

FRANCHISE DISCLOSURE DOCUMENT



THE COOKIE PLUG GROUP, LLC

A California Limited Liability Company

16842 Von Karman Avenue Suite 325

Irvine, CA 92606

1-949-630-8597

URL: www.thecookieplug.com/franchising

E-mail: chris@bombafbrands.com

The franchise offered is for the establishment and operation of one or more fast casual The Cookie Plug ® restaurant(s) preparing and selling specialty and proprietary cookies, ice cream sandwiches, drinks, cookie cakes and other items ~~cookie-baking and delivering business at one or more The Cookie Plug locations. Operation to include techniques and other authorized goods and services, at or delivered from the restaurant.~~

The total investment necessary to begin operation of a The Cookie Plug restaurant ranges from \$94,450 to \$158,300. This includes \$25,000 that is paid to the franchisor and its affiliates based upon a single The Cookie Plug restaurant. If you sign an Area Development Agreement granting you the right to open additional The Cookie Plug restaurants, you must also pay the franchisor a \$5,000 development fee plus a discounted initial franchise fee of \$20,000 for each additional restaurant to be developed.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government 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 Chris Wyland at 16842 Von Karman Avenue Suite 325 Irvine, CA 92606 at chris@bombafbrands.com or 949-630-8597.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read your entire contract carefully. Show your contract and this disclosure document to an advisor, such as 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 homepage 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 1, 2022**

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 Exhibit C.
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?	Exhibit B 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 Cookie Plug 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 Cookie Plug franchisee?	Exhibits C and D 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 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 F.

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 be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration or litigation only in California. 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 California than in your own state.

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

3. Personal Guarantee. Franchisees must sign a personal guarantee, making you and your spouse individually liable for your financial obligations under the franchise agreement if you are married. The guarantee will play your and your spouse's marital and personal assets at risk, perhaps including your house, if your franchise fails.

4. Right to Terminate. If franchisee does not begin operating the franchise business within 180 days after the franchisor consents to the outlet site, or within 360 days after franchisee signs the franchise agreement, this may result in the loss of franchisee's Initial Franchise Fee and Development Fee, if any, under the Area Development Agreement.

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.

COOKIE PLUG
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Exhibits

“A-1”	Franchise Agreement
“A-2”	Area Development Agreement
“B”	Financial Statements
“C”	List of Franchise Outlets
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ITEM 1: THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language, this disclosure document uses “we” or “us” to mean The Cookie Plug Group, LLC. “You” or “your” means the individual or entity buying The Cookie Plug franchise. If you are an entity rather than individual, all persons who own 20% or more of your entity are “Principal Equity Owners”, and these Principal Equity Owners must personally guarantee, and be personally bound by, some of or all your obligations as a franchisee.

The Franchisor, Parents and Affiliates

We are the franchisor of the System (defined below). Our principal business address is 16842 Von Karman Avenue Suite 325 Irvine, CA 92606.

We have no parent entity.

Our affiliated entity is ELC Developments, LLC, a California limited liability company whose principal business address is 1660 Chicago Avenue N1 Riverside, CA 92507 (“ELC”). ELC was organized on February 15th, 2019~~22~~. ELC has operated a cookie baking and delivery business similar to the one you will be operating. Our other affiliate entity is Bomb AF Brands, LLC, a California limited liability company whose principal business address is 16842 Von Karman Ave. Suite 325 Irvine, CA 92606. Bomb AF Brands, LLC is a global franchise development group formed on February 18th, 2022.

Predecessors

We have no predecessors.

Name Used by the Franchisor

We conduct business under the names “The Cookie Plug” and “The Cookie Plug Group” (the “Brand”). We do not conduct business under any other names.

Agent for Service of Process

Our agents for service of process are Chris Wyland, 16842 Von Karman Avenue Suite 325 Irvine, CA 92606 and (if you are in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington or Wisconsin) the state office or official listed in Exhibit F of this disclosure document.

Business Organization Used by the Franchisor

We are a limited liability company (originally organized as a corporation in California on February 18th, 2022).

The Franchisor’s Business

We act solely as a franchisor of The Cookie Plug franchises. We began franchising in June 2022. We do not operate businesses of the type being franchised and we do not engage in other business activities. We do not offer any franchises other than The Cookie Plug franchise.

The Business You Will Conduct

Our franchise is a license to independently own and operate a single fast casual The Cookie Plug ® restaurant (each, an “Outlet” and the Outlet you will operate, sometimes, “your Outlet” or “the Outlet”) at a specified location which must be pre-approved by us (the “Location”), preparing and selling specialty and proprietary cookies, ice cream sandwiches, drinks, cookie cakes and other items (collectively, “The Cookie Plug Products”), using designated and proprietary concepts, designs, recipes, equipment, products, techniques, trademarks, trade dress, formulas and methods (collectively, the “System”). Outlets may also sell other authorized beverages, food and related merchandise. The Cookie Plug Products and other products and services may, from time to time, only be obtained from suppliers we designate. We may receive commissions from designated suppliers on components of The Cookie Plug Products sold to you.

To become a franchisee, you must execute a franchise agreement (“Franchise Agreement”) which will give you the right to open and operate a single Outlet (i.e., a The Cookie Plug restaurant) at a specific, approved location, or within an approved designated area within a specific time. The Franchise Agreement grants an initial term of 10 years, with the right to renew for additional 5-year terms. The form of Franchise Agreement is attached as Exhibit A-1 of this disclosure document.

Outlets typically occupy between 600 and 1,000 square feet of retail space either in a shopping mall or strip mall or a freestanding location. Outlets use the Brand and other marks, commercial symbols, logos, and trade identifiers we may designate and change from time to time (all of which together we call the “Marks”). All Outlets must display brochures describing the availability of The Cookie Plug franchise opportunity. As a The Cookie Plug franchisee, you will have the opportunity to use the System only within a specific territory and only pursuant to the Franchise Agreement and the Manual.

If we authorize you to develop and operate only one Outlet as a The Cookie Plug franchisee, then at the time you execute the Franchise Agreement for your first Outlet, you will pay us an “Initial Franchise Fee”. We typically do not approve the development of a single Outlet, however. If we do not authorize you to develop and operate a single Outlet, you must also execute an Area Development Agreement (“ADA”), under which you will pay us a “Development Fee” of \$5,000 plus a discounted Initial Franchise Fee of \$20,000 for each Outlet you will be required to open. The minimum commitment pursuant to the ADA is 3 total Outlets. If you want to and you are financially and operationally qualified in our judgment to do so, we may grant you the opportunity to develop a specified number of additional Outlets beyond the minimum 3 we require. Outlets will be developed pursuant to a timetable specified in a “Development Schedule” attached to the ADA and within a negotiated “Development Area”.

You will be required to purchase specific supplies and products, materials, equipment and strictly follow our standards, policies, and procedures in the operations of your Outlet(s).

If the required Outlets have not been opened on a timely basis pursuant to the Development Schedule in the ADA, you will be in breach of the ADA and we may terminate your right to further develop pursuant to the ADA (if we do so, you or your affiliated entity would no longer have any exclusive rights to open Outlets in the Development Area, but you or an affiliated entity may continue to operate Outlets under existing Franchise Agreements for those Outlets). You or your affiliated entity must sign our current form of Franchise Agreement for each additional Outlet to be opened under the ADA. The current form of Franchise Agreement for Outlets opened under the ADA may differ materially from the form of Franchise Agreement included in this disclosure document. The current form of ADA is attached as Exhibit A-2 of this disclosure document.

General Market for Franchised Products, Services and Competition

The general market you will operate your Outlet in involves bakeries and other retail locations offering and delivering the same general type of cookie and other products. You will be required to compete with other

established companies within a similar business structure. The market for The Cookie Plug Products consists of all individuals within a reasonable proximity to the Outlet. This type of business and industry is fully developed, does not involve sales primarily to a certain group and is not seasonal. You may also face competition from other The Cookie Plug locations owned by our affiliated entities and other franchisees located near, but not in your Territory.

Industry Specific Laws or Regulations

You will need a business license and reseller's permit and you must comply with federal, state and local laws applicable to the operation and licensing of our type of business, including obtaining all applicable health permits and inspections and approvals by municipal, county or state health departments that regulate food handling and food service operations. Your Outlet must also meet applicable municipal, county, state and federal building codes and handicap access codes and you will have to comply with the many federal, state, county, and municipal laws and regulations affecting retail food businesses and applying to employers. Although you are not engaged to act as or sales agent to recruit third-party franchisees, before you ever do so, you may need to be registered as a sales agent under state franchise laws.

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

The Federal Clean Air Act and various state laws require certain state and local areas to meet national air quality standards limiting emissions of ozone, carbon monoxide and particles, including caps on emissions from commercial food preparation. Some state and local governments also regulate indoor air quality, including limiting the use of tobacco products in public places, such as restaurants.

Some localities require that at least one certified food handler be present during all operating hours. You must investigate, learn about, and comply with all laws applicable to the franchised business and obtain and maintain all permits and licenses required by governmental entities or agencies in your specific area. You should become thoroughly familiar with the legal requirements of the food services industry in your area, consulting with your own attorney, before you sign any contract or make any investment with us.

Prior Experience of Franchisor, Predecessors and Affiliates

We do not and have not offered franchises in other lines of business (although we may do so in the future), nor do we presently engage in any other businesses. We are not controlled by, controlling, or under common control with any other entity that provides goods or services to our franchisees or that offers franchises in any line of business.

ITEM 2: BUSINESS EXPERIENCE

Ryan Usrey, Founder, Chief Executive Officer and Manager

Ryan was named our Chief Executive Officer and Manager at our inception in February 2022. He also founded and serves as Chief Executive Officer of Roll Em Up Franchise Group LLC (since October 2019). From October 2015 to June 2019, Ryan served as Manager and Member of Roll Em Up Restaurants KSU, LLC, Chino Hills, California. Ryan also serves as Chief Executive Officer of Bomb AF Brands, LLC.

Chris Wyland, Chief Development Officer

Chris was named our Chief Development Officer in February 2022. Chris also serves as Chief Development

Officer of Roll Em Up Franchise Group LLC. Chris has also served as President and Chief Executive Officer of King Consulting Group, LLC in Las Vegas, Nevada since May 2018. From February 2011 to May 2018, Chris served as President and Chief Executive Officer at Nosh Franchise Group in Las Vegas, Nevada. Chris also serves as Chief Development Officer for BombAF Brands, LLC.

Erik Martinez, Chief Operating Officer

Erik was named our Chief Operations Officer in February 2022. Erik also serves as President and CEO of ELC Developments, LLC and has done so since its formation. Eric is also the President of Cakewalk Cake and Candy Supplies and has held that position since April 2013.

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

The “Initial Franchise Fee” for your first Outlet is \$25,000. The Initial Franchise Fee is due and payable in full tous when you sign the Franchise Agreement.

Unless we authorize you to develop only a single Outlet, we will require you (when you sign the initial Franchise Agreement) to also sign an Area Development Agreement and pay us at that time, a non-refundable one time “Development Fee” of \$5,000, plus a discounted Franchise Fee of \$20,000 for each Outlet to be developed pursuant to the ADA. You must sign a then current and separate Franchise Agreement for each additional Outlet opened under the ADA. You will sign the Franchise Agreements for each additional Outlet being developed under the Development Schedule as each location lease is fully executed.

If you wish to open additional Outlets beyond the first one and we agree you are financially capable of so and you sign an ADA along with the Franchise Agreement for your first Outlet, the Initial Franchise Fee will be discounted to \$20,000 per Outlet.

The Initial Franchise Fee’s and Development Fee are fully earned by us when paid, uniformly imposed and not refundable.

There are no other initial fees or payments for services or goods received from us or our affiliates before your Outlet opens.

ITEM 6: OTHER FEES

Type of Fee	Amount (Note 1)	Date Due	Remarks
Royalty	7% of weekly Gross Revenues	Paid each Wednesday following the week in which the Gross Revenues were received.	“Gross Revenues” include all revenue from the sale of all products and services and all other income of every kind and nature related to your franchise operation, whether for cash, by redemption of gift certificates or for credit, regardless of collection. Gross Revenues do not include sales tax or any other taxes you collect from customers for payment to an appropriate tax authority.
Marketing and Promotion Fee	2% of weekly Gross Revenues (Note 2)	Paid each Wednesday following the week in which the Gross Revenues were received.	Marketing and Promotion Fees are due and payable beginning the first full week after the Opening Date of your Outlet.
Technology Fee	\$350 (Note 3)	Fifth business day of each month.	Technology Fees are paid monthly.
Additional Advertising and Promotion Assessment	Amount of assessment (variable)	Immediately upon our demand.	On a regional or system-wide basis, we may impose an additional assessment upon some or all franchisees for one-time advertising or promotional activities if two-thirds of all affected The Cookie Plug franchisees agree to such additional assessment by affirmative vote.
Initial Training Fee for Additional Attendees	\$1,500	At the beginning of initial training.	Initial Training is provided to your Restaurant Manager and Principal Equity Owners at no additional charge. You may be required to pay us this fee if you have a Restaurant Manager who is retaking Initial Training or if you are replacing a trained Restaurant Manager. You must pay the costs of travel, lodging and meals for all your attendees regardless.
Additional Training Fee	Up to \$750 per day (for each attendee)	At the beginning of additional training.	After the Outlet opens, and upon reasonable notice, we may require your Restaurant Manager,

			Principal Equity Owners and other designated personnel to attend staff training courses, seminars, conferences or other programs at locations we select, and we may charge you a separate fee of \$750 per day for each of your attendees at required training. We may also provide optional training or programs, and we may charge you a separate fee of \$750 per day for each of your attendees at optional training. And you will be responsible for the travel, lodging and meal expenses of your attendees or our trainers at these programs.
Fee to Renew Franchise Rights	25% of the then current Initial Fee (Note 4)	When you sign your renewal Franchise Agreement.	Payable only if you exercise your renewal option. You are qualified for renewal if you are in full compliance with your operating requirements, all fees due us have been paid, you are not in breach of any term of your Franchise Agreement, and you sign our then-current form of Franchise Agreement which will replace your expiring Franchise Agreement.
Fee to Transfer Franchise Agreement	\$10,000	Not later than 10 days before the consummation of the transfer.	This fee is payable by you or your assignee when you transfer your Franchise Agreement. However, there is no transfer fee if franchise is transferred to an entity owned solely by you, but you would need to reimburse us for our costs and documenting the transfer.
Fee to Transfer ADA	\$10,000	Not later than 10 days before the consummation of the transfer.	This fee is payable by you or your assignee when you transfer your ADA. However, there is no transfer fee if franchise is transferred to an entity owned solely by you, but you would need to reimburse us for our costs and documenting the transfer.
Late Charge	5% of the amount past due	With late payment	Payable only if you do not pay when due.
Interest	Annual Percentage Rate ("APR") of 18% on the amount past due. (Note 5)	Immediately upon our demand	Interest begins from the date payment was originally due.
Costs of Collection	Cost of collection of delinquent amounts (variable)	Immediately upon our demand	In addition to the late payment penalty and interest on the unpaid amount, you must reimburse us for

			our costs of collection of delinquent amounts.
Gift Cards	Variable based on purchases.	When ordered.	We do not currently use gift cards, but we have the right to begin using them at any time. If we do, you will have to purchase from a designated vendor, who may be us or our affiliate, as you need them the gift cards you are required to sell at your Outlet.
Penalty for Delivering Outside the Authorized Delivery Area	\$500	On demand.	If you make an unauthorized delivery outside your specified Delivery Area a third time (and each additional time after that), you may be required to pay us a \$500 fine for the unauthorized delivery and we may reduce your Delivery Area one time by as much as 75%.
Records and Rights of Inspection (Audit)	Cost of audit plus interest on underpayment.	Immediately upon demand for payment	This payment is due if (i) the audit discloses an understatement of 5% or more in amounts payable to us, (ii) you fail to furnish required information or documents to us in a timely manner, or (iii) will it takes our auditors an unreasonable amount of time (more than eight hours) to assemble your records for audit.
Indemnification of Franchisor against Losses	All losses, claims, expenses and damages we incur, as	Immediately upon our demand	The Franchise Agreement requires you to indemnify us against losses, etc. we may incur as a result of (i) your deviation from our approved menu, (ii) unauthorized use of our proprietary information or trademarks, (iii) the breach by you, any Principal Equity Owner or your Manager of non-compete covenants, or (iv) your intentional tort or negligence relating to operation of the Outlet.
Interim Manager Payments	Reasonable daily (per diem) charge which is currently \$750 per day.	Weekly, on demand.	If there is a death or incapacity of an individual franchisee or a majority equity owner, and there is no successor capable of operating the Outlet, we may appoint an interim manager to operate the Outlet on your behalf for a period of 90 days, renewable as necessary for up to an additional 270 days. For this assistance, you must pay us a reasonable daily management fee for our assistance provided by our interim manager.

Reimbursement for Curing Franchisee Defaults	Cost incurred to cure your defaults (variable)	Immediately upon our demand	If you default in the performance of any obligation under the Franchise Agreement, or related agreement involving third parties, we may cure the default for your account and on your behalf and you would then be obligated to reimburse us for all costs and expenses we incur to do so.
Attorney's Fees	Reasonable legal fees and other expenses and costs	Immediately upon determination of the prevailing party by the arbitrator or court	If we are the prevailing party in any arbitration or litigation to resolve a dispute between us, we are entitled to recover our reasonable attorneys' fees and other Expenses (including arbitration or court filing fees, expert and other witness fees, discovery expenses and compensation payable to the arbitrator).
De-identification Enforcement Expense	Variable costs and expenses relating to de-identification	Immediately upon our demand	If you fail to de-identify your Outlet and your business upon termination or non-renewal of the Franchise Agreement, we have the right 15 days after written notice to enter the Outlet and complete de-identification changes at your expense.

1. All fees are imposed and collected by and are payable only to us. All fees are non-refundable. All fees are uniformly imposed. Other than as otherwise provided in this disclosure document, you will pay all the fees described in this chart for your initial Outlet and for each additional Outlet required to be opened under the ADA. All fees may be required to be paid via electronic funds transfer. Upon our request, you will do all acts and sign and deliver all documents required of us to institute electronic funds transfer.

2. Within the first 90 days after the Opening Date, in addition to the amount to be spent on local marketing of your Outlet and in addition to the Marketing and Promotion Fee, you must spend in your Territory at least \$5,000 on the grand opening advertising and promotion of your Outlet, using the grand opening promotional program that we approve. After the Opening Date, you should spend at least 1.5% of your weekly Gross Revenues on the local marketing, advertising and promotion of your Outlet. This amount is not paid to us but to vendors for local advertising.

3. This fee is subject to adjustment upon written notice to you.

4. We will not accept the renewal fee until all other conditions for renewal have been met.

5. If any payment is not paid when due, you must pay interest on the unpaid amount at an APR of 18%, unless interest rates on delinquent payments in the state in which your Outlet is located are limited by law to a lower APR, in which case that lower APR will apply (e.g., in California the highest APR allowed by law is 10%). And you

must reimburse us immediately upon demand for all reasonable costs of collection relating to delinquent amounts, including court costs, investigator fees, expert witness fees and attorneys' fees. Interest begins to accrue from the date payment was due.

ITEM 7: ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Initial Franchise Fee (Note 1)	\$25,000	Lump sum; non-refundable	When you sign the Franchise Agreement.	Us
Travel and living expenses while attending Initial Training (Note 2)	\$1,500 to \$3,000	As incurred	During training	Airlines, hotels and restaurants
Grand opening advertising and promotion (Note 3)	\$5,000	As incurred	During the first 60 days after opening	Advertisers and other suppliers
Real property lease (including the security deposit) (Note 4)	\$5,000 to \$10,000	As incurred	Before opening	Contractors, landlord and other suppliers
Equipment, fixtures, other fixed assets, construction, remodeling, leasehold improvements, and decorating costs (Note 5)	\$30,000 to \$60,000	As arranged	Before opening	Designated vendor (for the point of sale "POS" system), approved suppliers and other suppliers
Architect/Engineer	\$1,500 to \$8,000	As incurred	As invoiced	Approved suppliers
Computer equipment and information/POS systems	\$3,000 to \$6,000	As incurred	Before opening	Approved suppliers
Uniforms	\$250 to \$800	As incurred	Before opening	Approved suppliers
Business license and other permits	\$1,500 to \$5,000	As incurred	Before opening	Government agencies
Opening inventory and supplies (Note 6)	\$3,700 to \$7,000	As arranged	Before opening	Designated vendors and approved suppliers
Interior/exterior signs and graphics (Note 7)	\$5,000 to \$8,000	As incurred	As arranged	Designated or approved suppliers
Professional fees - legal and accounting	\$1,000 to	As incurred	Before opening	Attorneys and accountants

(Note 8)	\$2,000			
Business insurance (Note 9)	\$1,000 to \$2,000	As incurred	As arranged	Insurance company
Miscellaneous opening costs (Note 10)	\$1,000 to \$1,500	As incurred	Before and 30 days after opening	Government agencies, utilities and other suppliers
Additional funds – 3 months (Note 11)	\$10,000 to \$15,000	As incurred	After opening	Third-parties
TOTAL (Note 12)	\$94,450 TO \$158,300			

1. All fees must be paid in full at the time indicated. To be eligible to sign the Franchise Agreement, you may be required to provide us with reasonable proof of your financial ability to make the initial investment described above and you must authorize us to conduct a credit check to confirm your financial ability to purchase and develop the Outlet. Under the ADA, you will sign a Franchise Agreement for your first Outlet when you sign your ADA, and then separate Franchise Agreements for each Outlet you open under the ADA. We do not finance any fee or payment. After you complete initial training under your first Franchise Agreement, the Initial Franchise Fee is not refundable.

2. Initial training is provided at our headquarters in Irvine, California and at an Outlet in Southern California and is typically completed in 2 weeks. These expenses represent the travel and living expenses for you and your staff during training.

3. You are required to spend at least \$5,000 on a grand opening promotion to build local customer awareness of your Outlet after you open. We will provide you with recommendations on how to promote the grand opening of your Outlet, including promotional ideas, sample advertising copy and flier design. You must submit your grand opening advertising budget to us for approval before any expenditures. And you must submit proof of the grand opening advertising expenditure upon our request. The only circumstances where you may not be required to conduct a grand opening is if you have multiple existing Outlets near the new Outlet and the marketing efforts at those existing Outlets provide sufficient grand opening marketing and promotion exposure for your new Outlet.

4. You will need to rent a suitable retail site for your Outlet and the rent or lease deposit amount will vary depending on the location. A security deposit and first month's rent are standard requirements to execute a commercial lease. You will need to conduct the necessary build-out of your leased space according to our designs and other requirements. The amounts listed in this type of expenditure are estimates that are based on basic build out of our Outlet design but do not include many variables related to the pre-existing condition of any one location. The size of Outlets generally ranges from 600 square feet to 1,200 square feet of floor space. The cost of your build-out may be reduced by a Tenant Improvement ("TI") allowance or rebate from the landlord, which varies depending on the terms of each lease agreement. However, you will be required in most cases to complete the build-out, satisfy all related invoices to contractors and service providers and obtain a Certificate of Occupancy to qualify for the TI rebate from the landlord. Architectural renderings and building permits will be required for the build-out of your Outlet, the cost for which has been included in these estimates. Real estate and TIs (if any) related to "conversions" of a prior restaurant space would be substantially lower. We strongly encourage you engage a professional commercial real estate broker who is an expert in your local market and an attorney to help you find a location and negotiate a favorable lease including without limitation, a favorable TI allowance.

5. The cost of the fixtures and equipment will vary depending on the size, configuration and location of your Outlet. This amount includes stoves, boilers, fryers, other kitchen equipment, menu boards, merchandise displays, computer system, set-up fee and telephone communication equipment. A detailed list of all required equipment is included in our Manual, a copy of which is provided to you after you sign the Franchise

Agreement. Additional details on the POS operational software are contained in the Manual and it Item 11 of this disclosure document.

6. This refers to the initial inventory of authorized products to be sold at the Outlet and other items of merchandise and supplies you must stock to open for business. The cost of initial inventory will vary depending on your Outlet size. The estimated amount is based on our previous experience with operating similar Outlets.

7. The estimate is based on one or two exterior signs and one internal sign. All signs containing the Marks must be created to our specifications and must be designed and fabricated by vendors we designate or approve. The quantity, size, type and cost of signs will vary substantially per lease space and in accordance with stipulations of each landlord and local governmental regulations. These estimates also include the average filing fees for obtaining the necessary sign permits, as well as the costs to construct and install the signs.

8. This includes professional legal and accounting fees to review the franchise agreement and lease and help in setting up the business entity you use to own and operate the Outlet.

9. As an independently owned and operated franchisee, you are responsible for all costs or liabilities arising from the development and operation of your Outlet, and it is imperative you carry adequate insurance to protect yourself. You must obtain the insurance coverage required by the Franchise Agreement from a carrier with a rating of "A VII" or better by A. M. Best Company. The currently required minimum coverage and limits of insurance are (i) comprehensive general liability insurance with limits of at least \$1,000,000 per occurrence and \$2,000,000 aggregate, (ii) business interruption insurance with coverage limits equal to at least one year of your actual (or projected if you have not been open for one year) gross profits, and (iii) workers' compensation insurance to meet the statutory coverage of the state where your Outlet is located. To the extent permissible under law, these insurance requirements may be satisfied with a combination of primary, umbrella or excess policies. All insurance policies will name you as named insured and (excepting workers' compensation insurance policies) will name us and our subsidiaries and affiliates as additional insureds. The costs of premiums will vary based on location of the Outlet and any history of prior claims. The required coverage and limits are subject to change.

10. This includes utility deposits, miscellaneous business licenses, permits and related prepaid opening expenses. You must obtain a business license from your city or county and you must file a certificate with the appropriate government agency in your county or state indicating you will be doing business under our trademarks. You may also be required to obtain health permits and other state, county and city permits, pay utility deposits and other deposits with vendors, and cover other prepaid expenses before you can begin operating your Outlet. This includes the cost for local business licenses and certificate of occupancy. Other local fees and charges assessed by local government agencies may apply. Some states require a tax deposit, which can be covered by a bond or interest-bearing deposit with the bank or with the state.

11. Although we do not require minimum funds for you to start your business, there are some expenses you will incur when you begin your franchise operations, such as inventory, supplies and employees. It is always a good idea to have some cash reserves available to cover initial operating expenses. This estimates the additional funds you will need for your first three months of operation. These expenses include payroll costs. We relied on the six years of experience of our Chief Executive Officer in determining these figures.

12. The payments listed in the table above are nonrefundable. You should review these figures carefully with a business advisor before making any decision to purchase the franchise. The actual costs of developing each Outlet will vary based upon many factors including without limitation, local market factors, labor cost, construction cost, size of the Outlet, the ability to negotiate a lease and the management of the construction of the Outlet.

AREA DEVELOPMENT AGREEMENT

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Development Fee and Franchise Fee	\$25,000 to \$65,000 ²	Lump sum	When you sign the ADA.	Us
TOTAL	\$25,000 to \$65,000			

11 All fees must be paid in full at the time indicated. Under the ADA, you will separately sign a Franchise Agreement when you execute the ADA, and then separate Franchise Agreements for each Outlet you open under the ADA. We do not finance any fee or payment.

12 If you sign the ADA, in addition to the \$25,000 initial franchise fee for your first Outlet pursuant to the Franchise Agreement, you must pay us a Development Fee of \$5,000 plus a discounted Initial Franchise Fee of \$20,000 for each additional Outlet to be developed under the Area Development Agreement. The estimated low column of the chart shows the Initial Franchise Fee for a single Outlet and the high amount shows Initial Franchise Fees and Development Fees to open 3 total Outlets (\$25,000 for the first + \$5,000 Development Fee + \$20,000 Initial Franchise Fee for 2 additional Outlets).

If you fail to meet the Development Schedule, your right to further develop pursuant to the ADA may be terminated but you would still be able to operate your existing Outlets under their individual Franchise Agreements.

ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases of Goods or Services, including Computer and Point of Sale System

You must purchase or lease from our designated supplier the point-of-sale system and imbedded software we then require ("POS System") that meets our specifications for each Outlet you own and operate. We currently designate the TOAST POS system, but we may change the designated POS System at any time, so you may be required to purchase a different POS System for all Outlets you operate and this will cost you additional investment. The POS System includes a cash drawer, credit card reader and printer. You are responsible to pay for any licensing to you of the software necessary to operate the POS System and for all ongoing maintenance and repairs and upgrades to the POS System. You will need to maintain an e-mail account and provide us with reports by email in the manner required in the Manual.

You must purchase items bearing any of the Marks only from designated vendors or approved suppliers. We or any of our affiliates may be approved suppliers. You must also use in the development and operation of your Outlet, those fixtures, items of equipment, including food preparation and storage equipment, display cases, cash registers and computer systems, storefront, supplies and signs we have approved as meeting our specifications and standards for appearance, function, design, quality and performance. You must place or display at the premises of your Outlet (interior and exterior) only such signs, emblems, lettering, logos, and display materials we approve in writing. All equipment and other leases will be between you and the respective lessors. Under no circumstances can you sign any lease as if you were us, or on our behalf. You must purchase your equipment and fixtures from our designated vendors; use our designated accounting partner or another approved by us; use our designated architectural firm or another approved by us; use our designated equipment procurement partner or another approved by us.

Franchisor or its Affiliates Acting as Approved Suppliers

There are no suppliers in which any of our officers owns an interest. Our officers, may, in the future, own suppliers and we and our affiliates may, in the future, be suppliers.

Approved Suppliers and Approval of Alternative Suppliers

To maintain consistency in quality and for other considerations, you must purchase The Cookie Plug Products and other specified food and beverage items only from manufacturers or producers we designate or approve in writing. We will provide a written list of these proprietary or selected items and approved manufacturers or producers. We will also notify you of any additions to or deletions from this list.

