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# FRANCHISE DISCLOSURE DOCUMENT

DREAM DINNERS.
HOMEMADE, MADE EASY

**DREAM DINNERS, INC**
**A Washington corporation**
610 First Street
Snohomish, Washington 98290
(360) 804-2000
franchise@dreamdinners com
www dreamdinnersfranchise com

Dream Dinners, Inc is offering franchises for the operation of retail stores offering meal assembly sessions and related services and products under the "Dream Dinners®" name and trademarks

The total investment necessary to begin operation of a Dream Dinners franchised store ranges from $260,700 to $448,000 This includes $15,000 to $45,000 that must be paid to the franchisor or an affiliate

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

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 Ashley Sawyer at 610 First Street, Snohomish, Washington 98290, (360) 804-2032

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

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

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

Issuance Date April 14, 2016 as amended October 31, 2016

## STATE COVER PAGE

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

Call the state franchise administrator listed in Exhibit A for information about the franchisor, about other franchisors, or about franchising in your state

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

Please consider the following RISK FACTORS before you buy this franchise

1 THE FRANCHISE AGREEMENT PROVIDES THAT THE VENUE TO LITIGATE IS TO BE IN THE STATE OF WASHINGTON THIS MEANS THAT IF YOU PURCHASE A FRANCHISE AND A DISPUTE ARISES, YOU WILL HAVE TO LITIGATE AND DEFEND OR MAINTAIN THE PROCEEDINGS IN THE STATE OF WASHINGTON **OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST YOU MORE TO LITIGATE A DISPUTE WITH US IN WASHINGTON THAN IN YOUR HOME STATE**

2 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

**We may use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.**

The Effective Dates of this Disclosure Document in the states with registration laws are on the following page

## FRANCHISE DISCLOSURE DOCUMENT
## STATE EFFECTIVE DATES

The following states 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 Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates

| | |
|---|---|
| **California.** | May 17, 2016 |
| **Florida** | June 3, 2016 |
| **Illinois.** | April 15, 2016 |
| **Indiana** | May 16, 2016 |
| **Maryland:** | June 1, 2016 |
| **Michigan** | April 15, 2016 |
| **Minnesota** | April 18, 2016 |
| **New York:** | May 17, 2016 |
| **Utah** | April 19, 2016 |
| **Virginia** | April 30, 2016 |
| **Washington:** | April 30, 2016 |
| **Wisconsin** | April 15, 2016 |

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

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise

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

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

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

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

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

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

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

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

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

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

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

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

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000 00, the franchisor shall, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee or subfranchisor until the obligations to provide real estate, improvements, equipment, inventory, training, or other items included in the franchise offering are fulfilled At the option of the franchisor, a surety bond may be provided in place of escrow

**THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL**

Any questions regarding the notice should be directed to

State of Michigan
Department of Attorney General
Consumer Protection Division
Franchise Section
G Mennen Williams Building, 6th Floor
525 West Ottawa Street
P O Box 30213
Lansing, Michigan 48909
Telephone Number (517) 373-7117

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## EXHIBITS


A List of State Agencies/Agents for Service of Process

B Franchise Agreement
Schedule A - Summary Pages the Franchise Agreement
Schedule B - Personal Guaranty
Schedule C - Statement of Ownership

Schedule D - Authorization Agreement for Prearranged Payments
Schedule E - Lease Rider
Schedule F - Assignment of Telephone Numbers and Listings

C Confidentiality and Noncompetition Agreement

D List of Franchisees

E List of Franchisees Who Have Left the System

F Financial Statements

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H State Addenda and Riders to Disclosure Document, Franchise Agreement, and Other Agreements

I General Release

J Renewal Addendum

K Option Agreement

L Closing Questionnaire

M Receipts

## ITEM 1

## THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

### The Franchisor - Dream Dinners, Inc.

The Franchisor is Dream Dinners, Inc , a Washington corporation with a principal business address of 610 First Street, Snohomish, Washington 98290 For ease of reference, Dream Dinners, Inc will be referred to as "Dream Dinners," "us," "we" or "our " "You" or "your" means the person who buys a franchise, and includes your owners and principals if you are a corporation, limited liability company, partnership, or other business entity

We were incorporated on April 19, 2002 in the State of Washington We have no predecessor In 2002, our two founders, Stephanie Allen and Tina Kuna, began hosting meal assembly sessions for friends and family In June 2002, we opened our first store in Everett, Washington under the name and service mark DREAM DINNERS, at which customers may pre-order meal ingredients and assemble meals on site to take home and prepare as desired In December 2003, this store was acquired by our parent entity and was later moved to Mill Creek, Washington Dream Dinners has not operated a business of the type to be operated by you since December 2003

We began offering DREAM DINNERS franchises in June 2003 and suspended our franchise offering in 2009 We resumed offering franchises again as of November 21, 2012 We have not offered franchises in any other line of business We do not do business under any other name Our agents for service of process are listed in Exhibit A to this Disclosure Document

### Our Parent - Dream Dinners Operations, Inc

Our parent, Dream Dinners Operations, Inc , a Washington corporation, was formed on December 22, 2003 Its principal business address is the same as ours As of the date of this Disclosure Document, it operates nine DREAM DINNERS stores, located in Connecticut, Illinois, Michigan, New Hampshire, Oregon, South Carolina, Utah, and Washington Dream Dinners Operations, Inc has not offered franchises in this or in any other line of business

### Our Affiliates

Dream Marketing, LLC

Our subsidiary, Dream Marketing, LLC, a Washington limited liability company, was formed on June 3, 2005 This company sells marketing materials such as brochures, flyers, cards, promotional items and other items on which our trademarks are placed, to franchisees and others Dream Marketing, LLC is the only approved source for your continuing supply of these items See Item 8 It shares our principal place of business It has not offered franchises in this or in any other line of business, nor has it operated a business of the type to be operated by you

Living the Dream Foundation

Living the Dream Foundation ("**Foundation**"), a Washington non-profit corporation, was formed on August 29, 2005, to develop programs for assisting and supporting families and children in need Stephanie Allen, Tina Kuna and Scott Kuna are directors of the Foundation We utilize links on our web sites for the Foundation and in the future may permit franchisees to participate in the Foundation's

programs and fundraising efforts The Foundation shares our principal place of business It has not offered franchises in this or in any other line of business, nor has it operated a business of the type to be operated by you

Dream Dinners Canada, Inc

Dream Dinners Canada, Inc , a Washington corporation, was formed on January 3, 2007 for potential expansion of the DREAM DINNERS concept into Canada If we decide to develop the DREAM DINNERS business outside of the United States, we may form other entities, which would have a license to use the DREAM DINNERS trademarks and proprietary systems Dream Dinners Canada, Inc shares our principal business address Dream Dinners Canada, Inc has not offered franchises in this or any other line of business, nor has it operated a business of the type to be operated by you

Our Table, Inc

Our Table, Inc , a Washington corporation, was formed on January 26, 2016 This company sells pre-packaged meals that are shipped directly to consumers Our Table provides direct ship pre-packaged meals using the trademark ShareCrate™ From time to time, franchisees may be encouraged to promote ShareCrate to their customers and although ShareCrate sales will not be included in the calculation of the franchisees' gross revenues, the Franchisor may pay a commission to franchisees in consideration of their sales and promotional efforts Our Table, Inc shares our principal business address Our Table, Inc has not offered franchises in this or any other line of business, nor has it operated a business of the type to be operated by you

## The Franchise

We offer franchises for the establishment and operation of retail stores offering meal assembly sessions and related services and products under the DREAM DINNERS name and trademarks ("**DREAM DINNERS Store**" or "**Store**") Customers visit our website to select and order menu items and to schedule and pay for the customer's meal assembly sessions at a particular Store During the scheduled sessions at the Store, customers prepare their menu selections at assembly stations, each of which features one recipe with the ingredients and measuring utensils the customer needs to assemble the item and package it for cooking and consumption at home Meals are not prepared for consumption at the Store

Each Dream Dinner's Store operates pursuant to our proprietary business system, which includes (a) our proprietary recipes for meal preparation (the "**Recipes**"), (b) methods and procedures for processing and fulfilling customer orders, including an e-commerce website (the "**E-Commerce Website**"), (c) inventory management systems, (d) standards and specifications for the buildout, decor, interior and exterior signage and trade dress for a Store, (e) standards and specifications for hosting meal-making sessions and offering and selling other approved goods and services, (f) marketing and promotional plans, and (g) and other methods, procedures relating to the establishment, development and operation of DREAM DINNERS Stores, all of which the we may modify, change, improve and further develop using the trade name, and trademark DREAM DINNERS (the "**System**")

We identify the System and Stores by means of certain trade names, service marks, trademarks, logos and emblems, including the mark "DREAM DINNERS" ("**Marks**") In the future, we may designate new or additional Marks for use by System franchisees

We grant you the right to operate a single DREAM DINNERS Store within a specific geographic area, and to develop business in that geographic area (the "**Protected Territory**"), under the terms of the Dream Dinners Franchise Agreement (the "**Franchise Agreement**"), a copy of which is attached as Exhibit B to this Disclosure Document

You are granted the right to open a DREAM DINNERS Store at a location approved by us Your DREAM DINNERS Store must be designed, built, decorated and equipped to our specifications A typical DREAM DINNERS Store is located in a suburban, downtown or residential area in a strip shopping center or other suitable facility, in a well-lit, secure area and with ample adjacent parking A typical leased space for a Store is approximately 1,600 square feet A separate Franchise Agreement must be entered into for each Store you develop

**The Renewal Program**

We also offer franchisees whose existing Franchise Agreements are expiring the option to renew their relationship with Dream Dinners and continue operating their DREAM DINNERS Stores by signing a Franchise Agreement and the "Renewal Addendum" which is attached as Exhibit J to this Disclosure Document Renewing franchisees have the option to enter into a Franchise Agreement for a five-year term or a 10-year term The Renewal Addendum amends the terms of the standard Dream Dinners Franchise Agreement to reflect the renewal of an ongoing relationship by, among other provisions, waiving the initial training requirement, the obligation to find a site and build-out a new Store

**Regulations**

Your Store will be subject to local, county, state, and federal regulations pertaining to food handling, health and sanitation, and regulations of a more general nature, which affect the operation of your business You must comply with all laws, zoning ordinances, permit requirements and regulations which are currently in existence and which may later be adopted You are responsible for complying with employment, worker's compensation, insurance, corporate, taxing and licensing laws and all other applicable laws and regulations In addition to laws and regulations which are generally applicable to all retail businesses, you must also be aware that there are federal and state laws and regulations which govern food preparation, packaging, labeling, sale and consumption, consumer and data privacy, and consumer protection generally, and if applicable, gift and stored value card programs and pre-paid memberships You should consult with your own legal counsel to determine the applicability of these and other laws and regulations applicable to the operation of your DREAM DINNERS Store

**Market and Competition**

The market for a DREAM DINNERS Store includes all consumers, but especially women interested in utilizing an alternative to providing daily meals for their families Businesses offering services and facilities for self-preparation of meals for off-premises consumption by customers is a concept that saw dramatic growth in the mid-2000s and a decline as the market for these businesses became saturated and the economic recession hit in 2008 and continued for several years As a result, the market for the services continues to change, creating uncertainty and inherent risk as to the strength and scope of the potential market for the services Consumer demand for the services offered by Stores can be seasonal in nature In some geographical areas, there may not be widespread consumer awareness of the nature of the services offered by Stores

Competitors have emerged in the market, many have closed numerous outlets and some are no longer in business You will be competing for customers with a variety of other direct and indirect

competitors Besides other DREAM DINNERS Stores operated or franchised by us, your competitors will include (i) other national, regional and local retail food distribution chains, some of which have franchised operations and provide products and services similar to ours, (ii) privately operated restaurants and take-out food outlets, (iii) traditional restaurants with in-store seating and service, and (iv) food delivery services You may also experience competition for desirable locations to lease Competition will continue in this industry and innovative marketing, advertising and management strategies must be used in order to compete effectively

## ITEM 2

## BUSINESS EXPERIENCE

**Chief Executive Officer and Director Darin Leonard**

Our Chief Executive Officer, Darin Leonard, has served as CEO of Dream Dinners, Inc since January 2008 and became a Director in March 2016

**Chief Operating Officer Joanne Giordano**

Joanne Giordano is our Chief Operating Officer and has held that position since January 2015 Ms Giordano served as the Vice President of Operations for ACE Group ESIS, in Philadelphia, Pennsylvania from January 2012 to January 2015, and as Ace Group ESIS's Associate Vice President from October 2009 to January 2012

**Chief Financial Officer, Vice President and Director Tina Kuna**

Tina Kuna co-founded Dream Dinners, Inc in April 2002 She has been our Vice President and a Director since that time Ms Kuna also serves as Vice President and a Director of Dream Dinners Operations, Inc , Dream Dinners Canada, Inc , and Living the Dream Foundation, and as Manager of Dream Marketing, LLC Ms Kuna has held these positions since the inception of each of these companies

**President and Director Stephanie Allen**

Stephanie Allen co-founded Dream Dinners, Inc in April 2002 She has been our President and a Director since that time She also serves as President and a Director of Dream Dinners Operations, Inc , Dream Dinners Canada, Inc , Living the Dream Foundation, and as Manager of Dream Marketing, LLC Ms Allen has held these positions since the inception of each of these companies

**Director of Franchise Development: Ashley Sawyer**

Ashley Sawyer is our Director of Franchise Development and has held that position since October 2016 Ms Sawyer served as Director of Franchise Development for Burger 21 International, Inc from November 2014 to September 2016 Prior to that, she was Franchise Development Manager for Front Burner Brands from May 2013 to October 2014 and a Franchise Sales Associate from August 2011 to May 2013 In each of these positions, Ms Sawyer has been based in Tampa, Florida

Note Unless otherwise indicated, the location of the employer is Snohomish, Washington

## ITEM 3

## LITIGATION

**Concluded Litigation**

1 *Nicole Rae Turner and J Eric Turner v Dream Dinners, Inc , Stephanie and Vern Allen and Tina and Scott Kuna, John A Bender, Jr , Kevin J Collette, Joanie Y Kim, Holland & Knight LLP, Ryan Swanson and Cleveland PLLC*, Case No 08-2-02623-8, Washington Superior Court, Snohomish County, filed on February 22, 2008 and amended on October 9, 2008 ("**Turner**"), and *Dream Dinners Capital Region, LLC, et al v Dream Dinners, Inc , Dream Dinners Operations, Inc , Dream Dinners Canada, Inc , Dream Marketing, LLC, Living the Dream Foundation, Dream Franchise Advisory Council, Inc , Stephanie Allen, Vern Allen, Tina Kuna, Scott Kuna, Brooke McCurdy and James McCurdy, John A Bender, Jr , Ryan, Swanson & Cleveland, PLLC,, and Holland & Knight*, Case No 08 2 04004-4, Washington Superior Court, Snohomish County, filed on April 23, 2008, and amended on December 1, 2008 ("**Capital Region**") In these two cases, the franchisees of 16 stores filed complaints against us, our affiliates, founders, former independent contractors and their respective spouses, and our former attorneys, alleging violations of the franchise and business opportunity laws in Washington, Ohio, New York, Michigan, Indiana, Maryland, Virginia and Florida and the consumer protection laws in Washington, Massachusetts, Idaho, New York, Connecticut, Virginia, Indiana, Maryland, Michigan and Florida and claiming fraud, negligent misrepresentation, unlawful earnings claims and breach of contract Plaintiffs demanded rescission, damages estimated to exceed $300,000, treble damages, attorneys' fees and costs Both of these suits were settled on August 12, 2010, among all the parties Under the terms of the confidential settlement agreement, Dream Dinners, Inc , the other Dream Dinners companies and their employees and their respective spouses did not admit any liability and did not pay any consideration, reduce any indebtedness, waive enforcement of any of their rights or take any actions adverse to their interests Except for these terms, all parties agreed not to speak to any third parties about the suits or the settlement and agreed not to disparage the other parties On October 7, 2010 (Turner) and December 13, 2010 (Capital Region), respectively, these actions were dismissed with prejudice

2 *It's Not All About Me, LLC v Dream Dinners, Inc , Craig Inabinett d/b/a Dream Dinners at Piggly Wiggly Market Commons and Piggly Wiggly Carolina Company, Inc* , State of South Carolina, County of Horry, In the Court of Common Pleas, Fifteenth Judicial Circuit, Civil Action No 2008-CP-26-04896 On June 20, 2008, the plaintiff filed an action claiming that we breached the franchise agreement and violated the South Carolina Unfair Trade Practices Act by (1) entering into an agreement authorizing placement of a DREAM DINNERS operation in a Piggly Wiggly store in a location for which the plaintiff allegedly had territorial rights, (2) failing to offer the plaintiff the right of first refusal to the location, and (3) failing to provide continued support and assistance The plaintiff, a former franchisee, claimed that the other defendants engaged in interference with contract and prospective business advantage by placing a Store at the Piggly Wiggly location, and that all defendants engaged in a civil conspiracy The plaintiff sought damages in an unspecified amount, attorney's fees, costs and expenses Plaintiffs agreed to dismiss all claims against us in exchange for a payment of $17,500 on January 31, 2010

3 *Jamison and Saunders v Dream Dinners, Inc , Stephanie Allen and Tina Kuna*, Civil Action No 05 02 12761-9, Washington Superior Court, King County On April 18, 2005, owners of the franchised store in Parker, Colorado filed suit alleging that we sold a franchise in the plaintiff's territory, allegedly in violation of the franchise agreement, and the Washington Franchise and Consumer Protection Act Plaintiffs sought injunctive relief and damages in an unspecified amount On August 9, 2006, the

complaint was dismissed with prejudice and a settlement agreement was signed, under which we paid approximately $120,000 and the plaintiffs agreed to confidentiality, non-disparagement and non-competition covenants

4 *Commonwealth of Virginia, ex rel, State Corporation Commission v Dream Dinners, Inc*, Case No SEC-2010-00032 In 2009, the Virginia State Corporation Commission opened an investigation into a complaint made by a franchisee in Virginia Without admitting or denying the Commission's allegations, we signed a Settlement Order with the Commission concluding the Commission's investigation into whether a violation of §13 1-563(2) of the Virginia Retail Franchising Act had occurred Effective June 1, 2010, under the Settlement Order, we offered rescission of initial franchise fees paid by three current or former franchisees, in the amount of $30,000 for one store and $35,000 each for the other two stores The rescission offers were accepted We also paid the Commission $5,400 for investigation costs

5 *Washington Department of Financial Institutions, Securities Division, Consent Order No S-08-321-12-CO01* On October 18, 2012, the Washington Securities Division ("**Division**") entered into a Consent Order with Dream Dinners, Inc ("**DDI**") In the Consent Order, the Division alleged that from April 2012 to July 2012, DDI offered franchises on its website in violation of the registration provisions in the Franchise Investment Protection Act ("**FIPA**") and disclaimers to the contrary were insufficient, from 2003 to 2008, DDI caused certain prospective franchisees to sign binding non-competition agreements without first providing a disclosure document within the requisite time period, in violation of the disclosure provisions in FIPA, and from 2004 to 2008, DDI made earnings claims to some prospective franchisees in violation of the disclosure provisions in FIPA Without admitting or denying the Division's allegations, DDI agreed to refrain from violating the registration and disclosure provisions of FIPA DDI waived its right for a hearing and a judicial review of the Consent Order and agreed to pay $12,375 to the Division for costs

Other than these five actions, no litigation is required to be disclosed in this Item

## ITEM 4

## BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item

## ITEM 5

## INITIAL FEES

You pay a non-refundable initial franchise fee (the "**Initial Franchise Fee**") of $35,000 to us in full when you sign the Franchise Agreement to purchase your first DREAM DINNERS Store If you qualify and choose to purchase more than one franchise, you sign a separate Franchise Agreement for each Store You pay a reduced Initial Franchise Fee of $20,000 for your second and each subsequent Store purchased during the initial term of the Franchise Agreement for your first Store If you are converting an existing home meal replacement business into a DREAM DINNERS Store and signing our Franchise Agreement, we may agree to reduce the Initial Franchise Fee based on your qualifications, but we will not reduce it to less than $20,000 under any circumstances

The Initial Franchise Fee is non-refundable once paid Except as described above, all franchisees currently acquiring a franchise pay the same Initial Franchise Fee

In addition to the Initial Franchise Fee, you must pay for pre-opening materials and services when you sign the Franchise Agreement You pay us a $10,000 grand opening fee (the "**Grand Opening Fee**") for promotional items and marketing supplies ("**Grand Opening Marketing Materials**") for your grand opening and for the preparation of an initial design plan for your Store, which you then submit to your own architect for final design and seal approval Your Grand Opening and Design Fee is refundable only if the design plan for your Store has not been prepared and the marketing materials have not been printed with your Store Location information and all materials are returned to us undamaged We may reduce a portion of the fee in an amount equal to our reduction in costs for your second or a subsequent Store if, in our sole determination, fewer marketing supplies are warranted for that Store's grand opening, otherwise, all franchisees currently acquiring a franchise from us pay the same Grand Opening and Design Fee

If you are entering into a Franchise Agreement for a renewal term, you must pay the renewal fee set forth in your current Franchise Agreement, if any, in lieu of the Initial Franchise Fee In no event will the renewal fee for franchisees renewing in 2015 exceed the sum of $3,000

If you meet our business and financial qualifications, when you sign a franchise agreement, you may also execute an option to acquire an additional franchise (the "**Option Agreement**") When you sign the Option Agreement (Exhibit K), you must pay a nonrefundable option fee in the amount of $15,000 (the "**Option Fee**") Within the time specified in the Option Agreement, you must sign our then-current form of Franchise Agreement and pay an Initial Franchise Fee of $5,000

If you request our assistance in person for site selection consultation, you must reimburse us for our reasonable expenses, including travel, lodging and meals See Item 11

