks, as well as other related products which we approve from time to time ("**Approved Products**"), to consumers, at and from the location and on a limited mobile basis within the territory through third party delivery service providers such as Uber Eats and DoorDash. We offer separate franchise programs by this disclosure document (unit franchise and multi-unit area development franchises), though we may not necessarily allow you the opportunity to purchase under both of these programs.

You will sign a Franchise Agreement (Exhibit A), to operate a single "JEFF'S BAGEL RUN" Store at a location which you choose and which we approve.

If you participate in our area development program, we will assign a defined area within which you must develop and operate a specified number of "JEFF'S BAGEL RUN" Stores within the specified periods of time. The development area may be one or more cities, one or more counties, one or more states, or some other defined geographic area. You will sign an Area Development Agreement (Exhibit B) which will describe your development area and your development schedule and other obligations. For each "JEFF'S BAGEL RUN" Store you open under the Area Development Agreement, promptly after our approval of the site for the "JEFF'S BAGEL RUN" Store, you will sign a separate Franchise Agreement on the then current form used by JBR at the time, except to the extent otherwise provided in your Area Development Agreement.

We believe that the market for the sale of fresh-baked bagels, cream cheeses and other spreads, specialty coffees and teas, baked sweets and snacks is mature and consists of the general public. You will compete with other local, regional and national companies offering services similar to those offered by a "JEFF'S BAGEL RUN" Store. As with all businesses, your choice of location is critical to your success, no matter how good the concept. The typical "JEFF'S BAGEL RUN" Store will contain approximately 900-1500 square feet and will likely be mostly located in suburban areas in business districts. The "JEFF'S BAGEL RUN" Stores will typically be open year round, closing only on selected holidays.

You must comply with all local, state, and federal laws that apply to your "JEFF'S BAGEL RUN" Store operations, including, for example, zoning, building code, health, sanitation, no-smoking, EEOC, OSHA, discrimination, employment, sexual harassment, and tax laws. The Americans with Disability Act of 1990 and state equivalents require readily accessible accommodation for disabled persons and therefore may affect your building construction, site elements, entrance ramps, doors, seating, bathrooms, drinking facilities, etc. For example, you must obtain permits for your building, construction, outdoor patio, and zoning, as well as operational licenses. There are also regulations that pertain to sanitation, food and menu labeling (such as nutritional and caloric information), food preparation, food handling, food content (such as on transfats), and food service. You must comply with all applicable federal, state, and local laws and regulations during the operation of your "JEFF'S BAGEL RUN" Store. You should consult with your attorney concerning those and other local laws and ordinances that may affect your "JEFF'S BAGEL RUN" Store operation.

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ITEM 2
BUSINESS EXPERIENCE

President and Treasurer: Justin Wetherill

Justin Wetherill has been our President and Treasurer since our incorporation on March 13, 2023. He has also been the President of Jeff's Bagel Run Holdings Co and the Manager of JBR Supply Co LLC since July 26, 2023. Since December 2019, he has also been and continues to be President of 1337 Capital Management LLC and its various affiliates in Orlando, Florida. From 2009 to April 2021, he was President of uBreakiFix Co and its various affiliates, including UBIF Franchising Co, in Orlando, Florida. Mr. Wetherill is located in Orlando, Florida.

Vice President and Co-Founder: Jeffrey Perera

Jeffrey Perera is our Vice President since our incorporation on March 13, 2023. He has also been the Vice President of Jeff's Bagel Run Holdings Co since July 26, 2023. He is also the Co-Founder of Jeff's Bagel Run LLC in Ocoee, Florida. He has served as President of Jeff's Bagel Run LLC since May 2020. From April 2018 to August 2019, he was a Regional Vice President of Atria Senior Living in Winter Garden, Florida. Mr. Perera is located in Winter Garden, Florida.

Vice President and Co-Founder: Danielle Perera

Danielle Perera is our Vice President since our incorporation on March 13, 2023. She has also been the Vice President of Jeff's Bagel Run Holdings Co since July 26, 2023. She is also the Co-Founder of Jeff's Bagel Run LLC in Ocoee, Florida. She has served as Vice President of Jeff's Bagel Run LLC since May 2020. From April 2019 to June 2021, she was a District Manager of Ross Stores, Inc. in Orlando, Florida. Ms. Perera is located in Winter Garden, Florida.