We only designate or approve suppliers who demonstrate to our satisfaction the ability to meet our standards and specifications, who possess adequate quality control and capacity to supply your needs promptly and reliably, and who have been approved by us in the Manual or otherwise in writing. Designation of a supplier may be conditioned on meeting criteria we determine, including performance relating to frequency of delivery, standards of service, and payment or other consideration to us or parties designated by us. We may designate single or multiple suppliers for any given item or service and may concentrate purchases with one or more suppliers. We may change suppliers from time to time and you will be required to discontinue use of suppliers we no longer approve and use new suppliers we approve. We may change our requirements for equipment, signage, furniture

The current list of approved products and suppliers is found in the Manual. We may make changes to these lists or other parts of the Manual, which we will provide to you. If you desire to purchase products other than those provided by approved suppliers, you must submit to us a written request for approval of the proposed supplier together with such evidence of conformity with our specifications and program specifications as we may reasonably require. We will have the right to require our representative be permitted to inspect the supplier's facility and samples from the supplier to be delivered for evaluation and testing, either to us or to an independent testing facility we designate. You may be required to pay a charge not to exceed the reasonable costs of evaluation and testing. Our criteria for supplier approvals are contained in the Manual. Within 30 days after our receipt of the completed request or completion of the evaluation and testing (if required by us), we will notify you in writing of our approval or disapproval of the proposed supplier. Approval will not be unreasonably withheld. You must not sell or offer for sale any products or services from a proposed supplier until you receive our written approval of the proposed supplier.

We may revoke our approval of specific products or suppliers if we determine in our sole discretion the products or suppliers no longer meet our standards. Upon receipt of written notice of such revocation, you must cease purchasing or selling any disapproved product.

We may also consider the impact of an additional supplier (and consequent reductions in supplier volume and increase in distribution expense) on the overall supply chain being utilized by the system.

Issuance of Specifications and Standards

We issue specifications and standards regarding authorized The Cookie Plug Products to our franchisees through the Manual and other communications in writing or by email. We also issue specifications and standards regarding authorized The Cookie Plug Products to designated and approved suppliers in writing or by email. We may modify these specifications and standards at any time but only after delivering written notification of the modifications and providing our franchisees or suppliers a reasonable amount of time to implement the modifications. We may change our specifications and standards at any time in our discretion. We may change the Manual at any time in our discretion. We may add to, modify, delete from or amend any part of the System at any time. You must comply with all changes, additions, modifications, deletions and

amendments at your cost.

Revenue from Franchisee Purchases

In 2021, neither we nor any affiliate derived revenue, rebates or other material consideration based on required purchases or leases by The Cookie Plug franchisees.

Cooperatives

We are not presently involved in any purchasing or distribution cooperatives.

Negotiated Prices

We do not negotiate purchase agreements or price terms with suppliers for the benefit of franchisees, although we may do so in the future.

Material Benefits Based on Franchisee Purchases

We do not provide any material benefits to you based on your purchase of specific products or services or use of specific suppliers.

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 the Franchise Agreement and ADA (References to ADA in italics)	Disclosure Document Item
a Site selection and acquisition/lease	Sections III and IX <i>Sections I and II and Exhibit 1</i>	Items 11 and 12
b Pre-opening purchases/leases	Sections III and IX <i>Section II</i>	Items 7 and 8
c Site development and other pre-opening requirements	Sections III and IX <i>Section II and Exhibit 1</i>	Items 6, 7 and 11
d Initial and ongoing training	Section VIII <i>Not applicable</i>	Item 11
e Opening	Section IX <i>Section II and Exhibit 1</i>	Item 11
f Fees	Sections IV and VI <i>Sections III and IV</i>	Items 5 and 6
g Compliance with standards and policies/Manual	Sections IX and XV <i>Not applicable</i>	Items 8 and 11
h Trademarks and proprietary information	Section X <i>Section VII and IX</i>	Items 13 and 14
i Restrictions on products/services offered	Section IX <i>Not applicable</i>	Items 8 and 16
j Warranty and customer service requirements	Section IX <i>Not applicable</i>	Item 16

Obligation	Section in the Franchise Agreement and ADA (References to ADA in italics)	Disclosure Document Item
k Territorial development and sales quotas	Not Applicable <i>Sections I and II and Exhibit 1</i>	Item 12
l Ongoing product/service purchases	Section XIV <i>Not applicable</i>	Items 8 and 11
m Maintenance, appearance and remodeling requirements	Section IX <i>Not applicable</i>	Items 11 and 17
n Insurance	Section IX <i>Not applicable</i>	Items 7 and 8
o Advertising	Section VII <i>Section V</i>	Items 6 and 11
p Indemnification	Section XVII <i>Not applicable</i>	Item 6
q Owner's participation/management/staffing	Section IX <i>Section IV</i>	Item 15
r Records and reports	Section IX <i>Not applicable</i>	Item 11
s Inspections and audits	Sections VIII and IX <i>Not applicable</i>	Items 6 and 11
t Transfer	Section XVI <i>Section IV</i>	Items 6 and 17
u Renewal	Section V <i>Not applicable</i>	Item 17
v Post-termination obligations	Sections XI through XIII <i>Section V and VI</i>	Item 17
w Non-competition covenants	Section XII <i>Sections V and VI</i>	Item 17
x Dispute Resolution	Section XVIII <i>Sections VII</i>	Item 17

ITEM 10: FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease or obligation.

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

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

Pre-Opening Assistance

Before you open your Outlet, we will:

Designate your franchise territory.

Provide you with initial training and orientation in the System and how to operate an Outlet. Your Restaurant Manager and Principal Equity Owners must successfully complete initial training to our satisfaction before you can open your Outlet.

Provide you with a general plan for the layout, furnishing and equipping of your Outlet, together with a suggested menu board, written schedule of all The Cookie Plug Products and other food items and beverages that must be sold at your Outlet, and a list of approved and designated suppliers.

Provide you with a copy of the Manual.

We may but are not obligated to assist you in selecting a site for your Outlet. Although we do not typically pre-select the site for your Outlet, we must give our final consent to the location before your Outlet can be placed there. You and your landlord may be required to complete and sign a rider or addendum to the lease that (i) grants us an option to assume your position as lessee under the lease for the Outlet premises if you are in material default of either the lease for the Outlet premises (including an obligation of the landlord to notify us if you are in default) or the Franchise Agreement, and (ii) requires the landlord to fully cooperate with us in completing de-identification of the Outlet if the term of the Franchise Agreement is terminated or expires without being renewed. You have 180 days after signing the Franchise Agreement to locate an acceptable site for your Outlet. We will review and either consent to or decline the proposed site for your Outlet within 15 days after you provide us with its address. If you are unable to locate an acceptable site within 180 days, we can either grant you up to two consecutive additional periods of 90 days to locate an acceptable site for the Outlet or terminate the term of the Franchise Agreement. The factors that we consider in consenting to a site for the Outlet include, without limitation, general location and neighborhood, population demographics and probable awareness of the Brand, traffic patterns, parking, size, physical characteristics of existing buildings and lease or rental terms. We do not typically own and lease to you the premises on which the Outlet will be located.

Length of Time to Open the Outlet

We estimate the typical length of time between the signing of the Franchise Agreement (when you make your first payment to us for the franchise) and the opening of your Outlet will be 120 days. Factors that may affect this length of time include the satisfactory completion of initial training by your designated attendees, location of an acceptable site, ability to obtain an appropriate lease, financing arrangements, compliance with zoning and local ordinances, weather conditions, shortages, the contractor's ability to complete construction of the Outlet, and delivery and installation of equipment, fixtures and signs. If you do not begin operating your Franchised Business within 180 days after we consent to the site for your Outlet, or within 360 days after you sign the Franchise Agreement, we can terminate the term of the Franchise Agreement and if we do so under those circumstances, we are not obligated to refund your initial franchise fee and development fee under an ADA.

Post-Opening Assistance

During the operation of the franchised business, we:

Will provide you with access to, and integrate information about your Outlet into, The Cookie Plug website.

Will be reasonably available by phone and e-mail for guidance in the operation and management of your Outlet and your compliance with the guidelines and procedures in our Manual

We do not provide you with assistance in hiring, supervising or discharging employees, nor do we provide any advice on employment law or regulations, except to strongly recommend you engage the services of an attorney competent to advise you on employment law matters in your state.

May visit you periodically at no cost to you to provide additional sales and administrative review and assistance, including assistance with establishing and using administrative, bookkeeping, accounting and inventory control procedures. If you request this assistance and we agree to provide it, you must reimburse us for the cost of our representative's transportation and lodging. We may also, at our discretion, charge an additional training fee of \$750 per day for The Cookie Plug training courses, seminars, conferences or other programs that we require you or your representatives to attend. The nature, frequency and duration of this assistance by our representatives will be in our sole discretion.

In connection with your ongoing obligation to maintain the Outlet in accordance with our standards, will notify you if the general state of repair, appearance or cleanliness of your Outlet or its fixtures, equipment or signs do not meet our standards, and specify the action you must take to correct the deficiency.

May conduct a system-wide mandatory meeting (or annual convention) not more than once a year in southern California or other location we designate. Attendance of at least one Principal Equity Owner at these meetings will be mandatory (and is highly recommended for the Restaurant Manager and all other Principal Equity Owners). You must pay the cost of travel, lodging and meal expenses for your attendees at these mandatory meetings.

May recommend retail prices for The Cookie Plug Products you sell at your Outlet, and other products and services we authorize for sale at your Outlet (to enhance uniformity in the delivery of goods and services to retail customers by our franchises and the strength of our Marks in inter-brand competition), and if we do so, you may not advertise or promote (whether by telephone, printed materials or any other media, including, without limitation, social media) retail prices that are inconsistent with these recommended prices. However, we do not set retail prices you must charge customers of the Outlet or other authorized merchandise you sell at your Outlet.

Notwithstanding anything to the contrary contained herein, the exact level of initial and ongoing support and assistance we provide to you will be determined by us in our sole discretion depending upon our assessment of, among other things, your ability, need, experience and operating history.

Advertising Program for the Franchise System

Beginning on the opening date of your Outlet (the "Opening Date"), you must pay us a Marketing and Promotion Fee of 2.0% of your weekly Gross Revenues (section 4.3(a) of the Franchise Agreement). Marketing and Promotion Fees are due and payable on a weekly basis every Wednesday following the weekly period in which applicable Gross Revenues were received. We are not required to spend any Marketing and Promotion Fees in or near your Outlet, although we may do so. Marketing and Promotion Fees collected from The Cookie Plug franchisees will be spent for national and regional advertising and promotional campaigns designed to promote

and enhance the value of the Marks and their general recognition and acceptance. Any Marketing and Promotion Fees collected but not expended in a calendar year will roll over for use in the next calendar year.

Marketing and Promotion Fees are deposited into a separate bank account of ours specifically designated for The Cookie Plug advertising and promotion activities. This separate marketing and advertising bank account is not audited. However, if you request in writing an accounting of advertising expenditures within 90 days after the end of a calendar year, we will provide you within 30 days thereafter an unaudited financial statement of the advertising account's annual receipts and expenditures relating to the calendar year. No interest on the amounts on deposit will be imputed for your benefit or paid to you. We administer this separate marketing and advertising bank account and the national advertising program, and we will receive a fee of 15% of the annual aggregate Marketing and Promotion Fees for doing so.

None of the Marketing and Promotion Fees is or will be used primarily for the solicitation for new franchise sales.

In addition to grand opening advertising and promotional expenditures, beginning the first full week after the Opening Date, you must spend at least 1.5% of your weekly Gross Revenues on the local marketing, advertising and promotion of the Outlet, using marketing and promotional materials pre-approved in the Confidential Operations Manual (the "Manual") or otherwise authorized or approved by us. And we encourage you to spend additional amounts on the local marketing, advertising, and promotion of your Outlet, using marketing and promotional materials pre-approved in the Confidential Manual or otherwise authorized in writing by us.

On a national or regional basis, we may impose an assessment on all affected The Cookie Plug franchisees for special advertising or promotional activities if franchisees owning two-thirds of all affected franchised territories agree to this assessment, confirmed in writing by each franchisee.

You are obligated to maintain and occasionally refurbish the Outlet to conform to our currently effective

"Trade Dress" (as defined in the Franchise Agreement) and color standards for the Outlets. This maintenance and refurbishment may require expenditures by you on structural changes, installing new equipment, remodeling, redecoration and modifications, or to accommodate new The Cookie Plug Products. You must maintain all equipment and furnishings used at the Outlet in good working order and make repairs or perform maintenance as needed. You also must make all upgrades to equipment and any technology used in the Outlet that we may require, and we may periodically require you to update the Trade Dress (possibly including installation of new color schemes, logos, signage or other visual elements) used at the Outlet. Details on Trade Dress updates will be contained in the Manual or as otherwise provided to you in writing. We anticipate that Trade Dress updates will be required no more frequently than once every five years.

Although we are not obligated to do so, we may provide you with general advertising programs and sales promotion, campaign and sample advertising materials. You may develop advertising materials for your own use, at your own cost. But we must approve all advertising materials in advance and in writing.

We are not presently involved in any advertising cooperatives. Nor do we intend to create advertising cooperatives in the future.

Electronic Cash Registers and Computer Requirements

You must purchase or lease, and use at your Outlet, the POS System we designate (currently the TOAST POS system) to track and process retail sales at the Outlet. We estimate the cost of obtaining this POS System ranges from \$2,000 to \$6,000. You will use this POS system to complete point-of-sale transactions and track your sales. We require you to maintain an e-mail account and always connect the POS System to a dedicated Internet line (or other communications medium specified by us) capable of allowing us access to your POS System through the

Internet. We will have independent access to your POS system and there are no contractual limits on our independent access to the information and data stored on your POS System. You are responsible for all ongoing maintenance and repairs and upgrades. We anticipate that the annual cost of optional or required maintenance, updating, upgrading, operating or support contracts regarding the POS System will range from \$1,200 to \$2,400. You will not be required to replace the POS System any more frequently than once every 3 years.

In addition to the POS System, we may also require that you purchase, use and maintain a personal computer system (including all related hardware and software) as specified in the Manual or otherwise by us in writing for use at the Outlet. Currently we do not specify or recommend the brand or type of business computer you use. But if this changes, you will be notified. We also require you to maintain an e-mail account and communicate with us regularly concerning sales and operations at your Outlet, in the manner we specify in the Manual or otherwise in writing. We estimate that the annual cost of optional or required maintenance, updating, operating or support contracts regarding the personal computer and email account is \$1,200 to \$2,400.

Operations Manual

We will loan you one copy of the Manual (currently containing a total of 103 pages, plus exhibits) during the relevant phases of initial training. The Manual contains mandatory and suggested specifications, standards and procedures for operation of your Outlet.

We will periodically modify the Manual, and you must comply with these changes when you receive them, but no modification will alter your status and rights under the Franchise Agreement. This Manual is and remains our property. If you lose or allow the unauthorized duplication of the Manual or any other confidential manuals or proprietary materials loaned to you by us, you will be deemed to be in violation of this Agreement and all other agreements you have with us and we would be entitled to recover damages from you).

The Manual's table of contents is not broken down by topics and specific pages but by number of pages devoted to each topic. The following is the table of contents of the Manual as of the date of this disclosure document:

Topic	Number of Pages
Chapter 1 - Fundamentals	13
Chapter 2 - Services	16
Chapter 3 - Kitchen Operation Foundation Prep Work Cooking	44
Chapter 4 - Recipes	30
Total Pages	103

. We may change the Manual at any time and you are obligated to abide by those changes. You are also obligated to keep the copy of the Manual which we loan to you updated. As between the Manual maintained by us and the copy of the Manual maintained by you, the Manual as maintained by us will control.

TRAINING PROGRAM

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING	LOCATION
DAY 1 – Review and understand The Cookie Plug mission, culture and standards; Review Training Agenda; Equipment Review, FoodSafety Review.	8	8	Our Headquarters or ourdesignated training store
DAY 2 – 3 Review NRO, Review Menu (daily hook-ups and possible upsell). Customer Service. POS, Reports, Deliveries, Schedules.	16	0	Our Headquarters or ourdesignated training store
DAYS 4- Cleaning Procedures and checklist. FoodSafety expectations and process. Equipment Operation. Inventory. ProductStorage.	8	0	Our Headquarters or ourdesignated training store
DAY 5 – Baking Guidelines. Hands on Baking.Baking troubleshooting. Cookie appearance, poppers, cakes.	8	0	Our Headquarters or ourdesignated training store
DAY 6 –9 Hands on, On the job training. Applying allday 1-5 systems and processes	0	40	Our Headquarters or ourdesignated training store
Day 10- Marketing, Accounting	8	0	Our Headquarters or ourdesignated training store

The “Initial Training” program above (88 hours over 10 days) is effective as of the date of this disclosure document. Initial Training is scheduled as necessary (but no more frequently than every 60 days). All classroom training takes place at our Headquarters (Irvine, California) or another training center we designate. All on-the-job training takes place in a designated Outlet in southern California.

The instructional material consists of appropriate handouts and information directly from the Manual. Currently, our Initial Training instructor is Erik Martinez, who has been with us since our inception in February 2022, and who has more than six years of experience in the subject matters he teaches. The Initial Training instructor is sometimes assisted by our operations staff and other employees.

We do not charge for Initial Training for one designated Restaurant Manager and up to four other persons (who are Principal Equity Owners or otherwise to be involved in managing or operating the Outlet). If you want us to train other persons, we may but are not obligated to do so and if we do, each additional trainee may have to pay us \$1,500 for this training. In addition to the designated Restaurant Manager, at least one other person who is qualified to serve as Restaurant Manager must attend Initial Training. You must pay all travel and living expenses of persons you send to training.

The successful completion of Initial Training to our satisfaction by your designated Restaurant Manager or you is a condition to your being authorized to open and operate your Outlet. Initial Training must be completed within 180 days after you sign the Franchise Agreement. If your designated Restaurant Manager or you fails to complete initial training satisfactorily, you will have the option of sending a replacement approved by us to Initial Training. You must then reimburse us for our costs in providing this replacement Initial Training plus a training fee of \$250 per day. If your designated Restaurant Manager requests an extension of Initial Training beyond eight weeks, we will provide this extended Initial Training for the first

three days at no charge, but we will charge \$250 per day for the fourth and each subsequent day of Initial Training.

Additional on-site training at your Outlet may be provided when you open your Outlet. We may provide you with proprietary information and related materials for use in training your staff. These materials are our sole property and must be returned to us when you are finished with them. We will conduct both oral and practical evaluations and issue a Certificate of Completion upon successful completion at the conclusion of the training.

No additional training programs or refresher courses are required. However, you can request additional on-site training or assistance at any time. We may provide it at our option, but the Franchise Agreement does not require us to do so.

We may periodically conduct an annual conference, convention or training session, and if we do, we will determine its duration, curriculum and location (section 6.3 of the Franchise Agreement). Attendance of at least one Principal Equity Owner at these meetings will be mandatory (and is highly recommended for your Restaurant Manager and all other Principal Equity Owners).

You must pay all the expenses incurred by your trainees or attendees in connection with the Initial Training Program and any other training, conferences, conventions or other meetings your trainees attend, including, for example, their salaries, transportation costs, meals, lodging and other living expenses.

Notwithstanding anything to the contrary contained herein: (a) the exact level of initial and ongoing training and assistance we provide to you will be determined by us in our sole discretion depending upon our assessment of, among other things, your ability, need, experience and operating history; and (b) any portion of any training may be provided remotely / via the internet or other electronic means in our discretion.

ITEM 12: TERRITORY

Under the Franchise Agreement, you are granted the right to operate one Outlet, at the Location specified in the Franchise Agreement. Your use of the Marks or any element of the System in the operation of a business at any other address or in any other channel of distribution without our express prior written authorization will constitute willful infringement of our rights in the Marks and the System.

Your rights under the Franchise Agreement include the rights to operate your Outlet under the Marks and the System and to provide catering in the authorized Delivery Area described in your Franchise Agreement.

You will have no rights or authority under the Franchise Agreement (i) to sell any product or service to any wholesale customer; or (ii) to operate a kiosk, booth, mobile dispensing unit (such as a cart, food truck or customized RV) or similar installation at or from which pre-assembled food products can be baked in a portable oven; or (iii) to sell any product or service from catalogues, an Internet website or an express unit, a mini-Outlet, or similar installation that contains all necessary equipment to create and produce menu items and is located in a “Special Outlet” (defined in the Franchise Agreement as a hospital, airport, sports arena, student center or other special use facility or in the food court of an enclosed shopping mall) without our express prior permission.

You will receive a protected territory (“Territory”) within a defined area surrounding your Outlet as determined by us and specified in your Franchise Agreement. The Territory is usually defined as a geographical area surrounding the Outlet as depicted in a map attached to Exhibit 1 of the Franchise Agreement and generally includes a minimum of 50,000 persons as determined by us. The Territory may also be defined by a radius around your Outlet. By “protected” Territory we mean that so long as you, your affiliates and Principal Equity Owners continue to fulfill your material obligations under your Franchise Agreement, we will not grant a The Cookie Plug franchise to any other person, nor will we or any of our affiliated entities establish and operate an Outlet within your Territory and we will not grant a Territory to another The Cookie Plug franchisee that overlaps with a Territory previously granted to you. 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 of competitive brands that we control., and we may market and sell The Cookie Plug Products under our principal trademarks or different trademarks within your Territory at venues other than Outlets (including Special Outlets) and through other channels of distribution (e.g., grocery stores), including the Internet. Your Outlet may also face competition from other franchisees and from Outlets that we own outside the Territory. Any areas as to which we may have existing contractual commitments will not be a part of your Territory, and these excluded areas will be identified in your Franchise Agreement.

Notwithstanding the foregoing, we and our Affiliates reserve all other rights including, without limitation, the right to:

13.1 establish, operate and license others to establish and operate a Special Outlet in the Territory, regardless of proximity to or competitive impact upon your Outlet and without payment of any compensation to you.

13.2 operate and license others to establish and operate Outlets or Special Outlets either permanently, temporarily or seasonally or other establishments located anywhere outside the Territory’s physical boundaries, regardless of proximity to or competitive impact upon your Outlet and regardless of whether these establishments market their products and services in or draw customers from the Territory and without payment of any compensation to you.

13.3 distribute private label products identified by or associated with the Marks, pre-packaged food products, memorabilia, and other products and merchandise identified by or associated with the Marks, to or through commercial establishments that are not affiliated with us or associated with the entire chain of Outlets (including franchised and franchisor/affiliate-operated) including, for example, department stores, supermarkets and convenience stores, both inside and outside the

Territory, regardless of proximity to or competitive impact upon your Outlet and without payment of any compensation to you.

13.4 distribute private label products identified by or associated with the Marks, pre-packaged food products, memorabilia, and other products and merchandise identified by or associated with the Marks, to customers inside the Territory through catalogues, telemarketing campaigns, an Internet website and other direct-order techniques and without payment of any compensation to you.

13.5 distribute catalogues and similar sales solicitation materials in the Territory, broadcast television and radio commercials for direct-order merchandise into the Territory, initiate telephone contact with and accept telephone orders from residents of the Territory and fill customer orders for direct-order merchandise in the Territory, regardless of proximity to or competitive impact upon your Outlet and without payment of any compensation to you.

13.6 operate, and grant to others the right to operate, retail food establishments (including restaurants) identified by trade names, trademarks, service marks or trade dress, other than the Marks, under terms and conditions as we deem appropriate, within and outside the Territory and regardless of proximity to or competitive impact upon your Outlet and without payment of any compensation to you.

If we are acquired by or we acquire, regardless of the form of the transaction, a business that operates or licenses others to operate premises within the Territory under trademarks or service marks that are different from the Marks licensed under the Franchise Agreement, we may operate and license others to operate such restaurants under the trademarks or service marks of such other business at, from or physically contiguous to such restaurant premises within the Territory regardless of proximity to or competitive impact upon your Outlet and without payment of any compensation to you.

We have no express obligation or implied duty to protect your revenues from erosion because of your Outlet's competing with other Outlets or with Special Outlets whether permanently, temporarily or seasonally and have no obligation to make any payment or other compensation to you if we solicit or accept orders from inside your Territory.

You may not relocate your Outlet with our prior written consent, which will not be unreasonably withheld. If the lease for your Outlet expires or is terminated before the end of the term of the Franchise Agreement, you may move your Outlet to another location chosen in accordance with our conversion/site selection procedure. The new location must be in the original Outlet's general Territory (as we determine) and may in no case infringe upon a franchise agreement or other agreement applicable to another Outlet. When we approve the location for the new Outlet, we will prepare and attach an addendum to the Franchise Agreement that describes the new Outlet's Territory. If you lose possession of the original Outlet's premises because the lease expired by its terms, or on account of condemnation or eminent domain proceedings, or as the result of early termination under the Franchise Agreement, you must initiate the relocation procedure in time to lease, build-out and open the new Outlet for business within 90 days after the original Outlet closes. If your lease is terminated on account of a fire or other casualty, you must promptly initiate the relocation procedure to obtain approval for a new site for the Outlet within 120 days after the lease for the original Outlet terminates and build-out and open the new Outlet for business within one year of the fire or other casualty.

Your rights to the Territory are not dependent upon your achieving a certain sales volume, market penetration or other contingency. However, if you are in default and fail to timely cure, we may alter or reduce your Territory as an alternative remedy to terminating your Franchise Agreement.

We do not grant any options or rights of first refusal to you under the Franchise Agreement to obtain additional Outlets. If you desire to open an additional Outlet, you must be approved and sign a separate Franchise Agreement

for that location.

We do not currently, nor do we have any plans in the future to, operate or franchise businesses under a different trademark that will sell goods or services like those you will offer. However, we reserve the right to develop other systems involving similar or dissimilar services or goods, under dissimilar servicemarks, trademarks and trade names belonging to us, without necessarily granting you any rights in those systems.

We reserve all rights to market and sell The Cookie Plug Products under the Marks or different trademarks at Special Outlets and venues other than Outlets and through other channels of distribution (including the Internet), within your Territory and anywhere else.

We are not required to pay you compensation for soliciting or accepting orders in your Territory at Special Outlets and venues other than Outlets, or through other channels of distribution.

You may only offer and sell The Cookie Plug Products to customers at your Outlet and within your Delivery Area, and you are restricted from advertising The Cookie Plug Products outside your Delivery Area without our prior written consent. You may not engage in any mail order solicitations, catalog sales, telemarketing or television solicitation programs, or use any other advertising media outside of your Delivery Area without our prior written approval. Also, you may not offer or sell The Cookie Plug Products directly or indirectly through the Internet, except as authorized by us in the Manual or otherwise in writing. We will publish all website content and we will list your Outlet location on our masterweb site. We will maintain the “Uniform Resource Locator” (or “URL”) for The Cookie Plug website, and you may never own any Internet domain name that contains any of the Marks. Under no circumstances are you authorized to establish any website or social media page / site relating to or for the purpose of advertising your Outlet or our Marks.

Although we have no current plans to do so, we reserve the right to offer and sell other types of franchises that are not directly competitive with The Cookie Plug franchise.

The continuation of your exclusive rights to the Territory does not depend on you attaining a minimum level of sales, revenues or market penetration, or another contingency. The Territory granted by the Franchise Agreement may only be altered if you and we mutually agree. You will maintain rights to your Territory even if the population in that geographic area increases.

Area Development Agreement

Under the ADA, you will be granted an exclusive (so long as the ADA is in effect) right to open a mutually agreed number of additional Outlets in the Development Area under a mutually agreed Development Schedule. If you fail to achieve the Development Schedule, you may still open Outlets within the Development Area with our additional prior, written consent, but you will lose the exclusive right to do so, and we may allow others to open additional Outlets within the Development Area. You must enter into a separate Franchise Agreement for each additional Outlet you open under the ADA or otherwise. Each Franchise Agreement may be materially different from any other Franchise Agreement but each Franchise Agreement will grant a separate franchise territory within a defined area surrounding each Outlet as described in the preceding paragraphs of this Item 12. Otherwise, we do not grant you options, rights of first refusal or similar rights to open additional Outlets under the Franchise Agreement or the ADA, and you may not open additional Outlets or engage in activities that are equivalent to the franchised business outside the Territory.

The continuation of your exclusive rights to develop Outlets under the ADA does depend on your meeting the Development Schedule described in the ADA. The Development Area described in the ADA may only be altered if you and we mutually agree. You will maintain rights to the Development Area described in the ADA even if the population in that geographic area increases.

ITEM 13: TRADEMARKS

You are licensed to operate and identify the Outlet under the principal trademark “The Cookie Plug” and logotype displayed on the cover of this disclosure document and other current or future trademarks.

Plug Walk, LLC owns the trademark “The Cookie Plug” which is registered on the Principal Register of the USPTO for bakery goods and retail baker shops. The registration issued March 17, 2020, Registration Number 6015057.

On March 10, 2022, Plug Walk, LLC applied for registration of the trademark “The Cookie Plug” plus design with the United States Patent and Trademark Office (“USPTO”), on the Principal Register for bakery goods, Serial Number 97306562.

On March 9, 2022, Plug Walk, LLC applied for registration of the trademark “Thick Thighs Save Lives” for bakery goods, Serial Number 97304014.

On March 9, 2022, Plug Walk, LLC applied for registration of the trademark “Other Cookies Are Whack, Ours Smack” with the USPTO, on the Principal Register for bakery goods, Serial Number 97302916.

There are presently no effective determinations of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or court, nor any pending interference, opposition or cancellation proceedings involving the Marks. There are no agreements currently in effect that significantly limit our rights to use or license the use of trademarks listed in this Item in a manner material to the franchise. There is no pending material federal or state court litigation regarding our use or ownership rights in the trademarks. All required affidavits have been filed by the franchisor or the owner of the Marks.

All Marks are owned by Plug Walk, LLC which granted us a trademark license (the “Trademark License”) and right to use the Marks and to grant licenses to use the Marks to The Cookie Plug franchisees. The Trademark License will continue until it is terminated. If the Trademark License were to be terminated, The Cookie Plug franchisees would have the right to continue to use the Marks while operating their franchised Outlets under their Franchise Agreements for not less than the existing term of the Franchise Agreement. Except as described above, no agreements limit our rights to use or license the use of the trademarks.

You must follow our rules when you use the Marks. You cannot use any of the Marks as part of the name of your entity, or with modifying words, designs or symbols except for those which we license to you. You may not use any of the Marks in connection with the sale of any unauthorized product or service, or in any manner that we have not authorized in writing.

We have the right to control any administrative proceedings or litigation involving any of the Marks. You must notify us promptly when you learn about an alleged infringement, unfair competition, unauthorized third-party use of or challenge to your use of the Marks. We then will promptly take the action we think appropriate. We have no obligation to defend or indemnify you if the claim against you relates to your use of the Marks in violation of the Franchise Agreement.