## ITEM 6

## OTHER FEES

| Type of Fee[1] | Amount | Due Date | Remarks |
|---|---|---|---|
| Royalty Fee | 6% of Gross Revenues,[2] but not less than $1,800 per month beginning in month 13 after Store opens | Payable on the 10th day of each month We reserve the right to require payments on a weekly or bi-weekly basis | Royalties are based on your Gross Revenues in the previous month and are paid by the electronic transfer of funds that we initiate by direct debit of your bank account See Schedule D to the Franchise Agreement If you execute a subsequent Franchise Agreement upon the expiration of a previous agreement, the minimum royalty is enforced on the Effective Date |
| *Marketing Fund Contribution*[3] | 2% of Gross Revenues,[2] but not less than $800 per month | Payable on the 10th day of each month We reserve the right to require payments on a weekly or bi-weekly basis | The Marketing Fund Contribution is used for creative development and is administered by us Marketing Fund Contributions are based on your Gross Revenues in the previous month and are paid by the electronic transfer of funds that we initiate by direct debit of your bank account See Schedule D to the Franchise Agreement and Item 11 |
| *Local Marketing Expenditure* | 3% of Gross Revenues[2] | We do not collect this fee, it is retained by | This amount is in addition to the Marketing Fund Contribution, but **this is retained by you** for local marketing for your Store |

| Type of Fee[1] | Amount | Due Date | Remarks |
|---|---|---|---|
| | | you for use in your local area | This is the minimum amount you must spend each calendar quarter, although we recommend that you spend 5% See Item 11 |
| Product Purchases | Current Published Rates | As incurred | We charge you for items purchased through us or our affiliates We have the right to change the prices for any items we may sell |
| Technology Costs[4] Licenses, maintenance, Internet and Intranet access, credit/debit card processing | $50 to $250 a month | As incurred | You must use the then current release of certain computer software specified by us (Microsoft Office, QuickBooks) and compatible hardware, and pay for any related licenses, updates and maintenance You must also maintain Internet and Intranet access and must use the credit and debit card processing program that we designate [4] We may charge you for extra e-mail addresses through our website if you request them |
| Computer Data Security Costs | Costs associated with security monitoring services, hardware or software | As incurred | Your computers must be PCI-compliant and meet our security standards If you fail to purchase services or equipment, we can purchase them on your behalf and you must reimburse us |
| Relocation Fee | $400 per month while Store is not operating | As incurred | Payable only if you relocate your Store and it is not operating for at least 30 days |
| Training Program Expenses[5] | Costs associated with attending mandatory training sessions | As incurred | Our Basic Management Training is included as a part of your Initial Franchise Fee for two people, however, it does not include expenses paid to third parties for travel, lodging and meals [5] |
| Alternate Supplier Approval Fee | Varies under circumstances | As incurred | You must reimburse us for costs we incur to research an alternate supplier if you propose to use one |
| Transfer Fee | $7,000, plus optional $6,000 to $10,000 paid by transferee for Grand Opening Marketing Materials | Before transfer occurs | Payable when the Franchise Agreement, an interest in the Store or the franchise is transferred by you The transferee will receive a full 10-year term, and will pay for the Grand Opening Marketing Materials, if transferee chooses to launch a grand opening campaign The Transfer Fee is reduced to $2,500 for a proposed transfer of less than 100% of the ownership interest in an entity if no additional costs are incurred for grand opening There will be no Transfer Fee charged if the Transfer is for less than 25% of the Ownership Interest |
| Renewal Fee | $3,000 for either a 5-year or a 10-year renewal term | When you sign our then-current Franchise Agreement | The initial term of your Franchise Agreement is 10 years You will have the option of signing a 5-year or a 10-year term on renewal |

| Type of Fee[1] | Amount | Due Date | Remarks |
|---|---|---|---|
| Indemnification under Franchise Agreement | Varies under circumstances | As incurred | You must reimburse us for, or pay for our counsel to defend us against, claims related to the operation of your DREAM DINNERS Store |
| Liquidated Damages | $500 per day | On demand | Payable only if you use our intellectual property, including the Marks, without our permission |
| Costs and Attorneys' Fees | Vary depending on nature of your default | As incurred | Payable upon your default or breach of your Franchise Agreement Payable to us or to third parties |
| Interest | The lesser of 1½ % per month or the maximum rate of interest allowed by law | On demand | Only payable if you fail to make payments to us when due Payable to us or our affiliate Begins to accrue the day after payments are due |
| Audit | Our cost for an audit of your books and records, estimated to be $1,000 per day plus travel expenses, plus interest on amounts due | On receipt of our notice to you of any underpayment | Payable if you understate by 2% or more your Gross Revenues, do not submit reports to us or do not cooperate in performance of an inspection or audit, including failing to have the books, records and other information regarding your Store available for audit Payable to us or to third parties |
| Insurance Premiums | Will vary depending on your location and insurer | As incurred | If you do not pay your premiums, although we do not have to, we can pay them for you and you must reimburse us |

[1] Except as described in this Item, all fees are uniform as to all franchisees currently acquiring a franchise and, unless otherwise noted, non-refundable Unless otherwise noted, all fees are imposed by and payable to us and not collected on behalf of, nor paid to, any third party We reserve the right to modify these fees under certain circumstances, including resolving disputes

[2] The term "**Gross Revenues**" as used in this Disclosure Document means the total amount received or receivable by your DREAM DINNERS Store from, connected with or related to the sale of all food products, goods, merchandise or services and all business transacted in or through your DREAM DINNERS Store, directly or indirectly, including proceeds from the resale of any products purchased from us or our affiliates, and excluding only (i) federal, state, or local sales or excise taxes or other similar taxes, (ii) refunds to customers for bona fide returns of goods sold, and (iii) the value of gift cards sold to customers Within one business day of receipt, you must record all Gross Revenues received on a web page we have designated for your DREAM DINNERS Store The minimum royalty should not be considered a financial performance representation See Item 19

[3] The Marketing Fund Contribution is in addition to the amount you spend in your local Protected Territory on advertising and marketing your Store The Marketing Fund Contribution will be deposited into a fund, maintained and operated by us (the "**DREAM DINNERS Marketing Fund**") The minimum Marketing Fund Contribution should not be considered a financial performance representation See Item 19 Company-owned and affiliate-owned Stores contribute to the DREAM DINNERS Marketing Fund on the same basis as franchised Stores

[4] The technology costs for the systems used in the operation of the Store business are payable to third parties As of the date of this Disclosure Document, the approved credit and debit card processing program, PayPal, is available at a charge of $40 a month through Wells Fargo Bank, plus a per transaction charge and a charge based on a percentage of the revenue per transaction These vendors are subject to change We reserve the right to develop our own proprietary software and technology systems, license them to you and charge a reasonable license fee We also reserve the right to require that all Stores have an in-store point-of-sale system If we require either or both, you may incur costs for purchasing or leasing the necessary equipment and software We also reserve the right to charge back to franchisees any costs we incur for any enhancements made to our intranet

[5] Additional Basic Management Training is available for extra trainees and for replacement Store managers at our then current published rate, which is currently $1,000 We may require continuing training at other times, and reserve the right to charge tuition See Item 11

## 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[1] | $5,000 – $35,000 | Lump Sum | At signing of Franchise Agreement | Us |
| Option Fee[2] | $15,000 | Lump Sum | At signing of Option Agreement | Us |
| Training Expenses[3] | $4,000 – $6,000 | As incurred | As incurred | Other Suppliers |
| Local Architecture and Other Permits, Business Licenses[4] | $5,000 – $15,000 | As incurred | As incurred | Other Suppliers |
| Grand Opening and Design Fee[5] | $10,000 | Lump sum | At signing of Franchise Agreement | Us |
| Leasehold Improvements[6] | $70,000 – $140,000 | As incurred | As incurred | Other Suppliers |
| Signage[7] | $11,000 – $21,000 | Lump sum | As incurred | Other Suppliers |
| Initial Inventory[8] | $9,000 – $12,000 | Lump sum | Before commencing business | Other Suppliers |
| Merchant Account System[9] | $200 – $500 | As incurred | As incurred | Other Suppliers |
| Insurance[10] | $2,000 – $3,000 | Lump sum | Before commencing business | Other Suppliers |
| Equipment, Furniture and Fixtures[11] | $91,000 – $100,000 | As incurred | As incurred | Other Suppliers |
| Office Computer Equipment and Supplies[12] | $10,500 | As incurred | As incurred | Other Suppliers |
| Initial Advertising[13] | $8,000 – $10,000 | As incurred | As incurred | Other Suppliers |

| Type of Expenditure | Amount | Method of Payment | When Due | To Whom Payment is to be Made |
|---|---|---|---|---|
| Additional Funds[14] (3 Months) | $35,000 □ $70,000 | As incurred | As incurred | Other Suppliers |
| **TOTAL ESTIMATED INITIAL INVESTMENT[15]** | **$260,700 – $448,000** | | | |

**Explanatory Notes.**

1 **Initial Franchise Fee** Your Initial Franchise Fee is nonrefundable once paid We will discount the Initial Franchise Fee for a second or subsequent Store We may also discount the Initial Franchise Fee if you are converting an existing home meal replacement business to a DREAM DINNERS Store See Item 5 If you are an existing franchisee signing a renewal franchise agreement, you must pay a renewal fee of $3,000, and we will waive the initial franchise fee If you acquire an additional franchise pursuant to an Option Agreement, the initial franchise fee is $5,000

2 **Option Fee** The Option Fee is nonrefundable and due upon the signing of an Option Agreement You must sign the then-current Franchise Agreement before opening a second store

3 **Training Expenses** This is an estimate of travel and living expenses that two people will incur while attending Basic Management Training, the cost of which is included in the Initial Franchise Fee You must pay all living expenses, including accommodations, food, travel and any wages incurred during training This estimate does not include tuition (our current charge is $1,000 per person) and additional out-of-pocket expenses, which would apply if you send more than two people to the training program See Items 6 and 11

4 **Permits and Licenses** You will incur fees for local architectural review and approval of the initial design plans that we provide to you for your Store See also Item 5 This estimate also includes the costs of other licenses and permits necessary to open your Store and start your business You should obtain information from your local and state authorities about the specific legal requirements for business and professional licenses and related types of expenses in your state and local area

5 **Grand Opening and Design Fee** This amount is paid to us for grand opening marketing materials and the initial design plans that we provide to you for your Store premises See Item 11 for a description of all of these items This amount does not include any expenses for final architectural design and approvals or local regulatory approvals (see Note 3 above), nor does it cover all of your grand opening costs (see Note 12 below) The Grand Opening and Design Fee will only be refunded under the circumstances described in Item 5

6 **Leasehold Improvements** Your initial investment for leasehold improvements will depend on the size and location of the leased premises, the type of improvements made and the amount of usable improvements already in place at the location The requirements of your local health department could cause these expenses to exceed the projected investment Store space should be approximately 1,600 square feet, in a well-lit and secure location, with ample adjacent parking Typical leasehold improvements include construction build-out, interior remodeling, painting,

flooring, HVAC, electrical, design and other improvements If you purchase a property or a building, or both, for the Store, your additional costs will depend on the location and size of the land and building We do not typically invest in the land and building for a DREAM DINNERS Store, and as a result, we are unable to estimate these costs due to the significant variances based on location and market conditions

7 **Signage** Signage includes an exterior sign, interior graphics and various window designs identifying your DREAM DINNERS Store Signage costs depend on the size and location of your DREAM DINNERS Store, the ability to erect a pylon sign, the particular requirements of your landlord and local ordinances and zoning requirements

8 **Initial Inventory** You must open with and maintain an adequate inventory of certain food and non-food staples such as spices, dry goods, packaging (foil, resealable bags) and cleaning supplies

9 **Merchant Account System** You must obtain a merchant account system for credit card processing through our designated supplier As of the date of this Disclosure Document, the supplier charges a $200 set-up fee and monthly fees based on monthly revenues and on each transaction See Items 8 and 11 of this Disclosure Document for a description of the merchant account system currently used by us

10 **Insurance** This is an estimate of the annual insurance premiums, excluding workers' compensation coverage, which is included in "Additional Funds" See Item 8 for a summary of required insurance

11 **Equipment, Furniture and Fixtures** You must purchase certain equipment necessary to provide in-store meal assembly capabilities, including refrigerators, kitchen equipment, and other items required for meal assembly, storage, processing, and packaging in accordance with our specifications Except for a microwave/convection oven, cooking equipment is not part of the recommended kitchen equipment for a Store If we determine that additional or substitute equipment is needed because of a change in required goods or services to be offered by all franchisees, you must install new equipment within a reasonable time The estimates in the chart also include the costs for purchases of furniture and meal assembly stations and other fixtures through approved or designated suppliers See Item 8

12 **Computer Equipment and Supplies** You must have an office computer, printer and software, including the then current version of Microsoft Office Professional and QuickBooks You will need to obtain and maintain high-speed Internet access, and participate in our Intranet communications network See Items 6 and 11 We reserve the right to require the purchase and installation of an in-store point-of-sale system, and the right to require that you purchase and use proprietary operating software if we develop it The costs described in the chart above do not include the cost of electrical installations or additional telephone lines, which may be necessary for the operation of your computer system

13 **Initial Advertising** You must promote and market the grand opening of your Store This is an estimate of your grand opening costs and related initial advertising and marketing costs in addition to the Grand Opening and Design Fee described in Note 4 above Additional initial advertising costs include costs for mailing invitations, tasting parties, promotional sessions, prizes or giveaways and other advertising and promotional activities you may conduct, with our approval

14 **Additional Funds** This estimates your pre-operational expenses that we have not listed above, as well as additional funds necessary for the first three months of your business operations These figures are estimates and we cannot guarantee that you will not have additional expenses or overhead when you start the business Your costs depend on factors such as how much you follow our methods and procedures, your management skill, experience and business acumen, local economic conditions, the local market for our products, the prevailing wage rate, competition, and the sales level you reach during this initial period This item includes a variety of expenses and working capital items during your start-up phase, such as site selection and approval, legal and accounting fees, additional advertising and promotional expenses and materials, rent, telephones, employee salaries and workers compensation insurance, and other miscellaneous costs This item does not include your salary or living expenses

15 **Basis for Estimates, Financing** These cost estimates are based on our affiliates' experience operating DREAM DINNERS Stores since 2002 and our 13 years of experience in the meal assembly industry However, the stated range is merely an estimate, and we cannot guarantee that the upper range amount is sufficient and that you will not have additional expenses starting your business The actual amount of funds required, and the times when they are required depend on many factors None of the above amounts is refundable, except in the limited circumstances as described above or in Item 5 You should review these figures carefully with a business advisor before you make a decision to purchase a franchise We offer no direct financing of the initial franchise fee See Item 10 You are solely responsible for these costs

## ITEM 8

## RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

### Operations

Your DREAM DINNERS Store must be established and operated in compliance with your Franchise Agreement You will comply with the standards and specifications in the construction, operations and marketing manuals we provide to you These manuals, together with the technical bulletins and other written or electronic materials that describe our standards and specifications for your Store and its operations, are referred to in this Disclosure Document as the "**Operations Manual**" We provide you with our mandatory standards and specifications for the meal assembly services you provide to customers, the recipes and ingredients used in meal preparation, ordering, scheduling and customer payment, other products and services offered at or through your DREAM DINNERS Store, your Store premises, types, models and brands of required fixtures, furnishings, equipment, computer hardware and software, signs, materials, supplies, food products and suppliers, food handling and safety, product categories, insurance, advertising and marketing materials and techniques, customer service standards, trademark graphics and standards, menus, and other items used or offered through your Store We have the right to modify the Operations Manual and you must comply with the modifications within a reasonable time after notification of the change The Operations Manual describes Franchisee Best Practices, which are binding on you Failure to comply with Best Practices constitutes a material breach of the Franchise Agreement

### Lease, Store Build-Out, Fixtures and Equipment

You must, at your expense, select, lease, construct, convert, design and decorate the Store premises in accordance with our plans and specifications and with the assistance of agents, contractors, architects, and suppliers designated or approved by us We require that you obtain our written consent

before final selection of a Store Location, before any plans or designs are finalized, and before leasehold improvements begin You must complete a site evaluation package in order for us to assess your proposed Store Location

We must approve any lease or, if applicable, any purchase agreement for your Store before you sign any of these agreements Then, a copy of the signed lease is delivered to us within 15 days after signing The lease must contain certain provisions, including

(i) The initial term of the lease, or the initial term together with any renewal terms (for which rent must be specified in the lease) must be for at least five years with at least one five-year renewal option,

(ii) The lease must give the landlord's consent to your use of the Marks and required signage at the Store,

(iii) We must have the right to enter the premises to make any modification necessary to protect the Marks and the Licensed Methods,

(iv) We or our designee, without the landlord's approval, must have the option to assume your occupancy rights under the existing lease terms and have the right to assign the lease or sublet the premises, for all or any part of the lease term, if you are in default under the lease or the Franchise Agreement or if the lease or Franchise Agreement is terminated,

(v) We must have the right to be copied on any notices of default and provided with an opportunity to cure any default,

(vi) The lease must not require that the Store be open at all times during regular business hours,

(vii) The lease must contain restrictive use provisions which are acceptable to us, and

(viii) The lease must not require the payment of percentage rent

We will provide the initial design plan and layout for your Store The cost for the plan is included in the Grand Opening and Design Fee See Items 5 and 7 You must purchase and install Store equipment, and furnish the Store in a manner consistent with our standards and specifications We must approve of the suppliers from whom you purchase all of these items Currently, we designate specific third party suppliers from whom you purchase most of your kitchen equipment and the flooring, light fixtures, signs, furniture, artwork and sound system for your Store

**Technology Capability, Software and Website**

We require you to obtain a high speed Internet connection through which you must maintain, at all times, the ability to access, receive and transmit communications from an intranet system All Stores, including our affiliate-owned Stores, must maintain a webpage provided by us to allow customers to register and pay for meal assembly sessions at each Store You must also obtain computer hardware and software that meets our standards and specifications

For credit and debit card processing, we require you to obtain an account with a vendor that we will designate, and qualify for a minimum of $50,000 of transactions per month per Store Although we

can change vendors, Wells Fargo Bank is the current provider of the program, called PayPal Wells Fargo Bank charges a set-up fee of $200, monthly maintenance fees based on your Gross Revenues, and a per-transaction fee See Items 6, 7 and 11 All customer sales must be transacted through the website

**Purchases from Designated or Approved Sources**

You must purchase, in addition to the above items, all food and other products and services used in or offered through the Store, from us, our affiliates or one of our designated or approved vendors Currently, Sysco is the only approved supplier of menu ingredients, supplies, and other food products used or offered at Stores This requirement is intended to enable our franchisees to obtain supplies and food products that may not otherwise be available to individual franchisees and allow them to benefit from the purchasing arrangements as may be negotiated with our designated vendors We or our affiliates may periodically be designated or approved suppliers of certain items

Our affiliate, Dream Marketing, LLC, is the only approved supplier of certain merchandise on which our service mark DREAM DINNERS or other Marks appear, such as marketing and advertising materials, aprons and promotional items, and certain other business forms, business cards, stationery, signs and business supplies Ms Allen and Ms Kuna own an indirect interest in and are managers of Dream Marketing, LLC Otherwise, as of the date of this Disclosure Document, neither we nor any of our officers has an interest in, or control over, any of our approved vendors or suppliers

We and our affiliates may derive revenue or other material consideration from required purchases or leases by franchisees During our fiscal year ended December 31, 2015, we received $519,418, or 23% of our total revenues of $2,232,195 as a result of purchases by franchisees from approved or designated suppliers In addition, for the fiscal year ended December 31, 2015, Dream Marketing, LLC received $40,400 or 99% of its total revenues of $40,631 as a result of purchases by franchisees from approved or designated suppliers We estimate that the cost of your purchases from designated or approved sources, or according to our standards and specifications, are approximately 67% of the total cost of establishing a DREAM DINNERS Store and approximately 45% to 50% of the total cost of operating a DREAM DINNERS Store after that time

All foods, products, supplies and materials used or dispensed at, from or through your DREAM DINNERS Store must comply with all applicable laws (including laws regarding the assembly, storage, packaging, and handling of food for public consumption) and must be fit for their intended uses

In our Operations Manual, we will make available to you a list of our recommended or designated suppliers, the standards and specifications for certain items to be sold by or used in your Store, as well as our criteria for approving a supplier, if any By written notice to you or through changes in the Operations Manual, we may revise our requirements and specifications, add or delete approved suppliers, terminate existing purchase arrangements and enter into new purchase arrangements with additional suppliers If there are no issued specifications and standards for a particular item, you may request such information directly from us If you desire to purchase any item not authorized by us, or to purchase items from a supplier not approved by us, you must first submit sufficient information, health inspection reports, specifications and samples to enable us to determine whether the item complies with our standards and whether the supplier meets our approved supplier criteria Approval of a supplier may be conditioned on requirements for product quality, frequency of delivery, standards of service, brand recognition and concentration of purchases and may be temporary, pending our evaluation of the supplier We also may charge you a reasonable fee to cover the costs we incur in making our determination and will, within 60 days, notify you of our decision in writing We periodically establish procedures for

submitting requests for approval of items and suppliers and may impose limits on the number of approved items and suppliers We may revoke our approval of a supplier at any time upon notice to you

We do not provide material benefits, such as renewal or granting additional franchises to franchisees, based on your use of designated or approved sources or suppliers

**Purchasing Arrangements**

We may negotiate purchase arrangements and programs with suppliers for the benefit of our franchisees We attempt to establish purchasing arrangements that provide for discounts, favorable terms, consistent quality or other benefits for as many Stores as possible We can require that you participate in these arrangements and programs As of the date of this Disclosure Document, we maintain a purchasing arrangement, including price terms, with a designated buying group, for certain food products distributed through Sysco However, you should not rely on the availability of any particular distribution arrangement or pricing program, or the availability of any particular product or brand in deciding whether to purchase the franchise We have negotiated purchasing arrangements with suppliers, including price terms, for the benefit of franchisees We and our affiliates have the right to receive payments from suppliers on account of their dealings with you and other franchisees, and there are no restrictions on our use of such payments During the 2015 fiscal year, we received rebates ranging up to 4% of Store purchases

**Advertising and Marketing**

All marketing and promotion of your DREAM DINNERS Store must conform to our standards and specifications You must submit to us samples of all advertising and promotional materials that have not been prepared or previously approved by us Your Store must participate in promotions we institute from time to time for all DREAM DINNERS Stores, or for all DREAM DINNERS Stores within a region We retain the right to develop and control all advertising, marketing and promotions using our Marks wherever they are published, including on the Internet We require you to participate in all promotions we designate as mandatory We require you to participate in an electronic Intranet to facilitate communication among all franchisees and with us All Stores are provided with a web page linked to our website to allow customers to register for meal assembly sessions at each Store and to pay for those sessions on-line using our designated credit/debit card processing program and merchant account vendor You are not permitted to use the Marks on the Internet without our prior permission, including on websites, all forms of social media, including Facebook and Twitter, blogs, or as part of domain names

**Insurance**

Under the terms of your Franchise Agreement, you must maintain, at your expense, an insurance policy or policies protecting you and naming us as an additional insured or loss payee against any loss, liability, personal injury, death, property damage or expense from fire, lightning, theft, vandalism, malicious mischief and the perils included in the extended coverage endorsement, arising or occurring upon or in connection with your DREAM DINNERS Store, in addition to any other insurance applicable to any other special risks we reasonably require for your protection, and any insurance coverage required by your landlord or lender We may recommend a particular insurance provider, but you are not required to follow our recommendation All insurance policies must contain a waiver of subrogation in our favor, and name us and any parties we may designate as additional insureds