Vice President, Technology: Aaron LeClair

Aaron LeClair has been our Vice President, Technology since September 2023. From September 2022 to August 2023, he was the Chief Technology Officer for Cambium Carbon PBC in Orlando, Florida. From November 2020 to September 2022 he was the Chief Technology Officer for SecureNet Technologies LLC in Lake Mary, Florida. From January 2018 to October 2020, he was the Director of Engineering, Technology & Support for UBIF Franchising Co d/b/a uBreakiFix. Mr. LeClair is located in Orlando, Florida.

Vice President, Marketing: Catriona Harris

Catriona Harris has been our Vice President of Marketing since April 2024. From May 2011 to March 2024, she was the CEO of Uproar PR in Annapolis, Maryland and Orlando, Florida. Ms. Harris is located in Orlando, Florida.

Vice President, Development: Ryann Frost

Ryann Frost has been our Vice President, Development since August 2023. From June 2022 to June 2023, she was the Vice President of Real Estate Development for M.H. Franchise Company Inc. d/b/a Teriyaki Madness in Denver, Colorado. From January 2014 to June 2022, she held various roles at UBIF Franchising Co d/b/a uBreakiFix in Orlando, Florida including the Director of

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Franchise Development and Franchise Development Manager. Ms. Frost is located in Denver, Colorado.

Vice President, General Counsel, and Secretary: Min Cho

Min Cho is our Vice President, General Counsel, and Secretary since our incorporation on March 13, 2023. He has also been the Vice President, General Counsel, and Secretary of Jeff's Bagel Run Holdings Co since July 26, 2023. Since May 2022, he has also been and continues to be the General Counsel of 1337 Capital Management LLC and its various affiliates in Orlando, Florida. From June 2021 to May 2022, he was a corporate attorney at Byrd Campbell, P.A. in Winter Park, Florida. From August 2019 to May 2021, he was Vice President, Legal for UBIF Franchising Co d/b/a uBreakiFix in Orlando, Florida. From August 2017 to August 2019, he was Vice President, General Counsel, and Secretary of UBIF Franchising Co d/b/a uBreakiFix and its various affiliates in Orlando, Florida. Mr. Cho is located in Orlando, Florida.

Director, Franchising: Eric Kirby

Eric Kirby is our Director, Franchising since February 12, 2023. From January 2023 to February 2024, he was the Director, Service Sales for Encompass Supply Chain Solutions in Atlanta, Georgia. From March 2014 to July 2022, he held various roles at UBIF Franchising Co d/b/a uBreakiFix in Orlando, Florida including the Director of Business Development and Director of Sales Enablement. Mr. Kirby is located in Tampa, Florida.

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

You must pay a $30,000 lump sum initial franchise fee and a $10,000 initial training fee when you sign your first franchise agreement. The initial franchise fee and initial training fee are not refundable under any circumstances. We will waive the initial training fee for your second or subsequent franchise agreement, in our sole discretion, if you or your Operating Principal has previously completed the training program to our satisfaction and your existing "JEFF'S BAGEL RUN" Store(s) is/are operating in accordance with our standards and specifications. In addition, we may in our sole discretion defer collection of the initial franchise fee until the Store(s) open to the public, and may even waive the initial franchise fee, for certain sales to our officers, directors, affiliates and their respective family and friends.

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If you (or your owner in the case of an entity) are an Experienced Manager, with at least 2 years of prior experience as a manager or assistant manager at a "JEFF'S BAGEL RUN" Store owned by us or our affiliate, the initial franchise fee for your first Franchise Agreement will be equal to $15,000 and you will not pay an initial training fee.

Before you open your "JEFF'S BAGEL RUN" Store, you must purchase certain designated items which make up your pre-opening inventory of equipment, initial supplies and information systems hardware and related fees, utensils, uniforms and initial food inventory, furniture, and signage from us or JBR Supply Co. We estimate that these designated items will cost between $175,000 to $247,000 which is not refundable under any circumstances. This does not apply if you sign a Franchise Agreement for the purchase of an existing "JEFF'S BAGEL RUN" Store, either from another franchisee or from JBR or an affiliate of JBR.

We will review three proposed sites for your "JEFF'S BAGEL RUN" Store at no charge. However, for the fourth site that we review, and for each additional site, you must reimburse us for all costs and expenses that we incur in reviewing the site, which we estimate to be about $1,000, including our travel expenses in connection with any on-site review.

If the Franchise Agreement is executed with an assignment, including if you purchased your "JEFF'S BAGEL RUN" Store from an existing franchisee, the existing franchisee will pay us a non-refundable administrative/transfer fee and reimburse our associated out-of-pocket costs, in lieu of you paying an Initial Franchisee Fee. Unless you are an existing Owner with an Experienced Manager or an Operating Partner who has previously completed the initial training program, you must attend our Initial Training Program and pay our Initial Training Fee.