If you learn that any third-party whom you believe is not authorized to use the Marks or is using them or any variant of them, you must promptly notify us. We will determine whether to take any action against the third party. We will solely determine all actions and strategies related to the Marks. We may change the Marks at any time and you must comply with our changes at your expense.

At your cost and expense, you must modify or discontinue the use of a trademark if we or the trademark owners modify or discontinue it. You have no rights to compensation or otherwise under the Franchise Agreement if we require you to modify or discontinue using a trademark. You may not directly or indirectly contest our or the trademark owners' rights to the trademarks, trade secrets or business techniques that are part of our business.

There are no infringing uses or superior previous rights known to us which can materially affect your use of the trademarks in this state or any other state in which the franchised business is to be located.

The Franchise Agreement provides that if you or your employees, agents and subcontractors or any other party who you may contract with create any materials containing or associated with the trademarks, including artwork, graphics, layouts, slogans, domain names, other names, titles, text, or similar materials, these will become our sole property, including trademark rights, and the creators of these materials must respect our intellectual property rights in these materials.

ITEM 14: PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

Patents and Copyrights

We do not own rights in, or licenses to, patents or copyrights that are material to the franchise and you do not receive the right to use any item covered by a patent or copyright. However, we assert a common law copyright on the contents of the Manual and other proprietary systems manuals, and only you or your authorized employees can have access to and use the proprietary information in the Manual and other proprietary systems manuals, but you will not acquire any other rights because of this use.

You must immediately notify us if you become aware of any infringement or inappropriate use of the Manual or other proprietary systems manuals. We will then take whatever action we deem appropriate, and will control any litigation, to protect our copyright in the Manual or other proprietary systems manuals. You will have no power, right or authority to settle or compromise any such claim, suit or demand by a third party or to intervene to stop misuse, without our prior written consent. We will defend, compromise or settle at our discretion any claim, suit or demand relating to our copyrights and take steps to stop misuse at our cost and expense, using attorneys selected by us, and you agree to cooperate fully in such matters. If the infringement or inappropriate use results from your negligence or willful action, you must reimburse us all our expenses in protecting our copyright.

The Franchise Agreement provides that if you or your employees, agents and subcontractors or any other party who you may contract with create any materials containing or associated with the Marks, including artwork, graphics, layouts, slogans, domain names, other names, titles, text, or similar materials, these will become the sole property of The Cookie Plug Group LLC, including copyrights.

We do not currently have any pending patent applications that are material to the franchise.

Our intellectual property, whether the subject of a patent, copyright or not, also is protected by common law principles which limit the use of our confidential proprietary information, except as we have licensed it. We will enforce those rights as we determine.

Our Proprietary Rights in Other Confidential Information

You may never reveal any of our confidential proprietary information or trade secrets to another person or use it for another person or business. You may not copy any of our confidential proprietary information or disclose it to a third party except as we authorize. You must also promptly tell us when you learn about unauthorized use of any of our confidential proprietary information. We are not obligated to take any action but will respond to your notification of unauthorized use as we think appropriate.

The Franchise Agreement grants us the right at any time to use the name, image and likeness of you and all Principal Equity Owners for commercial purposes in connection with the marketing and promotion of the Marks, The Cookie Plug Products, any Outlet and the System, without any form of compensation or remuneration.

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

Although a Restaurant Manager must always be on duty while the Outlet is open, Principal Equity Owners are not required to personally participate in the direct “on premises” management and operation of the Outlet. Each Principal Equity Owner signs a Guarantee of Franchise Agreement (attached as Exhibit 3 of the Franchise Agreement) requiring them to ensure that all obligations of the franchisee under the Franchise Agreement (including provisions related to payments to franchisor, confidentiality and non-competition) are fulfilled.

You must disclose the identity of the Restaurant Manager to us and if for any reason the Restaurant Manager is no longer acting in this capacity, you must notify us immediately and in writing. The Restaurant Manager cannot have an interest or business relationship with any of our business competitors. The Restaurant Manager must devote full time during normal business hours to the management, operation and development of the Franchised Business. We do not require your Restaurant Manager to have any ownership interest in your business, although he or she may do so. The Restaurant Manager and other key employees of a franchised Outlet may be required to sign a non-competition agreement like the non-competition agreement contained in your Franchise Agreement.

ITEM 16: RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

We require you to offer and sell at the Outlet only those goods and services that we have approved.

You must offer and sell at your Outlet only The Cookie Plug Products (which must be obtained from us, our affiliated entities or designated vendors) and other goods and services that we authorize as required for all franchisees. This includes all branded paper goods, plastic goods and to go products.

We have the right to change, subtract and add other authorized goods and services that you will be required to offer. And we may require you to comply with other requirements, such as training, marketing or insurance, before we will allow you to offer additional goods or services. There are no limits on our right to do so.

There are no restrictions on the customers to whom you may sell The Cookie Plug Products and related products at your Outlet.

ITEM 17: RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION**THE FRANCHISE RELATIONSHIP**

This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this disclosure document.

Provision	Section in Franchise Agreement and ADA (Italicized for references to ADA)	Summary
a. Length of the franchise term	Section V <i>Section I and Exhibit 1</i>	The initial term of the Franchise Agreement is 10 years from the date your Outlet opens. The term of the ADA is until all Outlets have been opened under the Development Schedule.
b. Renewal or extension of the term	Section V <i>Section II</i>	You can add additional 5-year terms upon written notice delivered to us not less than 180 days before the end of the existing term. However, we are not obligated to renew your franchise if one or more of the conditions in section 5.2(c) of the Franchise Agreement apply to you. The ADA is not renewable.
c. Requirements for franchisee to renew or extend	Section V <i>Section II</i>	Sign our then current Franchise Agreement modified for renewal ("Renewal Franchise Agreement") or an addendum to your existing Franchise Agreement extending its term, remodel your Outlet (if necessary) and pay renewal fee of 25% of the initial franchise fee Initial Franchise Fee we are then charging new Cookie Plug franchisees. The Renewal Franchise Agreement you sign may have materially different terms and conditions than your original Franchise Agreement, but the boundaries of the Territory and the recurring fees you pay us will remain the same. The ADA is not renewable.
d. Termination by franchisee	Section XIII <i>Not applicable</i>	If we are in material breach of the Franchise Agreement beyond any applicable cure periods, you can terminate the term of the Franchise Agreement or ADA on any grounds available by law.

e. Termination by franchisor without cause	Not applicable. <i>Not applicable</i>	
f. Termination by franchisor with cause	Section XIII <i>Section VI</i>	We can terminate the term of the Franchise Agreement only if you are in default of that agreement. We cannot terminate the term of the Franchise Agreement solely because we terminate an ADA that we executed with you (or your affiliated entity). However, we can terminate an ADA if you (or your affiliated entity) fail to meet the development schedule under the ADA.
g. "Cause" defined –curable defaults	Section XIII <i>Section VI</i>	You have 30 days after notice to cure monetary defaults and other defaults under your Franchise Agreement (including defaults under a lease for your Outlet) and the ADA that can be cured.
h. "Cause" defined – non-curable defaults	Section XIII <i>Section VI</i>	Non-curable defaults under the Franchise Agreement: your bankruptcy or insolvency; your abandonment of your Outlet; you sell or provide to a third party without our consent any proprietary component of the System ; you make material misrepresentations relating to the your acquisition of the franchise or you engage in conduct that reflects materially and unfavorably upon the operation and reputation of the Outlet or the System; you fail, for a period of 10 days after notification of noncompliance, to comply with any federal, state or local law or regulation applicable to the operation of the Outlet;; a levy of execution is made upon the license granted by the Franchise Agreement or upon any property used in the Outlet, and it is not discharged within 5 days; you are alleged to have committed or you are convicted of a felony or any other criminal misconduct that is relevant to the operation of the Outlet; or we make a reasonable determination that your continued operation of the Outlet will result in an imminent

		danger to public health or safety. There are no non-curable defaults under the ADA.
i. Franchisee's obligations on termination or non-renewal	Section XIII <i>Sections V and VI</i>	Obligations include removal of our Brand and other trademarks, return of all confidential and proprietary information and erasure of all copies of confidential and proprietary information, assigning us your lease to the Outlet premises if we choose to take it over, forwarding of telephone number and payment of amounts due (also see r. in this Table, below). We can do some of these things if you fail to do them.
j. Assignment of contract by franchisor	Section XVI <i>Section 4.1(b)</i>	No restriction on our right to assign the Franchise Agreement or the ADA. (However, no assignment of the Franchise Agreement or ADA will be made except to an assignee that in good faith and judgment of the franchisor is willing and financially able to assume the franchisor's obligations under the Franchise Agreement or ADA.)
k. "Transfer" by franchisee – defined	Section I <i>Section IV</i>	Any partial or complete assignment, sale, transfer, or encumbrance or any interest in your Franchise Agreement, your Outlet or any of its assets, and certain changes in ownership of you if you are an entity. Includes any transfer to a corporation, partnership, limited liability company, or other entity; any conversion, dissolution, merger, consolidation, or other reorganization, or sale or other transfer of any shares or membership units to a person or entity that is not an existing shareholder or member, or any sale of assets or change in the chief executive, operating, or financial officer or any manager; any change in or withdrawal of any partner or conversion, merger, consolidation, or other reorganization or any dissolution of the partnership; and any transfer from one person to any other. Under the ADA, a transfer is permitted with our review and consent.
l. Franchisor's approval of transfer by franchisee	Section XVI <i>Section IV</i>	We have the right to approve all transfers of the Franchise Agreement

		and ADA, but we will not unreasonably withhold approval.
m. Conditions for franchisor approval of transfer	Section XVI <i>Section IV</i>	Under the Franchise Agreement, the new franchisee must meet our qualifications, a transfer fee of \$10,000 must be paid, training of the new franchisee must be arranged, a release must be signed by you, and our current form of Franchise Agreement must be signed by new franchisee (this also applies any time a majority equity interest in your franchised entity is transferred). Within 60 days after our receipt of all necessary information and documentation required under the Franchise Agreement, or as specified by written agreement between us and you, we will notify you of our approval or disapproval of your proposed transfer of the Franchise. Under the ADA, the new area developer must be our qualifications, a transfer fee of \$10,000 must be paid, a release must be signed by you and our current form of ADA must be signed by the new area developer within 60 days after our receipt of all necessary information and documentation required under the ADA, or as specified by written agreement between us and you, we will notify you of our approval or disapproval of your proposed transfer of the ADA.
n. Franchisor's right of first refusal to acquire franchisee's business	Section XVI <i>Not applicable</i>	We can match any legitimate offer for your business, but we have no right of first refusal if the transfer (i) is between immediate family members, (ii) is to an entity formed to operate the Franchised Business and owned in the same proportionate amount of ownership as before the transfer, or (iii) involves a transfer from an individual franchisee or majority Principal Equity Owner to close family member. The ADA may not be assigned by the Area Developer except to an entity entirely owned by the former area developer and no right of first refusal exists.
o. Franchisor's option to purchase franchisee's business	Section XIII <i>Not Applicable</i>	Within 30 days after the termination, expiration or non-renewal of the Franchise Agreement, we have the option, but not an obligation, to purchase all or any portion of your reusable inventory, apparel containing the

		Marks, proprietary equipment, parts, fixtures and furnishings owned and used by you in your franchised operation. (This provision is subject to state law.) We have no right or obligation to purchase your assets upon termination or expiration of the ADA.
p. Death or disability of franchisee	Section XVI <i>Not Applicable</i>	Franchise must be assigned by estate to approved buyer within 270 days. During any period of your incapacity or until the business is sold, we can place an interim manager in your Outlet, and you must pay us up to \$750 per day as compensation for the interim manager, plus the manager's transportation, lodging and related living expenses.
q. Non-competition covenants during the term of the franchise	Section XII <i>Section V</i>	Under the Franchise Agreement and the ADA, you may not be involved in a competing business anywhere.
r. Non-competition covenants after the franchise is terminated or expires	Section XII <i>Section V</i>	Under the Franchise Agreement, you cannot be involved in any competing business for two years within 25 miles of your Outlet or any other The Cookie Plug retail location (this obligation also applies to you if you assign your franchise). Under the ADA, for two years after the ADA is terminated or expires you and your Principal Equity Owners must comply with the non-competition covenants contained in the last effective Franchise Agreement executed by you or your affiliated entity.
s. Modification of the agreement	Section XIX <i>Section IX</i>	No modifications to the Franchise Agreement or ADA unless signed by you and us, but we may modify the Manual unilaterally.
t. Integration/merger clause	Section XIX <i>Section IX</i>	Only the Franchise Agreement, ADA and other agreements you sign with us and the requirements, procedures, and policies in the Manual are binding (subject to state and federal law). You should not rely on any statement or promise not contained in this franchise disclosure document, the Franchise Agreement or the ADA. Any representations or promises outside of those documents may not be

		enforceable. Nothing in the Franchise Agreement, ADA or in any related agreement disclaims or is intended to disclaim representations made in this franchise disclosure document.
u. Dispute resolution by arbitration or mediation	Section XVIII <i>Sections VII</i>	The parties agree in the Franchise Agreement and the ADA to submit disputes (not including your failure to pay us sums due or an act of yours allowing us to immediately terminate the Franchise Agreement) initially to a meeting in person of our executive officers and your Principal Equity Owners at our principal executive office (without our respective legal counsel) within five business days after a party requests this meeting to conduct a good faith discussion and negotiation of the issues with the intention of arriving at a settlement. If this meeting does not resolve the dispute (or the meeting does not occur), within 10 business days after the meeting takes place (or should have taken place), the parties may submit the dispute to a mutually acceptable mediator who is a State Bar of California Board of Legal Specialization Certified Specialist in Franchise and Distribution Law. If a mediation takes place but does not resolve the dispute or if no mediation occurs, the dispute will be resolved by arbitration as described within the Franchise Agreement.
v. Choice of forum	Section XVIII <i>Sections VII</i>	Arbitration proceedings under the Franchise Agreement or ADA will take place in Riverside County, California. Any mediation proceeding under the Franchise Agreement or ADA will take place at a mutually agreed location in California. Litigation proceedings will take place in an appropriate court in California.
w. Choice of law	SECTION XIX <i>Sections VII AND XI</i>	The Federal Arbitration Act (9 U.S.C. §1 <i>et seq.</i>) governs the arbitration of disputes under the Franchise Agreement and the ADA. Otherwise, the laws of the state where the Outlet is located govern the Franchise Agreement and the laws of the state where the Development Area is located govern the ADA.

ITEM 18: PUBLIC FIGURES

We do not currently pay or provide any other benefit to any other public figure for the right to use his or her name to promote the sale of The Cookie Plug franchises.

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.

The representation made below is a historic financial performance representation of The Cookie Plug locations in Anaheim, California, Redlands, California and Bermuda Dunes, California that operated continuously through all of 2021. These are not franchised locations but they operate the same sort of business as you will be operating with your Outlet. They are operated by our affiliate, ELC; but are not operated pursuant to a franchise agreement. The following data represents the average, high and low 2021 calendar year financial data for these The Cookie Plug locations. Out of 3 The Cookie Plug locations that operated through all of 2021, all 3 of them are represented in this Item 19. 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 Chris Wyland, The Cookie Plug Group 16842 Von Karman Avenue Suite 325 Irvine, CA 92606; the Federal Trade Commission; and the appropriate state regulatory agencies.

2021 Calendar Year	Average	High	Low
Gross Revenue	\$702,329.05	\$826,092.73	\$507,158.46
Gross Profit	\$512,619.68	\$597,271.23	\$373,382.62
Net Profit	\$273,860.80	\$333,923.87	\$148,505.18

Gross Revenue has the same meaning assigned to it in Item 6 of this disclosure document. .

Gross Revenue does not include any sales, use or service taxes.

Gross Profit is defined as revenue less cost of goods.

Net Profit is defined as revenue less expenses. Net Profit does not deduct things like Royalty Fees, Marketing and Promotion Fees, Technology Fees and other fees (See Item 6) which you will incur at your Outlet. If Net Profit included Royalty Fees, Marketing and Promotion Fees and Technology Fees, the Average Net Profit would be \$206,451.18, the High Net Profit would be \$255,375.52 and the low Net Profit would be \$98,660.92

The Cookie Plug locations whose numbers are reflected in this Item 19 operated the same sort of business you will operate at your Outlet with the following exceptions: (a) they did not pay the fees indicated and they did not have an assigned "Territory".

Of the 3 The Cookie Plug locations whose numbers are reflected in this Item 19, 1 or 33% of them achieved Total Revenue less than the Average reflected above and 1 or 33% of them achieved Total Revenue equal to or higher than the Average reflected above. Of the 3 The Cookie Plug locations whose numbers are reflected in this Item 19, 1 or 33% of them achieved Gross Profit less than the Average reflected above and 1 or 33% of them achieved Gross Profit equal to or higher than the Average reflected above. Of the 3 The Cookie Plug locations whose numbers are reflected in this Item 19, 1 or 33% of them achieved Total Revenue less than the Average reflected above and 1 or 33% of them achieved Total Revenue equal to or higher than the Average reflected above.

You should conduct an independent investigation of the costs and expenses you may incur in operating your Franchised Business. These results are based on the internally-prepared financial statements and have not been audited.

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

The information above is not a forecast, projection or prediction of how your Outlet will perform. We encourage you to consult with your own accounting, business and legal advisors to assist you to identify the expenses you likely will incur in connection with your Outlet. Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting Chris Wyland, The Cookie Plug Group 16842 Von Karman Avenue Suite 325 Irvine, CA 92606; the Federal Trade Commission; and the appropriate state regulatory agencies.

ITEM 20: OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary For years 2019 to 2021

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2018	0	0	0
	2019	0	0	0
	2020	0	0	0
	2021	0	0	0
Company-Owned	2018	0	0	0
	2019	0	0	0
	2020	0	0	0
	2021	0	0	0
Total Outlets	2018	0	0	0
	2019	0	0	0
	2020	0	0	0
	2021	0	0	0

None of the existing The Cookie Plug Outlets that were open all of 2021 are franchised or are owned by us. Their financial information has, however, been shared with us and we have included it in Item 19 of this

Table No. 2
**Transfers of Outlets from Franchisees to New Owners(other than
the Franchisor) For years 2019to 2021**

State	Year	Number of Transfer s
All States	2019	0
	2020	0
	2021	0
Totals	2019	0
	2020	0
	2021	0

Table No. 3
Status of Franchised Outlets For years 2019 to 2021

State	Year	Outlets at Start of Year	Outlets Opened	Termina- tions	Non- Renewals	Re- acquired by Franchis or	Ceased Operations - Other Reasons	Outlets at End of the Year
All States	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
Totals	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0

Table No. 4
Status of Company-Owned Outlets For years 2019 to 2021

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
California	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
Totals	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0

Table No. 5
Projected New Franchised Outlets As Of December 31, 2021

State	Franchise Agreements Signed But Outlets Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company- Owned Outlets in the Next Fiscal Year
California	0	3	0
Totals	0	3	0

Exhibit C lists, as of December 31, 2021, the names, addresses and telephone numbers of all franchised Outlets that are currently open and operating, and all franchisees who signed a Franchise Agreement but have not yet opened their Outlet.

Exhibit D lists, as of June 30, 2021, the contact information of every franchisee in the United States that had their franchise terminated, canceled, not renewed, or who otherwise voluntarily or involuntarily ceased to do business under their franchise agreement during our most recently completed fiscal year, or that has not communicated with us within the 10 weeks ending on the date of this disclosure document. Your contact information may be disclosed if you buy this franchise and then later leave the system. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with The Cookie Plug. 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. During the last three fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system.

We have not created, sponsored or endorsed any trademark-specific franchisee organizations associated with The Cookie Plug franchise being offered. There are no independent franchisee organizations that have asked to be included in this disclosure document.

ITEM 21: FINANCIAL STATEMENTS

Exhibit B to the disclosure document contains our initial financial statement for the period from inception February 18, 2022 to March 5th, 2022. We have not been in business for three years or more and cannot include all financial statements required under the FTC's Franchise Rule. Our fiscal year ends December 31.

ITEM 22: CONTRACTS

The following agreements and other required exhibits are attached to this disclosure document in the following exhibits: Exhibit A-1 - Franchise Agreement; and Exhibit A-2 - Area Development Agreement

ITEM 23: RECEIPTS

You will find copies of a detachable receipt in Exhibit I at the very end of this disclosure document

EXHIBIT A-1
FRANCHISE AGREEMENT

THE COOKIE PLUG GROUP, LLC

**FRANCHISE AGREEMENT
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GUARANTY AND ASSUMPTION OF OBLIGATIONS

EXHIBIT I	ASSIGNED TERRITORY
EXHIBIT II	LEASE PROVISIONS
EXHIBIT III	COLLATERAL ASSIGNMENT OF LEASE
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EXHIBIT V	FRANCHISEE QUESTIONNAIRE
EXHIBIT VI	STATE SPECIFIC ADDENDUM
EXHIBIT VII	SBA ADDENDUM

**THE COOKIE PLUG GROUP, LLC
FRANCHISE AGREEMENT**

This Franchise Agreement ("Agreement") is entered into this _____ day of _____, 20____, by and between THE COOKIE PLUG GROUP, LLC, a California limited liability company ("us," "our," or "we"), and _____, a _____ ("you" or "your").

RECITALS

A. We and our Affiliates (as defined below) have the rights to and have developed and refined the System (as defined below);

B. Third-party Plug Walk, LLC licenses to us the right to license the Marks (as defined below) in connection with the System and the operation of a Cookie Plug Outlet (as defined below); and

C. You recognize the benefits from being identified with and licensed by us, you desire to establish and operate a franchised Cookie Plug Outlet using the Marks and System, and we are willing to grant such a franchise to you on the terms and conditions in this Agreement.

NOW, the parties agree as follows:

I. DEFINITIONS

For purposes of this Agreement, the following terms will have the meaning as defined below:

A. "Affiliates" means individually or collectively, any and all entities controlling, controlled by, or under common ownership with us including, without limitation, ELC Developments, LLC and Bomb AF Brands, LLC. We may create more "Affiliates" in the future. In this definition, "control" and similar terms means owning more than 50% of the voting interest in an entity.

B. "Competitive Business" means any business or commercial enterprise that, on a wholesale or a retail basis, derives more than 25% of its gross revenue from the sale of products the same or similar to The Cookie Plug Products or other goods typical in a bakery.

C. "Delivery Area" is the area, determined by us, within your Territory, in which you are able to deliver Cookie Plug Products.

D. "Gross Revenues" means the total amount of all revenue from the sale of products, services and merchandise sold from, through or in connection with your Outlet whether for cash, on credit, barter or otherwise, exclusive of applicable sales, use or service taxes.

E. "Marks" means such service marks, trademarks, trade dress, trade names, logos and commercial symbols, and all configurations and derivations thereof, as may presently exist, or which may be designated, modified, changed, or acquired by us or our Affiliates, in connection with the operation of the business contemplated by this Agreement. Currently the Marks include "The Cookie Plug" and "The Cookie Plug Group".

F. "Outlet" means The Cookie Plug restaurant which is the subject of this Agreement. "Outlet" may also be referred to as "the Outlet" or "your Outlet".

G. "Principal Equity Owner" means you if you are a sole proprietor, the majority shareholder of you if you are a corporation, a partner owning a 20% or more interest of you if you are a partnership or a member owning a 20% or more interest of you if you are a limited liability company. In the event there are multiple Principal Equity Owners, you will designate one who speaks on behalf of you and can bind you to all matters and things related to this Agreement and your Outlet.

H. "System" means a specially developed method of operating a fast casual The Cookie Plug Outlet at a specified location which must be pre-approved by us preparing and selling our specialty and proprietary cookies, ice cream sandwiches, drinks, cookie cakes and other items, using designated and proprietary concepts, designs, recipes, equipment, products, techniques, trademarks, trade dress, formulas and methods as all of the foregoing may be changed, improved, modified and further developed by us or our affiliates from time to time.

I. "Term" means, individually or collectively the Initial Term, any Continuation Term and any Renewal Term of this Agreement.

J. "The Cookie Plug Products" means cookies, ice cream sandwiches, drinks, cookie cakes and other food and non-food items pre-approved by us for sale at your Cookie Plug Outlet which may change from time to time.

K. "Transfer" means and includes any voluntary or involuntary, direct or indirect, assignment, sale, gift, conveyance, lease or other disposition of an interest in this Agreement, you or the Outlet, including: (a) transfer of any capital stock, partnership interest, limited liability company interest or other ownership interest; (b) merger, consolidation, reorganization, business combination or other issuance of additional stock or ownership interests; (c) transfer in bankruptcy or dissolution of marriage or otherwise by operation of law or by order of court; (d) transfer to a personal representative upon disability or transfer upon the death of you or a Principal Equity Owner; (e) the grant or creation of any lien or encumbrance on any ownership interest or asset; (f) the grant of any option, call, warrant, conversion rights, or rights to acquire any equity or voting interest; (g) assignment of contract rights; or (h) sale of assets (including the inventory, furniture, fixtures, equipment and other operating assets of the Outlet, other than in the ordinary course of business).

L. "You" or "Your" also includes: (a) those persons and their spouses owning any interest in you if you are a corporation or a limited liability company; (b) all partners and their spouses owning any partnership interest in you if you are a partnership; (c) the individual and his or her spouse who owns you if you are a sole proprietorship; (d) the guarantors of this Agreement; and (e) the Principal Equity Owner(s). For purposes of determining ownership in you, the interests owned by a husband and wife will be considered one interest, and both husband and wife will be obligated hereunder, regardless of whether the interest is owned by just one spouse or both spouses.

II. GRANT OF FRANCHISE

A. **Grant of License.** We grant to you and you accept from us, a non-exclusive right to use the System and Marks to open and operate one The Cookie Plug restaurant / your Outlet through a brick and mortar retail store during the Term of this Agreement. The location of the brick and mortar store is listed in Exhibit I, attached to this Agreement (the "Site"). If no Site is specified at the time you and we sign this Agreement, an appropriate location will be specified when it is determined and you and we agree to initial a completed Exhibit I describing that location. In order for you to operate the Outlet at an additional location, you and we must execute a separate Franchise Agreement (which at our option may

be our then-current form of Franchise Agreement) and you will be required to pay us an additional initial franchise fee, subject to any Area Development Agreement you have signed. You are permitted to offer to sell and sell approved The Cookie Plug Products at your brick and mortar location, through delivery within your Delivery Area within your Territory and through catering within your Delivery Area within your Territory pursuant to any catering rules and guidelines we establish in the Manual or otherwise. Other than as expressly described immediately above, you are prohibited from selling products and services, including The Cookie Plug Products, through any other channel of distribution. For delivery services, you may be required to use third-party delivery services we designate from time to time.

B. **Territory.** You are granted a Territory, which is described on Exhibit I attached to this Agreement (“Territory”). The Territory will be determined at the time the Site is agreed to by both parties, and will be specified in Exhibit I, which you and we will initial. We will also determine your Delivery Area that will be within your Territory. The Delivery Area was also be reflected on Exhibit I. During the Term of this Agreement so long as you are not in default, we and our Affiliates will not locate, operate, or grant a franchise for another brick and mortar The Cookie Plug restaurant within your Territory and we will not grant a Territory to another franchisee which overlaps your Territory.

C. **Retention of Rights.** We, on behalf of ourselves and our Affiliates, reserve all rights not specifically granted to you pursuant to this Agreement, all without compensation to you, including but not limited to the following:

1. We and our Affiliates may own or operate, or license or franchise others to own or operate The Cookie Dough restaurants or other businesses anywhere outside of the Territory;
2. We and our Affiliates are allowed to own, open, franchise, operate, and/or manage any businesses within the Territory or outside of the Territory under trademarks or service marks different than the Marks;
3. We and our Affiliates are allowed to own, open, franchise, operate, and/or manage any business within the Territory or outside of the Territory under systems that are different than the System;
4. We and our Affiliates are allowed to advertise the System inside and outside of the Territory, including, without limitation, on the Internet (or any other existing or future form of electronic commerce) and to create, operate, maintain and modify, or discontinue the use of a website using the Marks;
5. We and our Affiliates may develop, merchandise, sell and license others to sell products bearing the Marks, including The Cookie Plug Products, through other channels of distribution such as grocery stores, the Internet, food kiosks, booths, mobile dispensing units (such as carts, food trucks or customized RVs) or similar installations at or from which pre-assembled food products can be prepared and sold and at or through any “Special Outlet” including without limitation, a hospital, airport, sports arena, student center or others special use or similar facility or in the food court of an enclosed shopping mall, both within the Territory and outside of the Territory, and we may promote products bearing the Marks and The Cookie Plug Products at special events, athletic contests, etc., through temporary locations and any mobile units within and outside of the Territory;
6. We and our Affiliates may develop, merchandise, sell and license others to sell products bearing the Marks, including The Cookie Plug Products, via wholesale, within and outside the Territory;

7. We and our Affiliates have the right, now or in the future, to purchase, be purchased, merge, acquire, be acquired or affiliate with an existing competitive or non-competitive franchise network, chain or any other business, and we, our Affiliates or the successor has the right to operate, franchise or license those businesses and/or facilities under the proprietary marks or any other Marks following such purchase, merger, acquisition or affiliation; and

8. We and our Affiliates may sell ourselves, our assets, our proprietary marks, the Marks, their systems and/or the System to a third party; may go public; may engage in a private placement of some or all of our securities; may merge, acquire other corporations or entities, or be acquired by another corporation or entity; and/or may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring. With regard to any of the above transfers, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of our name, the Marks (or any variation thereof), the System and/or the loss of association with or identification of "The Cookie Plug" as a franchisee under this Agreement. If we assign our rights in this Agreement, nothing will be deemed to require us to remain in the business or to offer or sell any products or services to you.

III. LOCATION AND LEASE

A. **Site Selection.** You will select the proposed Site for the location of you're The Cookie Plug Outlet and submit a completed site analysis package, including demographics and other material requested by us containing all information reasonably required by us to assess a proposed Site. Within 30 days after receipt, we will advise you whether the proposed Site is acceptable. We are not responsible for and do not make any warranty regarding the suitability of the Site. Our consent to a Site means only that the Site meets our then-current minimum standards for an acceptable location of a The Cookie Plug Outlet. You are responsible for investigating the Site and having any leases or sale contract for the Site reviewed and approved by your attorney.