## ITEM 9

## FRANCHISEE'S OBLIGATIONS

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

| Obligation | Section in Franchise Agreement | Item in Disclosure Document |
|---|---|---|
| (a) Site selection and acquisition/lease | Sections 3 1, 5 1, and 5 2 | 6, 8 and 11 |
| (b) Pre-opening purchases/leases | Sections 5 2, 5 3, 5 4, 5 5, and 5 6 | 5, 6, 7 and 8 |
| (c) Site development and other pre-opening requirements | Sections 5 3, 5 4, 5 5, 5 6, and 5 7 | 5, 7 and 8 |
| (d) Initial and ongoing training | Article 6 | 11 |
| (e) Opening | Section 5 11 | 11 |
| (f) Fees | Articles 4 and 12 and Sections 10 2, 13 2, 13 3, 13 5, 19 5, 20 3, and 23 9 | 5, 6 and 7 |
| (g) Compliance with standards and policies/ Operations Manual | Article 8 and Sections 14 1 and 14 2 | 8, 11, 14, 15 and 16 |
| (h) Trademarks and proprietary information | Article 15 and Section 21 3 | 11, 13 and 14 |
| (i) Restrictions on products/services offered | Sections 3 4, 10 1(d) and 14 4 | 8 and 16 |
| (j) Warranty and customer service requirements | Not Applicable | Not Applicable |
| (k) Territorial development and sales quotas | Sections 2 1, 2 2, 10 2, and 3 1 | 12 |
| (l) Ongoing product/service purchases | Article 11 and Sections 5 7, 14 5 and 14 6 | 8 |
| (m) Maintenance, appearance and remodeling requirements | Sections 10 1(a), (b), (h), and (k) | 8 and 11 |
| (n) Insurance | Article 22 | 7 and 8 |
| (o) Advertising | Article 13 | 5, 6, 7 and 11 |
| (p) Indemnification | Section 20 3 | 6 and 13 |
| (q) Owner's participation/management/staffing | Sections 10 1(c), (g), and (i) | 11 and 15 |
| (r) Records and reports | Article 16 | 8 |
| (s) Inspections and audits | Sections 14 3 and 16 5 | 6 |
| (t) Transfer | Article 17 | 6 and 17 |
| (u) Renewal | Sections 18 3, 18 4, and 18 5 | 6 and 17 |
| (v) Post-termination obligations | Section 19 5 | 17 |
| (w) Non-competition covenants | Article 21 | 17 |

| Obligation | Section in Franchise Agreement | Item in Disclosure Document |
|---|---|---|
| (x) Dispute resolution | Sections 23 1 and 23 2 | 17 |
| (y) Owners/Shareholders Guaranty | Section 10 1(i) | 15 |

## ITEM 10

## FINANCING

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

## 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 DREAM DINNERS Store, we or our designee will

1 Designate your Protected Territory (Section 3 2 of the Franchise Agreement )

2 Assist you in locating the site for your DREAM DINNERS Store, by providing you with written criteria for a potentially acceptable site You must locate and obtain our approval of the Store Location within 120 days of signing the Franchise Agreement and must open your DREAM DINNERS Store within 12 months of signing the Franchise Agreement No contractual limit exists on the time it takes us to accept or reject your proposed location, however, we typically take no more than 30 days to accept or reject your proposed location We may extend your development deadlines when circumstances beyond your reasonable control delay the site selection and approval process If you do not meet your development deadlines, we may terminate the Franchise Agreement (Franchise Agreement, Sections 5 1, 5 2, 5 9 and 7 1 b )

3 Provide you with our standards and specifications for the leasehold improvements, signs, layout and design, color, decor, fixtures and equipment (including our specifications for your assembly station configuration and layout), furniture, inventory, and computers and software We must approve the lease, if applicable, before you enter into it, and your construction plans and specifications before leasehold improvements begin You are responsible for the cost of the architectural designs and drawings that you obtain, including any modification of the standard design plans that we provide to you when you pay the Grand Opening and Design Fee, and for the cost of build-out (Franchise Agreement, Sections 5 2, 5 3, 5 4, 5 5, 5 6 and 7 1 c ) See also "Site Selection Assistance" described below

4 Provide you with information regarding the selection of suppliers of equipment, materials and supplies, non-food items, food and beverage products, aprons, packaging and marketing materials used or offered through your DREAM DINNERS Store Our affiliate, Dream Marketing, LLC, or another supplier that we designate, will make available for your purchase the grand opening marketing materials, aprons and other trademarked items for your Store We will make available to you a list of recommended and required suppliers, if any, of other equipment, materials, supplies and inventory and, if

available, a description of any regional or central purchase and supply agreements offered by the recommended and required suppliers for the benefit of our franchisees (Franchise Agreement, Sections 7 1 d and 13 5 )

5 Before the Store's opening, we furnish the Basic Management Training program, described below in this Item (Franchise Agreement, Sections 6 1, 6 2 and 7 1 a )

6 Lend you one copy of our confidential and proprietary Operations Manual, covering the specifications, standards, recipes and operating procedures that we require in a DREAM DINNERS Store and information about your obligations in this regard (Franchise Agreement, Section 8 1 )

7 Make available through our affiliate for your purchase the grand opening marketing materials, and provide you with advice on using the grand opening marketing materials to market the opening of your Store (Franchise Agreement, Section 7 1 f )

8 Make a virtual inspection of your DREAM DINNERS Store before it opens, and offer advice and comments as we deem appropriate, to ensure that the Store conforms to our applicable standards for the premises, signage and equipment (Franchise Agreement, Section 7 1 g )

The forgoing services are not offered to renewing franchisees

**Continuing Assistance**

During the operation of your DREAM DINNERS Store, we or our designee will

1 Provide you access to advertising and promotional materials that we may, but are not required to, develop We may, at our option, pass the cost of the advertising and public relations materials on to you or charge the Marketing Fund (Franchise Agreement, Section 9 1 a ) Grand Opening promotional materials are not available to renewing franchisees

2 Upon your reasonable request, consult by telephone, facsimile or electronic mail regarding the continued operation and management of your Store and information regarding quality control, meal assembly techniques, customer relations, product purchase, supply and sale and similar advice (Franchise Agreement, Section 9 1 b )

3 Provide your DREAM DINNERS Store with representation on our website and the capability for customers to schedule meal assembly sessions at your Store online through our website, so long as we continue to maintain a website for marketing and customer scheduling and payment purposes, and provided that you are not in default of your Franchise Agreement We are not responsible for loss of connection to the Internet, but we will use reasonable efforts to maintain connectivity (Franchise Agreement, Section 9 1 c )

4 We may provide refresher training programs, seminars or advanced management training at locations designated by us We reserve the right to charge tuition at our then-current rate for continuing training (Franchise Agreement, Section 9 1 d )

5 Provide you with updates of information and programs regarding the Store, the DREAM DINNERS concept or the Licensed Methods, at a frequency which we determine, including information about additions and improvements to services offered, and new programs, merchandise, recipes or

products which may be developed and made available for sale by franchisees (Franchise Agreement, Section 9.1 e ) See also "Training Programs," described below

6 Train replacement or additional Managers in the Basic Management Training program during the term of the Franchise Agreement We reserve the right to charge a tuition or fee, commensurate with our then current published prices for such training, payable in advance You are responsible for all traveling and living expenses incurred by your personnel during the training program The availability of the training programs is subject to space considerations and prior commitments to new franchisees (Franchise Agreement, Section 9 1 f )

**Referral Program for Existing Franchisees**

If you are an existing franchisee that refers a candidate to us that has not previously contacted us about acquiring a Dream Dinners franchise Store and that candidate signs a new franchise agreement with us for a new Store location, we will pay you a referral fee of $2,000 in credit towards Royalty Fees This program is subject to change or to termination at Dream Dinners' sole discretion, and does not apply to existing franchisees (or their owner(s)) who acquire an additional franchise

**Marketing**

**Grand Opening** We provide you with the grand opening marketing materials to assist you in promoting the grand opening of your DREAM DINNERS Store The Grand Opening and Design Fee only covers the cost of the grand opening marketing materials, you will spend additional amounts on implementing other aspects of the grand opening promotion See Items 5, 6 and 7 for a description of your additional costs Your grand opening promotion will typically consist of hosting tasting parties and other promotional sessions to which you invite your friends and family

**Local Marketing** You must spend a minimum of 3% of Gross Revenues each calendar quarter on local marketing and promotional activities in accordance with our standards and specifications We recommend that you spend approximately 5% of your Gross Revenues, on average, for local marketing and promotional activities You may create your own marketing and promotion materials, however, all marketing and promotion by you must be approved by us in advance including the media, type, and format of the marketing material, and must be conducted in conformance with our standards and specifications You may not use any marketing or promotional plans or materials, including electronic or Internet advertising, unless and until you have received our written approval We reserve the right to make any marketing or promotional materials that you create and submit to us for approval available for use by other DREAM DINNERS franchisees

**Marketing Fund Contribution** As described in Item 6 of this Disclosure Document, we have established a Marketing Fund for the common benefit of DREAM DINNERS Stores If you become a franchisee, you must make monthly contributions to the Marketing Fund in an amount equal to the greater of $800 or 2% of your Store's Gross Revenues (the "**Marketing Fund Contribution**")

The DREAM DINNERS Marketing Fund is used to meet the costs of producing advertising and marketing materials, website development, design, maintenance, updating, and optimization costs, gift and stored value card program development, administration and maintenance, maintaining, administering, directing, creating and conducting advertising and promotional activities on a national, regional or local scale, including the cost of test marketing, marketing surveys and public relations activities, creating and providing marketing and other materials to our franchisees, conferences and trade shows, and for defraying reasonable wage and labor expenses, administrative costs and overhead we may incur in

connection with administering the Marketing Fund We will direct all programs financed by the Marketing Fund, at our sole discretion The Marketing Contributions are accounted for separately from our other funds and are not used to defray any of our general operating expenses, except for reasonable salaries, administrative costs, travel expenses and other overhead that we may incur in the administration of the Marketing Fund, including conducting marketing research, preparing advertising, promotion and marketing materials and collecting and accounting for the Marketing Contributions We do not use any Marketing Contributions to advertise for franchisees, however, consumer advertising produced by the Marketing Fund may include statements such as, "Franchises Available " Currently, all Stores owned by us or our parent company contribute an amount equal to the greater of $800 or 2% of their monthly Gross Revenues to the Marketing Fund each month We prepare an annual unaudited financial statement reflecting the Marketing Contributions collected and costs incurred and will furnish it to you upon your written request within 120 days after our fiscal year end

Our Advertising and Marketing Department prepares and produces advertising, marketing and public relations programs and administers local, regional or multi-regional marketing programs utilizing the Marketing Fund Contributions In 2015, Marketing Fund expenditures were allocated as follows branding – 25%, core programs – 14%, research and development – 2%, paid media – 3%, promotions – 0%, public relations – 6%, bad debt expense – 1%, and administrative expense – 49%

In any fiscal year, we may spend an amount greater or less than the aggregate contribution of all DREAM DINNERS Stores to the Marketing Fund in that year The Marketing Fund may borrow from us or other lenders to cover deficits or cause the Marketing Fund to invest any surplus for future use, and we can borrow from the Marketing Fund Any amounts remaining in the Marketing Fund at the end of each year accrue and we apply them toward the next year's expenses We do not guarantee that expenditures from the Marketing Fund will benefit you or any other franchisee directly or on a pro rata basis We assume no other direct or indirect liability or obligation to you for collecting amounts due to any marketing account or for maintaining, directing or administering any marketing account We reserve the right to terminate the Marketing Fund on 30 days prior written notice to all franchisees and any remaining monies will be distributed to franchisees in proportion to their contributions to the Marketing Fund

We may, in our sole discretion, elicit input on marketing from all or a group of franchisees We may also request that the Franchise Advisory Council advise us on marketing policies and related issues, but we are not bound to follow the advice See Item 20 You are required to purchase local marketing, at your expense, separately through local marketing and media sources within your geographical area Local marketing is primarily your responsibility

See Item 6 of this Disclosure Document for more information on marketing fees

**Operations Manual**

The table of contents of our Operations Manual is attached as Exhibit G to this Disclosure Document, and the total number of pages in the Operations Manual is approximately 596

**Training Programs**

**Basic Management Training** We provide our Basic Management Training program at no charge for two persons ("**Trainees**") by telephone, webinar, or other electronic communications, plus hands-on training in your Store or at another location we may specify in writing At least one Trainee must be the person responsible for the day-to-day operations of your DREAM DINNERS Store ("**Manager**") Unless we waive it in writing, at least two Trainees must complete Basic Management

Training to our satisfaction before your DREAM DINNERS Store opens for business Basic Management Training is not offered to renewing franchisees

The Basic Management Training program consists of a Store management program, which is designed to generally educate your Trainees in most phases of the home meal replacement business Each Trainee is provided instruction with respect to the general operation of a DREAM DINNERS Store, which will include our advice and recommendations concerning the products and services offered, the procedures for preparing a proper work coverage schedule, ordering inventory, stock and supplies, properly displaying merchandise, servicing customers and reporting forms and procedures In addition, each Trainee will receive instruction on procedures to access our website to schedule sessions, to gather and input data during your sessions, and to operate your DREAM DINNERS Store generally

We will provide training materials sent to you electronically for Basic Management Training You will be responsible for all expenses of your Trainees related to accessing and completing the Basic Management Training program, including telephone, data, computer hardware and software, Internet access, Trainee compensation, and workers' compensation insurance for your Trainees The hands-on portion of Basic Management Training will be conducted by one of our representatives in your Store or at a Store in your area, as specified by us All costs and expenses, including reasonable training fees, incurred for additional employees you send to Basic Management Training will be borne by you

If your Manager dies or is no longer willing or able to exercise day-to-day control over your DREAM DINNERS Store, you must designate a new Manager for your DREAM DINNERS Store within 30 days New Managers are required to complete the Basic Management Training program within 30 days after being designated the Manager You are solely responsible for the costs and expenses associated with your new Manager accessing and completing the Basic Management Training program, including the then-current tuition charged by us for Basic Management Training and all related costs, including compensation and workers' compensation insurance, for your new Manager

**Continued Support and Training** At our option, we may provide refresher training programs or seminars or advanced management training at locations designated by us, which may be required for your employees As of the date of this Disclosure Document, we hold a convention every other year for all franchisees, which you will be required to attend in person We may hold Conventions annually in the future, which you will be required to attend not more than once each calendar year You will also be required to attend webinars on the Internet at no charge as often as we notify you of required webinars You will be responsible for all costs and expenses associated with attending Conventions, including our then-prevailing tuition and all travel, meals and lodging costs, compensation and workers' compensation insurance for your attendees In addition to the Convention and webinars, you will be required to complete training programs that we give you electronic access to from time to time

In addition to the training described above, at your request, we will furnish additional guidance and assistance to deal with unusual or unique operating problems at reasonable per diem fees, charges and out-of-pocket expenses at rates published in our Operations Manual

**Instructors** Our training programs are supervised by Stephanie Allen, Tina Kuna, or Darin Leonard, and conducted by existing franchise owners who are employed by Dream Dinners to conduct training Ms Allen and Ms Kuna's experience includes founding Dream Dinners and participating in the operation of Stores for the past 13 years Mr Leonard has served as our Chief Executive Officer since 2008 Their backgrounds are described in Item 2 of this Disclosure Document The training program will be conducted by our training staff and by other senior personnel, including operations personnel, store managers, purchasing and food preparation supervisors, as well as outside consultants, whose services we

may retain for specific training courses No formal training staff is maintained at present Portions of training may be conducted over the telephone, via on-line webinars, at your Store, at our corporate headquarters, or at any other location we may designate

**BASIC MANAGEMENT TRAINING PROGRAM**

| Subject | Hours of Telephone/Webinar Training | Hours of On-the-Job Training | Location |
|---|---|---|---|
| Computer, Website, Email Set Up and Instructions | 4 | 0 | Telephone/Webinar |
| Operations, Food Safety, Waste Management and Store Maintenance | 10 | 16 | Telephone/Webinar |
| Forecasting, Inventory Management and Ordering, Vendor Relationships and Merchandising | 3 | 16 | Telephone/Webinar |
| Marketing Programs, Public Relations and Social Media | 3 | 0 | Telephone/Webinar |
| Accounting and Finance Reporting | 2 | 0 | Telephone/Webinar |
| Support & Guest Services | 2 | 8 | Telephone/Webinar |
| Personnel Management, Staff Training, Sales Process and Marketing | 8 | 24 | At our corporate headquarters, or any other location we may designate |
| **TOTAL** | **32** | **64** | |

The training that your Trainees will receive in each area will depend in part on their prior experience and their proficiency with the subject matter In addition to the Basic Management Training, you are required to learn basic accounting principles or hire someone who has this knowledge You are also required to learn and conduct basic marketing activities or hire someone who has this knowledge We use the DREAM DINNERS Operations Manual and other proprietary materials and handouts for training by telephone and webinar The Basic Management Training Program is not provided to renewing franchisees

**Site Selection Assistance**

You will select and acquire the site for your DREAM DINNERS Store When you have selected a site for your DREAM DINNERS Store, you must submit information to us regarding the location so that we may accept or reject the proposed location Our assistance with the selection and approval of a location consists of providing you with criteria for a satisfactory DREAM DINNERS Store location and, later, a determination as to whether the location fulfills the requisite criteria The following factors are considered by us when we review a proposed location location type and desirability, population, demographics, income level, competition, lease terms and rates or purchase terms, visibility, and parking access We may conduct a virtual inspection of a proposed site Site selection assistance is not provided to renewing franchisees

**Schedule for Opening**

The length of time between the signing of the Franchise Agreement and the opening of a DREAM DINNERS Store depends on the specific location of the DREAM DINNERS Store You are expected to use your best efforts and work diligently to open the DREAM DINNERS Store You must have an approved site within four months, a signed and approved lease within six months and you are required to begin operating your Store within 12 months after the date of your Franchise Agreement Factors affecting this length of time usually include identifying and obtaining a satisfactory site, arranging financing, completing training, complying with local food handling ordinances, delivery and installation of equipment and signs You must notify us of any delays you incur in opening your DREAM DINNERS Store

**Merchant Account and Computers**

**Merchant Account** At the present time, we require each Store to open a merchant account system from a designated financial institution approved by us, with the ability, at a minimum, to process specified credit and debit card transactions, including Visa®, MasterCard® and Discover® transactions up to at least $50,000 per month per location The set-up charge for this merchant account system is currently $200, plus monthly charges See Items 7 and 11

**Computer System** You must obtain, maintain and use computer hardware and software programs to maintain data and business records to operate your DREAM DINNERS Store and connect with our information systems We require you to purchase and use the following information technology components listed below Our Operations Manual includes a "Franchise Computing Hardware and Software Standards" policy that includes the following

A Computer A laptop computer or tablet with an operating system that is Microsoft Windows compatible

B High-Speed Internet Access You must maintain, at all times, the ability to access, receive, and transmit high speed communications and information from and to us over the internet through the computer at your Store

C Accounting and Productivity Software We require that you use the most current version of Microsoft Office Professional and QuickBooks, available off the shelf You must maintain all required software and upgrade these programs periodically as we may direct

D Security Software You must maintain, at all times, current virus, spyware, and other "malware" software on all computing hardware that is used to operate your Store and connects with our information systems and our intranet You must physically protect and secure your hardware, stored operational information and access to our computer systems at all times You must use our designated credit card processing service that complies with PCI Security Standards Additionally, you must take security measures that meet our standards to ensure the security of your network We reserve the right to require you to purchase security monitoring services or equipment from approved or designated vendors on 30 days' notice We may purchase these services or equipment for you should you not comply, and you must reimburse us We provide you with secure credentials and passwords to our information systems for the purpose of communications, operations and analysis that are not to be shared with anyone who has not completed Basic Management Training These security credentials are changed periodically throughout the year, as we deem necessary

E Other Required Software We require all franchisees to purchase, install and maintain certain hardware and software that will interface with our computer systems, which will be listed in the Operations Manual, to enable customers to sign up and pay for sessions at your Store through our website We will provide you with one e-mail address free of charge, we reserve the right to charge you for all additional e-mail addresses for your employees, if you request them See Item 6

To ensure full operational efficiency and communication capability between our computers and yours, you must at all times, at your own expense, keep the computer system in good repair and purchase certain annual maintenance and service contracts from the manufacturer of the hardware and the licensor of the software You must upgrade and/or update your software programs as we may direct, using outside professional assistance if necessary The annual estimated cost of maintaining, upgrading or updating your computer system ranges from $75 to $1,475 No contractual limit exists on the frequency or cost of this obligation The initial cost of all required computer hardware, software and Internet connection will be approximately $8,500

**Point of Sale System**

The Franchise Agreement affords us the right, at any time, to require that you purchase, install and maintain a POS computer system which has been designed and approved for use in your DREAM DINNERS Store You may in the future, at your own expense, be required to purchase and use in the Store a POS system which is compatible and capable of running software programs which we may designate and upon which the records retention and operation of your DREAM DINNERS Store may become dependent, including upgrades to the POS system To the extent that these purchases are made from a designated source, we may derive revenue, or other consideration, as a result of these sales If we require you to purchase one in the future, we reserve the right to independently access data from your POS computer system

**E-Commerce Website**

We have established an E-Commerce Website specifically for the promotion of DREAM DINNERS Stores, which provides information about the System and products and services offered by Store The E-Commerce Website currently permits customers to select a DREAM DINNERS Store (regardless of where the customer resides), schedule a meal assembly session from a list of available dates and times which are posted and updated by each Store, and to pre-pay the Store directly when placing each order We will establish a webpage on our E-Commerce Website devoted to your Store, prescribe the template of the website, and prescribe menu options for food assembly sessions to be offered by your Store online You must accept all orders placed online, and fulfill the orders in a timely manner in accordance with our standards and specifications

All payments for customer orders will be remitted directly to you by our designated payment processing vendor We may discontinue the E-Commerce Website or any other website at any time We may change our designated vendor for payment processing and website hosting at any time

**Renewing Franchisees**

If you are a renewing franchisee, we will waive the initial training requirement We may also permit you to continue operating your Store from its current location, if you have secured a lease for the Store premises which has a term that is at least as long as the term of your renewal Franchise Agreement Within the first 12 months after you sign a new Franchise Agreement, you must thoroughly clean and repaint the Store and add replacement murals Depending on their condition, we may require you to

replace smallwares, flooring, and any equipment that does not meet our current standards In addition, if you sign a renewal Franchise Agreement for a 10-year term, you must remodel your Store to our then-current standards for a DREAM DINNERS Store (including kitchen equipment and computer systems) between the fifth and sixth year anniversaries of the date you sign the renewal Franchise Agreement