Incentive for franchisees signing leases for stores in 2024.

If you execute a lease for your store before July 1, 2024, we will return your initial franchise fee (by credit given equal to the whole initial fee). If you execute a lease for your store on or after July 1, 2024 but before December 31 2024 then we will return one-half of your initial franchise fee (by credit equal to half of initial franchise fee).

If you have signed an Area Development Agreement that provides for payment amounts that differ from what is described above, your payments will be revised to reflect the terms of Area Development Agreement. Otherwise, the Initial Franchise Fee is uniform for franchises we are currently offering in this state.

Area Development Agreement

When you sign our current form of Area Development Agreement, you must pay us a non-refundable initial development fee ("**Development Fee**") equal to $10,000 multiplied by the number of "JEFF'S BAGEL RUN" Stores that you must open (excluding the first "JEFF'S BAGEL RUN" Store). You will concurrently sign your first Franchise Agreement and pay $30,000 (representing the Initial Franchise Fee) and $10,000 (representing the Initial Training Fee) for your first Franchise Agreement. When we accept the site for each subsequent "JEFF'S BAGEL RUN" Store, you will sign a separate Franchise Agreement and pay us an Initial Franchise Fee of $20,000, but we will credit the previously paid Development Fee against the Initial Franchise Fee at the rate of $10,000 per "JEFF'S BAGEL RUN" Store until the Development Fee is exhausted.

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If you or any of your Owners are: (1) an existing franchisee with an open and operational Store or (2) are an Experienced Manager, with at least 2 years of prior experience as a manager or assistant manager at a "JEFF'S BAGEL RUN" Store owned by another franchisee, Franchisor or one of our affiliates, and are now entering into an Area Development Agreement, you will not pay an Initial Training Fee, but you will pay a Development Fee equal to $10,000 multiplied by the number of "JEFF'S BAGEL RUN" Stores you must open. When we accept the site for each subsequent "JEFF'S BAGEL RUN" Store, you will sign a separate Franchise Agreement and pay us an Initial Franchise Fee of $15,000, but we will credit the previously paid Development Fee against the Initial Franchise Fee at the rate of $10,000 per "JEFF'S BAGEL RUN" Store until the Development Fee is exhausted.

In all cases, the development fee is non-refundable, fully earned by us when paid, and is uniform for franchisees we are currently offering in this state (except as described above).

ITEM 6
OTHER FEES

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
Continuing Royalty	6% of Gross Sales.	Payable electronically daily, through automatic debiting by our designated third party payment processor, for Gross Sales paid by credit or debit card and on demand but no less frequently than monthly for all other Gross Sales.	"**Gross Sales**" includes all revenues received or receivable by you as payment, whether in cash or for credit, barter or other means of exchange (and whether or not payment is received), for any and all goods, merchandise, services or products sold in or from your "JEFF'S BAGEL RUN" Store, or which are promoted or sold under any of the Marks during the term of the Franchise Agreement, whether or not we offer the products in our other locations. Gross sales includes the imputed amount of gross sales used in calculating your losses under any business interruption insurance, before the insurer's deduction for expenses not incurred during the loss period, but after the satisfaction of any applicable deductible. "Gross Sales" excludes (i) sales, value added or other tax, excise or duty charged to customers imposed by any Federal, state, municipal or local authority, based on sales of specific goods, products, merchandise or services sold or provided at or from your "JEFF'S BAGEL RUN" Store and actually paid to the appropriate governmental authority; and (ii) revenues received on account of

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(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
			sales of pre-paid gift cards and certificates; provided, however, that revenues received on redemption of the pre-paid gift cards and certificates shall be included as part of "Gross Sales."
Advertising Fee	2% of Gross Sales.	Same as Continuing Royalty.	The advertising fee will be in addition to the 2% of the Gross Sales that you must spend on local advertising under Section 8.2 of your Franchise Agreement.
Advertising cooperatives ("**Co-op**")	Your minimum contributions to the advertising cooperative will be determined by us.	As determined by the Co-op.	We do not currently do so, however if we do so in the future, you must participate in any advertising Co-op for the region in which your "JEFF'S BAGEL RUN" Store is located. We will notify you in writing if you must join a regional advertising cooperative for your area and the amount of your advertising cooperative contributions. We determine the area of each advertising cooperative.
On Site Opening Assistance	Our out-of-pocket expenses.	Upon demand.	We will provide the On-Site Training at no additional charge; provided, however, that if we determine in our reasonable judgment that more than 2 weeks of on-site training is necessary, you must reimburse us for all travel, living, compensation, and other expenses we incur as a result of extending the On-Site Training, and at our election a per diem training charge at our then current rates.
Additional Training & Assistance	Our then-current charge, currently $125 person per day.	Prior to beginning of training.	The initial training fee covers the initial training program for up to 3 persons. We may charge a fee for any additional personnel that attend the initial training program. Also, we will not charge for mandatory training but reserve the right in our sole discretion to charge a fee for any optional training courses which we may periodically offer, in our sole discretion. In addition to any training fee, you must pay all transportation costs, food, lodging and similar costs incurred

