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PLEASE VERIFY BEFORE SENDING

Unverified AI draft. Every fact must be checked against the records before use. It is not legal advice. Fill in every [ADD: …] placeholder, set the demand amount, confirm anything marked [VERIFY], and delete this box before sending.

- The demand amount and the response deadline are placeholders. Section 15.2 says the cure date is the one stated in the notice, so the same date is used as the cure date. Only a one-page excerpt of the agreement was provided, so confirm the full agreement sets no minimum cure period.
- Confirm the Indiana items marked [VERIFY]: franchise relationship law on notice, cure and termination, the late-fee and interest terms, guarantor liability, and attorney fees.
- The firm notes say not to terminate yet. The letter states that it is not a termination notice, but it mentions the Section 15.2 termination right in general terms. Confirm the client is comfortable with that sentence.
- Check the ledger total ($30,091.19, as read) and the interest figure ($612.34 billed through January 31, 2026). The January 2026 fees were not due until February 10, 2026, so confirm how interest was computed. An updated interest figure is needed for the demand.
- Section 18.1 gives the Franchisee's notice address (attention Mr. Ostrander) and permits courier or certified mail. The guarantor's address is taken from the Personal Guaranty, and the excerpt has no guarantor notice clause. ZIP codes are missing. Confirm the delivery method.
- The Operations Manual was not provided. Add the manual sections for cooler temperature and log, approved menu, booth condition and uniforms. Confirm the approved menu does not include "Loaded Breakfast Nachos."
- The latest inspection in the file is January 22, 2026. Confirm the current status of the uncorrected items (nachos, booth seats, uniforms) and whether items 1 and 3 remain corrected.
- The excerpt has no territory or dispute-resolution clause, so the letter does not cite either. The ledger does not give the date the September 2025 payment was made.

Kessler Vaughn LLP
[ADD: firm street address]
[ADD: city, state ZIP]
[ADD: phone] · [ADD: email]

[ADD: date]

VIA [ADD: courier or certified mail; Section 18.1 permits either]
[franchise_agreement_excerpt.pdf p.1]

Wabash Griddle Group LLC
Attention: Derek Ostrander
3305 Riverbluff Road
Lanham Crossing, Indiana [ADD: ZIP]

Derek Ostrander, individually and as Guarantor
77 Sycamore Ridge Court
Lanham Crossing, Indiana [ADD: ZIP]

Re: Notice of Default and Demand for Cure, Franchise Agreement dated March 10, 2023, Sunny Stack Pancake House No. 214, 3305 Riverbluff Road, Lanham Crossing, Indiana

Dear Mr. Ostrander:

Introduction

We represent Sunny Stack Franchising LLC ("Sunny Stack") [firm notes]. Sunny Stack and Wabash Griddle Group LLC ("Franchisee") are parties to a Franchise Agreement dated March 10, 2023 for Sunny Stack Pancake House No. 214 at 3305 Riverbluff Road, Lanham Crossing, Indiana (the "Agreement") [franchise_agreement_excerpt.pdf p.1]. You also signed a Personal Guaranty of Franchisee's obligations on March 10, 2023 [franchise_agreement_excerpt.pdf p.1].

This letter is a written notice of default under Section 15.2 of the Agreement. It is sent to Franchisee and to you as guarantor.

The agreement

The Agreement provides, in relevant part:

- **Royalty (Section 4.1):** Franchisee pays a royalty of 5% of Gross Sales for each calendar month, due on the 10th of the following month [franchise_agreement_excerpt.pdf p.1].
- **Brand Fund (Section 4.2):** Franchisee pays a Brand Fund contribution of 2% of Gross Sales, due with the royalty [franchise_agreement_excerpt.pdf p.1].
- **Late fee (Section 4.4):** Any late payment bears a late fee of $100 plus interest at 1.5% per month [franchise_agreement_excerpt.pdf p.1].
- **Brand standards (Section 7.1):** Franchisee must operate the Restaurant in full compliance with the Operations Manual, including food safety, cleanliness and approved menu items [franchise_agreement_excerpt.pdf p.1].
- **Default and cure (Section 15.2):** Sunny Stack may give written notice of default, and Franchisee must cure each default by the cure date stated in the notice. If Franchisee fails to cure, Sunny Stack may terminate the Agreement by further written notice [franchise_agreement_excerpt.pdf p.1].

- **Notices (Section 18.1):** Notices to Franchisee go to 3305 Riverbluff Road, Lanham Crossing, Indiana, attention Derek Ostrander, by courier or certified mail [franchise_agreement_excerpt.pdf p.1].
- **Attorney fees (Section 21.3):** The prevailing party in any action to enforce the Agreement may recover reasonable attorney fees [franchise_agreement_excerpt.pdf p.1].
- **Governing law (Section 22.1):** The Agreement is governed by the law of the state where the Restaurant is located, here Indiana [franchise_agreement_excerpt.pdf p.1].
- **Guaranty:** You personally guaranteed "the full and timely payment and performance of every obligation of Franchisee under the Franchise Agreement" [franchise_agreement_excerpt.pdf p.1].
- **Dispute resolution:** [ADD: dispute-resolution clause and section, if any].