## ITEM 12

## TERRITORY

You may operate your Store and use the Marks and the System only at the Store Location that has been approved by us We base our approval of your proposed Store Location on a variety of factors including the viability and demographics of the proposed Store Location See Item 11 If, as of the date you sign your Franchise Agreement, you do not have the Store Location approved by us, we will designate, by Addendum to the Franchise Agreement, a "Designated Area" within which to find a Store Location The designation of the Designated Area does not grant you any continuing territorial rights in the Designated Area

If you sign an Option Agreement and pay the Option Fee described in Item 5, we will designate an Option Territory and, subject to conditions in the Option Agreement within which you will have the exclusive right to sign a Franchise Agreement and open a Store within the time specified in the Option Agreement

You will not receive an exclusive territory You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control You will receive protected rights to a geographic area around your Store Location, within which we will not establish and operate, or franchise anyone else to establish and operate, other DREAM DINNERS Stores The designated area ("**Protected Territory**") for your Store will be defined as approximately a one-mile radius around your Store Location, or less of a radius depending on the demographics in your area or the type of Store Location, defined by street boundaries, zip codes, or similar designations The placement of a DREAM DINNERS Store and the designation of a Protected Territory by us depends on various market conditions around a proposed Store Location, including density of population, income levels, number of competitors in the market, site availability and growth potential You may not change the address of your Store Location or the boundaries of your Protected Territory without our written consent and payment of a Relocation Fee See Item 6

You may advertise your Store outside your Protected Territory and may accept orders from consumers outside your Protected Territory You may not use other marketing or advertising channels such as the internet, direct mail, catalog sales, telemarketing, or other direct marketing without our prior written approval

Except as described above, you have no option, right of first refusal or similar contractual right to acquire additional DREAM DINNERS Store franchises, but be aware that we have granted rights of first refusal for the development of Stores to other franchisees in the past and there may be franchisees located near your Store who have such rights You should ask us about the rights of pre-existing franchisees before you purchase a franchise

Under the Franchise Agreement, we retain the rights among others (1) to use and to license others to use, the Marks and Licensed Methods in connection with the operation of DREAM DINNERS Stores, at any location other than within your Protected Territory, (2) to use the Marks to identify any type of products and services, promotional and marketing efforts or related items, and to identify products

and services distributed or otherwise made available through alternative channels of distribution (other than full-sized DREAM DINNERS Stores), at any location, including, but not limited to, wholesale distribution, catering, delivery, meals made to order, pre-packaged meals, events, Internet distribution, by mail order/direct ship, catalog, retail store display and kiosk operations located within grocery stores and other larger retail stores, (3) to use and license the use of different proprietary marks or methods in connection with the sale of products and services similar to those which you sell, whether in alternative channels of distribution or through stores which are the same as, or similar to, or different from DREAM DINNERS Stores, at any location, and on any terms and conditions as we determine, (4) to advertise and promote the System in any or all geographic areas (including the Protected Territory) as we determine appropriate in our sole discretion, (5) to acquire the assets or controlling ownership of one or more businesses similar to your Store (and/or franchise, license, and/or similar agreements for these businesses), some or all of which might be located in or near your Protected Territory, and (6) to be acquired (regardless of the form of transaction) by a business similar to DREAM DINNERS Store, even if the other business operates, franchises and/or licenses competitive businesses located in or near your Protected Territory

We or our affiliates may now or in the future offer pre-packaged meals under the Marks or under the name "ShareCrate," using the Proprietary Recipes, through any distribution channels other than through DREAM DINNERS Stores, including via retail or wholesale distribution, online sales, mail order/direct ship, and we may operate or license others to operate kiosks within grocery stores that offer pre-packaged or freshly prepared meals using the Marks or the name "ShareCrate," and Proprietary Recipes, within and outside of your Protected Territory

Beginning with the thirteenth month after your Store opens for business, you must achieve $30,000 in Gross Revenues each month ("**Minimum Performance Requirement**") Failure to meet the Minimum Performance Requirement is a default under the Franchise Agreement We have the right to terminate the Franchise Agreement if you fail to meet the Minimum Performance Requirement in any 3 consecutive month period As an alternative to termination, we may require any or all of the following (i) that you complete additional training programs conducted or designated by the us, and pay all fees associated with such programs, (ii) that you submit your marketing plan to us for review and analysis and implement a new marketing plan we may formulate, and (iii) that you submit your sales and marketing plan to us for evaluation and implement changes thereto as we may require

Other than as described above, your continuation of the right to operate the Store during the term of the Franchise Agreement does not depend on achievement of any certain sales volume, market penetration or similar contingency Although in the past we granted franchisees a right of first refusal for a neighboring or extended territory, you have no option, right of first refusal or similar contractual right to acquire additional Stores within a territory or in areas contiguous to your Store

## ITEM 13

## TRADEMARKS

We grant you a nontransferable, nonexclusive license to use the Marks Our principal marks, as of the date of this Disclosure Document, are as follows

| Mark | Registration No | Date of Registration |
|---|---|---|
| DREAM DINNERS and Design | 3,228,990 | April 17, 2007 |
| DREAM DINNERS | 2,992,881 | September 6, 2005 |

We have filed all required affidavits and renewals for these Marks You must follow our rules when you use the Marks You may not use the phrase, an abbreviation or the words "DREAM DINNERS" in the legal name of your business entity

You must modify or discontinue your use of a Mark if we require you to modify or discontinue it, at your own expense We do not allow you to use or register any domain names or use the Internet to market or promote your store, or items sold in or through your Store, without our prior written consent See Items 11 and 16

No agreements are currently in effect that significantly limit our rights to use or license the use of the Marks There are no currently effective determinations of the U S Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, no pending infringement, opposition or cancellation proceedings and no pending litigation involving any of the Marks

We are not aware of any infringing uses which could materially affect your use of the Marks If you become aware of any apparent infringement unfair competition or other challenge to your right to use any Mark, or if you become aware of any use of or claims to any mark, name, logo or any other commercial symbol identical to or confusingly similar with any Mark, you must immediately notify us in writing

You must promptly notify us of any suspected unauthorized use of the Marks, any challenge to the validity of the Marks, or any challenge to our ownership of, our right to use and to license others to use, or your right to use, the Marks We have the sole right to direct and control any administrative proceeding or litigation involving the Marks, including any settlement We have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Marks We may defend you against any third-party claim, suit or demand arising out of your use of the Marks If we, in our sole discretion, determine that you have used the Marks in accordance with your Agreement, the cost of the defense, including the cost of any judgment or settlement, will be borne by us If we determine that you have not used the Marks in accordance with your Agreement, the cost of the defense, including the cost of any judgment or settlement, will be yours If there is any litigation regarding your use of the Marks, you must sign any and all documents and do the acts as may, in our opinion, be necessary to carry out the defense or prosecution, including becoming a nominal party to any legal action Except if this litigation is the result of your use of the Marks in a manner which is inconsistent with the terms of the Franchise Agreement, we will reimburse you for your out-of-pocket costs in doing these acts

If it becomes advisable at any time in our sole discretion for us and/or you to modify or discontinue the use of any Proprietary Mark and/or use one or more additional or substitute trademarks or service marks, you must comply with our directions within a reasonable time after receiving notice We will not be obligated to reimburse you for any loss of revenue attributable to any modified or discontinued Proprietary Mark or for any expenditures you make to promote a modified or substitute trademark or service mark

## ITEM 14

## PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

No patents, patent applications or pending patent applications are material to the franchise

We loan you one copy of the Operations Manual, which contains information, forms and systems pertaining to the operation of your DREAM DINNERS franchise, including proprietary table schematics, recipes, menus and other trade secrets All manuals issued by us (which may be in hard copy or delivered electronically) are considered proprietary and confidential, and we claim copyright protection of these materials You may not use this confidential information in any unauthorized manner and must adopt reasonable procedures to prevent its disclosure to others The copying of our recipes and menus during sessions by customers is strictly prohibited Any non-permitted usage of our intellectual property or of unapproved intellectual property is a material violation of the Franchise Agreement and may result in termination of the Franchise Agreement, in addition to any other rights or remedies which may be available to us

In March 2006, we registered a copyright on the then-standard design of our stores, registration number VAu 000689058/2005-10-19 There are currently no effective determinations of the Copyright Office or any court regarding our copyrighted materials No agreements are in effect which significantly limit our right to use or license the copyrighted materials Finally, we are not aware of infringing uses which could materially affect a franchisee's use of the copyrighted materials in any state The Franchise Agreement does not require us to protect or defend copyrighted or confidential information, although we intend to do so when it is in our best interests Your Franchise Agreement does not require us to indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving these copyrights

### Operations Manual

You must operate your Store according to the strict standards, methods, policies and procedures specified in the Manuals You will have access to all or portions of our Operations Manual in hard copy, through our Website, and such other form as we deem appropriate

You must treat the Operations Manual, any other information which we lend you and the information in them as confidential, and must use all reasonable efforts to maintain this information as secret and confidential You must not copy, duplicate, record, or otherwise reproduce these materials, in any manner, or otherwise give them to any unauthorized person The Operations Manual will remain our sole property and must be kept in a secure place at your Store Location

We may revise the contents of the Operations Manual, and you must comply with each new or changed standard, at your own expense You must make sure that your copy of the Operations Manual is kept current at all times If there is any dispute as to the contents of the Operations Manual, the terms of the master copy maintained by us at our corporate office will be controlling

### Confidential Information

You must not, during the term of your Agreement or after the term of your Agreement, communicate, divulge or use for the benefit of any other person, partnership, association, or corporation any confidential information, knowledge or know-how concerning the methods of operation of the Stores, which may be communicated to you or which you may learn because of your operation under the terms of

your Agreement You may divulge confidential information only to those of your employees who must have access to it to operate your Store Any and all information, knowledge, know-how, techniques and other data which we designate as confidential will be deemed confidential for purposes of your Agreement

Examples of confidential information include (1) site selection and design specifications, (2) the Proprietary Recipes, meal assembly hosting techniques and procedures, and other methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge, and experience used in developing and operating DREAM DINNERS Store, (3) the standards and specifications of our designated and proprietary computer hardware and software programs and the E-Commerce Website, (4) marketing and marketing programs for Franchisees' Businesses, (5) knowledge of specifications for and suppliers of, and methods of ordering, certain materials, equipment and supplies, (6) knowledge of the operating results and financial performance of franchisee's businesses other than your Business, (7) terms of the Franchise Agreement, (8) the Operations Manual, (9) graphic designs and related intellectual property, and (10) customer lists and other customer data

You must have your owners, manager and any personnel having access to any of our confidential information sign agreements that say that they will maintain the confidentiality of information they receive along with their employment by you The agreements must be in a form satisfactory to us, including specific identification of us as a third-party beneficiary of the covenants with the independent right to enforce them and that they prohibit any direct or indirect ownership in a competing business

## ITEM 15

## OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

We consider your personal participation, supervision and devotion of your best efforts and full and exclusive time to day-to-day operations essential to the success of your DREAM DINNERS Store Accordingly, unless otherwise agreed to in writing by us, you must devote your full time, energy and best efforts to the management and operation of your DREAM DINNERS Store If the Franchise Agreement is executed by an individual, you must complete the Basic Management Training along with your manager and actively participate in the management of your DREAM DINNERS Store For all corporate franchisees, we require you to designate a "Controlling Principal" who has satisfactorily completed our initial training program and who devotes his/her full business time, energy and effort to the management and operation of your DREAM DINNERS Stores The Controlling Principal will be responsible for communicating with us For all partnership franchisees, we require the general partner to participate personally in the direct operation of the DREAM DINNERS Store

You may hire a Manager that meets our qualifications The identity of the Manager must be disclosed to us, and the Manager must complete the Basic Management Training There must be at least one management level person who has completed the Basic Management Training Program to our satisfaction in the Store at all times the Store is open

If you are a corporation, limited liability company or limited partnership, you must provide us with a list, and continually update the list, of all the owners of the entity including the percentage of ownership held by each owner Your officers, directors, shareholders, partners, managers, and all other employees must execute the Confidentiality and Noncompetition Agreement included as Exhibit C to this Disclosure Document All partners in a partnership and all shareholders in a corporate franchisee must also execute a Personal Guaranty in the form included as Schedule B to the Franchise Agreement,

assuming and agreeing to discharge all of your obligations under your Franchise Agreement We make no recommendation and have no requirements regarding employment or other written agreements between you and your employees

## ITEM 16

## RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may only offer those goods or services specifically approved by us, which meet our then-current specifications, which we may publish in the Operations Manual or otherwise advise you of in writing These requirements are imposed to maintain our uniform image and uniform marketing strategy, to comply with contractual obligations with some suppliers, as well as to assure protection of our Marks and the maintenance of the quality standards associated with them

You may not sell items or offer those services which are offered at your Store in any other channel of distribution or at any location other than at the Store specified in your Franchise Agreement You also may not, without entering into a separate Franchise Agreement, open or operate another Store

You must sell all of the services and products we have approved, including all featured menu items that we designate will be offered at specific times

There are no limitations on the customers to whom you may sell There are also no limitations on the geographic area in which you may advertise or solicit business, except that you are required to concentrate your marketing efforts in your Protected Territory

You must operate your DREAM DINNERS Store in strict conformity with all applicable federal, state and local laws, ordinances and regulations These laws, ordinances and regulations vary from jurisdiction to jurisdiction and may be changed or implemented or interpreted in a different manner It is your responsibility to keep yourself advised of the existence and the then-current requirements of all laws, ordinances, and regulations applicable to your Store, and to adhere to them, as well as to any new ones that may be adopted in the future

You must comply with our standards and specifications Although we do not presently plan to change the types of authorized goods and services that all franchisees must offer, there are no limits on our right to do so

## 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 Franchise Agreement attached to this Disclosure Document**

| Provision | Section in Franchise Agreement | Summary |
|---|---|---|
| (a) Length of the franchise term | 18 1 | Initial term is 10 years |
| (b) Renewal or extension of the term | 18 3 | Provided the conditions listed in the Franchise Agreement are met, you may sign a Successor |

| Provision | Section in Franchise Agreement | Summary |
|---|---|---|
| | | Agreement for one 5-or 10-year term |
| (c) Requirements for franchisee to renew or extend | 18 3 and 18 4 | Give notice, remodel the Store within one (1) year after you sign the Successor Franchise Agreement, if required, not having been notified of a default of your Franchise Agreement more than four times during the initial term, execute the then-current Franchise Agreement, pay a successor fee, and sign a general release If you wish to obtain successor franchise rights at the expiration of the initial term, you must sign our then-current franchise agreement which may contain terms and conditions materially different from those in your previous franchise agreement, such as different fees and territorial rights |
| (d) Termination by franchisee | Not applicable | Not applicable |
| (e) Termination by franchisor without cause | Not applicable | Not applicable |
| (f) Termination by franchisor with cause[1] | 19 1 and 19 2 | We can terminate you only if you commit anyone of several listed defaults |
| (g) "Cause" defined – curable defaults | 19 2 | You have 10 days to pay outstanding amounts and 30 days to cure other defaults |
| (h) "Cause" defined – non-curable defaults | 19 1 | Unauthorized disclosure, conviction of a crime, abandonment, unapproved transfers, bankruptcy (though this may not be enforceable under Title 11, U S C §§ 101 et seq ), assignment for benefit of creditors, unsatisfied judgments, levy, foreclosure, repeated violations, misuse of Marks Misuse of intellectual property or usage of unapproved intellectual property, including Marks, enables us to assess $500 per day in liquidated damages against you |
| (i) Franchisee's obligations on termination / nonrenewal | 19 5 | Pay outstanding amounts, de-identification of Store, return of confidential information, covenant not to compete (see also r below) |
| (j) Assignment of contract by franchisor | 17 6 | No restriction on our right to assign |
| (k) "Transfer" by franchisee - defined | 17 1 and 17 5 | Includes transfer of Franchise Agreement or Store or any change in ownership of franchisee entity |
| (l) Franchisor approval of transfer by franchisee | 17 3 and 17 5 | We have the right to approve all transfers We may not unreasonably withhold our consent |
| (m) Conditions for franchisor approval of transfer | 17 2 and 17 5 | We do not exercise our right of first refusal, your monetary and non-monetary obligations to us are satisfied, you execute a general release, you cure all defaults, transferee is qualified and completes our application procedure, transferee agrees to upgrade Store, we agree to terms of transfer, transfer fee is paid, you return Operations Manual, transferee |

| Provision | Section in Franchise Agreement | Summary |
|---|---|---|
| | | works in the location for one week before attending training, transferee completes Basic Management Training, transferee purchases new grand opening marketing materials, transferee executes new Franchise Agreement, and all paperwork is received by us |
| (n) Franchisor's right of first refusal to acquire franchisee's business | 17 4 | We can match any offer |
| (o) Franchisor's option to purchase franchisee's business | Not applicable | Not applicable |
| (p) Death or disability of franchisee | 17 7 | Franchise must be assigned to approved buyer within 180 days |
| (q) Non-competition covenants during the term of the franchise | 21 1 | No involvement with competing business and no diversion |
| (r) Non-competition covenants after the franchise is terminated or expires | 21 2 | For two years, no involvement with competing business within a 20-mile radius of any DREAM DINNERS Store |
| (s) Modification of the agreement | 23 3 | No modifications generally, but the Marks and Operations Manuals are subject to change |
| (t) Integration/merger clause | 23 4 | Only terms of the Franchise Agreement are binding (subject to state law)<br>Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable |
| (u) Dispute resolution by arbitration or mediation | Not applicable | Not applicable |
| (v) Choice of forum | 23 1 | Litigation in King County, Washington (subject to state law) |
| (w) Choice of law | 23 1 | The Franchise Agreement will be governed by the laws of the state where the Store is located |

## ITEM 18

## PUBLIC FIGURES

We do not use any public figure or personality to promote our 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 Franchise Disclosure Document

Financial performance information that differs from that included in this 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

This Item 19 sets forth certain historical data regarding Dream Dinners Store locations Written substantiation of the data used in preparing this information will be made available to prospective franchisees upon reasonable request The representations made in this Item 19 are based upon the period of time indicated below

The success of your Franchise will depend largely upon your personal abilities, your use of those abilities, and your market The financial results of your Franchise will likely differ, perhaps materially, from the results summarized in this Item

Based on sales captured from the 2015 Dream Dinners intranet system, average Gross Revenue from franchised Stores operating a minimum of 24 months, (not including company-owned stores) were as follows

- Top 5 Stores average annual Gross Revenues $790,632
- Low 5 Stores average annual Gross Revenues $205,956
- Average (mean) Store annual Gross Revenues $447,744

| Average Annual Gross Revenue (See Note 1 below) | Number of franchised Stores with annual Gross Revenue equal to or greater than average (of the 64 franchised Stores surveyed) | Percentage of franchised Stores with annual Gross Revenue equal to or greater than average (of the 64 franchised Stores surveyed) |
|---|---|---|
| Top 5 Stores ($790,632) | 2 | 3 1% |
| Low 5 Stores ($205,956) | 2 | 3 1% |
| Average (mean) ($447,744) | 30 | 46 9% |

NOTES

1 The data includes 64 of 77 franchised Stores that had been in operation for at least 2 full years on December 31, 2015

2 The data excludes 13 franchised Stores that were terminated during that time, 3 of which were acquired and operated as company-owned Stores

3 9 out of 86 Stores operating on December 31, 2015 were company-owned The data excludes all 9 company-owned Stores

4 The data is auto generated through our system by customer orders It has not been audited or otherwise verified by us

5 Gross Revenues means the total amount received or receivable by a Store from, connected with or related to the sale of all food products, goods, merchandise or services and all business transacted in or through the Store, directly or indirectly, including proceeds from the resale of any products purchased from us or our affiliates, and excluding only (i) federal, state, or local sales or excise

taxes or other similar taxes, (ii) refunds to customers for bona fide returns of goods sold, and (iii) the value of gift cards sold to customers

If you become a Dream Dinners franchisee, your financial results may differ from the results presented in this Item 19 Some franchisees have achieved these results Your individual results may differ There is no assurance that your business will achieve these results

Written substantiation of the information set out in this Item 19 will be provided to prospective franchisees upon reasonable request

Other than the preceding financial performance representation, Dream Dinners, Inc does not make any financial performance representations We also do not authorize our employees or representatives to make any such representations either orally or in writing If you are purchasing an existing 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 the franchisor's management by contacting, Tina Kuna, 610 First Street, Snohomish, Washington 98290, (360) 804-2000, the Federal Trade Commission, and the appropriate state regulatory authorities

## ITEM 20

## OUTLETS AND FRANCHISEE INFORMATION

### TABLE NUMBER 1
### Systemwide Outlet Summary
### For Years 2013-2015

| Location Type | Year | Locations at the Start of the Year | Locations at the End of the Year | Net Change |
|---|---|---|---|---|
| Franchised | 2013 | 85 | 85 | 0 |
| | 2014 | 85 | 80 | -5 |
| | 2015 | 80 | 77 | -3 |
| Company-Owned | 2013 | 6 | 5 | -1 |
| | 2014 | 5 | 7 | +2 |
| | 2015 | 7 | 9 | +2 |
| **Total Locations** | **2013** | **91** | **90** | **-1** |
| | **2014** | **90** | **87** | **-3** |
| | **2015** | **87** | **86** | **-1** |

### TABLE NUMBER 2
### Transfers of Outlets From Franchisee to New Owners
### (Other than the Franchisor)
### For Years 2013-2015

| State | Year | Number of Transfers |
|---|---|---|
| California | 2013 | 3 |
| | 2014 | 2 |
| | 2015 | 3 |
| Maryland | 2013 | 0 |
| | 2014 | 1 |
| | 2015 | 0 |
| Michigan | 2013 | 0 |

| State | Year | Number of Transfers |
|---|---|---|
| | 2014 | 0 |
| | 2015 | 1 |
| New Jersey | 2013 | 0 |
| | 2014 | 1 |
| | 2015 | 0 |
| North Carolina | 2013 | 0 |
| | 2014 | 0 |
| | 2015 | 1 |
| Ohio | 2013 | 0 |
| | 2014 | 3 |
| | 2015 | 0 |
| Oregon | 2013 | 1 |
| | 2014 | 0 |
| | 2015 | 1 |
| Pennsylvania | 2013 | 0 |
| | 2014 | 0 |
| | 2015 | 1 |
| **Total** | **2013** | **4** |
| | **2014** | **7** |
| | **2015** | **7** |

