



FRANCHISE DISCLOSURE DOCUMENT

TASTY BAKING COMPANY

A Pennsylvania Corporation

4300 South 26th Street

Philadelphia, Pennsylvania 19112

Tasty Baking Company (“Tasty”) manufactures and/or distributes various bakery products, most of which are then distributed to retail stores and other customers (including military and institutional accounts) through a network of independent distributor franchisees. The total investment necessary to begin operation of a Tasty distributorship ranges from \$57,940 to \$219,100. If you purchase a distributorship from Tasty, this includes \$50,000 to \$150,000 that must be paid to Tasty.

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

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

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

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

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STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in **Exhibit A** for information about the franchisor or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT (WHICH WE ALSO REFER TO IN THIS DISCLOSURE DOCUMENT AS THE “DISTRIBUTOR AGREEMENT”) REQUIRES THAT PENNSYLVANIA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
2. SHOULD YOU ELECT OPTIONAL FINANCING FOR THE TERRITORY FEE AVAILABLE FROM TBC FINANCIAL SERVICES, INC., YOU WILL BE REQUIRED TO SIGN A PROMISSORY NOTE (“NOTE”). THE NOTE STATES THAT PENNSYLVANIA LAW GOVERNS THE NOTE, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS THE LAWS OF THE STATE OF YOUR RESIDENCE IF YOU ARE NOT A RESIDENT OF THE STATE OF PENNSYLVANIA. YOU MAY WANT TO COMPARE THE LAW OF YOUR STATE OF RESIDENCE WITH THE LAW OF PENNSYLVANIA.
3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Maryland Effective Date: _____

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Exhibits

Exhibit A – State Regulators; Agents for Service

Exhibit B – Affiliated Companies

Exhibit C – Distributor Agreement. The Distributor Agreement contains six (6) Exhibits:

- (i) Territory
- (ii) Products
- (iii) Authorized Products
- (iv) Bill of Sale
- (v) Owner
- (vi) Personal Guarantee

Additionally, two other documents are signed concurrently with the Distributor Agreement:

- (vii) Addendum
- (viii) Maryland Addendum (if applicable)

Exhibit D – Financing Documents

- (i) Promissory Note
- (ii) Collateral Security Agreement
- (iii) Guarantee/Surety Agreement
- (iv) UCC-1

Exhibit E – Form of Purchase Agreement and General Release

Exhibit F – Form of Company Approval of Assignment and General Release

Exhibit G – Form of Assignment/Assumption Agreement and Bill of Sale

Exhibit H – Current Independent Distributors

Exhibit I – Independent Distributor Terminations

Exhibit J – Previous Owner Information

Exhibit K – Financial Statements

Exhibit L – Guarantee

Exhibit M – Receipts

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