B. **Site Acquisition.** You have a total of 120 days after the date of this Franchise Agreement to find a Site that is pre-approved by us. If you do not begin operating your Outlet within 180 days after we consent to the site for your Outlet, or within 360 days after you sign the Franchise Agreement, we can terminate the term of the Franchise Agreement without refund of any amounts you've paid us.

C. **Our Consent to Lease.** If you intend to lease the Site, within 30 days of us consenting to the Site, you must submit a copy of the proposed lease to us for our consent. Within 10 days of signing the lease, you must provide us with a copy of the executed lease. The term of the lease plus all renewal option period together must equal or exceed the Initial Term of this Agreement. Our consent to the lease means only that the lease meets our minimum standards and is not a warranty as to the appropriateness of the lease or any of its terms. Your lease for the Site must contain substantially the same terms as found on Exhibit II attached to this Agreement. In addition, you must execute a Collateral Assignment of Lease in the form found in Exhibit III, attached to this Agreement, whereby you agree to assign your rights in the lease to us in the event of a termination or expiration of the Term of this Agreement or a default or termination under the lease. We strongly recommend that you hire a professional leasing agent to assist you in site location and lease negotiations. We may recommend or approve leasing agents; however, we are not liable for any acts or omissions of these agents, and any agent will be an independent contractor.

D. **Proof of Ownership.** If you intend to own the Site, within 60 days of us consenting to the Site, you must furnish to us proof of ownership or an executed sale contract for the Site. Your submission of proof of ownership or an executed sale contract will be deemed a warranty by you that the Site can be used for the appropriate purposes according to the terms of this Agreement. You must create

a separate entity to own the Site and then lease the Site to you at its full rental value and on commercially reasonable terms. Your lease for the Site must contain substantially the same terms as found on Exhibit II attached to this Agreement. In addition, you must execute a Collateral Assignment of Lease in the form found in Exhibit III, attached to this Agreement.

E. **Relocation.** So long as you are not in default under the Franchise Agreement, you may relocate the Outlet within the Territory with our prior written consent. However, the Territory for the relocated Site will be subject to renegotiation and subject to our then-current minimum standards and specifications for new The Cookie Plug Outlet. Regardless of the reason for relocating, you agree to pay all costs and expenses of relocating your Outlet including the cost of a demographic study and our cost and expenses in reviewing the proposed site. If you lose possession of the original Outlet's premises because the lease expired by its terms, or on account of condemnation or eminent domain proceedings, or as the result of early termination under the Franchise Agreement, you must initiate the relocation procedure in time to lease, build-out and open the new Outlet for business within 90 days after the original Outlet closes. If your lease is terminated on account of a fire or other casualty, you must promptly initiate the relocation procedure to obtain approval for a new site for the Outlet within 120 days after the lease for the original Outlet terminates and build-out and open the new Outlet for business within one year of the fire or other casualty.

IV. **INITIAL FRANCHISE FEE**

A. You must pay us an initial franchise fee ("Initial Franchise Fee") when you sign this Agreement. The amount of the Initial Franchise Fee is \$25,000. The Initial Franchise Fee is due at the time you sign this Agreement and is payable in one lump sum. The Initial Franchise Fee is not refundable, in whole or in part under any circumstances and is fully earned by us upon payment.

B. If we and you have entered into an area development agreement pursuant to which you were granted the right to develop 3 to The Cookie Plug restaurants (an "Area Development Agreement"), and this Agreement is for the second or subsequent The Cookie Plug restaurants under that currently existing Area Development Agreement, then the Initial Franchise Fee is \$20,000 for each Outlet to be developed pursuant to the Area Development Agreement. You must, however, sign a then current and separate Franchise Agreement for each additional Outlet opened under the Area Development Agreement. You will sign the Franchise Agreements for each additional Outlet being developed under the Development Schedule as each location lease is fully executed. You must also pay the Initial Franchise Fee for each Outlet to be developed pursuant to the Area Development Agreement at the same time you sign the Area Development Agreement. You will also need to pay us a Development Fee of \$5,000 at that time. The Initial Franchise Fee, the Development Fee and all other fees are fully earned when paid and are not refundable under any circumstances.

V. **TERM**

A. **Term.** The initial term of this Agreement will begin on the date of this Agreement, and, unless it is terminated earlier according to the terms of this Agreement, will expire 10 years later ("Initial Term").

B. **Continuation.** If you continue to operate the Outlet with our express or implied consent following the expiration of the Term of this Agreement, the continuation ("Continuation Term") will be a month-to-month extension of this Agreement, unless otherwise set forth in writing. All provisions of this Agreement will apply while you continue to operate the Outlet. This Agreement will then be terminable by either party on 30 days written notice to the other party.

C. **Renewal.** If you are in full compliance with the terms of this Agreement, you will have the right to renew for additional terms of 5 years each (each a "Renewal Term"), provided you agree to execute the most current form of the franchise agreement being used by us at the time you renew. The most current form of the franchise agreement may contain significantly different terms than this Agreement. In any event, we may in our discretion, refuse to renew this Agreement if you have been notified of defaults (even if subsequently cured) under this Agreement more than 3 times during the Initial Term or more than 3 times during any Renewal Term, even if you are not in default at the time of the renewal. You agree to give us not less than 180 days nor more than 365 days written notice of an election to renew this Agreement, prior to the end of the Initial Term. Your failure to give us this notice will be deemed an election not to renew this Agreement. You will also be required to pay us a renewal fee of 25% of our then current Initial Franchise Fee (charged as of the effective date of the Renewal Term) for each Renewal Term. Additionally, you must remodel the Outlet to meet our then current standards of decor in accordance with the provisions of our Manual (defined in this Agreement), and you must execute a general release, to the extent permitted by applicable law, of any and all claims against us and our Affiliates, and our and our Affiliates' respective owners, officers, directors, employees, agents, successors and assigns arising under or from this Agreement and/or any related agreements between you and us or our Affiliates, or under any applicable law, rule or regulation.

VI. **FEES**

A. **Royalty Fee.** Beginning when your Outlet is open, you are required to pay us a weekly Royalty Fee every Wednesday equal to 7% of all Gross Revenues of the immediately preceding week

B. **Marketing and Promotion Fee.** You will pay us a weekly advertising fee of up to 2% of Gross Sales based on previous week's Gross Revenues ("Marketing and Promotion Fee").

C. **Technology Fee.** You will pay us the then current weekly technology fee (the "Technology Fee") beginning on the 5th business day of each month after you first open the Outlet for business and thereafter on the 5th business day of each subsequent month. Currently the Technology Fee is \$350. We may determine to increase the Technology Fee which you are required to pay upon written notice to you.

D. **Additional Advertising and Promotion Assessment.** On a regional or System-wide basis, we may impose an additional assessment upon some or all franchisees for one-time advertising or promotional activities if two-thirds of all affected The Cookie Plug franchisees agree to such additional assessment by affirmative vote.

E. **Initial Training Fee for Additional Attendees.** This fee is \$1,500. Initial training is provided to your Restaurant Manager and Principal Equity Owners at no additional charge. You may be required to pay us this fee if you have a Restaurant Manager who is retaking Initial Training or if you are replacing a trained Restaurant Manager. You must pay the costs of travel, lodging and meals for all your attendees of initial training regardless, as well as their compensation, benefits, employment taxes, etc.

F. **Additional Training Fee.** This fee is up to \$750 a day for each attendee. After your Outlet opens, and upon reasonable notice, we may require your Restaurant Manager, Principal Equity Owners and other designated personnel to attend staff training courses, seminars, conferences or other programs at locations we select, and we may charge you a separate fee of \$750 per day for each of your attendees at required training. We may also provide optional training or programs, and we may

charge you a separate fee of \$750 per day for each of your attendees at optional training. And you will be responsible for the travel, lodging, meal and all other expenses of or relating to your attendees at these programs. YOUR ATTENDEES OR OUR TRAINERS. GET RID OF OR OUR TRAINERS

G. **Manner of Payments.** All fees and payments together with the other amounts due to us or our Affiliates will be made via electronic funds transfer ("EFT") or such other manner which we may designate from time to time. None of these fees are refundable. Any payment or report not received by us on or before the date they are due will be deemed overdue. You will comply with the procedures specified in the Manual or as otherwise communicated for such EFT program and will perform the acts and sign the documents, including authorization forms that we, our bank, and your bank may require to accomplish payment by EFT, including authorizations for us to initiate debit entries and/or credit correction entries to a designated checking or savings account. In addition, you will pay all costs associated with utilizing an EFT payment program. If you fail to timely report to us, in addition to any applicable late charges, we have the right, but not the obligation, to debit from such account an estimated amount based on our reasonable estimation of your Gross Revenues. If any amount is due pursuant to this Agreement but there is no set date for it pursuant to this Agreement, it will be due to us upon our request.

H. **Interest on Late Payments.** If Royalty Fees, Advertising Fees, Technology Fees or any other amounts due to us or our Affiliates are overdue, we have the right to charge interest on these overdue amounts equal to the lesser of 1 ½% per month or the maximum legal rate in the jurisdiction where the Outlet is located. Our right to interest is in addition to any other remedies that we may have.

I. **No Right of Offset.** You agree to make prompt payment, without deduction or set-off, of all charges which are properly due, including the Royalty Fees, Advertising Fees and Technology Fees. You cannot withhold any payment to us or our Affiliates on the grounds of non-performance by us of any of our obligations hereunder.

J. **Under-Reporting.** If it is found that you under-reported Gross Sales, you will pay us the amount of the Royalty Fees and Marketing and Promotion Fees that would have been due had Gross Sales been reported accurately, plus interest on those amounts at the rate of the lesser of 1 ½ % per month or the maximum legal rate in the jurisdiction where your Outlet is located. In addition, if the amount of Gross Revenues reported for any calendar year is less than 98% of the actual Gross Revenues for that period and/or you fail to provide us reports, supporting records or other information we require, you agree to reimburse us for all costs of such investigation or audit, including salaries, professional fees, travel, meals and lodging.

K. **Late Fee.** If you fail to pay us or our Affiliate any amount when due, we can charge you, to the extent permitted by applicable law, a late fee of 5% of the amount paid late.

L. **Taxes.** You agree to indemnify and/or reimburse us and our Affiliates for all capital, gross receipts, sales, and other taxes and assessments imposed by any applicable state or local governmental authority as a result of the conduct of the Outlet's business or the license of any of our or our Affiliates' intangible property to you (whether required to be paid by us or our Affiliates, withheld by you or otherwise). Your obligation to indemnify or reimburse us or our Affiliates for these taxes does not extend to income-type taxes which a state or local government imposes on us or our Affiliates' income.

M. **Cost of Collection.** You will pay us our costs to collect any amounts described in this Agreement, including without limitation, attorneys fees and other costs related to collection.

N. **Penalty for Delivering Outside of Delivery Area.** If you delivery any products outside of your Delivery Area, you will pay us, on demand, \$500 per instance of delivery. In addition, we may reduce your Delivery Area by up to 75% of its geographic area immediately prior to any violation.

VII. **ADVERTISING**

A. **Marketing and Promotion Fees.** Marketing and Promotion Fees are deposited into a separate bank account of ours specifically designated for The Cookie Plug advertising and promotion activities. This separate marketing and advertising bank account is not audited. However, if you request in writing an accounting of advertising expenditures within 90 days after the end of a calendar year, we will provide you within 30 days thereafter an unaudited financial statement of the advertising account's annual receipts and expenditures relating to the calendar year. No interest on the amounts on deposit will be imputed for your benefit or paid to you. We administer this separate marketing and advertising bank account and the national advertising program, and we will receive a fee of 15% of the annual aggregate Marketing and Promotion Fees for doing so. None of the Marketing and Promotion Fees are or will be used primarily for the solicitation for new franchise sales. We are not obligated to spend monies from these funds in any particular market, and we cannot and do not represent or ensure that any individual franchisee will benefit directly or on a pro rata basis from the future use of these funds. These funds may be used to meet any costs of maintaining, administering, directing, producing and preparing promotions, media placement and advertising (including the cost of conducting public relations activities; conducting advertising; producing promotional brochures and other marketing materials to make available to you and other franchisees; and the actual costs of salaries and fringe benefits paid to our employees engaged in promoting the Marks and the System and administering these funds). If we do not use all of the funds deposited in the account in a particular fiscal year, the remaining funds will be carried over to the next fiscal year and be included in that year's advertising budget. We are entitled to reimbursement from and payments out of these funds to cover our administrative and overhead expenses associated with these funds. . We have no fiduciary obligation to you for administering these funds.

B. **Your Own Advertising.** In addition to Marketing and Promotion Fees and grand opening advertising, you must spend not less than 1.5% of your weekly Gross Revenues on advertising and promotion in the Territory ("Local Advertising"). We may provide guidelines for conducting this advertising. Within 90 days following the end of each fiscal year, you shall furnish to us an accurate accounting of your advertising expenditures from the preceding year.

We must consent to your use of any advertising and sale promotion materials before you use them. You must submit all of your advertising and sale promotion materials to us or our designee at least 20 days prior to use. If we do not reject these materials within 20 days, we will be deemed to have consented to your use of them. To the extent permitted by applicable law, we may set minimum and/or maximum prices for the products or services you offer at your Outlet. If we later determine that your once-approved advertising materials do not satisfy our then-current advertising and promotional standards, you must immediately cease using such materials upon written notice from us.

You will not advertise, or use in advertising or other form of promotion, the Marks without the appropriate copyright, trademark, and service mark symbols ("©", "®", "TM" or "SM") as we direct. You are not permitted to solicit business through the distribution of individual advertising items, such as coupons and circular advertising outside of your Territory, without our prior, written consent which we may withhold in our absolute discretion.

C. **Opening Advertising.** In addition to the other advertising requirements, within the first 90 days after the Opening Date, in addition to the amount to be spent on local marketing of your Outlet as a part of the Marketing and Promotion Fee, you must spend in your Territory at least \$5,000 on the grand opening advertising and promotion of your Outlet, using the grand opening promotional program that we approve.

VIII. OUR GENERAL DUTIES

A. **Initial Training.** We will provide an initial training program (“Initial Training” or “Initial Training Program”) for the operation of a The Cookie Plug restaurant using the System and Marks. Your Restaurant Manager and Principal Equity Owners are required to attend this training and must complete it to our satisfaction before you can open your Outlet. The Initial Training Program will be furnished at such time and place as we may designate. You will pay all transportation, lodging, meals and other expenses incurred by you and your employees in attending this program. If the persons required to attend Initial Training fail to complete the Initial Training Program to our satisfaction, we have the right to terminate the Term of this Agreement. Satisfactory completion of the Initial Training Program is, however, no assurance of the success of the Outlet. If you currently operate or have previously operated a The Cookie Plug restaurant, the Initial Training Program will not be mandatory for the Principal Equity Owners unless we deem it necessary, and may be modified by us as we deem necessary. You are responsible for wages, travel, living expenses and wages for you and your employees for the training. We may require you to attend any training described in this Agreement on-line. Initial Training must be completed within 180 days after you sign the Franchise Agreement. If your designated Restaurant Manager or you fails to complete initial training satisfactorily, you will have the option of sending a replacement approved by us to Initial Training. You must then reimburse us for our costs in providing this replacement Initial Training plus a training fee of \$250 per day. If your designated Restaurant Manager requests an extension of Initial Training beyond 8 weeks, we will provide this extended Initial Training for the first 3 days at no charge, but we will charge \$250 per day for the fourth and each subsequent day of Initial Training.

B. **Subsequent Training.** You will be required to send replacement Restaurant Managers to Initial Training unless we determine otherwise. Regardless, you are required to provide your replacement Restaurant Managers with our prescribed training program prior to their assuming management responsibility at the Outlet. Notwithstanding anything to the contrary contained herein, we reserve the right to require your Principal Equity Owners and your Restaurant Manager re-attend any or all of training programs in the event we believe that you, they or your Outlet are underperforming pursuant to the guidelines described in the Manual. We may also provide refresher programs to experienced employees or managers. We are permitted to charge a fee for any subsequent training we may offer or require. We reserve the right to designate certain training programs or meetings as mandatory and to treat your failure to have a representative attend as a breach of this Agreement. You must pay the compensation of the trainees as well as such trainees' travel, lodging and personal expenses during any subsequent training. We will conduct both oral and practical evaluations and issue a Certificate of Completion upon successful completion at the conclusion of the Initial Training.

We may but are not obligated to assist you in selecting a site for your Outlet. Although we do not typically pre-select the site for your Outlet, we must give our final consent to the location before your Outlet can be placed there.

C. **Opening Assistance.** Additional on-site training at your Outlet may be provided when you open your Outlet. We may provide you with proprietary information and related materials for use in training your staff. These materials are our sole property and must be returned to us when you are finished with them. At your request, we may make additional on-site assistance available to you, and we may

elect to charge a reasonable fee for any such additional on-site assistance, including our trainers' travel and lodging expenses. If you already operate or have operated a The Cookie Plug restaurant, on-site assistance will not be provided unless we deem it necessary.

D. **Continuing Advisory Assistance.** We will make available continuing advisory assistance in the operation of the Outlet, rendered in such manner and available from time to time, as we may deem appropriate. If we send our representatives to your Outlet to provide assistance, we reserve the right to charge a reasonable fee for this type of assistance. We will be reasonably available by phone and e-mail for guidance in the operation and management of your Outlet and your compliance with the guidelines and procedures in our Manual.

E. **Hiring, Firing, Supervision.** We do not provide you with assistance in hiring, supervising or discharging employees, nor do we provide any advice on employment law or regulations, except to strongly recommend you engage the services of an attorney competent to advise you on employment law matters in your state.

F. **Layout and Design.** We will provide you with suggestions for the layout and design, furnishing and equipping a typical The Cookie Plug restaurant. These suggestions will not include the requirements of any federal, state, or local law, code, or regulation, including those concerning the Americans with Disabilities Act or similar rules governing public accommodations for persons with disabilities, nor will such suggestions include the requirements of, or be used for, construction drawings or other documentation necessary to obtain permits or authorization to build a specific The Cookie Plug restaurant. You acknowledge and agree that it is your sole responsibility to ensure that you are complying with all applicable federal, state, and local laws, codes, and regulations that concern your Outlet.

G. **Menus and The Cookie Plug Products.** We will provide you with a required menu board and written schedule of all The Cookie Plug Products that must be sold at your Outlet (the "Cookie Plug Products"), and a list of approved and designated suppliers. Products, food items, beverages and suppliers may be changed from time to time by us in our discretion and you are required to abide by all changes.

H. **Manual.** Loan you a copy of the Manual (further discussed in this Agreement).

I. **Website.** We will provide you with access to and integrate information about your Outlet into The Cookie Plug website.

J. **Visits and Additional Assistance.** We have a right to and may, in our discretion, visit you periodically at no cost to you to provide additional sales and administrative review and assistance, including assistance with establishing and using administrative, bookkeeping, accounting and inventory control procedures. Notwithstanding the foregoing, if you request this assistance and we agree to provide it, you must reimburse us for the cost of our representative's transportation and lodging. We may also, at our discretion, charge an additional training fee of \$750 per day for The Cookie Plug training courses, seminars, conferences or other programs that we require you or your representatives to attend. The nature, frequency and duration of this assistance by our representatives will be in our sole discretion.

K. **Inspections.** We have a right to and may, in our discretion, perform inspections of your Outlet in connection with your ongoing obligation to maintain the Outlet in accordance with our standards. We will notify you if the general state of repair, appearance or cleanliness of your Outlet or its fixtures, equipment or signs do not meet our standards, and specify the action you must take to correct the deficiency which you will do at your cost.

L. **System Wide Meetings and Convention.** We may conduct a system-wide mandatory meeting (or annual convention) not more than once a year in southern California or other location we designate. Attendance of at least one Principal Equity Owner at these meetings will be mandatory (and is highly recommended for the Restaurant Manager and all other Principal Equity Owners). You must pay the cost of travel, lodging and meal expenses and all other costs for your attendees at these mandatory meetings.

M. **Pricing.** We may recommend retail prices for The Cookie Plug Products you sell at your Outlet, and other products and services we authorize for sale at your Outlet (to enhance uniformity in the delivery of goods and services to retail customers by our franchises and the strength of our Marks in inter-brand competition), and if we do so, you may not advertise or promote (whether by telephone, printed materials or any other media, including, without limitation, social media) retail prices that are inconsistent with these recommended prices.

IX. YOUR GENERAL DUTIES

In addition to all other duties of yours provided elsewhere in this Agreement:

A. **Outlet Opening and Construction.** You agree to begin operation of the Outlet within the deadlines established by this Agreement. Prior to opening, you must purchase certain Cookie Plug Products from us or our Affiliates or approved suppliers. You will construct and equip the Outlet according to the specifications prepared by you and subject to our right to consent. You must pay for the cost of construction drawings and other documentation necessary to build, obtain permits or receive other necessary authorizations for constructing the Outlet. You must submit these plans and other documents, along with any revisions of them made during the construction process, to us for our consent prior to your use of them. Our review will be limited to reviewing these plans and documents to assess compliance with our design specifications and standards for The Cookie Plug restaurants, including items such as trade dress, presentation of trademarks, and the provision to the potential customer of certain products and services that are central to the functioning of the Outlet under the System. Our review is not designed to assess, nor does it assess, compliance with federal, state or local laws and regulations, including the Americans with Disabilities Act, as compliance with such laws is the sole responsibility of you. The deadline to open the Outlet may be delayed only if the delay is caused by contingencies not within your control, like acts of God, governmental restrictions, strikes or labor disputes, the occurrence of which we are given notice within a reasonable period time. You will use your best efforts to cure any delay. Any permitted delay in completion will only be for a period of days equal to the number of days during which such event actually prevents completion.

B. **Use of Name and System.** You agree that during the Term, you will operate, advertise and promote the Outlet under the name "The Cookie Plug" without prefix or suffix and to adopt and use the Marks and System licensed hereunder solely in the manner prescribed by us. You agree to identify the Outlet with an external sign in compliance with applicable local ordinances and approved by us. Notwithstanding the foregoing, we can change the Marks from time to time and you will need to comply with those changes at your cost.

C. **Compliance with Laws.** You agree to operate the Outlet in compliance with applicable laws and governmental regulations and in accordance with the operational standards we may establish from time to time. At all times you will comply with all federal, state, municipal and local laws, rules, regulations, ordinances and codes applicable and related to this Agreement, the Outlet, and all aspects of the conduct of the Outlet. You must obtain all licenses and permits required by any applicable federal, state, municipal, and local law, rule, regulation, ordinance, and code to operate the Outlet as required by this Agreement or the Manual. You must make timely filings of all tax returns and pay when due all

taxes levied or assessed on, and related to this Agreement and the Outlet. At no time are we required to inform you of any federal, state, municipal, or local law, rule, regulation, ordinance, code, or tax. You represent to us that your signature on and performance of this Agreement does not violate or constitute a breach of the terms of any other agreement or commitment to which you are a party.

D. **Standards of Operation.** The Outlet must conform with the mandatory standards relating to signage, color scheme, appearance, hours of operation, cleanliness, sanitation, size type of equipment, fixtures, computer system, and décor, as designated by us. Unless we give you our prior written consent, you must offer all products and services required by us in our Manual or in any other written instruction we give to you. You will not conduct any business or sell any products or provide any other services than those approved by us. Uniformity of products and services offered by all The Cookie Plug restaurants is of utmost importance to us and the entire System. If you offer to sell or do sell products or services which are not authorized, you agree that we will be damaged. These damages will be calculated at the rate of \$250 per day for each day you offer or sell unauthorized products or services and will be in addition to any other rights and remedies we may have against you. We have the right to collect these amounts in addition to exercising any and all other rights we may have for non-compliance under this Agreement. You agree that a precise calculation of the full extent of the damages that we will incur from the offer or sale of unauthorized products and services are difficult to determine and all parties desire certainty in this matter and agree that the damages provided here are reasonable and constitute liquidated damages and not a penalty.

You will not sell any product which is adulterated, contaminated, spoiled, unsafe, or otherwise unfit for human consumption. You must keep the premises clean and provide prompt and courteous service to all customers. However, we may, to the extent permitted by applicable law, set minimum and/or maximum prices for the products or services you offer at the Outlet. You agree to, and will take all steps as are necessary to, ensure that all of your employees treat each customer fairly and provide services in an honest, ethical, and non-discriminatory manner. You must not advertise in a deceptive, misleading, or unethical manner and agrees to meet such minimum standards as we may establish from time to time in the Manual.

We require you, if permitted by applicable law, to participate in various programs and activities with other The Cookie Plug restaurants, including any gift card or loyalty program we or our affiliates may establish from time to time, in accordance with the provisions either set forth in the Manual or otherwise disclosed to you. In order to participate in these programs and activities, you may be required to purchase additional equipment and pay applicable fees associated with the purchase, installation and training for this equipment. If we establish a gift card program, we have the right to determine how fees will be divided or otherwise accounted for, and we reserve the right to retain the amount of any unredeemed gift cards. You are required to use an approved supplier for bookkeeping services.

E. **Staffing.** You will maintain a competent, conscientious, and trained staff. You will be solely responsible for all employment decisions and functions of the Outlet including those related to hiring, firing, training, wage and hour requirements, record-keeping, supervision, and discipline of employees.

F. **Security and Safety Procedures.** You are solely responsible for taking necessary or appropriate security and safety measures to protect employees, customers, those engaging in business with you, those coming on the premises of the Outlet and the general public at large. We do not in any way share any of that responsibility. We strongly suggest that you obtain and maintain a security system we approve to monitor your Site. It is your sole responsibility to ensure that your security system is working and that you monitor it.

G. **Actual Participation.** You recognize the importance of the Principal Equity Owner's participation in the management of the Outlet and that the Principal Equity Owner's agreement to participate in the management of the Outlet is a material inducement for us to enter into this Agreement. Therefore, you agree that the Principal Equity Owner(s) who has satisfactorily completed our Initial Training Program is required to use his or her best efforts and is personally responsible for the overall management of the Outlet. You may choose a restaurant manager or restaurant managers, however, (each, "Restaurant Manager") who will be responsible for the day-to-day management of your Outlet. A Restaurant Manager must always be on duty while the Outlet is open. Principal Equity Owners are not required to personally participate in the direct "on premises" management and operation of the Outlet. Each Principal Equity Owner must sign a Guarantee of Franchise Agreement (attached to this Agreement) requiring him / her to ensure that all obligations of the franchisee under this Agreement (including provisions related to payments to franchisor, confidentiality and non-competition) are fulfilled. In any event, the Principal Owner is required to carefully monitor and be responsible for the performance of anyone designated to manage or oversee the operation of the Outlet. You must disclose the identity of the Restaurant Manager to us and if for any reason the Restaurant Manager is no longer acting in this capacity, you must notify us immediately and in writing. The Restaurant Manager cannot have an interest or business relationship with any of our business competitors. The Restaurant Manager must devote full time during normal business hours to the management, operation and development of the Outlet. We do not require your Restaurant Manager to have any ownership interest in your business, although he or she may do so. The Restaurant Manager and other key employees of a franchised Outlet may be required to sign a non-compete and confidentiality agreements.

H. **Insurance.** You will at all times maintain at your sole expense comprehensive public and product liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in conjunction with the operation of the Outlet. You will obtain and maintain the minimum insurance as set forth in the Manual. We may, from time to time, in our sole discretion, make such changes in required minimum types of insurance and policy limits, coverage, and endorsements that you must maintain as we may determine. You agree to comply with any of these changes, at your sole cost and expense. All general liability insurance policies will name us and our successors and assigns as additional insured and will provide that we must receive 30 days prior written notice of any termination, expiration or cancellation of the insurance policy. Each year you must provide us with a certificate and applicable endorsements, and other documentation that we may request, evidencing your compliance with our insurance requirements. If you fail to maintain such insurance, we may procure such insurance on your behalf and will be entitled to reimbursement from you of our costs to do so, in addition to any other rights and remedies we may have under this Agreement. However, we are not obligated to obtain such insurance on behalf of you. Regardless of the amounts required hereby, it will be your responsibility to maintain adequate insurance coverage at all times during the Term of and after the expiration of the Term of this Agreement. You recognize that the levels of insurance required hereby are merely minimum requirements. You should determine if additional insurance is necessary through consultation with your advisors. Your failure to maintain coverage will not relieve you of any contractual responsibility or obligation or liability under this Agreement.

I. **Inspections.** You must permit our representatives or agents or the representatives or agents of our Affiliates to enter the business premises with or without notice during regular business hours to inspect the Outlet and audit the business operations, including all books and records. You also grant us permission to examine all records of any supplier from whom you have made purchases. You will keep on file and make available for our review the following documents and reports: weekly inventory sheets, deposit slips, bank statements and canceled checks, sales and purchase records, business tax returns and such other accounting records for such periods of time as is necessary to provide appropriate documentation in the event of an audit of your business by any governmental taxing authority having jurisdiction over you. Our right to approve certain matters, to inspect the Outlet and its operation

and to enforce our rights, exists only to the extent necessary to protect our interest in the System and Marks for the benefit of us, our Affiliates and all The Cookie Plug restaurants and to ensure compliance with this Agreement. Neither the retention nor the exercise of these rights is for the purpose of establishing any control, or the duty to take control, over those matters which are clearly reserved to you, nor will they be construed to do so. The obligations of this provision survive termination or expiration of the Term of this Agreement.

J. **Cooperation for Financial Performance Representations.** You will maintain your books and records in accordance with generally acceptable accounting principles, consistently applied. If we at any time desire to use a financial performance representation or similar document in connection with the sale of franchises, you agree to provide us, at no cost, with such reasonable information as we may require and in the form or manner in which we may require in order to properly prepare such representation, and will permit us to use such information as we deem necessary.

K. **Innovations.** All ideas, concepts, techniques, innovations, developments, improvements, suggestions or materials concerning a The Cookie Plug restaurant, whether or not protectable intellectual property and whether created by or for you or your owners, affiliates, employees or representatives, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the System and works made-for-hire for us. To the extent any such item does not qualify as a "work made-for-hire" for us, you must assign, or must require your owners, affiliates, employees or representatives to assign, your or their ownership interest of such item to us. You agree to take, or direct your owners, affiliates, employees or representatives to take, whatever action required by us to document such assignment or to assist us in obtaining any and all intellectual property rights in such item. In the event that this provision is found to be invalid or unenforceable, you and your owners grant to us a worldwide, perpetual, non-exclusive and fully paid license to use and sublicense the use of such ideas, concepts, techniques, innovations, developments, improvements, suggestions or materials.