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			in connection with attendance at any additional training courses.
Annual Meeting Expenses	Currently $299 per attendee or our then-current charge.	As incurred.	We may host an annual meeting or convention of franchisees which you must attend. You must pay us a per attendee fee to defray our costs for meals and local transportation we provide at the annual meeting. You are responsible for your other expenses to attend including, travel, other meals and accommodations, and for the expenses of your other attendees.
Transfer / Assignment	10% of our then-current initial franchise fee plus our out-of-pocket costs associated with the transfer/assignment, including attorneys' fees (the amount of which will vary depending on the circumstances, which we do expect to exceed $1,500).	Upon submission of your request to transfer our assign.	Payable when you transfer your franchise or upon any "Assignment" as defined in the Franchise Agreement. No charge if franchise is transferred to an entity which you control, but you must reimburse us for our out-of-pocket costs (the amount of which will vary depending on the circumstances, which we do not expect to exceed $1,500). If you offer securities in a private offering then, in addition to the transfer fee, you must pay us the greater of: (a) a non-refundable fee equal to $5,000, or (b) our reasonable costs and expenses (the amount of which will vary depending on the circumstances, which we do not expect to exceed $5,000) associated with reviewing the proposed offering.
Food Safety Audit	Cost of audit (estimated to be approximately $300)	As incurred	If you pass any food safety audit conducted by us or our representative, we will bear the cost, but if you fail a food safety audit, we may or will require you to undergo one or more additional food safety audit(s) in which case you will reimburse us our costs on demand.
Audit	Cost of audit plus interest on the underpayment	Upon demand.	You must pay the cost of the audit if the audit shows an under-reporting or under-recording of 2% or more. If the audit shows an under-reporting or under-

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	at the highest rate allowed by law (not to exceed 18%).		recording error of 5% or more, we, in addition to any other rights and remedies we may have, have the right to terminate the Franchise Agreement.
Late Fee	Interest of 18% per annum, or the highest interest rate allowable by law, on any unpaid amounts.	Upon demand.	Due only if you are late in paying any amounts owed to us.
Charges for unpaid checks, drafts or electronic payments	Our costs and expenses arising from the non-payment, including bank fees in the amount of at least $50 and other related fees incurred by us, subject to limitations and restrictions under applicable law to the contrary.	Upon demand.	Payable only if any check, draft, electronic or other payment is unpaid because of insufficient funds or otherwise.
Renewal Fee	10% of our then-current initial franchise fee.	Upon signing a successor franchise agreement.	
Supplier Review Costs	Costs of review of application and inspection, currently $1,000.	Upon demand.	You or your proposed Supplier must pay us in advance (or if we request, reimburse us) our reasonably anticipated costs to review the Supplier's application and any current and future reasonable costs and expenses, to inspect and audit the Suppliers' facilities, equipment, and products, and all product testing costs paid by us to third parties.

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			Currently, we estimate Supplier Review Costs to be $1,000. We do not anticipate this to increase in the foreseeable future.
Architect Fee	$2,500	Upon demand	You must employ licensed architects, engineers and general contractors, at your sole cost and expense, to prepare architectural, engineering and construction drawings and site plans, and to obtain all permits required to construct, remodel, renovate, and/or equip your "JEFF'S BAGEL RUN" Store. You must only use one of our pre-approved architects. You may, however, use a licensed architect that is not one of our pre-approved architects with approval, which we may approve or deny based on our sole discretion. If we consent to you using an architect that is not on our pre-approved list, you will be charged a $2,500 fee for review and evaluation of your architect's work by us or our designated architect.
Insurance	Cost of insurance plus our costs to obtain the insurance for you, currently approximately $4,000 annually.	Upon demand, see Remarks.	If you do not obtain and maintain the requisite insurance coverage, we may, at our option, purchase the insurance for you and you must pay us the premiums and our costs to obtain the insurance, which we estimate will cost approximately $4,000 per year.
Email account fee	Currently, $150 yearly per email account, but subject to change.	Upon demand, see Remarks.	You must also maintain a functioning e-mail address for your store, on our outsourced web hosting service. We reserve the right to require you to reimburse us for our actual costs associated with this service.
Site Review Fees	Currently, between $0 and $1,000.	Upon demand, see Remarks.	We will review three proposed sites at no charge. However, for the fourth site that we review, and for each additional site, you must reimburse us for all costs and expenses that we incur in reviewing the site. These figures include our expenses