The default

1. Unpaid royalties and Brand Fund contributions. Sunny Stack's ledger shows the following unpaid amounts, based on Gross Sales reported by Franchisee through its point-of-sale system [royalty_ledger.pdf p.1]:

Period	Charge	Amount	Paid	Balance	Source
Oct 2025 (due Nov 10, 2025)	Royalty / Brand Fund	$6,082.50 / $2,433.00	$4,000.00	$4,515.50	[royalty_ledger.pdf p.1]
Nov 2025 (due Dec 10, 2025)	Royalty / Brand Fund	$5,711.50 / $2,284.60	$0.00	$7,996.10	[royalty_ledger.pdf p.1]
Dec 2025 (due Jan 10, 2026)	Royalty / Brand Fund	$6,345.00 / $2,538.00	$0.00	$8,883.00	[royalty_ledger.pdf p.1]
Jan 2026 (due Feb 10, 2026)	Royalty / Brand Fund	$5,488.75 / $2,195.50	$0.00	$7,684.25	[royalty_ledger.pdf p.1]
	Unpaid royalties and Brand Fund (as read)			$29,078.85	[royalty_ledger.pdf p.1]
Four late months	Late fees at $100 (Section 4.4)	$400.00		$400.00	[royalty_ledger.pdf p.1]
Through Jan 31, 2026	Interest at 1.5% per month, billed	$612.34		$612.34	[royalty_ledger.pdf p.1]
	Total (as read from the ledger)			**$30,091.19**	[royalty_ledger.pdf p.1]

The only payment received toward October 2025 was $4,000.00, paid by ACH on November 24, 2025. No payment has been received for November 2025, December 2025 or January 2026 [royalty_ledger.pdf p.1]. Statements showing each balance were emailed to you on December 15, 2025, January 15, 2026 and February 16, 2026 [royalty_ledger.pdf p.1]. Interest continues to accrue at 1.5% per month on the unpaid royalty and Brand Fund balance [royalty_ledger.pdf p.1]. Interest accrued after January 31, 2026 is [ADD: updated interest amount].

On January 30, 2026 you wrote to Sunny Stack's field consultant that "winter has been slow" and that you "will catch up on fees when sales pick up in spring" [inspection_reports.pdf p.1]. Section 4.1 makes no exception for seasonal sales.

2. Brand standards violations. Sunny Stack's field consultant, Andrea Lockhart, inspected the Restaurant on December 4, 2025. The Restaurant scored 68 of 100, against a passing score of 85. The report identified these critical items [inspection_reports.pdf p.1]:

- The walk-in cooler was holding at 46 degrees F, and no cooler log had been kept since November 20.
- An unapproved menu item, "Loaded Breakfast Nachos," was being sold.
- Grease had built up on the hood filters, and the last hood cleaning invoice was dated May 2025.
- Two booth seats were torn and taped.

A copy of the report was left with general manager Kyle Benton [inspection_reports.pdf p.1].

At the follow-up visit on January 22, 2026, the Restaurant scored 71 of 100. The cooler and hood items were corrected. The unapproved menu item and the torn booth seats were not corrected. A new item was also noted: staff were not wearing approved uniforms [inspection_reports.pdf p.1]. On January 26, 2026, Ms. Lockhart emailed you the January 22 report and noted that the nachos remained on the menu board and the booths were not repaired [inspection_reports.pdf p.1]. On January 30, 2026 you replied that "the nachos sell well and customers ask for them" [inspection_reports.pdf p.1].

These conditions are failures to operate in full compliance with the Operations Manual as Section 7.1 requires. Operations Manual provisions: [ADD: Operations Manual sections on cooler temperature and logs, approved menu, facility condition and uniforms].

Cure

Section 15.2 requires Franchisee to cure each default by the cure date stated in this notice. The cure date for each default below is [ADD: response deadline].

- **Payment default:** pay all past-due royalties and Brand Fund contributions, the late fees, and the accrued interest described above.
- **Unapproved menu item:** stop selling "Loaded Breakfast Nachos" and remove it from the menu board and all menus.
- **Booth seats:** correct the two torn and taped booth seats.
- **Uniforms:** ensure staff wear approved uniforms.
- **Items already corrected:** maintain the cooler log and proper cooler temperature, and keep the hood filters clean, as the Operations Manual requires.

Confirmation or re-inspection procedure: [ADD: how Franchisee should confirm cure, or re-inspection arrangements, if the client wants one].

Demand

On behalf of Sunny Stack, we demand that Franchisee and you, as guarantor, cure each default described above and pay [ADD: demand amount] by [ADD: response deadline].

Under the Personal Guaranty, you are personally responsible for Franchisee's payment and performance obligations [franchise_agreement_excerpt.pdf p.1]. Section 15.2 provides that if Franchisee fails to cure, Sunny Stack may terminate the Agreement by further written notice [franchise_agreement_excerpt.pdf p.1]. This letter is not a notice of termination. Sunny Stack reserves all of its rights and remedies under the Agreement, the Guaranty and applicable law, including interest and late fees that continue to accrue and its right to recover reasonable attorney fees under Section 21.3 [franchise_agreement_excerpt.pdf p.1]. Nothing in this letter waives any default or right, whether or not it is described here. Sunny Stack's forbearance to date is not a waiver.

[VERIFY: Indiana franchise relationship law on notice, cure and termination]

[VERIFY: Indiana rule on enforceability of the Section 4.4 late fee and interest rate]

[VERIFY: Indiana rule on guarantor liability and recovery of attorney fees]

Please direct all communications about this notice to me at [ADD: phone] or [ADD: email].

Sincerely,

Miriam A. Kessler
Kessler Vaughn LLP