## TABLE NUMBER 3
## Status of Franchised Outlets
## For Years 2013-2015

| State | Year | Locations at Start | Locations Opened | Terminations | Non-Renewals | Reacquired by Franchisor | Ceased Operations for Other Reasons | Locations at End of Year |
|---|---|---|---|---|---|---|---|---|
| Alabama | 2013 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2014 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2015 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Arizona | 2013 | 3 | 1 | 0 | 0 | 0 | 0 | 4 |
| | 2014 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| | 2015 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| California | 2013 | 27 | 1 | 1 | 0 | 0 | 0 | 27 |
| | 2014 | 27 | 0 | 0 | 0 | 0 | 0 | 27 |
| | 2015 | 27 | 0 | 0 | 0 | 0 | 0 | 27 |
| Colorado | 2013 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| | 2014 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| | 2015 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| Connecticut | 2013 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2014 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2015 | 2 | 0 | 0 | 1 | 1 | 0 | 0 |
| Florida | 2013 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2014 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2015 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| Georgia | 2013 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2014 | 3 | 0 | 0 | 1 | 0 | 0 | 2 |
| | 2015 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| Illinois | 2013 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2014 | 2 | 0 | 0 | 0 | 2 | 0 | 0 |
| | 2015 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Indiana | 2013 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |

| State | Year | Locations at Start | Locations Opened | Terminations | Non-Renewals | Reacquired by Franchisor | Ceased Operations for Other Reasons | Locations at End of Year |
|---|---|---|---|---|---|---|---|---|
| | 2014 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2015 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| Kansas | 2013 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2014 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2015 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Maryland | 2013 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2014 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2015 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| Massachusetts | 2013 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| | 2014 | 4 | 0 | 0 | 1 | 0 | 0 | 3 |
| | 2015 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| Michigan | 2013 | 3 | 0 | 1 | 0 | 0 | 0 | 2 |
| | 2014 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2015 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| Nevada | 2013 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2014 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2015 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| New Jersey | 2013 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2014 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2015 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| North Carolina | 2013 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2014 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2015 | 2 | 0 | 0 | 0 | 1 | 0 | 1 |
| Ohio | 2013 | 7 | 0 | 0 | 0 | 0 | 0 | 7 |
| | 2014 | 7 | 0 | 0 | 0 | 0 | 0 | 7 |
| | 2015 | 7 | 0 | 0 | 0 | 0 | 0 | 7 |
| Oregon | 2013 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2014 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2015 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| Pennsylvania | 2013 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2014 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2015 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| South Carolina | 2013 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2014 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2015 | 1 | 0 | 0 | 0 | 1 | 0 | 0 |
| Texas | 2013 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| | 2014 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| | 2015 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| Utah | 2013 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2014 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2015 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| Virginia | 2013 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2014 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2015 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Washington | 2013 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2014 | 3 | 0 | 0 | 0 | 1 | 0 | 2 |
| | 2015 | 2 | 1 | 0 | 0 | 0 | 0 | 3 |
| **Total** | **2013** | **85** | **2** | **2** | **0** | **0** | **0** | **85** |
| | **2014** | **85** | **0** | **0** | **2** | **3** | **0** | **80** |
| | **2015** | **80** | **1** | **0** | **1** | **3** | **0** | **77** |

## TABLE NUMBER 4
## Status of Company-Owned Outlets
## For Years 2013-2015

| State | Year | Locations at Start | Locations Opened | Locations Reacquired from Franchisee | Locations Closed | Locations Sold to Franchisee | Locations at End of Year |
|---|---|---|---|---|---|---|---|
| California | 2013 | 1 | 0 | 0 | 0 | 1 | 0 |
| | 2014 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2015 | 0 | 0 | 0 | 0 | 0 | 0 |
| Connecticut | 2013 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2014 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2015 | 1 | 0 | 1 | 0 | 0 | 2 |
| Illinois | 2013 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2014 | 0 | 0 | 2 | 1 | 0 | 1 |
| | 2015 | 1 | 0 | 0 | 0 | 0 | 1 |
| Michigan | 2013 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2014 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2015 | 1 | 0 | 0 | 0 | 0 | 1 |
| New Hampshire | 2013 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2014 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2015 | 1 | 0 | 0 | 0 | 0 | 1 |
| North Carolina | 2013 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2014 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2015 | 0 | 0 | 1 | 0 | 0 | 1 |
| Oregon | 2013 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2014 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2015 | 1 | 0 | 0 | 0 | 0 | 1 |
| South Carolina | 2013 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2014 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2015 | 0 | 0 | 1 | 0 | 0 | 1 |
| Washington | 2013 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2014 | 1 | 0 | 1 | 0 | 0 | 2 |
| | 2015 | 2 | 0 | 0 | 0 | 1 | 1 |
| **Total** | **2013** | **6** | **0** | **0** | **0** | **1** | **5** |
| | **2014** | **5** | **0** | **3** | **1** | **0** | **7** |
| | **2015** | **7** | **0** | **3** | **0** | **1** | **9** |

## TABLE NUMBER 5
## Projected Openings
## As of December 31, 2015

| State | Franchise Agreements Signed But Stores Not Opened | Projected New Franchised Stores through the End of the Current Fiscal Year | Projected New Company-Owned Stores through the End of the Current Fiscal Year |
|---|---|---|---|
| California | 0 | 2 | 0 |
| Florida | 0 | 1 | 0 |
| New York | 0 | 1 | 0 |
| Texas | 0 | 1 | 0 |
| **TOTAL** | **0** | **5** | **0** |

Exhibit D to this Disclosure Document lists the contact information of all of our current Dream Dinners franchisees for each of their outlets as of December 31, 2015 Exhibit E lists the name, city, state, and current business telephone number (or if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, canceled, or not renewed, or who otherwise voluntarily or involuntarily ceased to do business during the most recently completed fiscal year or who has not communicated with us within 1-week of the issuance date of this Disclosure Document

In some instances, current and former franchisees have signed provisions restricting their ability to speak openly about their experience with the Dream Dinners franchise system You may wish to speak with current and former franchisees, but be aware that not all of those franchisees will be able to communicate with you

As of the issuance date of this Disclosure Document, there are no trademark specific franchisee associations that are sponsored by Dream Dinners or that have requested to be included in this Disclosure Document

## ITEM 21

## FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit F are our audited financial statements for the fiscal years ending December 31, 2013, December 31, 2014, and December 31, 2015

Our fiscal year end is December 31

## ITEM 22

## CONTRACTS

The following agreements related to the DREAM DINNERS franchise are attached as Exhibits to this Disclosure Document

A List of State Agencies/Agents for Service of Process

B Franchise Agreement

Schedule A - Summary Pages the Franchise Agreement
Schedule B - Personal Guaranty
Schedule C - Statement of Ownership
Schedule D - Authorization Agreement for Prearranged Payments
Schedule E - Lease Rider
Schedule F - Assignment of Telephone Numbers and Listings

C Confidentiality and Noncompetition Agreement

H State Addenda and Riders to Disclosure Document, Franchise Agreement and Other Agreements

J Renewal Addendum

K Option Agreement

## ITEM 23
## RECEIPTS

The last page of this Disclosure Document (Exhibit M) is a document acknowledging receipt of the Disclosure Document by you (one copy for you and one to be signed for us)

# EXHIBIT A TO THE
# DREAM DINNERS, INC.
# FRANCHISE DISCLOSURE DOCUMENT

## LIST OF STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS

## STATE AGENCIES AND REGISTERED AGENTS

**State Agencies**

| State | Agency |
|---|---|
| California | California Department of Business Oversight<br>320 West 4th Street, Suite 750<br>Los Angeles, California 90013<br>(866) 275-2677 |
| Hawaii | State of Hawaii<br>Department of Commerce and Consumer Affairs<br>Business Registration Division<br>335 Merchant Street, Room 203<br>Honolulu, Hawaii 96813<br>(808) 586-2744 |
| Illinois | Franchise Division<br>Office of Attorney General<br>500 South Second Street<br>Springfield, Illinois 62706<br>(217) 782-4465 |
| Indiana | Franchise Section<br>Indiana Securities Division<br>Secretary of State, Room E-111<br>302 West Washington Street<br>Indianapolis, Indiana 46204<br>(317) 232-6681 |
| Maryland | Office of Attorney General<br>Division of Securities<br>200 St Paul Place<br>Baltimore, Maryland 21202-2020<br>(410) 576-6360 |
| Michigan | Department of the Attorney General<br>Consumer Protection Division<br>Franchise Section<br>G Mennen Williams Building, 1st Floor<br>525 West Ottawa Street<br>Lansing, Michigan 48913<br>(517) 373-1110 |
| Minnesota | Minnesota Department of Commerce<br>85 7th Place East, Suite 500<br>St Paul, Minnesota 55101-2198 |

| | |
|---|---|
| | (612) 296-6328 |
| New York | Office of the New York State Attorney General<br>Investor Protection Bureau<br>Franchise Section<br>120 Broadway, 23rd Floor<br>New York, New York 10271-0332<br>(212) 416-8236 Phone<br>(212) 416-6042 Fax |
| North Dakota | North Dakota Securities Department<br>600 East Boulevard, 5th Floor<br>Bismarck, North Dakota 58505-0510<br>(701) 328-4712 |
| Rhode Island | Division of Securities<br>1511 Pontiac Avenue<br>John O Pastore Complex – Building 69-1<br>Cranston, Rhode Island 02920-4407<br>(401) 462-9527 |
| South Dakota | Division of Securities<br>445 East Capitol<br>Pierre, South Dakota 57501-3185<br>(605) 773-4823 |
| Utah | Consumer Protection Division<br>160 East 300 South<br>P O Box 146704<br>Salt Lake City, Utah 84114<br>(801) 530-6601 |
| Virginia | State Corporation Commission<br>1300 E Main Street, 9th Floor<br>Richmond, Virginia 23219<br>(804) 371-9051 |
| Washington | Department of Financial Institutions<br>Securities Division<br>150 Israel Road SW<br>Tumwater, Washington 98501<br>(360) 902-8760 |
| Wisconsin | Division of Securities<br>Department of Financial Institutions<br>201 West Washington Avenue, Suite 300<br>Madison, Wisconsin 53703<br>(608) 266-2801 |

**Registered Agents for Service of Process**

| | |
|---|---|
| Arizona | Registered Agent Solutions, Inc<br>300 W Clarendon Avenue, Suite 230<br>Phoenix, Arizona 85013 |
| California | Commissioner of Business Oversight<br>California Department of Business Oversight<br>320 West 4th Street, Suite 750<br>Los Angeles, California 90013 |
| Colorado | Registered Agent Solutions, Inc<br>36 South 18th Avenue, Suite D<br>Brighton, Colorado 80601 |
| Delaware | Registered Agent Solutions, Inc<br>1679 S Dupont Hwy , Suite 100<br>Dover, Delaware 19901 |
| Georgia | Registered Agent Solutions, Inc<br>900 Old Roswell Lake Pkwy, Suite 310<br>Roswell, Georgia 30076 |
| Hawaii | Commissioner of Securities<br>Department of Commerce and Consumer Affairs<br>Business Registration Division<br>Securities Compliance Branch<br>335 Merchant Street, Room 203<br>Honolulu, Hawaii 96813 |
| Illinois | Attorney General<br>500 South Second Street<br>Springfield, Illinois 62706 |
| Indiana | Secretary of State<br>201 State House<br>200 West Washington Street<br>Indianapolis, Indiana 46204 |
| Maryland | Maryland Securities Commissioner<br>200 St Paul Place<br>Baltimore, Maryland 21202-2020 |
| Michigan | Department of Labor and Economic Growth<br>Consumer Services and Corporations Bureau<br>611 West Ottawa Street<br>Lansing, Michigan 48909 |

| | |
|---|---|
| Minnesota | Department of Commerce<br>85 7th Place East, Suite 500<br>St Paul, Minnesota 55101-2198 |
| Nevada | Registered Agent Solutions, Inc<br>4625 West Nevso Drive, Suite 2<br>Las Vegas, Nevada 89103 |
| New York | Attention New York Secretary of State<br>New York Department of State<br>One Commerce Plaza<br>99 Washington Avenue, 6th Floor<br>Albany, New York 12231-0001<br>(518) 473-2492 |
| North Dakota | Securities Commissioner<br>State Capitol<br>600 East Boulevard<br>Bismarck, North Dakota 58505 |
| Oklahoma | Registered Agent Solutions, Inc<br>613 SW 112th Street<br>Oklahoma City, Oklahoma 73170 |
| Rhode Island | Department of Business Regulation<br>1511 Pontiac Avenue<br>John O Pastore Complex – Building 69-1<br>Cranston, Rhode Island 02920-4407 |
| South Dakota | Department of Labor and Regulations<br>Division of Securities<br>State Capitol Building<br>445 E Capitol Avenue<br>Pierre South Dakota 57501-3185 |
| Texas | Registered Agent Solutions, Inc<br>1701 Directors Blvd , Suite 300<br>Austin, Texas 78744 |
| Utah | Consumer Protection Division<br>160 East 300 South<br>P O Box 146704<br>Salt Lake City, Utah 84114 |
| Virginia | Clerk of the State Corporation Commission<br>1300 E Main Street, 1st Floor<br>Richmond, Virginia 23219 |

| | |
|---|---|
| Washington | Department of Financial Institutions<br>150 Israel Rd SW<br>Tumwater, Washington 98501 |
| Wisconsin | Office of the Commissioner of Securities<br>Department of Financial Institutions<br>345 West Washington Avenue, 4th Floor<br>Madison, Wisconsin 53703 |

**EXHIBIT B TO THE**
**DREAM DINNERS, INC.**
**FRANCHISE DISCLOSURE DOCUMENT**

# FRANCHISE AGREEMENT

**EXHIBIT B**
**(TO DISCLOSURE DOCUMENT)**

# DREAM DINNERS, INC.

# FRANCHISE AGREEMENT

Franchisee _____
Date _____
Store Location _____
_____

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# DREAM DINNERS, INC.
# FRANCHISE AGREEMENT

**THIS AGREEMENT** (the "**Agreement**") is made this ____ day of _____, 20___, by and between **DREAM DINNERS, INC.**, a Washington corporation, located at 610 First Street, Snohomish, Washington 98290 (the "**Franchisor**") and _____, a _____, located at _____ (the "**Franchisee**"), who, on the basis of the following understandings and agreements, agree as follows

## 1. PURPOSE

**1 1** Through the expenditure of a considerable amount of time, effort, and money, the Franchisor has developed a system for the establishment and operation of retail stores operating under the name "Dream Dinners®" at which customers who have pre-ordered meal ingredients may assemble meals on-site for at home preparation and consumption ("**Dream Dinners Stores**" or "**Stores**")

**1 2** Each Store operates pursuant to Franchisor's proprietary operating system, which includes, without limitation (a) Franchisor's proprietary recipes for meal preparation (the "**Recipes**"), (b) methods and procedures for processing and fulfilling customer orders, including an e-commerce website (the "**E-Commerce Website**"), (c) inventory management systems, (d) standards and specifications for the buildout, decor, interior and exterior signage and trade dress for a Store, (e) standards and specifications for hosting meal-making sessions and offering and selling other approved goods and services, (f) marketing and promotional plans, and (g) and other methods, procedures, Confidential Information (as defined below) developed by Franchisor and relating to the establishment, development and operation of Dream Dinners Stores, all of which the Franchisor may modify, change, improve and further develop using the trade name, and trademark "Dream Dinners®" (the "**System**")

**1.3** The Stores are identified by means of certain trademarks, service marks, domain names, trade dress, goodwill, reputation, distinctive slogans, signs, symbols, and devices, including, but not limited to, the "Dream Dinners" trademark, and any other trade names, trademarks, service marks, and other indicia of origin the Franchisor may now or in the future designate in connection with the System (the "**Marks**")

**1 4** The Franchisee desires to operate a Store under the Marks and System, and to obtain a license from the Franchisor for that purpose, as well as to receive the training and other assistance provided by the Franchisor in connection therewith

**1 5** The Franchisor has approved the Franchisee's application in reliance upon all of the representations and warranties made by the Franchisee and its Representatives therein, and grants to the Franchisee a franchise to own and operate a Store, subject to the terms and conditions of this Agreement

**1.6** The Franchisee hereby acknowledges that it has read this Agreement and the franchise disclosure document provided by Franchisor to Franchisee and its principals (the "**Disclosure Document**"), and that it has no knowledge of any representations about the Store or about the Franchisor or its franchising program or policies, which contradict the statements in the Disclosure Document or the terms of this Agreement The Franchisee understands and accepts the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain the Franchisor's high standards of quality and service and thereby to protect and preserve the goodwill of the System, including the Marks

## 2. GRANT OF FRANCHISE

**2 1.** **Grant of Franchise** The Franchisor grants to the Franchisee, and the Franchisee accepts from the Franchisor, the right to use the Marks and System exclusively in connection with the establishment

and operation of one DREAM DINNERS Store, at the location described in Section 3 1 of this Agreement The Franchisee agrees to use the Marks and System, as they may be changed, improved, and further developed by the Franchisor from time to time, only in accordance with the terms and conditions of this Agreement

**2.2 Scope of Franchise Operations** The Franchisee shall at all times comply with the Franchisee's obligations hereunder, and shall continuously use the Franchisee's full time and best efforts to promote and operate the Franchisee's DREAM DINNERS Store The Franchisee shall not engage in any business other than in the operation of the Store, unless otherwise approved by the Franchisor in writing The Franchisee shall utilize the Marks and System to operate all aspects of the Store in accordance with the methods and systems developed and prescribed from time to time by the Franchisor, all of which are a part of the System The Franchisee's Dream Dinners Store shall offer all of the products and services that the Franchisor may approve or designate from time to time, and only such products and services

## 3 STORE LOCATION AND TERRITORIAL RIGHTS

**3.1. Store Location** The Franchisee is granted the right and franchise to own and operate one DREAM DINNERS Store at the address and location which shall be set forth in Schedule A, attached hereto ("**Store Location**") If the parties have not agreed to a Store Location at the time the parties execute this Agreement, then the Franchisee shall promptly take the steps identified in Section 5 to choose and acquire a location for its DREAM DINNERS Store within the "**Designated Area**", set forth in Schedule A

**3 2 Protected Territory** Subject to the terms of this Agreement, and provided that the Franchisee is fully compliant with this Agreement, the Franchisor shall not establish and operate, or franchise another person or entity to establish and operate, a DREAM DINNERS Store within the geographic area described in Schedule A, attached hereto (the "**Protected Territory**")

**3 3. Limitation on Franchise Rights** The rights that are granted to the Franchisee are solely for the operation of a Dream Dinners Store at the Store Location, and cannot be transferred to an alternative Store Location, or any other location, without the prior written approval of the Franchisor as set forth herein The Franchisee shall not operate another Store, offer services or products which are part of the System at any site other than the Store Location, sell products or services by mail order/direct ship or through catalogs or the Internet, transship or reship products, or offer any type of off-site service or sale of products The Franchisee shall not offer non-retail, pre-packaged meals for take-out, catering or delivery services without the Franchisor's prior written approval, which approval can be withheld for any reason, in the Franchisor's sole discretion If the Franchisor approves any non-retail, pre-packaged meals for take-out, catering or delivery services or off-site sales, the Franchisee shall comply with the Franchisor's standards and specifications for offering such services

**3.4. Franchisor's Reservation of Rights** All rights not expressly granted to the Franchisee herein are reserved to the Franchisor The Franchisee acknowledges that its franchise rights as granted are non-exclusive and that the Franchisor, for itself and its successors and affiliates, retains the rights, among others to engage in the following activities, without compensation to the Franchisee

a manage and operate, and to grant to others the right to manage and operate, Stores and other businesses providing products and services which are the same as or similar to the products or services offered by Stores under the Marks or different names or marks anywhere outside of the Protected Territory under any terms and conditions the Franchisor deems appropriate, and regardless of such businesses' proximity to the Protected Territory,

b establish and operate (and to grant to others the right to establish and operate) any other businesses offering products and services that are the same as or similar to the products and services

offered by Franchises and Stores, through similar or dissimilar channels of distributions, at any locations inside or outside the Protected Territory under trademarks or service marks other than the Marks (including other trademarks or service marks owned by the Franchisor, the Franchisor, and any of the Franchisor's affiliates), and on any terms and conditions the Franchisor deems appropriate,

c create, place, and/or distribute any advertising and promotional materials relating to the System, the Marks, the Stores, and the products and services authorized for sale by Stores, and those materials may appear in media including, without limitation, the internet, social media platforms, or similar electronic media,

d offer and sell goods and services authorized for sale by the Store through alternative channels of distribution other than through full-sized Dream Dinners Stores, at any location, whether within or outside of the Protected Territory, including but not limited to, via wholesale and retail sales, Internet sales, mail order/direct ship, catalog, catering, delivery, made-to-order or pre-packaged meals, retail store displays, and kiosk operations located within grocery stores and other retail stores, and at events,

e acquire the assets of or ownership interest in one or more businesses that operate, and/or have granted franchises, licenses, or similar rights to operate, businesses similar to and/or competing with Stores, and the right to be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by such a business, regardless of the location of such business, including within and outside of the Protected Territory, provided, however, that if the Franchisor, or one of the Franchisor's affiliates acquires such a business, the Franchisor or its affiliate shall not establish or grant franchises or licenses to establish new or additional Stores under the Marks, although the Franchisor may rebrand existing businesses in the Protected Territory to use the Marks and the System, and

f engage in any other activities not expressly prohibited by this Agreement

## 4. INITIAL FRANCHISE FEE

**4.1.** **Initial Franchise Fee** In consideration for the right to develop and operate one DREAM DINNERS Store, the Franchisee shall pay to the Franchisor an initial franchise fee in an amount set forth in Schedule A, due and payable on the date of execution of this Agreement The Initial Franchise Fee is not refundable, and is fully earned by the Franchisor upon the Franchisee's execution of this Agreement

## 5 DEVELOPMENT OF STORE LOCATION

**5 1.** **Approval of Store Location** Within 120 days after the date of execution of this Agreement, Franchisee must purchase or lease a Store Location which meets the Franchisor's then-current standards If a Store Location has not been approved in writing by the Franchisor as of the Effective Date, the Franchisee must find a Store Location within the Protected Territory which meets the Franchisor's standards and specification The Franchisee shall follow the Franchisor's written site selection criteria in finding a Store Location for the DREAM DINNERS Store Before purchasing or leasing any proposed site for the Store, the Franchisee must submit to the Franchisor a complete site evaluation package, including demographics and other materials requested by the Franchisor, containing all information reasonably required by the Franchisor to assess a proposed Store Location The Franchisor shall notify the Franchisee in writing within forty five (45) days after the Franchisor receives the Franchisee's completed site evaluation form and other materials the Franchisor requests about whether the Franchisor approves or disapproves the proposed premises The Franchisor's acceptance of a proposed site and any information provided by the Franchisor regarding the site does not constitute a representation or warranty of any kind that the Dream Dinners Store operated there will be successful