L. **Remodeling.** We may require you to make capital expenditures to remodel, at your sole expense, the Outlet and update to reflect our then current standards for The Cookie Plug restaurants. Compliance with these standards may be an ongoing obligation of yours, and may be a condition of our consenting to a renewal of the Term, or our consenting to a Transfer.

M. **Financial Reports.** You will maintain and preserve for at least 6 years from the dates of their preparation, full, complete and accurate books, records and accounts in consistently applied accounting principles and in the form and manner prescribed by us from time to time. You will send us annual income and expense statements within 60 days of the end of your fiscal year. You will also send us weekly Gross Revenue summary reports every Monday based on the preceding week, monthly profit and loss statements by the 15th day of the following month and any other information or reports including copies of balance sheets, copies of sales tax returns, and such other financial reports and information as we may reasonably request. However, you will not be obligated to disclose confidential tax returns if such disclosure would violate applicable state law. All reporting data will be prepared in accordance with generally accepted accounting principles, consistently applied.

N. **Assignment by You.** You grant us an irrevocable, world-wide, royalty-free license to use your likeness or images of the Outlet, in any manner we deem appropriate in our sole discretion, including our or our Affiliates' use on any Internet domain or website we create or through any other Internet representation we deem appropriate for the System. This provision will survive the termination or expiration of the Term of this Agreement.

O. **Maintenance of the Outlet.** You must keep the exterior and interior of your Outlet and all fixtures, equipment, furnishing, computer equipment and software, and signs in the highest degree of

cleanliness, orderliness, sanitation and repair and in accordance with the Manual as such may change from time to time. You may not make any material alternations, additions, replacements or improvements to your Outlet without our prior written consent. You shall equip the Outlet with furniture, fixtures, signs, and equipment, including computer equipment, and use such items as required in the Manual, which we may change or modify from time to time. You acknowledge and understand that in the future, and from time to time, you may be required to upgrade or purchase or lease new or different furniture, fixtures, equipment, computer hardware and software, and signs at your sole expense. You acknowledge that we have full access to the information or data your computer system on a 24 hour / 7 days a week basis.

X. PROPRIETARY MARKS

A. **Right to Use Marks.** You acknowledge that the Marks are valid service and/or trademarks, which are licensed to us. You recognize that valuable goodwill is attached to the Marks, and that you will use the Marks only in the manner and to the extent specifically licensed by this Agreement. Any goodwill arising out of your use of the Marks inures to the benefit of us and our Affiliates. You further acknowledge that the right to use the Marks and the grant contained in this Agreement is non-exclusive, and that we and/or our Affiliates, in our and/or their sole discretion, have the right to operate businesses under the Marks on any terms and conditions we or they deem fit; provided that we agree to abide by the provisions with respect to protection of the Territory as set forth in Section II.A. of this Agreement. Any unauthorized use of the Marks by you is a breach of this Agreement and an infringement of our rights and the rights of our Affiliates. All provisions of this Agreement applicable to the Marks apply to any additional service marks, trademarks, trade dress, trade names, logos, commercial symbols and copyrights hereafter authorized for use by, and licensed to, you.

B. **Contest of Marks.** You will not directly or indirectly contest or aid in contesting the validity or ownership of the Marks, trade secrets, methods, procedures and advertising techniques which are part of the System, or contest our and our Affiliates' rights to register, use or license others to use the Marks or the System. You will not at any time (whether during or after the Term of this Agreement) directly or indirectly infringe on our rights to or in the Marks. You agree to promptly notify us of any claim, demand or suit based upon or arising from any attempt by anyone else to use the Marks, or any colorable variation thereof. We and our Affiliates will have the sole discretion to determine if we will defend the use of the Marks, and we are not obligated to defend the Marks. We or our Affiliates have the right to control any administrative proceeding or litigation involving the Marks. You will execute any and all instruments and documents, render assistance and do such acts as may, in the opinion of our counsel, be necessary or advisable to protect our interests or the interests of our Affiliates in any such litigation or proceedings, or to otherwise protect and maintain our interest or the interest of our Affiliates in the Marks.

C. **Prohibition on Use of Name.** Your will not use any of the Marks or the names "The Cookie Plug" or "The Cookie Plug Group" as part of your corporate name with any prefix, suffix, or other modifying words, terms, designs or symbols. You will, however, identify yourself as our franchisee, solely with the logos and marks licensed by us to you hereunder. You will not incur any obligations or indebtedness except in your name. Further, you will not use our name or Marks (or any marks or names confusingly similar to our name or Marks) as an Internet domain name or in the content of any world-wide website.

D. **Change of Marks.** We will have the right to change the Marks to be used by you at any time and for any reason we deem appropriate. You will pay the costs associated with any change in the Marks we make, and you will make these changes promptly.

E. **Use of Marks on the Internet.** You acknowledge that we or our Affiliates and licensors

are the lawful, rightful and sole owner of all Internet addresses used by us, and you unconditionally disclaim any ownership interest in that or any similar Internet addresses. You will not maintain a worldwide website, mobile application or social media (e.g., Instagram, Facebook or Twitter) account or user name, or any other presence, or otherwise advertise on the Internet, or any other public computer network, in connection with your Outlet without our prior written consent or in the manner we approve. Any such permission shall only be for such time as we permit and shall be on the terms and conditions we specify from time to time in the Manual, which may restrict the content that you are permitted to post to such social media outlet. We have the right to cease granting you permission to operate any such social media outlet at any time.

You agree not to register any Internet address name under any Internet domain, class or category that contains the Marks or any abbreviation, acronym or variation of the Marks. We and our Affiliates retain the sole right to advertise on the Internet and create a website or websites using any of the Marks or any variation of the Marks.

XI. CONFIDENTIAL INFORMATION

You acknowledge that the trade secrets, information, ideas, research, methods, manuals, sales and marketing procedures, systems, improvements and copyrighted materials, etc., including the Manual, owned or developed by or licensed to us, whether or not published, confidential or suitable for registration or copyright, and the goodwill associated with them, are and shall remain the sole and exclusive property of us. This information is provided or revealed to you in trust and confidence. You will not, during the Term of this Agreement, or after a Transfer, or the termination or expiration of the Term of this Agreement, communicate or divulge to anyone, any such information or knowledge, including products, specifications, standards, methods, procedures, sales and marketing materials, knowledge of the System customer lists, customer information, vendor lists and information and experience in operating a the Cookie Plug restaurant and other information or material which we may designate as confidential ("Confidential Information"), nor will you disclose, use or divulge, in whole or in part, any Confidential Information, unless the information is generally known and in the public domain, and except to the extent necessary to operate the Outlet. You will ensure that each of your employees exercises the highest degree of diligence and makes every effort to maintain the absolute confidentiality of all trade secrets and proprietary rights during and after the Term of this Agreement. You may only disclose Confidential Information to your employees or agents on a need to know basis and only to the extent necessary to perform their jobs. All supervisory employees will be required to sign a non-disclosure and non-compete agreement in a form acceptable to us. SEARCH FOR THE COOKIE PLUG GROUP

XII. NON-COMPETITION

A. **Competing Business During the Term of this Agreement.** You acknowledge the uniqueness of the System and that we are making our knowledge, know-how, and expertise available to you for the purpose of operating the Outlet strictly and solely within the Territory. You agree that it would be an unfair method of competition to use or duplicate or to allow others to use or duplicate, any of the knowledge, know-how or expertise you receive from us or our Affiliates for any reason other than for the operation of the Outlet under this Agreement. You further recognize the importance of devoting substantial time and energy to the Outlet. Therefore, you warrant that during the Term of this Agreement, unless you have our prior written consent, neither you nor any of your owners will directly or indirectly perform any services for, engage in or acquire, be an employee of, have any financial, beneficial or equity interest in, or have any interest based on profits or revenues of any Competitive Business except as a duly licensed franchisee of us (except for a 5% or less beneficial interest in a reporting company registered under the Securities Act of 1933, as amended).

B. **Non-Competition After Term.** For 2 years after a Transfer, or the termination or expiration of the Term of this Agreement for any reason, or the entry of final order of a court of competent jurisdiction enforcing this covenant, whichever is later, neither you nor any of your owners will directly or indirectly perform any services for, engage in or acquire, be an employee of, have any financial interest in, loan money to, or have any interest based on profits or revenues of any Competitive Business (except for other outlets franchised from us to you or your owners, and except for a 5% or less beneficial interest in a reporting company registered under the Securities Act of 1933, as amended). The geographical scope of this restriction will cover the Site and the area within a 25-mile radius around where the Site of the Outlet is located and the area within a 25-mile radius around any The Cookie Plug Restaurant that is established, being constructed or subject to an executed Franchise Agreement at the time this restriction begins to be enforced.

C. **Reasonableness of Restrictions.** You and any guarantor of this Agreement acknowledge and confirm that the length of the term, definition of a Competitive Business and geographical restrictions contained in Sections XI and XII are fair and reasonable and not the result of overreaching, duress or coercion of any kind. You acknowledge and confirm that your and their full, uninhibited and faithful observance of each of the covenants contained in Sections XI and XII will not cause any undue hardship, financial or otherwise, and that enforcement of each of the covenants contained in this Sections XI and XII will not impair your or their ability to obtain employment commensurate with their respective abilities and on terms fully acceptable to you or them or otherwise to obtain income required for your or their comfortable support and, if such person is an individual, his or her family, and the satisfaction of the needs of his or her creditors.

D. **Enforcement.** You acknowledge that to disregard the provisions of Sections XI and XII would effectively foreclose us from selling other franchises and you could be unjustly enriched and unfairly derive benefit from the goodwill of and training you receive from us. Moreover, our franchisees and The Cookie Plug restaurants could be severely disadvantaged if you compete against them using the Marks or other Confidential Information. We intend to restrict your activities under Sections XI and XII of this Agreement only to the extent necessary for the protection of our, our Affiliates' and our franchisees' legitimate business interests. Each of the foregoing covenants will be construed as severable and independent, and will be interpreted and applied consistent with the requirements of reasonableness and equity. In the event a court of competent jurisdiction will determine the business, time, or geographic limitations contained in this Agreement are illegal, invalid or unenforceable, then, the court so holding will reduce the limitation necessary to render such restriction enforceable by the court. We will have the right to reduce the scope of any covenant contained in Sections XI and XII, without your consent, effective immediately upon receipt by you of our written notice; and you will comply with any reduced covenant. In addition to any other remedies available at law or equity, we will have the right to injunctive relief for you violation or threatened violation of any covenant described in Sections XI and XII. The terms of this non-compete are assignable by us and will inure to our benefit, as well as our successors and assigns. In the event of any assignment, sale, merger or change in our ownership or structure, the resulting entity will step into our place, without any additional consent of or notice to you, as if the terms "us", "our" or "we" were defined in this Agreement to include such entity.

XIII. DEFAULT AND TERMINATION

A. Termination By Us.

1. **With 30 Days' Opportunity to Cure.** We may, at our option, and without prejudice to any other rights or remedies provided for in this Agreement, or at law or in equity, terminate the Term of this Agreement for "good cause". Without limitation as to other situations, "good cause" for termination also exists if you or any guarantor of this Agreement:

- (a) Do not substantially perform all of the terms, requirements, conditions, and obligations of this Agreement, or the mandatory obligations under the Manual; or
- (b) Lose possession of the premises at which the Outlet is located and fail to secure a suitable site for relocation which we consent to within the time required by this Agreement; or
- (c) Default under the terms of the lease for the premises; or
- (d) Misrepresent Gross Revenues in any report submitted to us; or
- (e) Lose any permit or license which is a prerequisite to the operation of the Outlet for a period of at least 5 days; or
- (f) Repeatedly fail or refuse to comply with the provisions of this Agreement (i.e. two (2) or more times in any 12-month period), whether or not the repeated failures or refusals are corrected after notice. Under no circumstances do you have an opportunity to cure this default; or
- (g) Commit any other act which constitutes good cause under applicable state law or court decision; or
- (h) Fail to keep the Outlet open for a period of 5 consecutive days without our prior written consent; or
- (k) Fail to pay any lawful debt or tax when due; or
- (l) Surrender or transfer control of the Outlet (including entering into a management arrangement with any person who does not meet our standards, such as satisfactorily completing our Initial Training Program), or make an unauthorized direct or indirect Transfer.

Subject to applicable law and except as otherwise provided in this Agreement, we will give you at least 30 days' prior written notice of default (except that, if state law requires a longer period, you will be granted the longer period, and except that, if state law permits, we will have the right to terminate earlier if the "good cause" constitutes a default that is not curable). The notice will state the reason(s) for default and will provide that you have 30 days from the date of the notice to correct any claimed deficiency. If the default is corrected within this period, the default will be deemed cured. If the default is not corrected within this period, we have the right to terminate the Term of this Agreement immediately.

2. **Without Opportunity to Cure.** Notwithstanding anything contained herein to the contrary, if state law permits, we will be permitted to terminate the Term of this Agreement immediately and without notice when the basis or grounds for termination is: (a) accusation or allegation of, conviction of, or pleading guilty or no contest to, a felony or engaging in any other criminal misconduct that materially and adversely affects the operation, maintenance, reputation or goodwill of the Outlet or the System; (b) fraudulent activity that, in our opinion, materially and adversely affects the operation, maintenance, reputation, or goodwill of the Outlet or the System; (c) abandonment of the Outlet; (d) your bankruptcy or insolvency or that of your guarantors; (e) the giving of more than 2 no account or insufficient funds checks to us or our Affiliates within a 12 month period, or our Affiliates receipt of any similar notice when utilizing any EFT payment; (f) your making or having made any material misrepresentation or omission in the application for

this franchise; (g) your misuse the Marks or Confidential Information, or your engagement in conduct which, in our opinion, reflects unfavorably upon the operation, maintenance, goodwill and/or reputation of the System; (h) your or any guarantor's violation of any non-compete, non-solicit, or confidentiality obligation related to this Agreement; (i) we make a reasonably determination that your continued operation of the Outlet will result in an immediate danger to public health or safer; or (j) any other act or omission that permits termination without notice and/or an opportunity to cure under applicable state law.

B. **Termination by You.** You must notify us in writing of any failure of us to perform any of our material obligations pursuant to this Agreement. You may terminate the Term of this Agreement only if we materially default in our performance of any terms and conditions in this Agreement, you give us written notice within 30 days of this material default, and we fail to cure this material default within 60 days of our receipt of your written notice of default.

C. **Consequences of Termination.** Upon the termination or expiration of the Term of this Agreement for any reason whatsoever, all of your rights hereunder will terminate, and you will do each of the following:

1. You will cease to be a franchisee of us and cease to operate the Outlet under the System and Marks. You will not thereafter directly or indirectly represent to the public that the business at the Site is or was operated or is in any way connected with the System, or hold yourself out as a present or former franchisee of us at or with respect to the Site.

2. You will immediately discontinue use of all Marks, signs, colors, structures, printed goods and forms of advertising indicative of our business, any The Cookie Plug restaurant or the System, and return any Confidential Information or other copyrighted materials, including but not limited to customer information and customer lists and the Manual, to us.

3. If we request, you will assign your telephone numbers, any telephone references, and any advertising to us or any of our designees, including any other The Cookie Plug restaurant.

4. You will immediately pay all amounts due to us, our Affiliates, and suppliers.

5. You will cancel any assumed name registration or equivalent registration which contains the Marks, and you will furnish us with evidence satisfactory to us of your compliance with this obligation within 5 days of a Transfer, or the termination or expiration of the Term of this Agreement.

6. Pursuant to the Collateral Assignment of Lease, upon our request, you will assign to us any interest that you may have in any lease or sublease for the Site. We may exercise the option at or within 30 days after either (i) the termination or expiration of the Term of this Agreement, or (ii) our receipt of notice by your landlord of its intent to terminate the lease or sublease for the Site. If we exercise this option, we will have the right and are hereby empowered to take possession of the Site demised by the lease or sublease and expel you from the Site, after which you will have no further right, title or interest in the lease or sublease. In the event that we do not exercise our option to acquire the lease or sublease for the Site, you will make such modifications or alterations to the Site immediately upon the termination or expiration of the Term of this Agreement, as we may deem necessary, to distinguish the appearance of the Site from that of other The Cookie Plug restaurants. In the event you will fail or refuse to comply with the requirements of this paragraph, we or our designees will have the right to enter upon the

premises without being guilty of trespass or any other tort for the purposes of making or causing to be made the changes that may be required by this paragraph at your expense. You agree to pay us this expense upon demand.

7. You irrevocably appoint us or our nominee to be your attorney-in-fact coupled with an interest, and with power of substitution, to execute and to file for you any relevant document to transfer your telephone number or telephone listing. We have the right to file an original counterpart or a copy of this Agreement with the telephone company, landlord or any court, agency or person as written evidence of your appointment of us or our nominee to be your attorney-in-fact. A power of attorney is attached hereto as Exhibit IV.

8. You will comply with all post-term covenant obligations including the trade secrets, Confidential Information, non-competition and indemnification covenants set forth in this Agreement.

9. Neither a Transfer, nor the termination or expiration of the Term of this Agreement will relieve you or any of your guarantors of any of your or their obligations to us or our Affiliates existing at the time of such Transfer, termination or expiration, or terminate your obligations that, by their nature, survive a Transfer, or the termination or expiration of the Term of this Agreement. Furthermore, a Transfer, or the termination or expiration of the Term of this Agreement will be without prejudice to our rights against you; and in the event of a termination which is the result of your breach or default under this Agreement, we will, in addition to our rights set forth above, also be entitled to all rights and remedies available at law or in equity.

D. Our Right to Purchase Personal Property. After the termination or expiration of the Term of this Agreement, but not upon an approved Transfer expressly permitted by this Agreement, we will have the right, but not the obligation, to purchase any or all of your equipment, inventory, supplies and other personal property used in connection with the operation of the Outlet. The purchase price for such property will be the book value less any liens. We will have 30 days after the determination of such value, to exercise our rights granted by this Section, and we will have an additional 30 days to pay for the property we desire to purchase. If we fail to exercise our rights within the time periods set forth above, you will be free to otherwise sell or dispose of the personal property used in connection with the operation of the Outlet.

E. Our Operation of the Outlet. In order to prevent any interruption of the Outlet which would cause harm to the business, if you are unable to operate the business for any reason whatsoever, you abandon or fail to actively operate the Outlet for any period or you fail to cure a breach within the applicable cure period (if any), you authorize us and our agents and Affiliates to operate the Outlet if we desire to do so, in our sole discretion, for so long as we deem necessary and practical. All income from the operation of the Outlet shall be kept in a separate account, and the expenses of the business, including our reasonable compensation and expenses, and, those of our agents and Affiliates, shall be charged to this account. We may charge you a reasonable management fee that we specify plus any out-of-pocket expenses incurred in connection with the management of the Outlet. We and our designees will have a duty only to use reasonable efforts upon assuming the Outlet's management and will not be liable for any debts, losses or obligations that the Outlet incurs, or to any creditors for any supplies or other products or services purchased for the Outlet in connection with such management. Nothing contained herein shall be construed to require us to operate the business in the case of your inability to operate same, and the rights set forth herein may be exercised in our sole and absolute discretion. We may also, but are not obligated to, operate your Outlet for up to 270 days after your death or the death of your Principal Equity Owner (if you are an entity), all pursuant to these provisions.

XIV. SOURCES OF PRODUCTS.

A. **Required Purchases from Us or Our Affiliates.** So long as this Agreement is in effect, you agree to purchase from us or our Affiliates the products we identify as required for the operation of the Outlet (as modified from time to time in the Manual or otherwise by us). If our Affiliates or we are unable to offer any products, we may designate an alternative approved supplier or suppliers for these products.

B. **Availability.** Contingent upon the availability of products, we or our Affiliates will use our commercially reasonable efforts to supply such products to you within a reasonable time after the receipt of your orders therefore; provided that neither we nor our Affiliates warrant that: (i) it will be able to obtain all such products, or (ii) that the products will be obtained by the dates requested.

C. **Pricing.** We or our Affiliates will establish and have exclusive control over the prices, discounts, specifications, and all other terms and conditions governing the sale of products from us or our Affiliates to you. Pricing of products is subject to change at any time or from time to time in our or our Affiliates' sole discretion, effective upon 30 days prior notice to you. Generally, prices will change when the manufacturer's prices to us or our Affiliates change.

D. **Terms of Purchase.** All purchases from us or our Affiliates will be personally guaranteed by the individuals who are required to guarantee this Agreement pursuant to the Guaranty and Assumption of Agreement to this Agreement. The terms of payment shall be established by our Affiliates or us from time to time.

E. **Purchases from Approved Suppliers.** You must purchase products, services, supplies, equipment and materials for the operation of your Outlet that meet our specifications, and you must purchase such items only from manufacturers, suppliers or distributors designated by us, or from other suppliers we approve who meet our specifications. Specification and approval of a supplier may be conditioned on requirements relating to frequency of delivery, standards of services, including prompt attention to complaints, as well as payments, contributions, or other consideration to us or our Affiliates, and may be temporary, in each case in our discretion. We may, from time-to-time withhold, condition and/or revoke our approval of particular items or suppliers in our discretion. We or our Affiliates may receive rebates, commissions, and other benefits from suppliers in relation to items purchased by you and other franchisees. We have the right to condition or revoke your right to participate in any supplier programs if you are in default under this Agreement. We or our Affiliates may be an approved supplier or the sole supplier approved for certain products.

You may propose alternative products, services, supplies, equipment and materials for the operation of your Outlet, as well as alternative manufacturers, suppliers or distributors. However, we may require that samples of or from these proposed alternatives be delivered to us for testing prior to approval and use. Further, all proposed manufacturers, suppliers or distributors must agree to permit our agents or representatives to inspect their facilities regularly, both initially and from time to time as may reasonably be required by us to assure us of the proper production, processing, packaging, storing and transportation of the products, services, supplies or equipment and materials to be purchased by you. After we receive all information requested by us related to a proposed alternative supplier, we will advise you within 30 days of our approval or disapproval of any proposed alternate sources of products, services, supplies, suppliers, materials and/or equipment. The foregoing will not be construed as an attempt to unreasonably limit the sources from which you may procure products,

services, supplies and materials. Rather, it is our intention that such items conform to our strict standards and strict specifications as to consistent quality, uniformity and reliability. Further, we will not be required to approve an inordinate number of alternative suppliers of a given item which in our reasonable judgment would prevent our effective supervision of suppliers. We may require any supplier to sign a confidentiality agreement. . Our criteria for supplier approvals are contained in the Manual. Within 30 days after our receipt of the completed request or completion of the evaluation and testing (if required by us), we will notify you in writing of our approval or disapproval of the proposed supplier. Approval will not be unreasonably withheld. You must not sell or offer for sale any products or services from a proposed supplier until you receive our written approval of the proposed supplier. We may revoke our approval of specific products or suppliers if we determine in our sole discretion the products or suppliers no longer meet our standards. Upon receipt of written notice of such revocation, you must cease purchasing or selling any disapproved product.

XV. CONFIDENTIAL OPERATIONS MANUAL AND CHANGES

We will loan you for the duration of the Term 1 copy of the Confidential Operations Manual ("Manual", "the Manual" or "our Manual"), which may cover such items as plans and specification requirements, and other proprietary aspects of the System. The Manual will be in a format determined by us (i.e., in writing, on CD-ROM, via electronic media through a secure website, etc.) and all other supplemental bulletins, notices, revisions, modifications or supplemental information, either in document or electronic form, concerning the System are considered part of the Manual. Also included are any passwords or other digital identification necessary to access the Manual on a website or extranet. You agree to comply with the mandatory requirements in the Manual and acknowledge your compliance is an essential part of your obligations under this Agreement. You will at all times be responsible for ensuring that your employees and all other persons under your control comply with the mandatory provisions of the Manual in all respects. The Manual constitutes Confidential Information of ours and will remain our property. The Manual cannot be photocopied, reproduced, or disseminated without our written consent. We may modify the Manual from time to time in our discretion, and you agree that from time to time we may reasonably change the System. You expressly agree to comply with each modification, addition or deletion of the System or the Manual at your sole cost and expense. You acknowledge that due to the changing nature of the business, as well as changing attitudes of customers and other factors, changes to the System or the Manual may be necessary and may involve your expenditure of additional sums of money.

We will use our reasonable efforts to impose any of these changes in a reasonable, non-discriminatory manner among other franchisees. However, because complete and detailed uniformity under many varying conditions may not be possible or practical, we specifically reserve the right and privilege, in our sole discretion and as we may deem to be in the best interests of the System in any specific instance, to vary standards for any particular franchisee based upon the peculiarities of a particular territory, density of population, business potential, business practice or other condition important to the successful operation of a particular The Cookie Plug restaurant. We may grant variations from standard specifications and practices as we determine in our discretion, and we will have no obligation to grant you or any other franchisee like or similar variations; our failure to require a change from any particular franchisee will not affect your obligations under this Agreement.

You will at all times insure that your copy of the Manual is kept current and up-to-date. In the event of any dispute as to the contents of the Manual, the terms of the master copy of the Manual maintained by us will be controlling.

XVI. TRANSFERABILITY OF INTEREST

A. **By Us.** We are free to assign all of our rights and obligations under this Agreement, and upon such assignment we will be relieved of all liability under this Agreement, and all rights and obligations will accrue to our successor or assignee.

B. **By You.** The rights and duties created by this Agreement are personal to you. We have granted this franchise in reliance upon our perception of the individual and collective character, skill, attitude, and business and marketing abilities of you and your owners. Therefore, there can be no Transfer without our prior written consent. Any consent by us will not operate as a consent to any future such Transfer, and no future such Transfer will be valid without our prior written consent to that specific Transfer. Any attempted Transfer in violation of this paragraph is voidable at our option. If we elect not to exercise our right of first refusal pursuant to this Agreement, we will not unreasonably withhold our consent to a Transfer, provided that the following conditions are satisfied:

1. **Governmental Compliance.** The Transfer is conducted in compliance with applicable laws and regulations;

2. **Prior Compliance.** You have performed your obligations and duties under this Agreement, and you are not in default under this Agreement, or any other agreement with us or our Affiliates;

3. **Payments.** You have paid all amounts owed to us and our Affiliates, and all other outstanding obligations relating to the Outlet are fully paid and satisfied;

4. **Release.** To the extent permitted by law, you, including all officers, directors and owners (as well as all guarantors under this Agreement) must execute a general release, in the form we approve, of any and all claims against us, our Affiliates, and our and their respective officers, directors, employees and agents;

5. **Requirements of Transferee.** The transferee meets our then-current established standards for new franchisees, is of good moral character, has a good credit rating, sufficient financial resources to operate the Outlet and competent qualifications. The transferee must execute the most current franchise agreement for the state in which the Outlet is located, which may include materially different terms and conditions than those in this Agreement. In addition, the transferee's owners (actual and beneficial) and their spouses must sign the Guaranty and Assumption of Obligations attached to that franchise agreement. Neither the transferee nor any of its direct or indirect owners or affiliates may operate or have an ownership interest in or perform any services for a Competitive Business;

6. **Transfer Fee.** We are paid a transfer fee equal to \$10,000 in lieu of the initial franchise fee required in the then-current form of franchise agreement for the state in which the Outlet is located;

7. **Assumption of Liabilities.** The transferee agrees to assume all liabilities and obligations from you and your operation of the Outlet, including the lease, and must comply with other reasonable requirements we may impose;

8. **Completion of Training.** The transferee and/or transferee's management team,

including a Principal Owner and designated manager(s), must complete the Initial Training Program to our satisfaction;

9. **Update and Remodel the Outlet.** The transferee updates and remodels the Outlet to comply with our then-current standards for new The Cookie Plug restaurants;

10. **Continuing Liability.** If we approve any Transfer or assignment, we will have the discretion to require you and the guarantors to remain liable for the full and faithful performance of the obligations of the assignee;

11. **Economically Reasonable Terms.** Although we will not be required to determine the value of your business upon a Transfer, if in our reasonable judgment, the purchase price or other terms of sale are not economically feasible to the proposed transferee, we can withhold our consent to such Transfer. Our consent is not, however, to be construed as an implication or warranty that the terms of the sale are in fact economically feasible. We may, in good faith, notify you and the proposed transferee, stating the reasons that we have elected to withhold our approval of the proposed Transfer.

C. **Your Death or Incapacity.** You, by will or other written instrument, may appoint a designated heir to continue operation of the Outlet, upon your death (or the death of the Principal Equity Owner if you are an entity. At the time of the Transfer upon your death or incapacity, the designated heir must meet all qualifications of a Transferee, including the requirement to meet our standards for new franchisees, execute the then-current form of franchise agreement used in the state in which the Outlet is located, and the designated manager(s) or new Principal Equity Owner has, or within 60 days will have, satisfactorily completed the Initial Training Program; provided that no transfer fee will be charged on a Transfer pursuant to this paragraph. The Transfer to a designated heir, personal representative or conservator, as applicable, in the event of your death or legal incapacity, will not give rise to our right of first refusal as described in this Agreement. Your personal representative has a total of 180 days to Transfer to a Transferee acceptable to us pursuant to this Agreement or we may terminate the Term of this Agreement.

D. **Right of First Refusal.** But for expressly provided in this Agreement, if you receive a bona fide, executed, written offer to acquire an interest in this Agreement, you or the Outlet from a responsible third party purchaser, you must submit a copy of the offer to us. You must also provide us with any other information we request to evaluate the offer. We have the right, exercisable by delivering written notice to you within 30 days from the date of last delivery by you of the offer and any other documents we request, to acquire such interest for the price and on the terms and conditions contained in the offer, except that regardless of the terms of the offer, we may substitute cash for any form of payment proposed in the offer; require you to include customary warranties and representations in the purchase agreement; and structure the transaction as an "asset purchase" rather than a "stock purchase." We will not be obligated to pay any "finder's" or broker's fees that are a part of the proposed sale, and we will not be obligated to comply with any part of the offer which directly or indirectly requires payment of any consideration other than a bona fide purchase price for the interest or assets proposed to be transferred (for example, we will not be obligated to pay any earn out or other share of the profits from our operation of the Outlet after the Transfer is completed). If we decline to exercise our right of first refusal, you will have 90 days after the earlier of our decline to exercise the right or the expiration of the right, to consummate such Transfer to the bona fide third-party purchaser upon the terms and conditions described in the offer notice submitted to us, subject to compliance with Section XVI.B. In the event you fail to complete the sale on these terms within this 90 day period, you must again comply with this paragraph and give us the first right to acquire such interest prior to any sale. Our election to not exercise our right of first refusal as to any particular offer will not affect our right of first refusal as to any subsequent offer.