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			for travel, food and lodging in connection with each on-site review.
Equipment, Utensils, Supplies and Product Inventory	Then current published wholesale prices for each particular item	Upon shipment.	Your "JEFF'S BAGEL RUN" Store may only offer the public the products we approve. Before you open your "JEFF'S BAGEL RUN" Store, you must purchase a pre-opening inventory of equipment, utensils, and supplies needed to begin business, for a total cost between $160,000 and $228,000. As they are depleted, and as new supplies are required for you to sell the Approved Products, you must replenish your supplies as needed to meet reasonably anticipated consumer demand for your business. You will make ongoing purchases of supplies and product inventory from any approved supplier, including our affiliate, JBR Supply Co.
Promotional Campaigns	Not to exceed 100% of our actual costs.	Upon demand, See Remarks.	We may establish and conduct promotional campaigns on a national or regional basis, which may by way of illustration and not limitation, promote particular products or marketing themes. You and each Co-op Advertising Region, if any, must participate in these promotional campaigns under the terms and conditions we may establish. Your participation may include purchasing point of sale advertising material, posters, flyers, product displays and other promotional material (unless provided at no charge through the Advertising Fund).
Extension Program	$1,500 for each of the first 6 months of extension, and $2,500 per month for months 7-12;		If you are in good faith using your best efforts to commence operations within 9 months of signing the Franchise or Area Development Agreement, then we may, upon written request and execution of our then-current withdrawal authorization form, we will permit you to extend, for up to twelve (12) months, the

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(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
	payable on a monthly basis.		date by which you must commence operating your "JEFF'S BAGEL RUN" Store.
Fines (1)	Then-current fines set forth in the Manuals. Our fines vary depending on various factors, including, the nature and severity of the violation.	On Demand	Payable if you violate your duties under the Franchise Agreement or Manuals, but it is not an agreement to permit you violate the Franchise Agreement or Manuals nor liquidated damages

(1) All fees are imposed by and are payable to JBR or our affiliate. All fees are non-refundable and are uniform for franchises currently being offered in this state except as described in the table, however, we reserve the right to reduce or waive the fees for certain Stores.

(2) Interest begins from the date of the underpayment.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

(1) Type of Expenditure	(2) Amount		(3) Method of Payment	(4) When Due	(5) To Whom Paid
	Low	High			
Initial Franchise Fee	$0**	$30,000	Lump Sum	Upon Signing Franchise Agreement	Us
Initial Training Fee	$0**	$10,000	Lump Sum	Upon Signing first Franchise Agreement	Us
Initial Kitchen Equipment	$150,000	$200,000	Lump Sum	Prior to Opening	Our Affiliates or Approved Suppliers
Initial Supplies & POS / Information	$10,000	$20,000	Lump Sum	Prior to Opening	Our Affiliates or Approved Suppliers

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(1) Type of Expenditure	(2) Amount		(3) Method of Payment	(4) When Due	(5) To Whom Paid
	Low	High			
Systems Hardware					
Security & Internet Hardware/Fees	$1,000	$5,000	Lump Sum	Prior to Opening	Our Affiliates or Approved Suppliers
Uniforms & Initial Food Order / Inventory	$10,000	$13,000	Lump Sum	Prior to Opening	Our Affiliates or Approved Suppliers
Furniture and Fixtures	$1,500	$5,000	Lump Sum	Prior to Opening	Our Affiliates or Approved Suppliers
Interior Signage	$2,500	$4,000	Lump Sum	As Arranged	Our Affiliates or Approved Suppliers
External Signage	$7,000	$24,000	As Arranged	As Arranged	Vendors
Wages, Travel and Living Expenses During Site Review	$0	$1,000	As Arranged	As Arranged	Us
Legal and Accounting	$1,500	$10,000	As Arranged	As Arranged	Vendors
Business Licenses and Permits	$2,500	$7,500	As Arranged	As Arranged	Government
First 3 Months Marketing	$0	$6,000	Monthly	As Arranged	Vendors
Insurance	$4,000	$7,000	As Incurred	As Arranged	Vendors
Security Deposits	$0	$10,000	As Arranged	As Arranged	Landlord

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