5 2. **Approval of Site Acquisition or Lease** The Franchisee shall obtain the Franchisor's prior written approval before executing a lease or purchase agreement for the Store Location The Franchisee is solely responsible for evaluating, negotiating, and entering to a lease for the Store Location The Franchisee's lease must contain a "Lease Rider" in the form attached as Schedule E hereto or all of the terms contained in it The Franchisee must provide the Franchisor with a copy of the lease and Lease Rider at least five (5) days after execution The lease for the Store Location shall contain provisions (1) providing for an initial term, or an initial term together with any renewal terms (for which rent must be specified in the lease) of at least five years with at least one five-year option to renew, (2) expressing the landlord's consent to the Franchisee's use of the Marks and all required signage for the Store, (3) giving the Franchisor the right to enter the premises and make any modification necessary to protect the Marks and the System, (4) allowing the Franchisor, or its designee, to have the option to assume the Franchisee's rights under the lease and the right following such assumption to assign the lease or sublet the leased premises to another DREAM DINNERS franchisee for all or any part of the lease term without further landlord consent if the Franchisee defaults under the lease or this Agreement or if this Agreement terminates or expires, (5) requiring the landlord to give the Franchisor written notice of any defaults by the Franchisee under such lease and the right to cure any such defaults, (6) the lease shall contain restrictive use clauses which are acceptable to the Franchisor, (7) the lease must not require the Store to be open during all regular business hours, and (8) the lease must not require the payment of percentage rent The lease shall be conditionally assigned to the Franchisor as security for the Franchisee's timely performance of all obligations under this Agreement and the lease and the Franchisee shall obtain the landlord's consent to such conditional assignment The Franchisee acknowledges that the Franchisor's approval of a lease or purchase agreement for the Store Location does not constitute a recommendation, endorsement or guarantee by the Franchisor of the suitability or profitability of the location, the lease or purchase agreement The Franchisee should take all steps necessary to ascertain whether the lease or purchase agreement is acceptable to the Franchisee The Franchisor's review and approval of the lease or purchase agreement shall be for the Franchisor's benefit only and the Franchisee should not rely on such review and approval for any purpose whatsoever The Franchisee shall sign an approved lease within six months from the date of this Agreement and deliver a copy of the signed lease for the Store Location to the Franchisor within 15 days of its execution

5.3 **Design Fee and Construction of Store Location** The Franchisee shall construct and equip the Store in accordance with the Franchisor's current approved specifications and standards for a Dream Dinners Store The Franchisee's architect will provide the Franchisor with as-built drawings for the Store Location The Franchisor shall utilize the as-built drawings to prepare and deliver to the Franchisee an initial design plan and layout for Franchisee's Store, including requirements for dimension, design, image, interior layout, decor, fixtures, equipment, signs, furnishings, color schemes (the '**Initial Design Plan**") In consideration for the Initial Design Plan and certain grand opening promotional and marketing materials known as "**Grand Opening Marketing Materials**" further described in Section 13 4 below, the Franchisee shall pay to the Franchisor a "**Grand Opening and Design Fee**" in an amount set forth in Schedule A, due and payable on the date of execution of this Agreement The Franchisee's architect will use the Initial Design Plan to develop the construction-ready drawings The Franchisee is solely responsible for retaining qualified architects to prepare the architectural and working drawings necessary to complete the construction and/or buildout at the Store Location, and ensuring that the construction and buildout of the Store Location complies with all applicable laws and regulations, including, without limitation, building code and zoning requirements, and the Americans with Disabilities Act The Franchisee acknowledges that the Grand Opening and Design Fee is only refundable if the Franchisor has not yet prepared an Initial Design Plan, and the marketing materials have not yet been printed with the Store Location information and all other materials are returned to the Franchisor undamaged The Franchisee acknowledges that the improvements, layout, fixtures, equipment, design, decoration and color scheme of DREAM DINNERS Stores are an integral part of the Franchisor's proprietary System and accordingly, the Franchisee shall construct, convert, improve, design and decorate the Store Location in accordance with the Franchisor's plans and specifications and with the assistance of contractors, architects and suppliers designated by or otherwise approved by the Franchisor The Franchisee shall

obtain the Franchisor's written consent to any conversion, improvements, design or decoration of the premises before construction, remodeling or decorating begins, recognizing that any related costs are the Franchisee's sole responsibility

**5.4. Signs** The Franchisee shall purchase or otherwise obtain for use at the Store Location and in connection with the DREAM DINNERS Store, interior and exterior signs which comply with the standards and specifications of the Franchisor as set forth in the construction manual, which is part of the Operations Manual, as that term is defined in Section 8 1 It is the Franchisee's sole responsibility to ensure that all signs comply with applicable local ordinances, lease requirements, mall regulations, building codes and zoning regulations Any modifications to the Franchisor's standards and specifications for signs which must be made due to lease requirements, local ordinances, codes or regulations shall be submitted to the Franchisor for prior written approval The Franchisee acknowledges that the Marks, or any other name, symbol or identifying marks on any signs shall only be used in accordance with the Franchisor's standards and specifications and only with the prior written approval of the Franchisor

**5.5 Equipment and Inventory** The Franchisee shall use in constructing and operating the Store only those types of furniture, fixtures, kitchen equipment and other equipment, point-of-sale system ("**POS System**"), payment processing vendors, e-commerce Website(s), signs, decor items, flooring and trade dress (both interior and exterior), smallwares, food and beverages items, packaging, advertising, marketing and promotional materials and promotional items, and any other items the Franchisor approves and requires for Stores (the "**Approved Supplies**"), including, without limitation, any proprietary products or services the Franchisor may now or in the future designate for use by Dream Dinners franchisees The Franchisee may only use the products, supplies, vendors, advertising and promotional materials, point-of-sale system, ordering system, customer relationship management software and Websites (as defined below), which the Franchisor either prescribes or approves in the Operations Manual The Franchisor may modify the Operations Manual at any time

a In the event the Franchisee wishes to purchase any unapproved item, including inventory, and/or acquire approved items from an unapproved supplier, the Franchisee must provide the Franchisor with the name, address and telephone number of the proposed supplier, a description of the item Franchisee wishes to purchase, and purchase price of the item, if known At the Franchisor's request, the Franchisee must provide the Franchisor, for testing purposes, a sample of the item Franchisee wishes to purchase If the Franchisor incurs any costs in connection with testing a particular product or evaluating an unapproved supplier at the Franchisee's request, the Franchisee or the supplier must reimburse the Franchisor for the Franchisor's reasonable testing costs, regardless of whether the Franchisor subsequently approves the item or supplier Nothing in the foregoing shall be construed to require the Franchisor to approve any particular supplier The Franchisor may base the Franchisor's approval of any such proposed item or supplier on considerations relating not only directly to the item or supplier itself, but also indirectly to the uniformity, efficiency, and quality of operation the Franchisor deems necessary or desirable in the Franchisor's System as a whole The Franchisor has the right to receive payments from suppliers on account of their dealings with the Franchisee and other franchisees and to use all amounts the Franchisor receives without restriction (unless instructed otherwise by the supplier) for any purposes the Franchisor deems appropriate Nothing herein shall require the Franchisor to approve an unreasonable number of suppliers for a given item, which approval might, in the Franchisor's reasonable judgment, result in higher costs or prevent the effective or economical supervision of approved suppliers The Franchisor may revoke the Franchisor's approval of Approved Supply or Approved Supplier at any time Upon receipt of written notice of such revocation, the Franchisee must cease purchasing products from such supplier The Franchisee may not use any Approved Supplies, or access the Franchisor's network of Approved Suppliers for any competitive business purpose

b The Store must at all times be stocked with sufficient Approved Supplies to meet Customer demand For purposes of this Agreement, a "Customer" is defined as any person who has

purchased the Store's products or services

**5 6. Computer System** The Franchisee shall install and utilize in its Store the point-of-sale and reporting system that the Franchisor prescribes or approves (the "**POS System**") The POS System may include one or more types of computer hardware or software, customer relationship management software, application service provider software, and proprietary software programs developed by or for the Franchisor The Franchisee may be required to license proprietary software from the Franchisor, its Affiliate or a third party, and the Franchisee also may be required to pay a software licensing or user fee and support fee in connection with the Franchisee's use of the proprietary software All right, title and interest in any proprietary software shall remain with the licensor of the software, and the Franchisee may be required to enter into license agreements related to the Franchisee's use of the proprietary software The Franchisee shall store all data and information that the Franchisor designates, and report data and information in the manner the Franchisor specifies, including through any electronic or other communications systems the Franchisor designates The Franchisee shall cause the Store to have and use such Internet access and other high-speed connections as the Franchisor specifies The Franchisee shall use an email address the Franchisor designates for communication with the Franchisor The Franchisee shall comply with all payment card industry security standards and participate in any compliance program the Franchisor requires In addition, the Franchisor reserves the right to require, on 30 days' notice, that the Franchisee purchase and use computer data security hardware and software, firewall protection and security breach insurance through the Franchisor's designated supplier If a data security breach occurs, the Franchisee must notify the Franchisor immediately and comply with all investigation and remediation efforts related to the breach consistent with the Franchisor's standards and specifications The Franchisee authorizes vendors designated by the Franchisor to conduct periodic data security and compliance audits and to perform remediation measures in accordance with the Franchisor's standards and specifications

**5.7. E-Commerce and Websites** The Franchisor has established an E-Commerce Website, http //dreamdinners com/ and http //www dreamdinnersfranchise com, for the purpose of promoting Dream Dinners Stores and processing online orders to be fulfilled by Dream Dinners Stores The Franchisor will provide the Franchisee with a webpage on the E-Commerce Website devoted to the Franchisee's Store The Franchisee's webpage on the E-Commerce Website shall be in the format prescribed by the Franchisor, as such format may be revised by the Franchisor from time to time The Franchisee shall participate in the E-Commerce Website, and fully comply with the Franchisor's policies and procedures relating to the E-Commerce Website, including, without limitation (i) updating the hours available for sessions, and selecting the menu options for food assembly sessions from a list prescribed by the Franchisor, (ii) executing all documents and taking such action as the Franchisor specifies to establish and maintain Franchisee's Store's webpages on the E-Commerce Website, and maintain such computer hardware and software as is necessary to adequately communicate with the E-Commerce Website, (iii) executing such documents and taking such action as the Franchisor specifies to implement the Franchisor's designated online payment program for the Store's Customers, and paying all fees and commissions associated with such online payment programs, (iv) accepting and timely fulfilling all Customer orders placed through the E-Commerce Website, (v) complying with the Franchisor's data and consumer privacy policies relating to the E-Commerce Website, (vi) complying with all applicable laws and regulations relating to on-line sales, including the Payment Card Industry Data Security Standards ("**PCI DSS**"), as they may be revised and modified by the Payment Card Industry Security Standards Council (see www pcisecuritystandards org), or such successor or replacement organization and/or in accordance with other standards as Franchisor may specify, and the Fair and Accurate Credit Transactions Act ("**FACTA**") Presently, Customers are required to pay each Store directly when placing an online order Payments shall be remitted directly to the Franchisee by the payment processing vendor The Franchisor reserves the right to designate alternative payment processing vendors, and/or to change the timing and method of Customer payments and remittances to franchisees

a If the Franchisee fails to comply with the Franchisor's standards and specifications relating to the E-Commerce Website or any other websites, intranet/extranet systems, social media sites,

blogs, vlogs, and other applications which the Franchisor may develop (the "**Websites**"), or if the Franchisee is otherwise in default under this Agreement, in addition to the Franchisor's other rights and remedies, the Franchisor may deny the Franchisee access to the Websites, and deactivate the Store's webpage(s) on the Websites

b The Franchisor shall at all times have access to the data stored on the Websites and in the POS System

c The Franchisee acknowledges that the Franchisor shall not be responsible or liable for losses or expenses incurred by the Franchisee as a result of any Internet or Website service interruptions

**5.8. Electronic Communications** The Franchisor may assign one or more electronic mail addresses and domain names to the Franchisee and the Franchisee agrees to use such addresses and domain names to communicate with Customers, access messages, access information posted by the Franchisor, by Customers and by other Dream Dinners franchisees Franchisee must comply with Franchisor's requirements and policies (as described in the Operations Manual (or otherwise in writing) with respect to the transmission of all e-mails relating to the Store and its business Any such activities which are not expressly authorized by the Operations Manual or otherwise in writing, or for which Franchisee has not previously received approval from Franchisor, shall be subject to Franchisor's approval

**5 9. Permits and Licenses** The Franchisee agrees to obtain all such permits and certifications as may be required for the lawful construction and operation of the Dream Dinners® Store, together with all certifications from government authorities having jurisdiction over the site The Franchisee agrees that when the Store opens for business, all requirements for construction and operation will have been met, including without limitation, zoning, access, sign, health, safety requirements, building, occupancy, and other required construction permits, licenses to do business and fictitious name registrations, sales tax permits, health and sanitation permits and ratings and fire clearances The Franchisee agrees to obtain all customary contractors' sworn statements and partial and final lien waivers for construction, remodeling, decorating and installation of equipment at the Store Location The Franchisee shall keep copies of all health department, fire department, building department and other similar state and local agency and entity certifications, licenses, and reports of inspections on file and available for review by the Franchisor The Franchisee shall notify the Franchisor in writing within five (5) days of the commencement of any action, suit, proceeding or investigation, and of the issuance of any order, injunction, award of decree, by any court, agency, or other governmental instrumentality

**5.10 Anti-Terrorism Representation** The Franchisee and its affiliates, and their respective owners, officers, directors, employees, agents, lawyers, and representatives (collectively the "**Franchisee's Representatives**") represent and warrant to the Franchisor, jointly and severally, that none of the Franchisee's Representatives is identified, either by name or an alias, pseudonym or nickname, on the lists of "Specially Designated Nationals" or "Blocked Persons" maintained by the U S Treasury Department's Office of Foreign Assets Control (text currently available at www treas gov/offices/enforcement/ofac/) Further, the Franchisee's Representatives represent and warrant that none of the Franchisee's Representatives has violated and agrees not to violate any law prohibiting corrupt business practices, money laundering or the aid or support of any individuals or entities who conspire to commit acts of terror against any person or government, including acts prohibited by the U S Patriot Act (text currently available at http //www epic org/privacy/terrorism/hr3162 html), U S Executive Order 13224 (text currently available at http //www tres gov/offices/enforcement/ofac/legal/eo/13224 pdf), or any similar law The foregoing constitute continuing representations and warranties, and the Franchisee's Representatives shall immediately notify the Franchisor in writing of the occurrence of any event or the development of any circumstance that might render any of the foregoing representations and warranties false, inaccurate or misleading

**5.11. Commencement of Operations** Unless otherwise agreed to in writing by the Franchisor and the Franchisee shall complete all of the following the opening date specified in Schedule A to this Agreement (the "**Opening Date**") (1) secure all necessary financing for the Store, (2) complete the initial training program described in Section 6 1 of this Agreement, (3) select, purchase or lease, construct and build-out the Store Location, (4) purchase or lease and have installed such artwork, furniture, equipment, fixtures, signs, computer hardware, software, credit and debit card processing programs and equipment, and Internet connections as meets the standards and specifications of the Franchisor, (5) purchase an opening inventory of products and supplies, (6) obtain and provide evidence of insurance as described in Section 22 1 below, (7) execute all documents and take such action as is necessary to establish the Franchisee's webpage on the E-Commerce Website, and (8) commence operation of the DREAM DINNERS Store The Franchisee shall obtain the Franchisor's written approval prior to opening the Store for business

**5 12. Store Alterations and Relocation**

a The Franchisee shall not materially alter the Store location or appearance, or make any material replacements of or alterations to the fixtures, equipment, furniture or signs of the Store without the Franchisor's prior written approval

b The Franchisee shall not relocate the Store without the Franchisor's prior written consent If the Franchisee must relocate the Store because the Store was destroyed, condemned or otherwise became untenantable by fire, flood or other casualty, the Franchisee must reopen the Store at a new location approved by the Franchisor within the Protected Territory within six (6) months after the Franchisee discontinues operating the existing Store If the Franchisee relocates the Store for any other reason, the Franchisor will not unreasonably withhold its consent to the proposed relocation, provided that the Franchisee meets the following conditions (1) the Franchisor has received at least ninety (90) days' written notice before the Franchisee closes the existing Store, (2) the Franchisee has obtained a new Premises which meets the Franchisor's then-current standards and the lease for the proposed new Premises has been approved by the Store in writing, (3) the Franchisee agrees to open the new Store within five (5) days after the Franchisee closes the old Store, and (4) otherwise comply with any other conditions that the Franchisor may require The Franchisor does not warrant that an acceptable location will be available for relocation If the Franchisee is unable to relocate the Store within the Protected Territory and reopen the Store within the time periods described in this Section 5 12(b), this Agreement will terminate as specified in Article 19 The Franchisee shall pay the Franchisor a fee of $400 each month the Store is not open for business, referred to as the "**Relocation Fee**," if applicable

## 6. TRAINING

**6.1. Basic Management Training Program**

The Franchisor shall provide the Franchisee and up to one (1) additional individual with an initial training for up to four (4) days (the "**Basic Management Training**") The Basic Management Training Program will include a mix of webinar, telephonic and hands-on instruction Training shall take place at the Franchisor's headquarters, an operating Dream Dinners® Store, or another location the Franchisor designates If the Franchisee is an individual, the Franchisee must successfully complete the initial training program to the Franchisor's satisfaction prior to opening If the Franchisee is a corporation, partnership, limited liability company, trust, or other business organization (a "**Business Entity**"), then one of the trainees must be an individual designated by the Franchisee who has been approved by the Franchisor to manage the day-to-day operations of the Store (the "**Manager**") The initial training program is provided without charge, but the Franchisee must pay all of its and its trainees' expenses while attending the initial training program, including travel, lodging, meals, and applicable wages If the Franchisee requests that the Franchisor provide its initial training program to additional employees, either before the Store opens or while it is operating, the Franchisee must pay the Franchisor's then-current training fee At the Franchisor's option, any person subsequently employed as a Manager of the Store

may be required to attend and satisfactorily complete an initial training program If the Franchisee requests additional training and the Franchisor agrees to provide such training, the Franchisee must reimburse the Franchisor for its costs and expenses associated with providing such training, including travel-related expenses The Franchisor reserves the right to waive a portion of the Basic Management Training program or alter the training schedule, if in the Franchisor's sole discretion, the Franchisee or the Manager has sufficient prior experience or training

6 2. **Additional Training** From time to time, the Franchisor may present seminars, webinars over the Internet, conventions or continuing development programs or conduct regional meetings for the benefit of the Franchisee The Franchisee or its Manager shall be required to attend any ongoing mandatory seminars, webinars, conventions, programs or meetings as may be offered by the Franchisor The Franchisor shall give the Franchisee at least 30 days prior written notice of any ongoing seminar, convention or program that is deemed mandatory The Franchisor shall have the right to require the Franchisee, its Manager and designated employees to attend a national or regional convention or on-going training in person one time each calendar year All mandatory training will be offered to two people at the Franchisor's then-current tuition rate, and the Franchisee will also be responsible for all traveling and living expenses which are associated with attendance at the same

## 7. DEVELOPMENT ASSISTANCE

7.1. **Franchisor's Development Assistance** The Franchisor, or its designee, shall provide the Franchisee with assistance in the establishment of the DREAM DINNERS Store as follows

a Provision of the Basic Management Training program to be conducted at the Franchisor's designated training facilities or at another location designated by the Franchisor, as described in Article 6 above

b Provision of written criteria for an acceptable Store Location that shall include, without limitation, specifications for design, build-out and the demographics and character of the surrounding market area The Franchisee acknowledges that the Franchisor shall have no other obligation to provide assistance in the selection and approval of a Store Location other than the provision of such written specifications and approval or rejection of a proposed Store Location, which approval or rejection shall be based on information submitted to the Franchisor in a form sufficient to assess the proposed location as may be reasonably required by the Franchisor

c Provision of an Initial Design Plan and layout for the Franchisee's Store, and standards and specifications for leasehold improvements, fixtures, construction, conversion, design and decoration of the DREAM DINNERS Store premises, plus specifications concerning signs, artwork, color, products, inventory, software, equipment, furniture and layout

d Information regarding the Approved Supplies and Approved Suppliers The Franchisor or its affiliates or designated suppliers will make available to the Franchisee for purchase, aprons and other trademarked items for the Store

e Provision of an Operations Manual in accordance with Section 8 1 below

f Make available for purchase from the Franchisor or its affiliate, the Grand Opening Marketing Materials (see Section 5 3 above), and provide assistance in using them to market the opening of the Store

g Provision of a virtual inspection of the Store before it opens and advice and comments as the Franchisor deems appropriate to ensure that the Store conforms to the Franchisor's standards for the premises, signage and equipment

h The Franchisor may designate an affiliate or a third parties to perform the Franchisor's duties and obligations under this Agreement

## 8. OPERATIONS MANUAL

**8 1. Operations Manual** The Franchisor shall loan to the Franchisee one or more construction, operations and marketing manuals, technical bulletins, or other written or electronic materials (collectively referred to as "**Operations Manual**") covering certain standards, specifications and operating and marketing procedures that the Franchisor requires the Franchisee to utilize in building out and operating its DREAM DINNERS Store The Franchisee shall operate the Store in accordance with the standards, and procedures set forth in the Operations Manual at all times The Franchisee agrees as follows

a The Franchisee shall, at all times, treat the Operations Manual and the information contained therein, as Confidential Information, and shall use all reasonable efforts to maintain such information as secret and confidential,

b The Franchisee shall not duplicate the Operations Manual nor disclose its contents to persons other than its employees or officers who have signed a confidentiality and noncompetition agreement in a form approved by the Franchisor The Franchisee shall return the Operations Manual to the Franchisor upon the expiration, termination or transfer of this Agreement

c The Operations Manual shall, at all times, remain the sole property of the Franchisor or its affiliates, shall be kept in a secure place in the Store, and shall be returned to the Franchisor immediately upon the expiration or termination of this Agreement,

d The Franchisor may, from time to time, revise the contents of the Operations Manual and the Franchisee shall comply with all new or modified provisions Revisions to the contents of the Operations Manual shall be deemed effective seven (7) days after the date of mailing or posting on the Franchisor's intranet site, unless otherwise specified by the Franchisor,

e The Franchisee shall, at all times, ensure copies of the Operations Manual are kept current and up-to-date In the event of any dispute as to the contents of the Operations Manual, the terms of the Franchisor's copy of the Operations Manual maintained by the Franchisor at the Franchisor's headquarters shall be controlling, and

f The Franchisee shall not, at any time, without the Franchisor's prior written approval, copy, duplicate, record or otherwise reproduce the Operations Manual in whole or in part, nor otherwise make the same available to any unauthorized person