We will not exercise our right of first refusal upon the Transfer to an entity owned by you (so long as we approve all the owners thereof) or upon your death if the Transfer is pursuant to Will or intestacy.

XVII. INDEPENDENT CONTRACTOR/INDEMNIFICATION

A. **Independent Contractor.** We and you are independent contractors, and no partnership, fiduciary, joint venture, or employment relationship exists between you and us. You will conspicuously identify yourself at the premises of the Outlet and in all dealings with the public as an independently owned business. Neither we nor you will make any agreements or representations in the name of or on behalf of the other that this relationship is other than franchisor and franchisee.

B. **Indemnification.** Under no circumstances will we be liable for any act, omission, debt, or other obligation of you. You will indemnify, defend and save harmless us and our employees, agents, officers, directors, parents, subsidiaries, affiliates, successors and assigns (each an "Indemnitee") from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, costs and expenses (including legal fees and expenses) of any kind and nature whatsoever, including damages or injuries suffered by any Indemnitee, which may be imposed on, incurred by, or asserted against any Indemnitee in any way arising out of the acts or omissions of you or your employees, agents, officers, directors, parents, subsidiaries, affiliates, successors and assigns pursuant to or in connection with the operation of the Outlet regardless of whether the Indemnitees were negligent or that this negligence was a contributing factor in any Indemnitee's liability (to the extent permitted by applicable law).

XVIII. DISPUTE RESOLUTION

A. **Mediation.** Before any party may assert an action for any controversy, dispute or claim between you and us arising from this Agreement or the franchise relationship set forth in this Agreement, the parties must first have a in person meeting with each other to try to resolve the dispute. This meeting will be at our headquarters and each party will pay its own expenses related thereto. If this fails to bring about a resolution, the dispute will first be submitted to non-binding mediation (the "Mediation") in Riverside County, California, unless the parties mutually agree to another location. The Mediation will be conducted in accordance with then-current AAA mediation rules (the "AAA Mediation Rules") except to the extent the AAA Mediation Rules differ from the terms of this Agreement, in which event the terms of this Agreement shall be applied. Notwithstanding the foregoing, the mediation does not have to be conducted under the AAA. You and we will select the mediator. If the parties cannot agree on the selection of a mediator, the mediation shall be conducted through the AAA who will make the selection of mediator using their rules and guidelines. The cost of the Mediation, including the mediator's fee and expenses, shall be paid by you. All negotiations and mediation proceedings (including without limitation, discovery conducted therein, as well as all statements and settlement offers made by either party or the mediator in connection with the Mediation) shall be strictly confidential, shall be considered as compromise and settlement negotiations for purposes of the Federal Rules of Evidence and state rules of evidence, and shall not be admissible or otherwise used in connection with any court or arbitration proceeding for any purpose. The mediator may not be called as a witness in any court or arbitration proceeding for any purpose. If the parties, after a good faith effort to settle the dispute using Mediation, are unable to reach settlement, you and we agree that the dispute will be resolved according to the Sections below. Failure to submit the dispute to Mediation prior to commencing any litigation or arbitration proceeding shall be grounds for dismissal of the litigation or arbitration proceedings.

Notwithstanding anything to the contrary contained in this Agreement, the obligation to mediate or arbitrate will not be binding with respect to claims brought by us and relating to our trademarks, service marks, patents, or copyrights, including the Marks; claims by us relating to any non-compete, confidentiality provision, non-solicitation provision or confidentiality obligation; claims relating to any

lease or sublease of any real property between the parties or their affiliated entities; or requests by us for temporary restraining orders, preliminary injunctions, permanent injunctions or other proceedings in a court of competent jurisdiction to obtain interim or permanent relief when deemed necessary by such court to preserve the status quo or prevent irreparable injury pending resolution of the actual dispute between the parties.

B. **Litigation.** Except as otherwise provided in this Agreement, all controversies, disputes or claims between you and us arising from this Agreement or the franchise relationship set forth in this Agreement shall be filed in the Federal District Court within or closes to Riverside County, California when the grounds set forth in 28 U.S.C. § 1332 are present. Both parties and each guarantor of this Agreement irrevocably submit to the jurisdiction of this court and waive any objection to the application of California law or to the jurisdiction or venue in this court. In the event that the above-referenced federal court does not have jurisdiction over the dispute, the parties shall submit to binding arbitration as provided below.

Notwithstanding the foregoing, any claims we have relating to its trademarks, service marks, patents, or copyrights, including the Marks; claims relating to any lease or sublease of any real property between the parties or their affiliated entities; or requests by us for temporary restraining orders, preliminary injunctions, permanent injunctions or other proceedings in a court of competent jurisdiction to obtain interim or permanent relief when deemed necessary by such court to preserve the status quo or prevent irreparable injury pending resolution of the actual dispute between the parties shall be brought in either federal or state courts in the County in which we have our headquarters. Both parties agree to submit to the jurisdiction of the state and federal court in the County in which we have our headquarters.

C. **Arbitration.** In the event that the federal court described above does not have jurisdiction over the dispute, the parties, subject to all other provisions above, will submit the dispute to binding arbitration conducted in Riverside County, California (unless the parties mutually agree otherwise). The arbitration proceeding will be conducted in accordance with the then-current commercial arbitration rules of the American Arbitration Association ("AAA Rules"), except to the extent the AAA Rules differ from the terms of this Agreement, in which event the terms of this Agreement will apply. Notwithstanding the foregoing, the arbitration does not have to be conducted under the AAA. The arbitrator must be mutually selected by the parties and must have at least 5 years of substantial experience in franchise law. Each party is limited to 25 document requests, 15 interrogatories and 1 deposition unless otherwise agreed to between the parties. For purposes of this Section, if any dispute that names, involves or includes us, our respective affiliates, officers, directors, agents, brokers or employees, such persons or entities shall also be included in and made party to the arbitration proceeding to the extent such parties consent to proceeding forward in arbitration.

The arbitrator will have the right to award or include in his award any relief which he deems proper in the circumstances, including money damages (with interest on unpaid amounts from date due), specific performance, and attorneys' fees and costs; however, the arbitrator will not be allowed to award or include in his award any punitive, exemplary, or consequential damages, to which the parties waive any right. The arbitrator, and not any federal, state, or local court or agency, shall have exclusive authority to resolve any dispute relating to the interpretation, applicability, or enforceability of this Section, including but not limited to, any claim that all or any part of this Section is void or voidable. The award and decision of the arbitrator will be conclusive and binding upon all parties, and judgment upon the award may be entered in any court of competent jurisdiction; however, the arbitrator may not under any circumstances: (1) stay the effectiveness of any pending termination of this Agreement; or (2) make any award which extends, modified or suspends any lawful term of this Agreement. Each party waives any right to contest the validity or enforceability of the award of an arbitrator under this Section except to the extent permitted by applicable law. The arbitrator must submit a reasoned award and this award must

be consistent with the terms of this Agreement. If the arbitrator's award is not reasoned or not consistent with the terms of this Agreement, then notwithstanding the foregoing, we may appeal the arbitration award in Federal or State Court. An arbitration award or decision entered in any other case (whether or not we were a party) will not be binding on us in any other dispute, will have no precedential value and cannot be used as evidence in any other proceeding.

The arbitrator will apply the provisions of any applicable statute of limitations. In connection with any arbitration proceeding, you and we will submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any of these compulsory claims which are not submitted or filed in the same proceeding in which they relate will be barred. This provision will continue in full force and effect subsequent to and notwithstanding the Transfer, or the termination or expiration of the term of this Agreement. The arbitration will be conducted on an individual, not a class-wide basis. None of the parties to the arbitration will be entitled to consolidation of the arbitration proceedings with the proceedings of any third party, nor will the arbitrator or any court be empowered to order a consolidation of proceedings with any third party.

XIX. MISCELLANEOUS PROVISIONS

A. **Waiver.** Neither our waiver of a breach or default by you, nor our delay or failure to exercise any right upon your breach or default, nor our acceptance of any payment from you, will be deemed a waiver, nor will it impair our rights for other breaches or defaults of the same or a different kind. The description of any breach or default in any notice will not prevent our assertion of other defaults or breaches. We may waive any one or more of the requirements imposed under this Agreement for the benefit of any particular franchisee or any particular The Cookie Plug restaurant, but the waiver in favor of any other franchisee or The Cookie Plug restaurant will not prevent us from enforcing the requirements against you, all other franchisees and all other The Cookie Plug restaurants.

B. **Severability.** If any provision of this Agreement is considered to be invalid or inoperative for any reason, that part will be deemed modified to the extent necessary to make it valid and operative, or if it cannot be modified, then severed, and the remainder of this Agreement will continue in effect as if the Agreement had been signed with the invalid portion modified or eliminated.

C. **Entire Agreement.** You and we each acknowledge and warrant to each other that you and we each wish to have all terms of our business relationship defined in this Agreement. Neither you nor we wish to enter into a business relationship with the other in which any terms or obligations are the subject of alleged oral statements or in which oral statements serve as the basis for creating rights or obligations different than or supplementary to the rights and obligations set forth herein. Accordingly, you and we agree that this Agreement, together with any other documents or agreements executed by the parties contemporaneously hereto, supersede and cancel any prior and/or contemporaneous discussions (whether described as representations, inducements, promises, agreements or any other term) between us or anyone acting on our behalf and you or anyone acting on your behalf, which might be taken to constitute agreements, representations, inducements, promises or understandings (or any equivalent to such terms) with respect to the relationship between the parties, and you and we each agree that we each have placed, and will place, no reliance on any such discussion; provided, however, that nothing in this or any related agreement is intended to disclaim the representations we made in the Franchise Disclosure Document furnished to you. This Agreement, together with any other documents or agreements executed by the parties contemporaneously hereto or incorporated herein by reference, constitutes the entire agreement between the parties and contains all of the terms, conditions, rights and obligations of the parties with respect to any aspect of the relationship between the parties. No further franchise rights or offer of franchise rights have been promised to you, and no such franchise rights or offer of franchise

rights shall come into existence, except by means of a separate writing, executed by one of our officers or such other entity granting the franchise rights and specifically identified as a modification of this Agreement. No amendment to this Agreement is binding unless executed in writing by both parties.

D. **Notice.** All notices required under this Agreement will be in writing and will be given: (i) if hand delivered on the day of delivery; (ii) 3 business days after placement in the United States Mail by registered or certified mail, postage prepaid; or (iii) the day after placement with a courier guaranteeing overnight delivery, in each case addressed to the address listed on the signature page of this Agreement or at such other address as either party will specify in a notice to the other party.

F. **Construction of Language.** The language of this Agreement will be construed according to its fair meaning and not strictly for or against either party. All words used in this Agreement refer to whatever number or gender the context requires.

G. **Governing Law and Jurisdiction.** You acknowledge that this Agreement was accepted in the State of California. You acknowledge that you have and will continue to develop a substantial and continuing relationship with us at our principal offices in California, where our decision-making authority is vested and franchise operations are conducted and supervised. Except to the extent that this Agreement or any particular dispute is governed by the U.S. Trademark Act of 1946 (Lanham Act, 115 U.S.C. 1051), this Agreement will be governed, to the extent permissible, by the laws of the State of California without regard to principles of conflicts of law. If, however any provision of this Agreement would not be enforceable under the laws of California, and if the Outlet is located outside of California and the provision would be enforceable under the laws of the state in which the Outlet is located, then the provision in question (and only that provision) will be interpreted and construed under the laws of the state where the Outlet is located. We may institute any action arising out of or relating to this Agreement in any state or federal court of general jurisdiction in the State of California, and you and each guarantor of this Agreement irrevocably submits to the jurisdiction of these courts and waive any objection to the application of California law or to the jurisdiction or venue in these California courts. If a state regulator requires an amendment to this Agreement, the amendment is attached to this Agreement in Exhibit VI. We will not, however, be precluded from contesting the validity, enforceability, or applicability or such regulator's required amendment in any action relating to this Agreement or to its rescission or termination.

H. **Effect.** This Agreement will be binding upon and inure to the benefit of the parties, their legal representatives, heirs, administrators, executors, their permitted successors and assigns.

I. **Remedies.** In addition to any other remedies in law or in equity to which it may be entitled, we will be entitled, without bond, to entry of injunctive relief and orders of specific performance enforcing the provisions of this Agreement in the event you actually or anticipatorily breach this Agreement. If we incur attorneys' fees or other expenses in seeking enforcement of this Agreement or defending any other claim you bring against us, including without limitation, a claim related to the offering of a franchise, you will be required to reimburse us for our reasonable costs and expenses (including attorneys' and expert witness fees). No right or remedy conferred upon us is intended to be exclusive, and every right or remedy granted in this Agreement will be cumulative and in addition to any other rights or remedies available under this Agreement or otherwise. For purposes of this Agreement, a termination will include a termination for any reason, expiration, cancellation, failure to renew, assignment or Transfer.

J. **No Warranty.** You acknowledge that no approvals, consents, waivers, conditions, or the like warrant your success of operating the Outlet or the appropriateness of the particular items or matters so approved.

K. **Receipt of the FDD.** You acknowledge receipt of our franchise disclosure document ("FDD") along with this Agreement, at least 14 days before your execution of this Agreement or any payment by you to us. If any unilateral modifications have been made to this Agreement you acknowledge that you have had at least 7 days to review them.

L. **Joint and Several Liability.** If you are comprised of 2 or more persons, the obligations and liabilities to us of each of these persons will be joint and several.

M. **Time is of the Essence.** Time is of the essence of this Agreement.

N. **Survival.** Your obligations regarding Confidential Information, trade secrets, non-competition, indemnification, your accrued obligations to us (monetary or otherwise) and any other terms or conditions which by their nature will survive a Transfer, or the termination or expiration of the Term of this Agreement.

O. **Payments from You.** We have the sole discretion to apply any payments by you to any of your past due indebtedness for Royalty Fees, Marketing and Promotion Fees, Technology Fees, expenses, purchases from us or our Affiliates, interest or any other indebtedness you may owe us or our Affiliates. Neither we nor any of our Affiliates are required to accept payments after they have become due or to extend credit or otherwise to finance your operation of the Outlet. We and our Affiliates may require you to pay for all purchases on a C.O.D. basis by cashier's check, or may refuse to make further sales to you, if you are in default under this Agreement or if you have failed to pay all amounts due us or our Affiliates when due. In addition to any other remedies available to us, we will have the right to charge you \$50 for each no account or insufficient funds check issued by you to us or any similar notice received by us on account of any EFT program in which you participate.

P. **Limitation on Liens.** You will not grant a security interest, pledge, or place a lien upon your interest in this Agreement or in the Outlet or in the furniture, fixtures, or equipment used in the business, except that you will be permitted to grant a security interest in such furniture, fixtures, and equipment to secure your obligation to the seller of, or lender of funds used for the purchase of, such furniture, fixtures, and equipment.

Q. **Day-to-Day Control.** You have the sole right and responsibility for the manner and means by which the day-to-day operation of the Outlet is determined and conducted and for achieving your business objectives. Subject to any approval, inspection and enforcement rights reserved to us in this Agreement, this right and responsibility possessed by you includes the employment, supervision, setting the conditions of employment and discharge for your employees, daily maintenance, safety concerns and the achievement of conformity with the System.

R. **Third Party Beneficiaries.** Each of our Affiliates is a third-party beneficiary to this Agreement and have the right to assume any of the responsibilities, duties or functions of ours and the right, but not the obligation, to enforce your compliance with any provision of this Agreement.

S. **Right to Subcontract.** We will have the right to subcontract the performance of any of our obligations pursuant to this Agreement to any of our Affiliates or any other third-party designee.

T. **Financing from the Small Business Administration.** If you secure financing from or with the assistance of the U.S. Small Business Administration ("SBA") to fund any portion of the Outlet or your investment therein, you and we may be required to sign an SBA Addendum in a form attached to this Agreement as Exhibit VII.

XX. YOUR WARRANTIES AND REPRESENTATIONS

A. We have not and do not represent that you can expect to maintain a specific level of sales, profits, or earnings. You and your guarantors have been advised to obtain independent professional and legal advice regarding this franchise. You and your guarantors acknowledge that you have and they are entering into this Agreement, and all ancillary agreements executed contemporaneously with this Agreement, as a result of your own independent investigation of this franchise and not act in reliance on or as a result of any representations made by our owners, officers, directors, managers, employees, agents, representatives, attorneys, franchisees, brokers or other franchise sellers that are not contained in or are contrary to the terms set forth in this Agreement or any representation in the FDD. You and your guarantors understand that they may sustain losses as a result of the operation or the closing of the Outlet. You and your guarantors understand that the business venture contemplated by this Agreement involves a high degree of financial risk and depends to a large degree and depends, to a large degree, on your skills, abilities, initiative, and hard work.

B. You and your guarantors represent and warrant that the execution, delivery and performance of this Agreement by you and the Guarantee and Assumption of Obligations by the guarantors do not and will not violate, conflict with or result in the breach of any term, condition or provision of any contract or agreement, or require the consent of any other person or entity.

C. Under applicable U.S. Law, including without limitation executive order 1224, signed on September 23, 2001 (the "Order"), you are prohibited from engaging in any transaction with any person engaged in, or with a person aiding any person engaged in acts of terrorism as defined in the Order. Accordingly, you do not and hereafter will not engage in any terrorist activity. In addition, you are not affiliated with and do not support any individual or entity engaged in, contemplating, or supporting terrorist activity. You are not acquiring the rights granted under this Agreement with the intent to generate funds to channel to any individual or entity engaged in, contemplating, or supporting terrorist activity, or to otherwise support or further any terrorist activity.

XXI. CAVEAT [Intentionally Omitted].

~~THE SUCCESS OF THE OUTLET IS SPECULATIVE AND DEPENDS, TO A LARGE EXTENT, UPON YOUR ABILITY AS AN INDEPENDENT BUSINESSPERSON, AS WELL AS OTHER FACTORS. WE DO NOT MAKE ANY REPRESENTATION OR WARRANTY AS TO THE POTENTIAL SUCCESS OF THE OUTLET AND NO ONE IS AUTHORIZED TO MAKE ANY SUCH REPRESENTATION OR WARRANTY ON OUR BEHALF. YOU FURTHER ACKNOWLEDGE THAT YOU HAVE READ AND COMPLETED THE QUESTIONNAIRE, A COPY OF WHICH IS ATTACHED TO THIS AGREEMENT AS EXHIBIT V.~~

~~YOU UNDERSTAND AND AGREE THAT WE HAVE NO OBLIGATION TO ACCEPT YOUR APPLICATION AND MAY REFUSE TO GRANT YOU A FRANCHISE FOR ANY REASON, OR NO REASON, WITHOUT DISCLOSING THE BASIS FOR OUR DECISION. YOU ACKNOWLEDGE THAT UNLESS AND UNTIL WE SIGN THIS AGREEMENT, THE FRANCHISE HAS NOT BEEN GRANTED, YOU ARE NOT A FRANCHISEE OF OURS AND YOU MAY NOT RELY UPON BECOMING A FRANCHISEE OF OURS.~~

XXII. NON-LIABILITY OF OUR AFFILIATES

We are the only company obligated to you under this Agreement. You may not look to any Affiliate of ours, or related companies, other business entities or individuals for performance of this Agreement.

XXIII. LIMITATION OF LEGAL ACTIONS

IN NO EVENT WILL WE BE LIABLE TO YOU FOR PROSPECTIVE PROFITS OR SPECIAL, INDIRECT, PUNITIVE OR CONSEQUENTIAL DAMAGES FOR ANY CONDUCT ARISING OUT OF THIS AGREEMENT OR OUR RELATIONSHIP WITH YOU.

THE PARTIES WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THEM RELATING TO OR ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP OF THE PARTIES.

ANY DISAGREEMENT BETWEEN YOU AND US (AND OUR AFFILIATES AND OWNERS) WILL BE CONSIDERED UNIQUE AS TO ITS FACTS AND MUST NOT BE BROUGHT AS A CLASS ACTION AND YOU WAIVE ANY RIGHT TO PROCEED AGAINST US (AND OUR AFFILIATES, STOCKHOLDERS, MEMBERS, MANAGERS, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, SUCCESSORS AND ASSIGNS) BY WAY OF CLASS ACTION, OR BY WAY OF A MULTI-PLAINTIFF, CONSOLIDATED OR COLLECTIVE ACTION.

YOU WILL BE BARRED FROM BRINGING ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR OUR RELATIONSHIP WITH YOU, UNLESS A JUDICIAL PROCEEDING IS COMMENCED WITHIN 1 YEAR FROM THE DATE ON WHICH YOU KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THAT CLAIM.

OUR MAXIMUM AGGREGATE LIABILITY AND THE MAXIMUM AGGREGATE LIABILITY OF ANY OF OUR OFFICERS, OWNERS, DIRECTORS, MEMBERS, MANAGERS, EMPLOYEES, AFFILIATES, PARENTS OR SUBSIDIARIES RELATED TO ANY AND ALL CLAIMS RELATING TO OR ARISING FROM THIS AGREEMENT OR THE FRANCHISE RELATIONSHIP SET FORTH IN THIS AGREEMENT SHALL BE COLLECTIVELY LIMITED TO THE AMOUNT FRANCHISEE PAID TO US WITHIN THE PRIOR 12 MONTHS IMMEDIATELY BEFORE WRITTEN NOTICE OF ANY PROPER CLAIM IS RECEIVED BY US.

[SIGNATURE PAGE TO FOLLOW]

THIS CONTRACT CONTAINS A BINDING ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first forth above.

THE COOKIE PLUG GROUP, LLC

FRANCHISEE: _____

By: _____
_____, _____

By: _____
_____, _____

Address: 16842 Von Karman Avenue, Suite 325
Irvine, California 92606

Address: _____

GUARANTY AND ASSUMPTION OF OBLIGATIONS

In consideration of, and as an inducement to, the execution of the above Franchise Agreement (the "Agreement"), by THE COOKIE PLUG GROUP, LLC ("FRANCHISOR") in favor of _____ ("FRANCHISEE"), each of the undersigned ("GUARANTORS") hereby personally and unconditionally guarantees to FRANCHISOR, its Affiliates (as hereinafter defined), and their successors and assigns for the term of the Agreement and thereafter as provided in the Agreement, that FRANCHISEE will punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement and agrees to be personally bound by, and personally liable for the breach of each and every provision in the Agreement. The GUARANTORS each agree to be personally and unconditionally bound by each and every undertaking, agreement and covenant set forth in the Agreement, including, the restrictive covenants and non-disclosure provisions contained in the Agreement, as well as the provisions in the Agreement relating to the Marks and Transfers (as defined in the Agreement) to the same extent as and for the same period of time as FRANCHISEE is required to comply with and abide by such covenants and provisions. All of the foregoing obligations of the undersigned will survive any expiration or termination of the term of the Agreement or this Guaranty and Assumption of Obligations. The GUARANTORS further hereby personally and unconditionally guarantee all debts and obligations FRANCHISEE incurs to FRANCHISOR, its successors, assigns, affiliated entities, parent corporation, and subsidiaries ("Affiliates"), as the case may be, as a result of any obligations under the Agreement and as a result of purchases of products or services from FRANCHISOR and its Affiliates. Each of the undersigned waives:

(1) acceptance and notice of acceptance by FRANCHISOR or Affiliates of the foregoing undertakings;

(2) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed;

(3) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed;

(4) any right he or she may have to require that an action be brought against FRANCHISEE or any other person as a condition of liability;

(5) all rights to payments and claims for reimbursement or subrogation which any of the GUARANTORS may have against the FRANCHISEE arising as a result of the GUARANTORS' execution of and performance under this Guaranty and Assumption of Obligations; and

(6) any and all other notices and legal or equitable defenses to which he or she may be entitled.

Each of the undersigned consents and agrees that:

(1) his or her direct and immediate liability under this guaranty will be joint and several;

(2) he or she will render any payment or performance required under the Agreement upon demand if the FRANCHISEE fails or refuses punctually to do so;

(3) such liability will not be contingent upon or conditioned upon pursuit by FRANCHISOR or its Affiliates of any remedies against the FRANCHISEE or any other person; and

(4) such liability will not be diminished, relieved or otherwise affected by any extension of time, credit or the indulgence which FRANCHISOR or its Affiliates may from time to time grant to the FRANCHISEE 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 and Assumption of Obligations, which will be continuing and irrevocable during the term of the Agreement.

If FRANCHISOR or any of its Affiliates are required to enforce this Guaranty and Assumption of Obligations in any judicial proceeding or appeal thereof, the GUARANTORS will reimburse FRANCHISOR and Affiliates for its costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorney assistants', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Guaranty and Assumption of Obligations.

The undersigned GUARANTORS also recognize that certain disputes relating to this Franchise Agreement are to be resolved by mediation and litigation and possibly arbitration, and hereby consent to such process in accordance with the terms of the Franchise Agreement. Further, undersigned GUARANTORS also hereby consent to the applicability of the venue and jurisdiction provision in the Franchise Agreement to this Guaranty and Assumption of Obligations.

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed their signatures on the same day and year as the Agreement was executed.

Print Name: _____
Signature: _____
Date: _____
Address: _____

Print Name: _____
Signature: _____
Date: _____
Address: _____

EXHIBIT I
ASSIGNED TERRITORY

Your Site will be located at:

Your Territory will be:

Your Delivery Area will be:

The Cookie Group, LLC

Franchisee: _____

Initial: _____ Date: _____

Initial: _____ Date: _____

EXHIBIT II
LEASE PROVISIONS

Any lease executed by you for the operation of the Outlet will contain the following provisions or an addendum to the lease as follows.

ADDENDA TO LEASE

This lease addenda entered into this ____ day of _____, 20__, by and between _____ ("FRANCHISEE") and _____ ("LANDLORD") for the premises located at _____ in the City of _____, State of _____ (the "Premises");

WHEREAS, FRANCHISEE has executed a Franchise Agreement ("Franchise Agreement") with The Cookie Plug Group, LLC ("FRANCHISOR"), and as part of said Franchise Agreement, the lease ("Lease") for the franchised The Cookie Plug restaurant ("Outlet") must contain certain provisions; and

WHEREAS, LANDLORD and FRANCHISEE agree that the terms contained herein will be applicable to the Lease, notwithstanding anything contained in the Lease to the contrary;

NOW, therefore, in consideration of the mutual promises contained herein and the execution of the Lease, which execution is made simultaneously with this Addendum, LANDLORD and FRANCHISEE hereby agree as follows:

1. LANDLORD agrees that FRANCHISEE will not otherwise assign the Lease or renew, amend or extend the term of the Lease without the prior written consent of FRANCHISOR.
2. LANDLORD agrees that FRANCHISEE will have the right to remodel, equip, paint and decorate the interior of the Premises and to display the proprietary marks and signs on the interior and exterior of the Premises as FRANCHISEE is reasonably required to do pursuant to the Franchise Agreement and any successor Franchise Agreement under which FRANCHISEE may operate a The Cookie Plug restaurant at the Premises.
3. LANDLORD agrees to furnish FRANCHISOR with copies of any and all letters and notices sent to FRANCHISEE pertaining to the Lease at the same time that such letters and notices are sent to FRANCHISEE. LANDLORD further agrees that, if it intends to terminate the Lease, the LANDLORD will give FRANCHISOR thirty (30) days advance written notice or such intent, specifying in such notice all defaults that are the case of the proposed termination. FRANCHISOR will have after the expiration of the period during which FRANCHISEE may cure such default, an additional fifteen (15) days (or if there is no cure period, at least fifteen (15) days to cure, at its sole option, any such defaults. FRANCHISOR, or an affiliate of FRANCHISOR, will have the right, but not obligation, upon giving written notice of its election to FRANCHISEE and LANDLORD, to cure the breach and succeed to FRANCHISEE's rights under the Lease, and any renewals or extensions thereof.
4. Upon default, expiration or termination of the Franchise Agreement, or the lease, and upon notice to LANDLORD, FRANCHISOR or its designee will have the option, without however any obligation, to assume the FRANCHISEE's lease obligations, on the same terms and conditions available to the FRANCHISEE. Further, if FRANCHISEE or any other party with an interest in FRANCHISEE transfers to FRANCHISOR or another party all of its or their interest in the Franchise Agreement, the FRANCHISEE or the Outlet, the transferee will have the right to assume the lease on the same terms and conditions as contained in the Lease.

5. FRANCHISOR will have the right to enter the premises to make any reasonable modification or reasonable alteration necessary to protect FRANCHISOR's interest in its proprietary marks. LANDLORD agrees that in such event FRANCHISOR will not be liable for trespass or any other crime or tort. Further, FRANCHISOR or its designated agents will be permitted to enter the leased premises for purposes of making inspections in accordance with the terms of the Franchise Agreement.

6. FRANCHISEE may assign to FRANCHISOR all of its rights of further assignment at any time if the LANDLORD is given reasonable notice thereof. Such an assignment will be effective only if accepted in writing by FRANCHISOR.

7. Upon request of FRANCHISOR, the LANDLORD will provide FRANCHISOR with copies of all reports, information, or data in LANDLORD's possession with respect to sales made from the leased premises.

8. Copies of any and all notices pertaining to the Lease will also be sent to FRANCHISOR at the following address, or at such other address as may be designated by FRANCHISOR in writing: The Cookie Plug Group, LLC, 16842 Von Karman Avenue, Suite 325, Irvine, CA 92606.

9. FRANCHISOR will be a third-party beneficiary of this Addendum to Lease and has the right independently of FRANCHISEE to enforce all of its rights hereunder.

10. To the extent of any conflict between the terms and conditions of this Addendum to Lease and the Lease, this Lease Addendum will govern.

FRANCHISEE

LANDLORD

By: _____

By: _____

EXHIBIT III
COLLATERAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, the undersigned, _____ a _____ ("Assignor"), hereby assigns, transfers and sets over unto The Cookie Plug Group, LLC, a California limited liability company ("Assignee") all of Assignor's right, title and interest as tenant in, to and under that certain lease, a copy of which is attached hereto as Exhibit A (the "Lease"), respecting the premises commonly known as _____. This Assignment is for collateral purposes only and except as specified herein, Assignee shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment or the Lease unless Assignee shall take possession of the premises demised by the Lease pursuant to the terms hereof and shall assume the obligations of Assignor thereunder.

Assignor represents and warrants to Assignee that it has full power and authority to so assign the Lease and its interest therein and that Assignor has not previously, and is not obligated to, assign or transfer any of its interest in the Lease or the premises demised thereby.

Upon a default by Assignor under the Lease or a default or expiration under the franchise agreement by and between Assignor and Assignee for a the Cookie Plug restaurant (the "Franchise Agreement"), or in the event of a default by Assignor under any document or instrument securing said Franchise Agreement or under any other agreement between Assignor and Assignee or its affiliates, Assignee shall have the right and is hereby empowered to take possession of the premises demised by the Lease, expel Assignor therefrom, and, in such event, Assignor shall have no further right, title or interest in the Lease.

Assignor agrees that it will not suffer or permit any surrender, termination, amendment or modification of the Lease without the prior written consent of Assignee. Throughout the term of the Franchise Agreement and any renewal thereto, Assignor agrees that it shall elect and exercise all options to extend the term of or renew the Lease not less than thirty (30) days prior to the last day that said option must be exercised, unless Assignee otherwise agrees in writing. Upon failure of Assignee to otherwise agree in writing, and upon failure of Assignor to so elect to extend or renew the Lease as stated herein, Assignor hereby appoints Assignee as its true and lawful attorney-in-fact to exercise such extension or renewal options in the name, place and stead of Assignor for the sole purpose of effecting such extension of renewal.

Assignee: The Cookie Plug Group, LLC

Assignor:

By: _____
_____, _____

By: _____

EXHIBIT IV
IRREVOCABLE POWER OF ATTORNEY

That _____ ("FRANCHISEE") does hereby irrevocably constitute and appoint The Cookie Plug Group, LLC ("FRANCHISOR"), FRANCHISEE's true and lawful attorney-in-fact and agent for FRANCHISEE and in FRANCHISEE's name, place and stead, to do or cause to be done all things and to sign, execute, acknowledge, certify, deliver, accept, record and file all such agreements, certificates, instruments and documents as, in the sole discretion of FRANCHISOR, shall be necessary or advisable for the sole purpose of assigning to FRANCHISOR all of FRANCHISEE's right, title and interest in and to any and all telephone numbers used in connection with the Outlet and all related Yellow Pages, White Pages and other business listings, including, the execution and delivery of any Transfer of Service Agreement and any other transfer documentation required by the applicable telephone service company providing telephone services to FRANCHISEE, and to do or cause to be done all things and to sign, execute, acknowledge, certify, deliver, accept, record, and file all such agreements, certificates, instruments and documents as, in the sole discretion of FRANCHISOR, shall be necessary or advisable for the sole purpose of assigning to FRANCHISOR all of FRANCHISEE's right, title and interest in and to any Internet and website name pages, domain name listings, and registrations that contain the Marks, or any of them, in whole or in part, hereby granting unto FRANCHISOR full power and authority to do and perform any and all acts and things which, in the sole discretion of FRANCHISOR, are necessary or advisable to be done as fully to all intents and purposes as FRANCHISEE might or could itself do, and hereby ratifying and confirming all that FRANCHISOR may lawfully do or cause to be done by virtue of this Power of Attorney and the powers herein granted.

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

This Power of Attorney shall terminate 2 years following the expiration or termination of that certain Franchise Agreement dated of even date herewith by and between FRANCHISOR and FRANCHISEE. Such termination, however, shall not affect the validity of any act or deed that FRANCHISOR may have effected prior to such date pursuant to the powers herein granted.

This instrument is to be construed and interpreted as an irrevocable Power of Attorney coupled with an interest and such Power of Attorney shall not be affected by the subsequent disability or incapacity of the principal.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the undersigned has executed this Irrevocable Power of Attorney as of the ____ day of _____, 20__.

FRANCHISEE:

By: _____

Name: _____

Title: _____

THE STATE OF _____)

_____)

COUNTY OF _____)

BEFORE ME, the undersigned authority, on this day personally appeared _____ of _____, known to me to be the person whose name is subscribed to the foregoing instrument, who acknowledged to me that he executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the ____ day of _____, 20__.

Notary Public

My Commission Expires:

EXHIBIT V
FRANCHISEE DISCLOSURE QUESTIONNAIRE

As you know, The Cookie Plug Group, LLC, (the "Franchisor") and you are preparing to enter into a Franchise Agreement for the operation of a The Cookie Plug franchise. The purpose of this Questionnaire is to determine whether any statements of promises were made to you that the Franchisor has not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions and provide honest and complete responses to each question.

1. Have you received and personally reviewed the Franchise Agreement and each and schedule attached to it? Yes ____ No ____

2. Have you received and personally reviewed the Franchisor's Franchise Disclosure Document (the "FDD") that Franchisor provided to you?

Yes ____ No ____

3. Did you sign a receipt for the FDD indicating the date you received it?

Yes ____ No ____

4. Date on which you received the FDD and related Exhibits explaining The Cookie Plug franchise.

_____, 20____
(month, day)

5. Date on which you received a completed copy, other than signatures, of the Franchise Agreement.

_____, 20____
(month, day)

6. Date on which you signed the Franchise Agreement.

_____, 20____
(month, day)

7. Were you given the opportunity to discuss the benefits and risks of operating a The Cookie Plug franchise with an attorney, accountant, or other professional advisor, and do you understand those risks?

Yes ____ No ____

If the answer to Question 7 above was "No," would you like more time to do so?

Yes ____ No ____

~~8. Do you understand that the success or failure of your franchise will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, lease terms and other economic and business factors?~~

~~Yes ____ No ____~~

~~9.8.~~ Has any employee or other person speaking on behalf of the Franchisor made any make any oral, written or visual claim, statement or , promise or representation to you regarding predicted or projected sales, revenues, earnings, income or profit levels that you may earn or that any of our Outlets earn in operating the business other than what is discussed in Item 19 of the FDD?

Yes ____ No ____

~~10.9.~~ Has any employee or other person speaking on behalf of the Franchisor made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating the business?

Yes ____ No ____

~~11.10.~~ Has any employee or other person speaking on behalf of the Franchisor made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that the Franchisor will furnish to you that is contrary to, or different from, the information contained in the FDD?

Yes ____ No ____

~~12.~~ I understand that this franchise business may be impacted by other risks, including those outside your or our control such as economic, political or social disruption, including pandemics. In addition, I understand that the aforementioned risks and any preventative or protective actions that federal, state, and local governments may take in response may result in a period of business disruption, reduced customer demand, and reduced operations for a The Cookie Plug restaurant. The extent to which an event impacts The Cookie Plug restaurant system will depend on precise occurrences which are highly uncertain and which we cannot predict.

Yes ____ No ____

* * *

Please understand that your responses to these questions are important to us and that we will rely on them.

By signing this Questionnaire, you are representing that you have responded truthfully to the above questions. You are also representing that you have reviewed all of these questions and the answers with the other owners of the business and any of your representatives who had discussions with the Franchisor or any of its officers, agents, or employees. The responses from those people are also included by you above.

Dated on _____, 20__.

FRANCHISE APPLICANT

Signature: _____

Printed Name: _____

EXHIBIT VI
STATE SPECIFIC ADDENDUM

EXHIBIT VII
SBA ADDENDUM

SBA ADDENDUM TO FRANCHISE AGREEMENT

THIS SBA ADDENDUM TO FRANCHISE AGREEMENT (“Addendum”) is made and entered into on _____, 20____ (the “Effective Date”), by and between THE COOKIE PLUG GROUP, LLC (“us or “we”) and _____ (“you”).

RECITALS

- A. You and we entered into a Franchise Agreement dated the ____ day of _____, 20____ (along with any amendments, the “Franchise Agreement”).
- B. You are or applying or have applied for financing(s) from a lender in which funding is provided with the assistance of the U. S. Small Business Administration (“SBA”). SBA requires the execution of this Addendum as a condition for obtaining SBA-assisted financing.
- C. You and we wish to amend and modify the Franchise Agreement as provided herein.

THEREFORE, you and we agree as follows:

- 1. Any capitalized terms used but not defined in this Addendum have the same meanings assigned to them in the Franchise Agreement.
- 2. If any provision in this Addendum conflicts with any provision in the Franchise Agreement, the provision in this Addendum will control.
- 3. If you are proposing a transfer of a partial interest in the ownership of you or the Outlet and we have an option to purchase or a right of first refusal within respect to that partial interest, we may exercise such option or right only if the proposed transferee is not a current owner or family member of a current owner of you.
- 4. We will not unreasonably withhold our consent to any Transfer. In the event we approve a Transfer of any interest in you or the Outlet, the transferor will not be liable for the actions of the transferee.
- 5. If we have the option to purchase your business or personal assets upon default or termination of the term of the Franchise Agreement and you and we are unable to agree on the value of those assets, the value will be determined by an appraiser chosen by both you and us.
- 6. If you own the real estate where the Outlet is operating, you will not be required to sell the real estate upon default or termination of the term of the Franchise Agreement, but you may be required to lease the real estate for the remainder of the original franchise term (excluding additional renewals) to a franchisee of ours for its fair market value.

7. If you own the real estate where the Outlet is operating, we will not, during the term of the Franchise Agreement, record against the real estate any restrictions on the use of the real estate, including any restrictive covenants, branding covenants or environmental use restrictions. If any such restrictions are currently recorded against that real estate, they must be removed in order for the you to obtain SBA-assisted financing.

8. We will not directly control (hire, fire or schedule) your employees.

9. As to the Franchise Agreement, this Addendum and its provisions and restrictions automatically terminate when SBA no longer has any interest in any SBA-assisted financing provided to you.

10. Except as amended by this Addendum, the Franchise Agreement remains in full force and effect according to its original terms.

11. You and we acknowledge that submission of false information to SBA, or the withholding of material information from SBA, can result in criminal prosecution under 18 U.S.C. 1001 and other provisions, including liability for treble damages under the False Claims Act, 31 U.S.C. §§ 3729 - 3733.

WHEREFORE, you and we have entered into this SBA Addendum to Franchise Agreement as of the Effective Date.

THE COOKIE PLUG GROUP, LLC

FRANCHISEE: _____

By: _____
_____, _____

By: _____
_____, _____

Address: 16842 Von Karman Avenue, Suite 325 Address: _____
Irvine, California 92606 _____

EXHIBIT A-2

AREA DEVELOPMENT AGREEMENT

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AREA DEVELOPMENT AGREEMENT

This Area Development Agreement (“Agreement”) is made on _____, 20_____(the “Effective Date”) by and between THE COOKIE PLUG GROUP, LLC., a California limited liability company (“Franchisor” or “we”, “us” or “our”), and _____ (“Franchisee” or “you”).

Franchisor is the franchisor of THE COOKIE PLUG franchise system. Franchisee is concurrently executing a Franchise Agreement with Franchisor (the “Current Franchise Agreement”), under the terms of which Franchisee is being granted a right to open and operate a THE COOKIE PLUG franchised business at a retail outlet location that Franchisor has consented to (“Outlet”), providing “THE COOKIE PLUG Products” (as defined in the Franchise Agreement) to retail customers under THE COOKIE PLUG trademarks and in accordance with Franchisor’s business format. All capitalized terms used but not defined herein have the meanings assigned to them in the Current Franchise Agreement.

In consideration of the mutual promises, covenants, agreements and conditions contained in this Agreement, and other good and valuable consideration, Franchisee and Franchisor hereby agree as follows.

I. GRANT OF RIGHTS TO OPEN ADDITIONAL OUTLETS

1.1 Additional Outlets.

(a) Subject to the terms and conditions contained herein, Franchisor hereby grants to Franchisee the right to, and Franchisee hereby agrees to, establish and operate itself or through affiliated entities additional Outlets in accordance with the schedule of openings attached hereto as Exhibit 1 (the “Development Schedule”).

(b) So long as Franchisee’s obligations under the Development Schedule are being met on a timely basis and until the term of this Agreement terminates, Franchisor will not grant to another franchisee the right to operate an Outlet within the geographical area (the “Development Area”) indicated in the Development Schedule.

(c) Notwithstanding the foregoing, Franchisee’s rights to open and operate Outlets and for exclusivity within the Development Area do not extend, among other locations, to any “Non-Traditional Venue” (defined as a business operated under the “THE COOKIE PLUG” marks that is a mobile or temporary location or is located within another primary business or in conjunction with other businesses or at institutional settings, including, without limitation, toll roads, stadiums, airports, colleges and universities, schools, hospitals, military and other governmental facilities, office facilities, food courts, enclosed malls and any site for which the lessor, owner or operator thereof has indicated its intent to prefer or limit the operation of its facilities to a master concessionaire or contract service provider).

(d) If Franchisor becomes insolvent or declares bankruptcy or is no longer authorized to offer and sell franchises in Franchisee’s state because of a lapse of applicable franchise registration or other reason, Franchisee will continue to have the right to operate under this Agreement unless a state or federal court issues an order otherwise.

1.2 Franchise Agreements.

When Franchisee opens an additional Outlet under the Development Schedule, Franchisee must execute Franchisor's then current form of Franchise Agreement for that additional Outlet.

1.3 Term.

The term of this Agreement commences on the Effective Date and, unless sooner terminated by Franchisee's breach hereof, will continue until termination as provided in this Agreement. There will be no extensions or renewal periods relating to the Development Schedule unless done so in writing. Upon termination of the term of this Agreement, Franchisee will no longer have the right to open future Outlets under the Development Schedule.

1.4 No Sub-franchising Rights.

Neither Franchisee nor any of its affiliated entities has the right under this Agreement to execute sub-franchised THE COOKIE PLUG franchise agreements with anyone.

II. DEVELOPMENT OBLIGATIONS

2.1 Development Obligations.

(a) Franchisee must construct, equip and open each additional Outlet not later than the date specified in Exhibit 1 applicable to the Outlet, and thereafter continue to operate the Outlet(s) pursuant to its applicable Franchise Agreement.

(b) Any Outlet developed hereunder that is open and operating and which has been assigned to an affiliate of Franchisee, or to another THE COOKIE PLUG Franchisee, or to a third party with Franchisor's consent will continue to be considered as partial satisfaction of Franchisee's obligations under the Development Schedule for so long as the assignee remains in good standing under the Franchise Agreement relating to that Outlet.

2.2 Timing of Execution of Leases and Franchise Agreements.

(a) Notwithstanding anything to the contrary contained herein, on or before the date that is 90 days before the date an Outlet is required to be opened, Franchisee must execute a lease and Franchise Agreement for the Outlet and pay the balance of the Initial Franchise Fee due, if any, under the Franchise Agreement for that Outlet.

(b) Regarding the location, equipping, opening and operation of an additional Outlet(s) that Franchisee (or its affiliated entity) is opening under the Development Schedule, Franchisee (or its affiliated entity) must comply with the Franchise Agreement that is applicable to that Outlet.

2.3 Force Majeure.

(a) The term “*Force Majeure*” means natural disasters (such as tornadoes, earthquakes, hurricanes, floods, fires or other natural catastrophes); strikes, lockouts or other industrial disturbances; war, terrorist acts, riot, or other civil disturbance; epidemics; or other similar forces which Franchisee could not by the exercise of reasonable diligence have avoided; provided however, that neither an act or failure to act by any federal, state, county, municipal and local governmental and quasi-governmental agency, commission or authority, nor the performance, non-performance or exercise of rights under any agreement with Franchisee by any lender, landlord, or other person will be a *Force Majeure*, except to the extent that such act, failure to act, performance, non-performance or exercise of rights results from an act that is otherwise a *Force Majeure*. For the avoidance of doubt, Franchisee’s financial inability to perform or Franchisee’s insolvency will not be a *Force Majeure* hereunder.

(b) Should Franchisee be unable to meet Franchisee’s development obligation for a scheduled additional Outlet solely as the result of a *Force Majeure* which results in Franchisee’s inability to construct or operate the Outlets pursuant to the terms of this Agreement, the date on which the scheduled additional Outlet is to be opened will be extended by an amount of time equal to the time period during which the *Force Majeure* exists.

(c) In the event of the occurrence of a *Force Majeure*, Franchisee must notify Franchisor in writing within 10 business days following commencement of the alleged *Force Majeure* of the specific nature and extent of the *Force Majeure*, and how it has impacted Franchisee’s performance hereunder. Franchisee must continue to provide us with updates and all information as may be requested by Franchisor, including Franchisee’s progress and diligence in responding to and overcoming the *Force Majeure*.

(d) Franchisor will not be liable to Franchisee for any consequential damages, including lost profits, interest expense, including construction or occupancy costs, or other costs and expenses incurred by Franchisee due to any conduct not due to Franchisor’s gross negligence or intentional misfeasance.

2.4 Termination of Agreement and Limited Additional Development Rights.

(a) Once Franchisee opens all additional Outlets specified in the Development Schedule, this Agreement becomes moot and unless a new Development Schedule is agreed to by the parties, the term of this Agreement and all of Franchisee’s rights pursuant to this Agreement will automatically terminate. However, all rights under each Franchise Agreement that Franchisee (or its affiliated entity) executed for the additional Outlets remain in full force and effect. If Franchisee desires to engage in further development in excess of the obligations committed to under the Development Schedule, Franchisee must at the earlier of (i) 180 days prior to the scheduled expiration of the term hereof or (ii) the date on which acceptance of the proposed site for the last Outlet required to meet the Development Schedule is issued, notify Franchisor in writing of Franchisee’s desire to develop additional Outlets and present its plan for such development over a new term, setting forth the number of proposed Outlets and the deadlines for the development of each of them within such proposed term. Franchisor has the sole discretion to determine whether such additional development is desirable, and if Franchisor agrees to allow Franchisee to develop additional Outlets, it will be subject to all conditions set forth in this Agreement. Otherwise, the development rights granted under this Agreement may not be extended.

(b) Franchisee’s rights to additional development described in this section are subject to Franchisee’s fulfillment of the following conditions:

(i) Franchisee (and each of Franchisee’s affiliates that have developed or operate Outlets) must have fully performed all of Franchisee’s obligations under this Agreement and all other agreements between Franchisee (or the applicable affiliate) and Franchisor;

(ii) Franchisee must have demonstrated to Franchisor Franchisee’s financial capacity to

perform the additional development obligations set forth in any restated or revised Development Schedule. In determining if Franchisee is financially capable, Franchisor will apply the same criteria to Franchisee as Franchisor apply to prospective THE COOKIE PLUG Area Development developers at that time; and

(iii) Franchisee and Franchisor must agree to, and initial, a restated or revised Development Schedule.

III. DEVELOPMENT FEE

3.1 Development Fee.

In consideration of the exclusive development rights granted to Franchisee herein, Franchisee will pay to Franchisor upon execution of this Agreement a non-refundable "DEVELOPMENT FEE" of \$5,000.

The Development Fee will be fully earned by Franchisor for administrative and other expenses incurred by Franchisor and for development opportunities lost or referred because of the rights granted to Franchisee by this Agreement. The Development Fee is not refundable.

Upon the execution of this Agreement, Franchisee shall also pay an initial franchise fee in the amount of \$20,000 for the first outlet, and an amount of \$20,000 for each additional outlet listed in the development schedule. Exhibit A. All of these fees must be paid upon signature of this Agreement.

3.2 Franchise Agreements for Outlets.

The initial Outlet and all additional Outlets to be opened pursuant hereto will require execution by Franchisee (or its affiliated entity) and Franchisor of a separate Franchise Agreement (using Franchisor's then current form thereof) granting Franchisee (or its affiliated entity) the right to operate that additional Outlet. A payment of \$20,000 (the Initial Franchise Fee which is due under the Franchise Agreement for the first Outlet) and a payment of \$20,000 (Discounted Franchise Fee) is due for each additional Outlet opened under the Development Agreement.

IV. TRANSFER OR ASSIGNMENT

4.1 Assignment by Franchisor.

Franchisor has the right to Transfer this Agreement, and all of Franchisor's rights and privileges hereunder to any other person, firm or corporation ("Franchisor's Assignee"); provided that, in respect to any Transfer ("Assignment by Franchisor") resulting in the subsequent performance by Franchisor's Assignee of the functions of franchisor hereunder (i) at the time of Assignment by Franchisor, Franchisor's Assignee will be financially responsible and economically capable of performing the obligations of franchisor hereunder; and (ii) Franchisor's Assignee must expressly assume and agree to perform such obligations. If there is an Assignment by Franchisor in compliance with the terms set forth in the preceding sentence, Franchisor will be relieved of all obligations or liabilities after the effective date of the assignment.

4.2 Assignment by Franchisee.

(a) This Agreement is being executed in reliance upon and in consideration of the singular personal skills and qualifications of Franchisee and its Principal Equity Owners and the trust and confidence Franchisor reposes in Franchisee and in them. Therefore, neither Franchisee's interest in this Agreement and the area development rights granted hereunder, nor more than 50% of the equity interest in Franchisee (if Franchisee is an entity), nor all or substantially all of the assets of the Franchised Business, nor any controlling interest or non-

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controlling interest in the Franchised Business may be assigned, transferred, shared or divided, voluntarily or involuntarily, in whole or in part, by operation of law or otherwise, in any manner (collectively, "Assignment by Franchisee"), without Franchisor's prior written consent. Franchisor's consent to a specific Assignment by Franchisee is not cumulative and will not apply to any subsequent assignments, in respect of each of which Franchisee must comply with this section.

(b) Prior to any Assignment by Franchisee, Franchisee must notify Franchisor of Franchisee's intent to sell, transfer or assign all or any part of Franchisee's rights hereunder or all or any part of any interest in Franchisee. The notice must be in writing, delivered to Franchisor in accordance with section 8.1 hereof and include the following:

(i) The name and address of the proposed assignee ("Franchisee's Assignee");

(ii) If requested by franchisor, a copy of all agreements related to the sale, assignment, or transfer of the Franchise, the assets of the Franchised Business, or the interest in the Franchised Business; and

(iii) Franchisee's Assignee's application for approval to become the successor area developer. The application must include all forms, financial disclosures and related information generally used by Franchisor when interviewing prospective new franchisees if those forms are readily made available to Franchisee. If the forms are not readily available, Franchisee must request that Franchisor deliver the forms to Franchisee by business courier in accordance with section 8.1 hereof within 15 calendar days. As soon as practicable after the receipt of Franchisee's Assignee's application, Franchisor will notify Franchisee and Franchisee's Assignee, in writing, of any additional information or documentation necessary to complete the transfer application. If Franchisor's then-existing standards for the approval of new or renewing area developers are not readily available to Franchisee when Franchisee notifies Franchisor of Franchisee's intent to sell, transfer, or assign the Franchise, all or substantially all of the assets of the Franchised Business, or the controlling interest in the Franchised Business, Franchisor will communicate the standards to Franchisee within 15 calendar days.

(c) Within 30 days after the receipt of all necessary information and documentation required above and any other information requested by Franchisor, or as specified by written agreement between Franchisor and Franchisee, Franchisor will notify Franchisee of the approval or disapproval of the proposed Assignment. The notice will be in writing and delivered to Franchisee pursuant to this Agreement. The following conditions must be met before Franchisor will approve any Assignment

(i) Franchisee's Assignee must complete Franchisor's application for a Franchise, and in connection therewith, Franchisee and Franchisee's Assignee must fully disclose in writing all terms and conditions of the Assignment by Franchisee;

(ii) Franchisee's Assignee and the Principal Equity Owners of Franchisee's Assignee must demonstrate they have the skills, qualifications, moral and ethical reputation, and economic resources necessary, in Franchisor's sole judgment, to conduct the business contemplated by this Agreement;

(iii) Franchisee's Assignee and each Principal Equity Owner of Franchisee's Assignee must expressly assume in writing for Franchisor's benefit all of Franchisee's obligations under this Agreement;

(iv) Franchisee's Assignee must execute the then current form of Area Development Agreement being used by Franchisor for the remainder of the term of this Agreement or, in Franchisor's sole discretion, for the initial term of the then current form of Area Development Agreement (unless Franchisor has a reasonable basis not to allow this, Franchisee may elect to have Franchisee's Assignee assume this Agreement for the remainder of its term);

(v) Franchisee must have complied fully as of the date of any such Assignment by Franchisee

with all of Franchisee's material obligations to Franchisor, whether under this Agreement or any other agreement, arrangement or understanding with Franchisor; and

(vii) Not later than 10 days before the transfer, Franchisee must pay Franchisor a non-refundable "Transfer Fee" of \$10,000..

(d) Franchisee does not have a right to pledge, encumber, hypothecate or otherwise give any third party a security interest in this Agreement or any of Franchisee's rights hereunder in any manner whatsoever (except that with Franchisor's consent, which will not be unreasonably withheld, Franchisee may pledge a security interest in this Agreement in connection with a Small Business Administration loan).

(e) Any attempt by Franchisee to assign or any purported Assignment by Franchisee in violation of this Agreement is void and will (i) constitute a material breach of this Agreement, (ii) cause the term of this Agreement and all of Franchisee's rights pursuant to this Agreement to be subject to immediate termination without further notice, and (iii) confer no rights or interest whatsoever under this Agreement upon any other party.

4.3 Transfers from Franchisee to an Affiliated Entity.

Upon not less than 30 days' prior written notice to Franchisor, Franchisee may without Franchisor's consent assign and transfer this Agreement to an entity that is (i) organized to operate as a developer of Outlets and (ii) entirely owned by Franchisee. Any assignment and transfer to an affiliated entity must be evidenced by a written instrument, in form reasonably satisfactory to Franchisor, under the terms of which said business entity expressly assumes all of Franchisee's obligations hereunder, whether accrued at the time of such assignment or arising thereafter, and the assignee agrees to be bound by all the terms and provisions of this Agreement to the same extent and in the same manner as Franchisee is. No transfer under this Section will be subject to the Transfer Fee. A copy of said instrument, executed by both Franchisee and said business entity must be delivered to Franchisor before the effective date of the transfer.

V. NON-COMPETITION

5.1 Restriction on Competitive Activities.

Franchisee and each of its Principal Equity Owners must comply with the non-competition covenants contained in the last effective Franchise Agreement executed by Franchisee (or its affiliated entity) and Franchisor.

5.2 Website and Unauthorized Advertising.

During the term of this Agreement, neither Franchisee nor any of its Principal Equity Owners may establish a website or register an Internet domain name using, or otherwise advertise on the Internet or anywhere else, the trademark "THE COOKIE PLUG", or any combination or derivations thereof, or similar marks, or any other trademarks of ours, except as Franchisor specifically authorizes in writing.

VI. DEFAULT AND TERMINATION

6.1 General.

In addition to a termination referenced above, the term of this Agreement and all of Franchisee's rights pursuant to this Agreement may be terminated by Franchisor if Franchisee (i) fails to substantially comply with any obligation, duty or promise under this Agreement, including failure to open a Outlet within the time specified in the Development Schedule, after being given a notice of default and reasonable opportunity to cure the default (no more than 30 days), or (ii) is in material breach of any Franchise Agreement that Franchisee (or its affiliated entity) entered into with Franchisor.

6.2 Operation of Opened Outlets after Termination or Expiration.

If Franchisor terminates the term of this Agreement for the reason described in the Subsection immediately above, Franchisee (or its affiliated entities) will be able to maintain ownership and operation of the Outlets which Franchisee has developed so long as Franchisee is not in material breach of the applicable Franchise Agreements; however, Franchisee will forfeit (i) any further exclusive rights under the Development Schedule and this Agreement, and (ii) any rights to have a credit applied against the Initial Franchise Fee for Outlets that were not developed.

VII. DISPUTE RESOLUTION

7.1 Dispute Resolution.

(a) **Mediation.** Before any party may assert an action for any controversy, dispute or claim between you and us arising from this Agreement or the franchise relationship set forth in this Agreement, the parties must first have a in person meeting with each other to try to resolve the dispute. This meeting will be at our headquarters and each party will pay its own expenses related thereto. If this fails to bring about a resolution, the dispute will first be submitted to non-binding mediation (the “Mediation”) in Riverside County, California, unless the parties mutually agree to another location. The Mediation will be conducted in accordance with then-current AAA mediation rules (the “AAA Mediation Rules”) except to the extent the AAA Mediation Rules differ from the terms of this Agreement, in which event the terms of this Agreement shall be applied. Notwithstanding the foregoing, the mediation does not have to be conducted under the AAA. You and we will select the mediator. If the parties cannot agree on the selection of a mediator, the mediation shall be conducted through the AAA who will make the selection of mediator using their rules and guidelines. The cost of the Mediation, including the mediator's fee and expenses, shall be paid by you. All negotiations and mediation proceedings (including without limitation, discovery conducted therein, as well as all statements and settlement offers made by either party or the mediator in connection with the Mediation) shall be strictly confidential, shall be considered as compromise and settlement negotiations for purposes of the Federal Rules of Evidence and state rules of evidence, and shall not be admissible or otherwise used in connection with any court or arbitration proceeding for any purpose. The mediator may not be called as a witness in any court or arbitration proceeding for any purpose. If the parties, after a good faith effort to settle the dispute using Mediation, are unable to reach settlement, you and we agree that the dispute will be resolved according to the Sections below. Failure to submit the dispute to Mediation prior to commencing any litigation or arbitration proceeding shall be grounds for dismissal of the litigation or arbitration proceedings.

Notwithstanding anything to the contrary contained in this Agreement, the obligation to mediate or arbitrate will not be binding with respect to claims brought by us and relating to our trademarks, service marks, patents, or copyrights, including the Marks; claims by us relating to any non-compete, confidentiality provision, non-solicitation provision or confidentiality obligation; claims relating to any lease or sublease of any real property between the parties or their affiliated entities; or requests by us for temporary restraining orders, preliminary injunctions, permanent injunctions or other proceedings in a court of competent jurisdiction to obtain interim or permanent relief when deemed necessary by such court to preserve the status quo or prevent irreparable injury pending resolution of the actual dispute between the parties.

(b) **Litigation.** Except as otherwise provided in this Agreement, all controversies, disputes or claims between you and us arising from this Agreement or the franchise relationship set forth in this Agreement shall be filed in the Federal District Court within or closest to Riverside County, California when the grounds set forth in 28 U.S.C. § 1332 are present. Both parties and each guarantor of this Agreement irrevocably submit to the jurisdiction of this court and waive any objection to the application of California law or to the jurisdiction or venue in this court. In the event that the above-referenced federal court does not have jurisdiction over the dispute, the parties shall submit to binding arbitration as provided below.