## 9. OPERATING ASSISTANCE

**9 1. Franchisor's Services** The Franchisor, or its designee, shall, during the Franchisee's operation of the DREAM DINNERS Store, make available to the Franchisee the following services

a The Franchisor shall give the Franchisee access to advertising and promotional materials as may be developed by the Franchisor, the cost of which may be passed on to the Franchisee or charged to the Marketing Fund (defined in Section 13 2 below), at the Franchisor's option

b Upon the reasonable request of the Franchisee, consultation by telephone, facsimile or electronic mail regarding the continued operation and management of a DREAM DINNERS Store and advice regarding product quality control, suggested pricing, meal assembly techniques, Customer relations, product purchase, supply and sale and similar advice

c The Franchisor, may, but is not obligated to, establish and maintain such Websites as the Franchisor deems

d Provision of refresher training programs, seminars, webinars or advanced management training, at a frequency to be determined by the Franchisor, on new methods, marketing techniques, equipment and products The Franchisor reserves the right to charge tuition at its then current published rate for continuing training The Franchisee shall pay all tuition, if applicable, and travel and living expenses incurred by its employees during such programs

e Updates of information and programs relating to the System, at a frequency to be determined by the Franchisor, including, without limitation, information about additions and improvements to services offered, new programs, merchandise, recipes or products which may be developed and made available to DREAM DINNERS franchisees as a part of the System

f The Franchisor shall make the initial training program available to replacement or additional Managers during the term of this Agreement The Franchisor reserves the right to charge a tuition or fee in an amount payable in advance, commensurate with the then-current published prices of the Franchisor for such training The Franchisee shall be responsible for all travel and living expenses incurred by its personnel during the training program The availability of the training programs shall be subject to space considerations and prior commitments to new DREAM DINNERS franchisees

**9.2.** **Additional Franchisor Services** Although not obligated to do so, the Franchisor may make its employees or designated agents available to the Franchisee for on-site advice and assistance in connection with the on-going operation of the DREAM DINNERS Store governed by this Agreement In the event that the Franchisee requests such additional assistance and the Franchisor agrees to provide the same, the Franchisor reserves the right to charge the Franchisee for all travel, lodging, living expenses, telephone charges and other identifiable expenses associated with such assistance, plus a fee based on the time spent by each employee on behalf of the Franchisee, which fee will be charged in accordance with the then-current daily or hourly rates being charged by Franchisor for assistance

## 10. FRANCHISEE'S OPERATIONAL COVENANTS

**10.1.** **Customer Services Agreements** The Franchisee may not offer any other products for sale, rent or lease without having received the Franchisor's prior written authorization Further, the Franchisee agrees to use only those forms of service agreement relating to the provision of Approved Services and Products to Customers which the Franchisor has approved or prescribed (the "**Customer Services Agreements**") The Franchisee shall at all times maintain sufficient levels of inventory and maintain its furniture, fixtures, and equipment in good repair as specified in the Operations Manual

**10 2** **Business Operations** The Franchisee acknowledges that each and every detail of the appearance and operation of the Store is important to the Franchisor and other Dream Dinners® Stores The Franchisee agrees to maintain the highest standards of quality and service in the Store and agree to comply with all mandatory specifications, standards and operating procedures specific to the Franchisee's Stores (whether contained in the Operations Manual or any other written or oral communication to the Franchisee) relating to the appearance or operation of a Dream Dinners® Store, including

1 Type and quality of approved products and services offered for sale by the Store,

2 The methods and procedures for providing approved services,

3 Methods and procedures relating to marketing, customer service and order processing,

4 Forms of Customer Service Agreements,

5 The safety, maintenance, cleanliness, function and appearance of the Store Premises and its fixtures, equipment, furniture, decor and signs,

6 Qualifications, dress, general appearance and demeanor of Store employees Each of the Franchisee's employees shall wear only the apparel which the Franchisor has approved in writing,

7 The style, make and/or type of kitchen equipment and other equipment (including the POS System) used in operating the Store, and

8 Use and illumination of exterior and interior signs, posters, displays, standard formats and similar items

a Compliance with Laws and Good Business Practices The Franchisee shall conduct itself and operate its DREAM DINNERS Store in compliance with all applicable laws, regulations The Franchisee shall be solely and fully responsible for obtaining any and all licenses required to lawfully carry on business at the DREAM DINNERS Store The Franchisee shall immediately forward to the Franchisor copies of all health and sanitation department, fire department, building department and other state or local entity or agency warnings, notices of deficiency or non-compliance, reports of inspections and other documents indicating that the Franchisee has not met or maintained the highest governmental standards as and when such reports, notices and documents become available The Franchisee shall be solely responsible for any penalties or fines assessed for failure to abide by such laws and regulations

b Management The Franchisee shall use its best efforts to promote and enhance the business of the Store If the Franchisee is a Business Entity, the Franchisee must designate a **"Controlling Principal"** who is directly responsible for causing the Franchisee to fulfill its duties under this Agreement Franchisee's initial Controlling Principal is identified in Schedule A to this Agreement The Franchisee, and any Controlling Principal and Manager, must ensure that the Store is operated in accordance with the terms and conditions of this Agreement The Controlling Principal also must be readily and continuously available to the Franchisor At all times, the Store must be under the direct, on-site supervision of the Controlling Principal, a Manager, or another person who has completed the Basic Management Training Program to the Franchisor's standards and specifications The Franchisee acknowledges that proper management of the DREAM DINNERS Store is important and shall insure that the Franchisee or, if applicable, the designated Manager who has completed the Franchisor's initial training program, is responsible for the management of the DREAM DINNERS Store at all times be managed by a person who has completed initial training to the Franchisor's satisfaction If at any time the Controlling Principal or a Manager is not managing the Store on a full time basis, the Franchisor or the Franchisor's designee may, but is not obligated to, manage the Store on the Franchisee's behalf

c Payment of Obligations The Franchisee is solely responsible for selecting, retaining and paying the Franchisee's employees and timely paying all of the expenses incurred in connection with operating the Store The Franchisee agrees to promptly pay all applicable taxes The Franchisee agrees to indemnify the Franchisor in the event that the Franchisor is held responsible for these taxes The Franchisee agrees to indemnify the Franchisor in the event that the Franchisor is held responsible for debts owed by the Franchisee or if the Franchisor elects to pay any of Franchisee's obligations in order to preserve relationships with approved or designated suppliers The Franchisee shall further pay on a timely basis all amounts due and owing to the Franchisor pursuant this Agreement and any other agreements between the Franchisee and the Franchisor and the Franchisor's affiliates

d Other Agreements The Franchisee shall comply with all agreements with third parties related to the DREAM DINNERS Store including, in particular, all provisions of any premises lease or

equipment lease If the term of the lease for the Store Location ends before the term of this Agreement expires, the Franchisee shall negotiate a renewal of the lease term in good faith If the Franchisee is unable to renew the lease at the Store Location, the Franchisee may find a different site reasonably proximate to the Store Location, submit it to the Franchisor for approval and, following the Franchisor's approval of the proposed site, move the Franchisee's Store to the new location, at the Franchisee's sole cost

e Employees The Franchisee shall be exclusively responsible for the conduct and control of its employees and employment practices, including hiring, firing, training, and compensation of its employees The Franchisee shall not solicit, employ, divert or attempt to employ any employee of the Franchisor, Franchisor's affiliates or other franchisees of Franchisor The Franchisee shall be fully responsible for all of its employees' compliance with the operational standards which are part of the System The Franchisee must conduct its employee training in compliance with the Operations Manual Any employee who does not satisfactorily complete the training shall not work in any capacity in the Franchisee's DREAM DINNERS Store The Franchisee and all employees of the Franchisee shall present a professional appearance, as described in the Operations Manual, and shall render competent and courteous service to Customers of the DREAM DINNERS Store while working at the Store Location All Managers, employees of the Franchisee, the Franchisee and its owners, shall at all times wear the clothing or apron as may be specified by the Franchisor from time to time while working at the Store Location The Franchisor has the right, in its sole and absolute discretion, to change or modify such dress code guidelines Nothing in this Agreement shall be deemed to make the Franchisee's employees, representatives or agents (i) subject to the control of the Franchisor, or (ii) employees of the Franchisor

f Remodeling and Upgrading The Franchisee shall, at the Franchisee's expense, make such capital expenditures as are necessary to remodel, modernize and redecorate the Store Location and to replace and modernize the furniture, fixtures, signs, small wares and equipment used in the Franchisee's Store so that the Store reflects the then-current physical appearance and service standards of Dream Dinners® Stores If the Franchisor changes its image or standards of operation, it shall give the Franchisee a reasonable period of time within which to comply with such changes The Franchisor may require the Franchisee to take such action when reasonably required by the Franchisor, including upon transfer and as a condition to renewal The Franchisee acknowledges and agrees that the requirements of this Section 10 2(f) are both reasonable and necessary to insure continued public acceptance and patronage of Dream Dinners® Stores

(i) The franchisee shall not materially alter the Store Location or the appearance of the Store, or make any material replacements of or alterations to the fixtures, equipment, furniture, or signs of the Store without the Franchisor's approval

(ii) If the Store is damaged or destroyed by fire or any other casualty, the Franchisee shall, within thirty (30) days, initiate repairs or reconstruction, and thereafter in good faith and with due diligence continue (until completion) repairs or reconstruction, to restore the Store Premises to its original condition before the casualty The Franchisor may require the Franchisee to repair or reconstruct the existing Store Location in compliance with the then-current decor and specifications

g Ownership of Store The Franchisee shall at all times during the term of this Agreement own and control the DREAM DINNERS Store authorized hereunder The Franchisee hereby represents and warrants that the Statement of Ownership, attached hereto as Schedule C and by this reference incorporated herein, is true, complete, accurate record of each **"Owner"** of Franchisee An **"Owner"** is an individual or Business Entity which directly or indirectly possesses a legal or beneficial ownership interest of any kind in the Franchisee and/or the Store, including (i) in relation to a corporation, the ownership of shares in the corporation, (ii) in relation to a partnership, the ownership of a general partner or limited partnership interest, (iii) in relation to a limited liability company, the ownership of a

membership interest, or (iv) in relation to a trust, the ownership of the beneficial interest of such trust ((i) through (iv) referred to herein as an "**Ownership Interest**") The Franchisee shall promptly provide the Franchisor with a written notification if the information contained in the Statement of Ownership changes at any time during the term of this Agreement and shall comply with the applicable transfer provisions contained in Article 17 herein If the Franchisee is a Business Entity, the Franchisee's Owners must personally guarantee the Franchisee's performance of all of its obligations hereunder by executing the Personal Guarantee form attached hereto as Schedule B

h Hours of Operation The Franchisee shall at all times during the term of this Agreement keep its DREAM DINNERS Store open during the business hours as may be designated by the Franchisor from time to time in the Operations Manual, and shall maintain sufficient supplies of food and recipe ingredients, kitchen utensils, assembly stations, equipment, paper goods and branded products and merchandise and employ adequate personnel at all times so as to operate the Store at its maximum capacity and efficiency The Franchisee shall have at least one manager who has completed Basic Management Training present in the Store at all times when the Store is open

i Pricing and Promotional Programs The Franchisor may establish maximum prices and/or minimum prices to be charged by the Franchisee for the Products and Services the Franchisee offers at the Store The Franchisee shall also honor and offer all coupons, discounts, gift cards or gift certificates, or similar promotions the Franchisor designates Without the Franchisor's approval, the Franchisee may not offer coupons, discounts, gift cards or gift certificates, or participate in any "Groupon," "Living Social" and other "deal-of-the-day" or similar promotional programs that are not part of a system-wide promotion or program approved of by the Franchisor

j Electronic Communications The Franchisee shall obtain and maintain computer hardware, software and a high speed Internet connection meeting the Franchisor's standards and specifications as they may exist from time to time The Franchisee shall use only the electronic mail addresses assigned to it by the Franchisor to obtain Customer Service Agreements for meal assembly sessions and otherwise communicate with Customers and to exchange information with the Franchisor and other DREAM DINNERS franchisees The Franchisor reserves the right to post information about the Franchisee's DREAM DINNERS Store, including the names of the individuals who own and operate the Stores, on the Franchisor's intranet system and on the Franchisor's website The Franchisor also reserves the right to access all electronic communications using the electronic mail addresses assigned to the Store, whether addressed to an individual or to the Store The Franchisee agrees that posting information on the Internet about Store owners and accessing Store electronic mail messages shall not constitute a violation of the Franchisee's or any individual's privacy rights and the Franchisor shall not be liable therefor

**10.3. Minimum Performance Standard** Commencing on the thirteenth full month after the Opening Date, the Franchisee must meet the "**Minimum Performance Requirement** set forth in Schedule A hereto The Franchisor disclaims and the Franchisee acknowledges that the Minimum Performance Requirement, as defined above, is not intended nor shall it be construed as a representation about the financial potential of earnings from operating the Store If in any calendar month the Franchisee fails to meet the Minimum Performance Requirement, the Franchisee agrees to pay a Royalty (as defined in Section 12 1 below) equal to the Royalty due if the Franchisee had met the Minimum Performance Requirement If the Franchisee's average monthly Gross Revenues during any consecutive three (3) month period does not equal the Minimum Performance Requirement, regardless of the Royalty paid by the Franchisee, such failure shall constitute a default under this Agreement and grounds for termination or loss of the Franchisee's rights within the Protected Territory, in accordance with Article 19 of this Agreement, provided, however, that the Franchisor shall also have the right, without waiving its rights as set forth above, to require any or all of the following (i) that Franchisee complete additional training programs conducted or designated by the Franchisor, (ii) that Franchisee submit its marketing plan to the Franchisor for review and analysis and implement a new marketing plan as required by the Franchisor,

and (iii) that the Franchisee submit its sales and marketing plan to the Franchisor for evaluation and implementation of changes thereto as required by the Franchisor If any of these additional services are provided to the Franchisee by the Franchisor, the Franchisor reserves the right to charge the Franchisee for all travel, lodging, living expenses, telephone charges and other identifiable expenses associated with such assistance, plus a fee based on the time spent by each employee on behalf of the Franchisee, which fee will be charged in accordance with the then current hourly rates being charged by the Franchisor for assistance

## 11. PURCHASES OF PRODUCTS

**11.1. Inventory** Prior to commencement of operation of the DREAM DINNERS Store, the Franchisee shall purchase and stock the Store with food and non-food staples, including spices, dry goods, packaging and cleaning supplies, merchandise and products in such mix and quantities as the Franchisor may determine and prescribe based on the size of and demand at the Store The Franchisee shall, during the term of the Franchise Agreement, maintain food and non-food staples, including spices, dry goods, packaging and cleaning supplies, merchandise and product inventory levels and a mix of such items sufficient to meet Customer demand and in compliance with the Franchisor's standards and specifications as may be described in the Operations Manual from time to time

**11 2. Limitations on Supply Obligations** Delivery of any items the Franchisee may purchase from the Franchisor or its affiliates is subject to and conditioned upon availability Nothing in this Agreement shall be construed by the Franchisee to be a promise or guarantee from the Franchisor as to the continued availability of a particular item or product sold by the Franchisor or its affiliated companies, nor shall any provision herein imply or establish an obligation on the part of the Franchisor and its affiliates to sell any items or products to the Franchisee if the Franchisee is in arrears on any payment to the Franchisor and its affiliates or otherwise in default under this Agreement

**11 3 No Product Warranties** Any products or items purchased by the Franchisee from the Franchisor or its affiliated companies shall be subject only to manufacturers' warranties THE FRANCHISOR AND ITS AFFILIATED COMPANIES MAKE NO WARRANTIES, EXPRESS OR IMPLIED, REGARDING MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF ANY OF THE PRODUCTS OR ITEMS PURCHASED BY THE FRANCHISEE

**11 4. Changes in Product** The Franchisor and its affiliates may, at any time and without notice, add to or withdraw items from, the list of Approved Supplies and/or Approved Suppliers, to revise any product, and to change the prices, discounts, or terms of sale of any product, provided, however, no such changes in prices, discounts or terms shall affect accepted orders pending with the Franchisor and its affiliates at the time of change

## 12 ROYALTIES

**12.1 Monthly Royalty** Commencing on the Franchisee's first full month of operations after the Opening Date, Franchisee shall pay to the Franchisor the monthly royalty fee set forth in Schedule A to this Agreement (the "**Royalty**") Commencing on the Franchisee's thirteenth full month of operations after the Opening Date, the Franchisee shall pay to the Franchisor the greater of (a) the Royalty, or (b) minimum monthly fee set forth in Schedule A to this Agreement (the "**Minimum Monthly Royalty**")

**12.2. Gross Revenues** The Royalty shall be based upon the "**Gross Revenues**" of the Store "Gross Revenues" shall mean and include all revenues generated by the Franchisee from all business conducted, at, from, or through the Store or the E-Commerce Website or any other Websites, during the preceding calendar month, including amounts received from the sale and provision of services, products, merchandise, and tangible property of any nature whatsoever, whether in cash or for credit, and whether collected or uncollected, and excluding only (i) the amount of any federal, state or local sales or excise

taxes or other similar taxes, separately stated, (ii) the amount of any refunds to Customers for bona fide returns of goods sold, and (iii) other exclusions as may be authorized in writing by the Franchisor The Franchisor may establish a "menu month" that is longer or shorter than a calendar month, which may become the basis for calculating fees due The Franchisor reserves the right to modify its policies and practices regarding revenue recognition, revenue reporting, and the inclusion or exclusion of certain revenue from Gross Revenues as circumstances, business practices, and technology change For example, and by way of illustration and not limitation, in the event new technologies and practices, such as "Groupon," "Living Social," and other "deal-of-the-day" discounts, generate revenue for the Store that may not be associated with a particular sale of products, the Franchisor may establish policies to identify which revenues are, and are not, part of Gross Revenues

**12.3 Royalty Payments** Royalty payments shall be made monthly based on Gross Revenues for the immediately preceding month, and sent to the Franchisor by electronic funds transfer on the 10th day of each month (**"Due Date"**) All Gross Revenues must be entered through the web page designated by the Franchisor for the Store governed by this Agreement The Franchisor reserves the right to require the Franchisee to pay Royalties on a weekly or bi-weekly basis, on 30 days advance notice, in the Franchisor's sole discretion Within 30 days prior to the opening of the Store, the Franchisee shall execute an Authorization Agreement for Preauthorized Payments in the form attached to this Agreement as Schedule D to allow the electronic transfer of funds from the Franchisee's bank account to the Franchisor's bank account No later than the Due Date of each month, the Franchisee shall report to the Franchisor by electronic means or in written form, as may be reasonably directed by the Franchisor, with such information and pursuant to such standard transmittal procedures regarding the Franchisee's Gross Revenues and such additional information as may be requested by the Franchisor The Franchisor shall have the right to verify such Royalty payments from time to time as it deems necessary, in any reasonable manner In the event that the Franchisee fails to have sufficient funds in the account or otherwise fails to pay any Royalties as of the Due Date, the Franchisor shall have the right to charge interest on any payments made after the Due Date at the lesser of 1½% per month or the highest applicable legal rate for open account business credit The Franchisee acknowledges that this Section 12 3 shall not constitute the Franchisor's or its affiliates' agreement to accept such payments after they are due or a commitment to extend credit to or otherwise finance the Store's operations In no event shall the Franchisee be required to pay a late payment and/or interest at a rate greater than the maximum interest rate permitted by applicable law

**12.4. Application of Payments** Notwithstanding any designation by the Franchisee, the Franchisor shall have sole discretion to apply any payments by the Franchisee, and any credits received by the Franchisor on the Franchisee's behalf from third party vendors, to any of Franchisee's past due indebtedness to Franchisor for Royalties, Marketing Contributions, purchases from the Franchisor or its affiliates, interest or any other indebtedness The Franchisee acknowledges that the Franchisor has the right to set-off any amounts the Franchisee may owe to the Franchisor against any amounts the Franchisor might owe to the Franchisee

## 13. MARKETING

**13.1. Approval of Marketing** The Franchisee shall obtain the Franchisor's prior written approval of all advertising, marketing, and promotional programs and materials relating to the Dream Dinners Store, including, without limitation, directory listing advertising, press releases, newspaper ads, flyers, brochures, magazines, coupons, direct mail pieces, specialty and novelty items and radio, television and Internet advertising, and advertising and promotional materials supplied by vendors The proposed advertising, promotional, and marketing materials shall be submitted to the Franchisor for its approval at least 30 days prior to publication, broadcast or use Any advertising materials which are not approved within 30 days will be deemed disapproved The Franchisee agrees to immediately cease using any previously approved advertising, marketing, or promotional materials which the franchisor subsequently disapproves The Franchisee shall display all required promotional materials, signs, point of purchase

displays and other marketing materials in its DREAM DINNERS Store and in the manner prescribed by the Franchisor