Notwithstanding the foregoing, any claims we have relating to its trademarks, service marks, patents, or copyrights, including the Marks; claims relating to any lease or sublease of any real property between the parties or their affiliated entities; or requests by us for temporary restraining orders, preliminary injunctions, permanent injunctions or other proceedings in a court of competent jurisdiction to obtain interim or permanent relief when deemed necessary by such court to preserve the status quo or prevent irreparable injury pending resolution of the actual dispute between the parties shall be brought in either federal or state courts in the County in which we have our headquarters. Both parties agree to submit to the jurisdiction of the state and federal court in the County in which we have our headquarters.

(c) **Arbitration.** In the event that the federal court described above does not have jurisdiction over the dispute, the parties, subject to all other provisions above, will submit the dispute to binding arbitration conducted in Riverside County, California (unless the parties mutually agree otherwise). The arbitration proceeding will be conducted in accordance with the then-current commercial arbitration rules of the American Arbitration Association ("AAA Rules"), except to the extent the AAA Rules differ from the terms of this Agreement, in which event the terms of this Agreement will apply. Notwithstanding the foregoing, the arbitration does not have to be conducted under the AAA. The arbitrator must be mutually selected by the parties and must have at least 5 years of substantial experience in franchise law. Each party is limited to 25 document requests, 15 interrogatories and 1 deposition unless otherwise agreed to between the parties. For purposes of this Section, if any dispute that names, involves or includes us, our respective affiliates, officers, directors, agents, brokers or employees, such persons or entities shall also be included in and made party to the arbitration proceeding to the extent such parties consent to proceeding forward in arbitration.

The arbitrator will have the right to award or include in his award any relief which he deems proper in the circumstances, including money damages (with interest on unpaid amounts from date due), specific performance, and attorneys' fees and costs; however, the arbitrator will not be allowed to award or include in his award any punitive, exemplary, or consequential damages, to which the parties waive any right. The arbitrator, and not any federal, state, or local court or agency, shall have exclusive authority to resolve any dispute relating to the interpretation, applicability, or enforceability of this Section, including but not limited to, any claim that all or any part of this Section is void or voidable. The award and decision of the arbitrator will be conclusive and binding upon all parties, and judgment upon the award may be entered in any court of competent jurisdiction; however, the arbitrator may not under any circumstances: (1) stay the effectiveness of any pending termination of this Agreement; or (2) make any award which extends, modified or suspends any lawful term of this Agreement. Each party waives any right to contest the validity or enforceability of the award of an arbitrator under this Section except to the extent permitted by applicable law. The arbitrator must submit a reasoned award and this award must be consistent with the terms of this Agreement. If the arbitrator's award is not reasoned or not consistent with the terms of this Agreement, then notwithstanding the foregoing, we may appeal the arbitration award in Federal or State Court. An arbitration award or decision entered in any other case (whether or not we were a party) will not be binding on us in any other dispute, will have no precedential value and cannot be used as evidence in any other proceeding.

The arbitrator will apply the provisions of any applicable statute of limitations. In connection with any arbitration proceeding, you and we will submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any of these compulsory claims which are not submitted or filed in the same proceeding in which they relate will be barred. This provision will continue in full force and effect subsequent to and notwithstanding the Transfer, or the termination or expiration of the term of this Agreement. The arbitration will be conducted on an individual, not a class-wide basis. None of the parties to the arbitration will be entitled to consolidation of the arbitration proceedings with the proceedings of any third party, nor will the arbitrator or any court be empowered to order a consolidation of proceedings with any third party.

(d) TO THE MAXIMUM EXTENT PERMITTED BY LAW, ALL CLAIMS BROUGHT UNDER THIS AGREEMENT WILL BE BROUGHT IN AN INDIVIDUAL CAPACITY. THIS AGREEMENT MAYNOT BE CONSTRUED TO ALLOW OR PERMIT THE CONSOLIDATION OR JOINDER OF OTHER CLAIMS OR CONTROVERSIES INVOLVING ANY OTHER FRANCHISEES OR PERMIT SUCH CLAIMS OR CONTROVERSIES TO PROCEED AS A CLASS ACTION, CLASS ARBITRATION, COLLECTIVE

ACTION, OR ANY SIMILAR REPRESENTATIVE ACTION. NO ARBITRATOR WILL HAVE THE AUTHORITY UNDER THIS AGREEMENT TO ORDER ANY SUCH CLASS OR REPRESENTATIVE ACTION. BY SIGNING BELOW, FRANCHISEE EXPRESSLY AGREES TO WAIVE ANY SUBSTANTIVE OR PROCEDURAL RIGHTS IT MAY HAVE TO BRING AN ACTION ON A CLASS, COLLECTIVE, REPRESENTATIVE OR OTHER SIMILAR BASIS.

(e) TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE PARTIES WAIVE ALL RIGHTS THEY MAY HAVE TO SEEK PUNITIVE DAMAGES FROM ONE ANOTHER. ACCORDINGLY, THE ARBITRATOR WILL HAVE NO POWER TO ASSESS PUNITIVE DAMAGES AGAINST EITHER PARTY.

(f) This arbitration provision is deemed to be self-executing and will remain in full force and effect after expiration or termination of this Agreement.

(g) The provisions of this Section are intended to benefit and bind certain third-party non-signatories and will continue in full force and effect after (and notwithstanding) the expiration or termination of this Agreement. Furthermore, this Section will be construed as independent of any other covenant or provision of this Agreement; provided, however, that if a court of competent jurisdiction determines that any of such provisions are unlawful in any way, the court is respectfully requested to modify or interpret such provisions to the minimum extent necessary to comply with the law.

[Franchisor's Initials: _____ Franchisee's Initials: _____]

7.3 Injunctive Relief.

Franchisor has the right in a situation where there is an imminent threat of harm to its legal rights and damages would not be adequate relief to seek a temporary restraining order and temporary or preliminary injunctive relief from a court of competent jurisdiction in California, without the necessity of first complying with the dispute resolution provisions above.

7.4 Legal Fees and Expenses.

The prevailing party in any arbitration or litigation to resolve a dispute between any of the parties hereto will be entitled to recover from the losing party reasonable legal fees (and incurred costs of the prevailing party's counsel) and all other reasonable expenses incurred by the prevailing party in bringing or defending such arbitration, action or proceeding or enforcing any resulting award or judgment (including without limitation arbitration or court filing fees, expert and other witness fees, discovery expenses and compensation payable to the arbitrator), whether incurred prior to or in preparation for or in contemplation of the filing of the action or thereafter. The prevailing party will be determined by the arbitrator or court. This section 7.4 is intended to be expressly severable from the other provisions of this Agreement, is intended to survive any judgment and is not to be deemed merged into the judgment.

7.5 Survival.

The terms of dispute resolution will survive termination, expiration or cancellation of this Agreement.

VIII. NOTICES

8.1 Notices.

(a) All notices that the parties hereto are required or may desire to give under or in connection with this Agreement must be in writing and (unless personally delivered by an agent of the sending party) must be sent by reliable overnight courier, for delivery on the next business day and addressed as follows:

If to Franchisor:

THE COOKIE PLUG GROUP, LLC.
16842 Von Karman Avenue Suite 325
Irvine, CA 92606
Phone: 1-949-630-8597

If to Franchisee:

Phone:

(b) Unless previously delivered in person by an agent of the sending party, notices between Franchisee and Franchisor will be deemed given the next business day after deposit with a reliable overnight courier, properly addressed and marked for delivery on the next business day.

(c) Any change in the addresses listed in section 8.1(a) above must be sent to the other party as soon as practicable after the change occurs by reliable overnight courier or in person by an agent of the sending party.

IX. GENERAL TERMS AND PROVISIONS

9.1 Governing Law.

The laws of the state where the Development Area is located govern this Agreement, without regard to conflicts of laws. If any provision of this Agreement is impermissible under the governing law, the provision will be deemed amended to conform to that law while maintaining to the maximum extent possible the original intent of the provision.

9.2 Modification.

This Agreement cannot be modified or changed except by a written instrument signed by all parties hereto.

9.3 Waiver and Delay.

No waiver by Franchisor of any breach or series of breaches or defaults in performance by Franchisee and no failure, refusal or neglect by Franchisor either to exercise any of its rights hereunder or to insist upon strict compliance with or performance of Franchisee's obligations under this Agreement, will constitute a waiver of the provisions of this Agreement with respect to any subsequent breach thereof or a waiver by Franchisor of its right at any time thereafter to require exact and strict compliance with the provisions thereof.

9.4 Severability; Partial Invalidity.

Nothing contained in this Agreement will be construed as requiring the commission of any act contrary to law. Whenever there is any conflict between any provisions of this Agreement and any present or future statute, law,

ordinance, regulation or judicial decision, contrary to which the parties have no legal right under this Agreement, the latter will prevail, but in such event the provision of this Agreement thus affected will be curtailed and limited only to the extent necessary to bring it within the requirements of the law. If any part, article, section, sentence or clause of this Agreement is held to be indefinite, invalid or otherwise unenforceable, the indefinite, invalid or unenforceable provision will be deemed appropriately modified, and the remaining parts thereof will continue in full force and effect.

9.5 Titles for Convenience Only.

Section titles used in this Agreement are for convenience only and will not be deemed to affect the meaning or construction of any of the terms, provisions, covenants or conditions of this Agreement.

9.6 No Third-Party Beneficiaries.

This Agreement is not intended to benefit any other person or entity except the named parties hereto and no other person or entity (other than financing sources to whom Franchisor has granted or consented to a collateral assignment of this Agreement) will be entitled to any rights hereunder under so-called “third party beneficiary rights” or otherwise.

9.7 Survival of Covenants.

The covenants contained in this Agreement that by their terms require performance by the parties after the expiration or termination of this Agreement will be enforceable notwithstanding said expiration or other termination of this Agreement for any reason whatsoever.

9.8 Successors and Assigns.

Subject to the restrictions on any assignment by Franchisee contained herein, this Agreement is binding upon (i) Franchisor and inures to the benefit of its successors and assigns and (ii) Franchisee and inures to the benefit of its successors and assigns.

9.9 Counterparts.

This Agreement may be executed in any number of copies, each of which will be deemed to be an original, and all of which together will be deemed to be one and the same instrument.

9.10 Entire Agreement.

This Agreement contains all the terms and conditions agreed upon by Franchisee and Franchisor regarding the subject matter hereof, provided however, that nothing in this Agreement or in any related agreement is intended to disclaim the representations made in THE COOKIE PLUG franchise disclosure document that was provided to Franchisee. No other agreements oral or otherwise will be deemed to exist or to bind any of the parties hereto and all prior agreements and understandings are superseded hereby. Franchisee acknowledges that it executed this Agreement without reliance upon any unauthorized representation or promise.

[Signature Page Follows]

THIS AGREEMENT CONTAINS A BINDING ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES.

FRANCHISEE

By: _____

FRANCHISOR

THE COOKIE PLUG GROUP, LLC.

By: _____

Chris Wyland, Chief Development Officer-
Partner

]

EXHIBIT 1 - DEVELOPMENT AREA AND DEVELOPMENT SCHEDULE

The initial Outlet (or Outlet 1) is to be opened and operated under the concurrently signed Franchise Agreement. A second and third additional Outlet (and any other additional Outlet committed to be open by Franchisee) must be opened at sites Franchisor reviews and consents to, all of which will be located in the “Development Area” described either [] in the map immediately following this Exhibit 1 and otherwise described as follows:

Franchisee must open (and thereafter maintain) Outlets in accordance with the following schedule (if more than five Outlets are committed to be opened, the schedule will be expanded appropriately)

NUMBER OF STORES	DATE BY WHICH STORE MUST BE OPENED
1	
2	
3	

EXHIBIT B
FINANCIAL STATEMENTS

Financial Statements

THE COOKIE PLUG GROUP LLC
(A Development Stage Enterprise)

Report of Independent Auditors

Period from February 18, 2022 (Date of Inception) to February 28, 2022

THE COOKIE PLUG GROUP LLC
(A Development Stage Enterprise)

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REPORT OF INDEPENDENT AUDITORS

**To the Stockholders of
The Cookie Plug Group LLC (A Development Stage
Enterprise) Irvine, California**

Opinion

We have audited the financial statements of The Cookie Plug Group LLC. (A Development Stage Enterprise) (the "Company"), which comprise the balance sheet as of February 28, 2022, and the related statements of operations and changes in stockholders' equity, and cash flows for the period from February 18, 2022 (date of inception) to February 28, 2022, and the related notes to financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Cookie Plug Group LLC (A Development Stage Enterprise) as of February 28, 2022, and the results of its operations, changes in stockholder's equity and its cash flows for the period from February 18, 2022 (date of inception) to February 28, 2022, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Cookie Plug Group LLC 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.

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 Cookie Plug Group LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, 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 Cookie Plug Group LLC'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 Cookie Plug Group LLC'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.

Sabecor & Co., LLP

March 4, 2022
Los Angeles, California

THE COOKIE PLUG GROUP LLC
(A Development Stage Enterprise)

Balance Sheet
As of February 28, 2022

ASSETS

Current assets

Cash (Note 2)	<u>\$ 1,000</u>
Total assets	<u>\$ 1,000</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Stockholders' equity

Common stock, 100,000 shares authorized 100,000 shares issued and outstanding	\$ 1,000
---	----------

Retained earnings	<u>-</u>
-------------------	----------

Total stockholders' equity	<u>1,000</u>
----------------------------	--------------

Total liabilities and stockholders' equity	<u>\$ 1,000</u>
---	------------------------

The accompanying notes are an integral part of the financial statements.

THE COOKIE PLUG GROUP LLC
(A Development Stage
Enterprise)Statement of
Operations

For the Period from February 18, 2022 (Date of Inception) to February 28, 2022

Revenues (Note 2)	\$ -
General and administrative expenses	-
Income before income taxes	-
Income taxes (Note 2)	-
Net income	\$ -

The accompanying notes are an integral part of the financial statements.

THE COOKIE PLUG GROUP LLC
(A Development Stage Enterprise)

Statement of Changes in Stockholders' Equity

For the Period from February 18, 2022 (Date of Inception) to February 28, 2022

	Common Stock Number of Shares	Amount	Retained Earnings	Total
	<u>nt</u>			
Beginning balance	-	\$ -	\$ -	\$ -
Common stocks issued	<u>100,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Balance, February 28, 2022	<u>100,000</u>	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 1,000</u>

The accompanying notes are an integral part of the financial statements.

THE COOKIE PLUG GROUP LLC
(A Development Stage
Enterprise)Statement
of Cash Flows

For the Period from February 18, 2022 (Date of Inception) to February 28, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Net income	\$ -
Adjustments to reconcile net income to net cash	
	<u>-</u>
provided by (used in) operating activities:	-
Net cash provided by operating activities	<u>-</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Issuance of common stock	<u>1,000</u>
Net cash provided by financing activities	<u>1,000</u>

NET INCREASE IN CASH

1,000

CASH, beginning of period

-

CASH, end of period

\$ 1,000

SUPPLEMENTAL CASH FLOW INFORMATION

Cash paid during the year for:

Interest paid	<u>\$ -</u>
Income taxes	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements.

**THE COOKIE PLUG GROUP LLC LLC
(A DEVELOPMENT STAGE ENTERPRISE)**

**Notes to Financial Statements
February 28, 2022**

NOTE 1 - ORGANIZATION

The Cookie Plug Group LLC (A Development Stage Enterprise) (“the Company”) was organized in California on February 18, 2022. The Company is in the development stage and is devoting substantially all of its efforts to establishing the business of selling and managing franchises for retail restaurant operations.

As of February 28, 2022, planned principal operations have not commenced and is still a development stage enterprise developing markets.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the Company have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Cash

The Company considers all highly liquid investments, which are readily convertible into known amount of cash and have a maturity of three months or less when acquired to be cash. As of February 28, 2022, cash amounted to \$1,000.

Franchise Agreements

The Franchise agreements require the Company to provide assistance to the franchisees with facility layout, initial training, opening assistance, proprietary food products, new products, supplies, advisory services, and other goods and services as described in the franchise agreements. Franchisees must receive approval of the site and local advertising from the Company. Franchisees cannot open its doors to the public until they receive a completion certificate from the Company.

Under the terms of the franchise agreements, franchisees pay an initial franchise fee for each unit to be opened within a protected area. Recurring fees consist of weekly royalty and marketing fees.

Royalties and Marketing Income

Royalties and marketing income from franchises, which is 8% and 2%, respectively, of franchisees’ gross revenues, are recognized as revenues over time.

Income Taxes

The Company has elected to be taxed under the provisions of Subchapter “S” of the Internal Revenue Code. Therefore, the Company is not subject to United States (U.S.) Federal income taxation but rather, its earnings are passed to its stockholder and subject to taxation accordingly. As such, the Company records no deferred taxes for U.S. federal tax purposes. Certain U. S. state jurisdictions impose tax on Subchapter “S” corporations. These taxes generally are based on minimum tax requirements for the state or based on capital value of the corporation. The Company is subject to the State of California income taxes. State income tax expense is computed on the basis of transactions entering into the pre-tax operating results using the California franchise tax rates applicable to “S” corporations.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash. The Company places its cash with high credit quality financial institutions and, by policy, limits its credit exposure.

Risks and Uncertainties

The Company’s operations are substantially affected by economic conditions, which may vary significantly by market and can impact consumer disposable income levels and spending habits. Supply chain interruptions, including lack of supply or price increases, can adversely affect the Company. Brand value is based in part on consumer perceptions on a variety of factors, including nutritional content and preparation of the Company’s food, practices and the manner in which the Company sources the commodities it uses. Consumer acceptance is subject to change for a variety of reasons.

Fair Value of Financial Instruments

For certain of the Company’s financial instruments, including cash, the carrying amounts represent a reasonable estimate of the fair values due to their short-term maturity.

Subsequent Events

The Company evaluated subsequent events through February 28, 2022, the date the financial statements were available to be issued.

NOTE 3 - SIGNIFICANT EVENTS

In March 2020, the World Health Organization categorized Coronavirus Disease 2019 (“COVID-19”) as a pandemic, and the President of the United States declared the COVID-19 outbreak a national emergency. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. An estimate of the financial statements effect of the event or events, cannot be made.

EXHIBIT C

LIST OF FRANCHISE OUTLETS

None.

EXHIBIT D

LIST OF TERMINATED FRANCHISES

None.

EXHIBIT E

**STATE FRANCHISE ADMINISTRATORS AND
AGENTS FOR SERVICE OF PROCESS**

STATE FRANCHISE ADMINISTRATORS

We intend to register this disclosure document as a franchise in some of or all the following states, in accordance with applicable state law. The following are the state administrators responsible for the review, registration and oversight of franchises in these states:

California:

Commissioner of Financial Protection and
Innovation
Dept. of Financial Protection and Innovation
2101 Arena Blvd.
Sacramento, CA 95834
(866) 275-2677

Minnesota:

Department of Commerce
85 7th Pl. E., Ste. 280
Saint Paul, MN 55101
(651) 539-1600

Hawaii:

Business Registration Division
Dept. of Commerce and Consumer Affairs
335 Merchant St., Rm. 203
Honolulu, HI 96813
(808) 586-2722

Illinois:

Office of the Attorney General
500 S. 2nd St.
Springfield, IL 62701
(217) 782-4465

Indiana:

Franchise Section
Securities Division
302 W. Washington St., Rm. E111
Indianapolis, IN 46204
(317) 232-6681

Maryland:

Office of the Attorney General
Securities Division
200 Saint Paul Pl.
Baltimore, MD 21202
(410) 576-6360

Michigan:

Michigan Attorney General's Office
Consumer Protection Division
Attn: Franchise Section
G. Mennen Williams Bldg., 1st Flr.
525 W. Ottawa St.
Lansing, MI 48933
(517) 373-7117

New York:

NYS Department of Law
Investor Protection Bureau
28 Liberty St., 21st Flr.
New York, NY 10005
(212) 416-8285

North Dakota:

Franchise Examiner
North Dakota Securities Department
600 E. Boulevard Ave.
State Capitol, 5th. Flr., Dept. 414
Bismarck, ND 58505
(701) 328-4712

Rhode Island:

Securities Division
Dept. of Business Regulations
1511 Pontiac Ave., Bldg. 69-1
Cranston, RI 02920
(401) 462-9527

South Dakota:

Division of Insurance
Securities Regulation
124 S. Euclid Ave., Ste. 104
Pierre, SD 57501

(605) 773-3563

Virginia:

State Corporation Commission
Div. of Securities & Retail Franchising
1300 E. Main St., 9th Flr.
Richmond, VA 23219
(804) 371-9051

Washington:

Administrator
Dept. of Financial Institutions
Securities Division
150 Israel Rd. SW
Tumwater, WA 98501
(360) 902-8760

Wisconsin:

Franchise Administrator
Division of Securities
Dept. of Financial Institutions
345 W. Washington Ave.

Madison, WI 53703
(608) 266-8557

AGENTS FOR SERVICE OF PROCESS

We intend to register this disclosure document as a franchise in some of or all the following states, in accordance with applicable state law. If we register the franchise (or otherwise comply with the franchise investment laws) in any of these states, we will designate the following state offices or officials as our agents for service of process in those states:

California:

Commissioner of Financial Protection and
Innovation
Dept. of Financial Protection and Innovation
2101 Arena Blvd.
Sacramento, CA 95834
(866) 275-2677

Hawaii:

Hawaii Commissioner of Securities,
Dept. of Commerce and Consumer
Affairs, Business Registration Div.
335 Merchant St., Rm. 205
Honolulu, HI 96813
(808) 586-2744

Illinois:

Illinois Attorney General
500 S. 2nd St.
Springfield, IL 62701
(217) 782-4465

Indiana:

Indiana Secretary of State
200 W. Washington St., Rm. 201
Indianapolis, IN 46204
(317) 232-6681

Maryland:

Maryland Securities Commissioner
200 Saint Paul Pl.
Baltimore, MD 21202
(410) 576-6360

Michigan:

Michigan Corporation & Securities Bureau
Department of Commerce
6546 Mercantile Way
Lansing, MI 48911
(517) 373-7117

Minnesota:

Minnesota Commissioner of Commerce
85 7th Pl. E., Ste. 280
Saint Paul, MN 55101
(651) 539-1600

New York:

New York Secretary of State
One Commerce Plaza
99 Washington Ave., 6th Flr.
Albany, NY 12231
(518) 473-2492

North Dakota:

North Dakota Securities Commissioner
600 E. Boulevard Ave., 5th. Flr.
Bismarck, ND 58505
(701) 328-4712

Rhode Island:

Director
Rhode Island Dept. of Business Regulations
1511 Pontiac Ave., Bldg. 69-1
Cranston, RI 02920
(401) 462-9527

South Dakota:

Division of Insurance
Securities Regulation
124 S. Euclid Ave., Ste. 104
Pierre, SD 57501
(605) 773-3563

Virginia:

Clerk
Virginia State Corporation Commission
1300 E. Main St., 1st Flr.
Richmond, VA 23219
(804) 371-9733

Washington:

Dept. of Financial Institutions
Securities Division – 3rd Flr.
150 Israel Rd. SW
Tumwater, WA 98501
(360) 902-8760

Wisconsin:

Administrator
Wisconsin Division of Securities
345 W. Washington Ave.
Madison, WI 53703
(608) 261-9555

EXHIBIT F

STATE SPECIFIC ADDENDA

CALIFORNIA

APPENDIX FOR CALIFORNIA FRANCHISEES

1. California Business and Professions Code sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.
2. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 *et seq.*)
3. The franchise agreement contains a covenant not to compete that extends beyond the termination or transfer of the franchise. This provision may not be enforceable under California Law.
4. The franchise agreement contains a liquidated damage clause. Under California Civil Code Section 1671, certain liquidated damage clauses are enforceable.
5. The franchise agreement requires binding arbitration. The arbitration will occur at Orange County, California with the costs being borne equally by both parties but reimbursable to the prevailing party. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code section 20040.5, Code of Civil Procedure section 1281, and the Federal Arbitration Act) to any provision of a franchise agreement that restricts venue to a forum outside the State of California.
6. The California Franchise Investment Law requires that a copy of all proposed agreements relating to the sale of the franchise be delivered together with the disclosure document.
7. Section 31125 of the California Corporations Code requires the franchisor to give you a disclosure document, in a form and containing information that the Commissioner of the Department of Business Oversight may by rule or order require, before solicitation of a proposed material modification of an existing franchise.
8. The franchise agreement requires you to execute a general release of claims upon renewal or transfer of the franchise agreement. California Corporations Code section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (Corporations Code §§31000-31516). Business and Professions Code section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§20000-20043).
9. Our website;- found at the URL www.thecookieplug.com/franchising; has not been reviewed or approved by the California Department of Financial Protection and Innovation~~Business Oversight~~. Any complaints concerning the content of this website may be directed to the California Department of Financial Protection and Innovation~~Business Oversight~~ at www.dfpibe.ca.gov.
10. Neither the franchisor, nor any person or franchise broker listed in Item 2 of the disclosure document is subject to any currently effective order of any national securities association or national securities exchange as defined in the Securities Exchange Act of 1934 (15 U.S.C.A. §78A *et seq.*), suspending or expelling these persons from membership in such association or exchange.

ADDENDUM TO FRANCHISE AGREEMENT FOR CALIFORNIA FRANCHISEES

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT.

In recognition of the requirements of the California Franchise Investment Law, Cal. Corporations Code Sections 31000 et seq. the Franchise Agreement ("Agreement") for COOKIE PLUG FRANCHISE GROUP, LLC for use in the State of California shall be amended as follows:

Other provisions:

~~The Franchise Agreement is amended as follows:~~

- ~~1. In sections 4.6(b), "18%" is amended to "10%".~~
- ~~2. In sections 13.1 and 13.3, "30 days" is amended to "60 days".~~
- ~~3. Section 15.2(d) is restated to read in full as follows:~~

Upon a lawful termination or nonrenewal of the Agreement, Franchisor will purchase from Franchisee, at the value of price paid, minus depreciation, all inventory, supplies, equipment, fixtures, and furnishings purchased or paid for under the terms of this Agreement or any ancillary or collateral agreement by Franchisee to Franchisor or Franchisor's approved suppliers and sources, that are, at the time of the notice of termination or nonrenewal, in Franchisee's possession or used by Franchisee in the Franchised Business. Franchisor is not required to purchase any personalized items, inventory, supplies, equipment, fixtures, or furnishings not reasonably required to conduct the operation of the Franchised Business in accordance with this Agreement or any ancillary or collateral agreement or to which Franchisee, at the cessation of operation of the Franchised Business by Franchisee, cannot lawfully, or does not, grant Franchisor clear title and possession upon Franchisor's payment to Franchisee for the inventory, supplies, equipment, fixtures, or furnishings (we have the right to receive clear title to and possession of all items purchased from Franchisee under this section 15.2(d)). Franchisor may offset against the amounts owed to Franchisee under any such purchase under this section 15.2(d) any amounts Franchisee owes to Franchisor. Notwithstanding the foregoing however, Franchisor's requirement to purchase from Franchisee under this section 15.2(d) will not apply:

~~"(a)"~~ if Franchisee declines a *bona fide* offer of renewal from Franchisor;

~~"(b)"~~ if Franchisor does not prevent Franchisee from retaining control of the Outlet or other principal place of the Franchised Business;

~~"(c)"~~ to any termination or nonrenewal of the Franchise due to a publicly announced and nondiscriminatory decision by Franchisor to completely withdraw from all Franchise activity within the relevant geographic market area in which the Franchise is located;

~~"(d)"~~ if Franchisor and Franchisee mutually agree in writing to terminate and not renew the Franchise;
or

~~"(e)"~~ to any inventory, supplies, equipment, fixtures, or furnishings that are sold by Franchisee between the date of the notice of termination or nonrenewal, and the cessation of operation of the Franchised Business by Franchisee, pursuant to the termination or nonrenewal.

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.

No disclaimer, questionnaire, clause or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. Any statements or representations signed by a franchisee purporting to understand any fact or its legal effect shall be deemed made only based upon the franchise's understanding of the law and facts as of the time of the franchisee's investment decision. This provisions supersedes any other or inconsistent term of any document executed in connection with the franchise.

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation or endorsement by the commissioner.

Date: _____

Date: _____

FRANCHISEE:

FRANCHISOR:

COOKIE PLUG GROUP, LLC

BY: _____

BY: _____

Ryan Usrey, Chief Executive Officer

ITS: _____

EXHIBIT G

STATE EFFECTIVE DATES

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:

State	Effective Date
California	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT H

RECEIPTS

RECEIPT

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 Cookie Plug Group, 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.

If Cookie Plug Group, 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 listed in Exhibit F.

We have no franchise brokers. The name, address and telephone number of the franchise seller for this offering is: Ryan Usrey, 5634 Lisboa Street, Chino Hills, California 91709; telephone number: 1-951-751-6100.

Date of Issuance: June 1, 2022

Cookie Plug Group, LLC authorizes the person identified in Item 1 to receive service of process for it in your state. I received a disclosure document issued January 13, 2021, that included the following Exhibits:

- “A-1” Franchise Agreement
- “A-2” Area Development Agreement
- “B” Financial Statements
- “C” List of Franchise Outlets
- “D” List of Terminated Franchises
- “E” State Franchise Administrators and Agents for Service of Process
- “F” State Specific Addenda
- “G” State Effective Dates
- “H” Receipts

DATED: _____
(Do not leave blank)

If a business entity:

If an individual:

(Name of Business Entity)

(Signature of Prospective Franchisee)

(Signature of Primary Contact Owner)

(Print Name)

(Print Name and Title)

Please date and sign this page, and then keep it for your records

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- “G” State Effective Dates
- “H” Receipts

DATED: _____
(Do not leave blank)

If a business entity:

If an individual:

(Name of Business Entity)

(Signature of Prospective Franchisee)

(Signature of Primary Contact Owner)

(Print Name)

(Print Name and Title)

Please date and sign this page, and then return it by e-mail to chris@rollemup.com or by first class mail to Roll Em Up Franchise Group, Inc., Attn: Ryan Usrey, 5634 Lisboa Street, Chino Hills, California 91709.