**13.2. Marketing Fund Contribution** The Franchisee is required to contribute to a marketing fund ("**Marketing Fund**"), a fee equal to the greater of (i) $800 per month, or (ii) 2% of the total amount of the Franchisee's monthly Gross Revenues ("**Marketing Contribution**") The Marketing Contribution shall be paid to the Franchisor in addition to Royalties and in addition to amounts spent on local marketing, and the following terms and conditions shall apply

a The Marketing Contribution shall be payable concurrently with, and in the same manner as, the payment of the Royalties as described in Section 12 3

b The Franchisor shall have the right to verify Marketing Contribution payments from time to time as it deems necessary, in any reasonable manner

c The Marketing Contributions will be subject to the same late charges and interest as the Royalties, in an amount and manner set forth in Section 12 3 above

d Upon the Franchisee's written request, the Franchisor will make available to the Franchisee, no later than 120 days after the end of each fiscal year, an unaudited financial statement which indicates how the Marketing Fund has been spent

e The Franchisor shall direct all advertising and marketing programs financed by the Marketing Fund, with sole discretion over the creative concepts, materials and endorsements used therein, geographic, market and media placement and allocation, and the administration of all contributions to the Marketing Fund, in the Franchisor's sole discretion The Franchisee agrees that the Marketing Fund may be used to pay the costs of preparing and producing video, audio and written advertising materials, Website development, design, maintenance, updating, and search engine optimization, Electronic Advertising (as defined in Section 13 5), agency costs and commissions, creative design, printed material, public relations material, conferences, trade shows, administering regional and multi-regional marketing programs, including, without limitation, purchasing direct mail and other media advertising and engaging outside agencies to assist therewith, implementing and administering stored value card and gift card programs, and supporting public relations, market research and other advertising and marketing activities

f The Marketing Fund shall be accounted for separately from the Franchisor's other funds and shall not be used to defray any of the Franchisor's general operating expenses, except for such reasonable administrative costs, salaries and overhead as the Franchisor may incur in activities related to the administration of the Marketing Fund and its marketing programs, including, without limitation, conducting market research, incurring related accounting and legal expenses, preparing material and collecting and accounting for Marketing Fund Contributions The Franchisor may spend in any fiscal year an amount greater or less than the aggregate contribution of all DREAM DINNERS Stores to the Marketing Fund in that year and the Marketing Fund may borrow from the Franchisor or other lenders to cover deficits or cause the Marketing Fund to invest any surplus for future use All interest earned on monies contributed to the Marketing Fund will be first used to pay costs The Marketing Fund may be incorporated or operated through an entity separate from the Franchisor at such time as the Franchisor deems appropriate, and such successor entity shall have all rights and duties of the Franchisor pursuant to this Section 13 2

g The Franchisee understands and acknowledges that the Marketing Fund is intended to maximize recognition of the Marks and patronage of DREAM DINNERS Stores Although the Franchisor will endeavor to utilize the Marketing Fund to develop advertising and marketing materials and programs and to benefit all DREAM DINNERS Stores, the Franchisor undertakes no obligation to ensure that expenditures by the Marketing Fund in or affecting any geographic area are proportionate or

equivalent to the contributions by DREAM DINNERS Stores operating in that geographic area or that any DREAM DINNERS Store will benefit directly or in proportion to its contribution from the development of advertising and marketing materials The Marketing Fund is not a trust fund, and the Franchisor does not owe the Franchisee a fiduciary duty with respect to the maintenance, direction or administration of the Marketing Fund Except as expressly provided in this Section 13 2, the Franchisor assumes no direct or indirect liability or obligation to the Franchisee with respect to the maintenance, direction or administration of the Marketing Fund

h The Franchisor reserves the right to terminate the Marketing Fund, upon 30 days' written notice to the Franchisee All unspent monies on the date of termination shall be distributed to the Franchisor's franchisees in proportion to their respective contributions to the Marketing Fund during the preceding 12-month period The Franchisor shall have the right to reinstate the Marketing Fund upon the same terms and conditions set forth herein upon 30 days' prior written notice to the Franchisee

**13.3 Local Marketing Expenditure** The Franchisee shall spend a minimum average of 3% of total Gross Revenues earned during each calendar quarter ("**Local Marketing Expenditure**") on local marketing to create public awareness of the Franchisee's DREAM DINNERS Store The Franchisor may, in its sole discretion, change the percentage amount required for the Local Marketing Expenditure If the Franchisee's lease requires it to advertise locally, the Franchisor may, in its sole discretion, count such expenditures toward the Franchisee's Local Marketing Expenditure required by this Section 13 3 The Franchisee shall obtain the Franchisor's prior written approval of all written marketing and promotional materials before publication

**13 4. Grand Opening Promotion** The Franchisee shall conduct a grand opening marketing and promotional program for the DREAM DINNERS Store using the Grand Opening Marketing Materials provided by the Franchisor or its affiliate in consideration for payment of the Grand Opening and Design Fee described in Section 5 3 above The Franchisor will advise the Franchisee on its use of the Grand Opening Marketing Materials at or around the time that the Store opens All of the Franchisee's grand opening marketing and promotional materials shall be subject to the Franchisor's prior written approval

**13.5. Electronic Advertising** The Franchisee shall not develop, create, distribute, disseminate, participate in or use any Internet advertising or website, or any multimedia, telecommunication, blog, social networking website, mass electronic mail, or other form of electronic communications, facsimile or audio/visual advertising, promotional or marketing materials, directly or indirectly related to the DREAM DINNERS Store, the Marks or the System ("**Electronic Advertising**"), without the Franchisor's prior written consent which may be withheld in the Franchisor's sole discretion The Franchisor shall retain the exclusive right to develop and control the content of all Electronic Advertising for the DREAM DINNERS Stores The Franchisor reserves the right, upon 30 days' prior written notice, to require the Franchisee to participate in any Electronic Advertising of DREAM DINNERS Stores sponsored by the Franchisor If the Franchisor permits the Franchisee to develop any Electronic Advertising, the Franchisee shall do so in strict compliance with the Franchisor's policies and rules regarding the creation, maintenance, use and content of such Electronic Advertising as set forth in this Agreement or the Operations Manual Any amounts that the Franchisee spends to participate in Electronic Advertising shall be credited toward the Franchisee's Local Marketing Expenditure

## 14. QUALITY CONTROL

**14.1. Compliance with Operations Manual** The Franchisee shall maintain and operate the DREAM DINNERS Store in compliance with this Agreement and the standards and specifications contained in the Operations Manual, as the same may be modified from time to time by the Franchisor

**14.2. Standards and Specifications** The Franchisee shall, throughout the term of this Agreement, remain in compliance and strictly adhere to all of the Franchisor's current standards and specifications for the DREAM DINNERS Store as prescribed from time to time

**14 3. Inspections** The Franchisor shall have the right to interview Customers, examine the Store Location, including the inventory, products, equipment, furniture, fixtures, materials, supplies, computer hardware and software, POS System, if any, credit and debit card processing equipment and records, or services used or sold at the Store Location and the right to examine and copy the Franchisee's books and records, to ensure compliance with all standards and specifications set by the Franchisor The Franchisor shall conduct inspections during regular business hours and the Franchisee may be present at inspections conducted at the premises of the Store Location The Franchisor, however, reserves the right to conduct the inspections without prior notice to the Franchisee and to conduct inspections of the Franchisee's electronic reports, orders, Customer electronic mail and other information available through the website and on the intranet

**14.4. Shopping Service** The Franchisor reserves the right to use third-party shopping services from time to time to evaluate the operation and quality of the Franchisee's DREAM DINNERS Store, including such things as food quality, inventory availability, customer service, cleanliness, merchandising and proper use of computers and POS Systems, if applicable The Franchisor may use such shopping services to inspect the Franchisee's DREAM DINNERS Store at any time at the Franchisor's expense, without prior notification to the Franchisee The Franchisor may make the results of any such shopping service evaluation available to the Franchisee, in the Franchisor's sole discretion

## 15 MARKS, TRADE NAMES AND PROPRIETARY INTERESTS

**15.1. Marks** Franchisor is the owner of all rights, title, and interests in and to the Marks, and all of the goodwill associated with and symbolized by them The Marks are valid and serve to identify the System and the Stores The Franchisee shall not directly or indirectly contest the validity or the ownership of the Marks The Franchisor has licensed Franchisee the right to use the Marks pursuant to Section 2 1 above The Franchisee's use of the Marks granted in this Agreement does not give the Franchisee any, right, title, and interest in or to the Marks, except for the non-exclusive license to use the Marks in connection with operating the Franchisee's Store granted herein The Franchisee shall display the Marks prominently at the Store and on packaging materials and in connection with forms, advertising and marketing, all in a manner as the Franchisor shall prescribe Except as permitted in writing by the Franchisor, the Franchisee shall not use any of the Mark, including in any electronic mail address, on any sites on the Internet, and as part of any domain name on the Internet

**15.2 No Use of Other Marks** No service marks other than "DREAM DINNERS" or such other Marks as may be specified by the Franchisor shall be used in the identification, marketing, promotion or operation of the DREAM DINNERS Store

**15 3. System** The Franchisee acknowledges that the Franchisor has valuable rights in and to the System, including the Recipes and the Confidential Information The Franchisee further acknowledges that it has not acquired any right, title or interest in the System except for the right to use the System in the operation of the DREAM DINNERS Store as it is governed by this Agreement and that it is obligated to maintain the confidentiality of the System in accordance with Section 21 3 below

**15.4 Mark Infringement** The Franchisee shall notify the Franchisor in writing of any possible infringement or illegal use by others of a trademark the same as or confusingly similar to the Marks which may come to its attention The Franchisee acknowledges that the Franchisor shall have the right, in its sole discretion, to determine whether any action will be taken on account of any possible infringement or illegal use The Franchisor may commence or prosecute such action in the Franchisor's own name and may join the Franchisee as a party to the action if the Franchisor determines it to be reasonably necessary

for the continued protection and quality control of the Marks and System The Franchisor shall bear the reasonable cost of any such action, including attorneys' fees The Franchisee must fully cooperate with the Franchisor in any such litigation

**15.5. Franchisee's Business Name** The Franchisee acknowledges that the Franchisor and affiliates of the Franchisor have a prior and superior claim to the "DREAM DINNERS" trade name The Franchisee shall not use any of the words "DREAM DINNERS" in the legal name of its company, partnership or any other business entity used in conducting the business provided for in this Agreement The Franchisee also agrees not to register or attempt to register a trade name using the words "DREAM DINNERS" in the Franchisee's name or that of any other person or business entity, without the prior written consent of the Franchisor The Franchisee shall not identify itself as being "Dream Dinners, Inc " or as being associated with the Franchisor in any manner other than as a franchisee or licensee or as being associated with any affiliate of the Franchisor The Franchisee shall, in all marketing and promotional materials, display its business name only in obvious conjunction with the phrase "DREAM DINNERS Licensee" or "DREAM DINNERS Franchisee" or with such other words and in such other phrases to identify itself as an independent owner of the DREAM DINNERS Store, as may from time to time be prescribed in the Operations Manual

**15.6 Change of Marks and System** The Franchisor may in its sole discretion, discontinue, change, modify or alter the Marks and the System by among other things, adopting or developing new trademarks, trade names, service marks, copyrighted materials, new products or services, new equipment, new programs, new signage or new operational techniques ("**Alterations**") If the Franchisor shall make any Alterations to the Marks or System, the Franchisee shall take such action, at the Franchisee's sole expense, as may be necessary to comply with such required Alteration, upon written notice The Franchisee shall not unilaterally change, alter or modify the Marks or System in any way without the Franchisor's prior written consent which may be withheld in the Franchisor's sole discretion The Franchisee's approved changes or improvements to the System or the Marks shall inure to the exclusive benefit of the Franchisor

**15 7. Creative Ownership** All copyrightable works created by the Franchisee or any of its owners, officers or employees in connection with the Store shall be the sole property of the Franchisor The Franchisee hereby assigns all proprietary rights, including copyrights, in these works to the Franchisor without additional consideration The Franchisee hereby assigns and will execute such additional assignments or documentation to effectuate the assignment of all intellectual property, inventions, copyrights and trade secrets developed in part or in whole in relation to the Store, during the term of this Agreement, as the Franchisor may deem necessary in order to enable it, at its expense, to apply for, prosecute and obtain copyrights, patents or other proprietary rights in the United States and in foreign countries or in order to transfer to the Franchisor all right, title, and interest in said property The Franchisee shall promptly disclose to the Franchisor all inventions, discoveries, improvements, creations, including but not limited to, recipes, patents, copyrights, trademarks and confidential information relating to the Stores and the System which it or any of its owners, officers or employees has made or may make solely, jointly or commonly with others and shall promptly create a written record of the same Further, the Franchisee acknowledges and agrees that the Franchisor may adopt and require all DREAM DINNERS Store operators, both franchised and affiliate or company-owned, to adopt all changes, created by the Franchisee, without compensation to the Franchisee

**15.8. Alterations for Protection of Marks** The Franchisor may, in its sole discretion, but with reasonable notice to the Franchisee, enter the Store Location to make any Alterations required for the protection of the Marks and System, including but not limited to the signs, furniture, fixtures, trade dress or decor of the Store, if the Franchisee refuses to make any Alterations required by the Operations Manual or under the terms of this Agreement If the Franchisor elects to make such Alterations on the Franchisee's behalf, the Franchisor reserves the right to charge the Franchisee for all expenses incurred by the Franchisor in connection with such Alterations including the Franchisor's travel, lodging, living

expenses, telephone charges and other identifiable expenses (such as construction and materials), plus a fee based on the time spent by each of the Franchisor's employees or agents on behalf of the Franchisee

## 16. REPORTS, RECORDS AND FINANCIAL STATEMENTS

**16.1 Franchisee Reports** The Franchisee shall establish and maintain, at its own expense, bookkeeping, accounting and data processing systems which conform to the specifications that the Franchisor may prescribe from time to time Each transaction of the Store shall be processed in the manner prescribed by the Franchisor The Franchisor shall have the right of access to all data and information entered through the Franchisor's Websites, including electronic communications, related to the Store The Franchisor reserves the right to require the Franchisee to provide the Franchisor with access to the Franchisee's data by installing a modem or joining and paying for an electronic network connection service which meets the Franchisor's standards and specifications The Franchisee shall supply to the Franchisor such types of reports in a manner and form as the Franchisor may from time to time reasonably require, including

a by a designated day of each month a report on the Store's Gross Revenues for the previous month,

b monthly financial statements, prepared in accordance with Generally Accepted Accounting Principles ("**GAAP**"), consistently applied, using the forms and chart of accounts as prescribed by the Franchisor, which shall include a profit and loss statement and balance sheet for the DREAM DINNERS Store, mailed or otherwise forwarded to the Franchisor by no later than the 10th day following the end of the month, based on operating results of the previous month, which shall be submitted in a form approved by the Franchisor,

c within 15 days after the end of each calendar quarter, a report on the Franchisee's Local Marketing Expenditure expenditures, as further described in Section 13 3 of this Agreement and in the Franchisor's recommended format,

d within 90 days after the end of the Franchisee's fiscal year, a balance sheet and profit and loss statement prepared in accordance with GAAP, consistently applied, for the Store for such year,

e within 10 days after such returns are filed, exact copies of federal and state income, sales and any other tax returns and such other forms, records, books and other information as the Franchisor may periodically require, and

f any other data, information and supporting records reasonably requested by the Franchisor from time to time, including without limitation, daily, weekly or monthly reports of inventory and sales by category, in the manner and frequency specified by the Franchisor

**16.2. Financial Records Use and Access** The Franchisor reserves the right to disclose data derived from all financial and accounting reports received from the Franchisee to other franchisees and affiliates in the DREAM DINNERS system with information identifying the Franchisee The Franchisor also reserves the right to disclose data derived from Franchisee's financial and accounting reports to parties outside of the DREAM DINNERS system, without identifying Franchisee, except to the extent identification of the Franchisee is required by law The Franchisee consents to the Franchisor obtaining financial and account information regarding the Store and its operations from third parties with whom the Franchisee does business, as and when deemed necessary by the Franchisor

**16.3. Verification** Each report and financial statement submitted to the Franchisor pursuant to this Agreement shall be signed manually or electronically, as the case may be, and verified by the Franchisee

**16.4. Books and Records** The Franchisee shall maintain all books and records for its DREAM DINNERS Store in a manner as reasonably prescribed by the Franchisor, shall prepare all annual balance sheets and profit and loss statements in accordance with GAAP, consistently applied, and shall preserve these records for at least five years after the fiscal year to which they relate

**16.5. Audit of Books and Records** The Franchisee shall permit the Franchisor to inspect and audit the books and records of the DREAM DINNERS Store at any reasonable time, at the Franchisor's expense If any audit discloses a deficiency in amounts for payments owed to the Franchisor pursuant to this Agreement, then such amounts shall become immediately payable to the Franchisor by the Franchisee, with interest from the date such payments were due at the lesser of 1½% per month or the maximum rate allowed by law If the Franchisee (1) fails to furnish required reports or supporting records on a timely basis for two or more consecutive reporting periods, (2) fails to have the books and records available for an audit after receiving reasonable, advance notice from the Franchisor, (3) otherwise fails to cooperate with the Franchisor's requested audit, or (4) understates its Gross Revenues for the period of any audit by greater than 3%, then the Franchisee shall reimburse the Franchisor for the cost of such audit or inspection, including, without limitation, the fees charged by attorneys and any independent accountants and the travel expenses, room and board and compensation of the Franchisor's employees

## 17. TRANSFER

**17.1. Transfer by Franchisee** The franchise granted herein is personal to the Franchisee and, except as stated below, the Franchisor shall not allow or permit any transfer, assignment, subfranchise or conveyance of the Store, the assets of the Store, an interest in the ownership of the Franchisee if it is an entity, the Protected Territory, this Agreement or any interest hereunder nor purport to do so without the Franchisor's prior written consent which may be withheld in the Franchisor's sole discretion The Franchisee acknowledges that prior to approving any transfer, the Franchisor may impose reasonable conditions on the Franchisee and its purported transferee including but not limited to, those conditions listed in Section 17 2 below As used in this Agreement, the term "**transfer**" shall mean and include the voluntary, involuntary, direct or indirect assignment, sale, gift, merger, consolidation, exchange or other disposition by the Franchisee (or any of its owners) of any interest in (1) this Agreement, (2) any part or all of the ownership interests in the Franchisee entity, or (3) the Store, the Protected Territory assigned to the Franchisee, or all or a substantial portion of the assets of the Store The term "**transfer**" shall include an assignment, sale, gift or other disposition, including those transfers described in Sections 17 5 and 17 7

**17.2. Pre-Conditions to Franchisee's Transfer** The Franchisee shall not engage in a transfer, as defined above, unless the Franchisee obtains the Franchisor's prior written consent and complies with the following requirements

a Payment of all amounts due and owing pursuant to this Agreement by the Franchisee to the Franchisor or its affiliates or to third parties holding a security interest in any asset of the franchised business,

b Proposed transferee must work in the location to be transferred at least one (1) week prior to the initial training program Further, an agreement by the proposed transferee to satisfactorily complete the initial training program described in this Agreement, which training may be completed by the transferee either prior to or immediately after assignment of this Agreement,

c Execution by the transferee of a Franchise Agreement in a form then currently offered by the Franchisor, which shall supersede this Agreement in all respects, and which shall have a term of 10 years If a new Franchise Agreement is signed, the terms thereof may differ from the terms of this Agreement, provided, however, the transferee will not be required to pay any additional initial franchise fee,

d Provision by the Franchisee of written notice to the Franchisor 30 days' prior to the proposed effective date of the transfer, such notice to contain information reasonably detailed to enable the Franchisor to evaluate the terms and conditions of the proposed transfer if the Franchisee is an entity and one or more owners of the Franchisee entity wish to transfer, sell, assign, or otherwise dispose of his or her interest in the Franchisee entity or if the Franchisee entity wishes to make a public or private offer of its stock or other ownership interests, the Franchisee must submit to Franchisor at least 30 days in advance of the proposed effective date, and obtain Franchisor's prior written approval, of the documents effectuating the transfer, sale, assignment, offering or disposition,

e The proposed transferee shall have provided information to the Franchisor sufficient for the Franchisor to assess the proposed transferee's business experience, aptitude and financial qualification, and the Franchisor shall have ascertained that the proposed transferee meets such qualifications,

f Execution by Franchisee of a general release, in a form satisfactory to the Franchisor, of any and all claims against the Franchisor, its affiliates and their respective officers, directors, employees and agents,

g Payment by the Franchisee or the proposed transferee of a $7,000 transfer fee and, at transferee's option, payment of an additional Grand Opening Fee ranging from $6,000 to $10,000, provided, however, that if less than 100% of the ownership interest of a Franchisee entity is being transferred, the transfer fee will be $2,500 and no Grand Opening Fee will be charged if no grand opening costs are incurred, there will be no transfer fee charged if the transfer is less than 25% of the ownership interest,

h Agreement by the Franchisee to abide by the post-termination covenant not to compete set forth in Section 21 2 below, and

i Agreement by the proposed transferee to upgrade or remodel the Store and its equipment to meet the Franchisor's then current standards and specifications

The Franchisor will not unreasonably withhold, delay or condition its consent to any proposed transfer by the Franchisee which requires the Franchisor's consent under this Section 17 2

**17.3 Franchisor's Approval of Transfer** The Franchisor has 30 days from the date of the written notice of the proposed transfer to approve or disapprove in writing, of the Franchisee's proposed transfer The Franchisee acknowledges that the proposed transferee shall be evaluated for approval by the Franchisor based on the same criteria as is currently being used to assess new franchisees of the Franchisor and that such proposed transferee shall be provided, if appropriate, with such disclosures as may be required by state or federal law Even if the Franchisee and the proposed transferee comply with all conditions to a transfer set forth herein and the Franchisor has not given the Franchisee notice of its approval or disapproval within the 30-day period, approval is deemed denied The Franchisor's approval of any transfer shall not constitute approval for any subsequent transfer or a waiver of any of the Franchisor's rights under this Article 17

**17.4. Right of First Refusal** In the event the Franchisee wishes to engage in a transfer as defined under this Agreement, the Franchisee agrees to grant to the Franchisor a 30-day right of first refusal to purchase the rights, interest or assets offered for sale on the same terms and conditions as are contained in the written offer to purchase submitted to the Franchisee by the proposed purchaser, provided, however, the following additional terms and conditions shall apply

a The Franchisee shall notify the Franchisor of such offer by sending a written notice to the Franchisor (which notice may be the same notice as required by Section 17 2 d above), enclosing a copy of the written offer from the proposed purchaser,

b The 30-day right of first refusal period will run concurrently with the period in which the Franchisor has to approve or disapprove the proposed transferee,

c Such right of first refusal is effective for each proposed transfer and any material change in the terms or conditions of the proposed transfer shall be deemed a separate offer on which a new 30-day right of first refusal shall be given to the Franchisor,

d If the consideration or manner of payment offered by a third party is such that the Franchisor may not reasonably be required to furnish the same, then the Franchisor may purchase the interest which is proposed to be sold for the reasonable cash equivalent If the parties cannot agree within a reasonable time on the cash consideration, an independent appraiser shall be designated by the Franchisor, whose determination will be binding upon the parties All expenses of the appraiser shall be paid for equally between the Franchisor and the Franchisee, and

e If the Franchisor chooses not to exercise its right of first refusal, the Franchisee shall be free to complete the sale, transfer or assignment, subject to compliance with Sections 17 2 and 17 3 above Absence of a reply to the Franchisee's notice of a proposed sale within the 30-day period is deemed a waiver of such right of first refusal

**17.5. Specific Types of Transfers** The term "Transfer" as used in this Agreement shall include all "Ownership Interest Transfers" and "Asset Transfers "

a An "Asset Transfer" includes the voluntary, involuntary, direct or indirect sale, assignment, transfer, license, sublicense, sublease, collateral assignment, grant of a security, collateral or conditional interest, inter vivos transfer, testamentary disposition or other disposition of the Store, the Store's assets, this Agreement or any interest in or right under this Agreement, of all or substantially all of the assets of the Store or in an interest therein, including (1) any transfer in, or as a result of, a divorce, insolvency, dissolution proceeding or otherwise by operation of law, (2) any transfer upon the death of any of the Franchisee's Principals by will, declaration of or transfer in trust or under the laws of intestate succession, or (3) any foreclosure upon the Store or the transfer, surrender or loss of possession, control or management of the Store Location by the Franchisee The Franchisee acknowledges that the Franchisor's right to approve or disapprove of a proposed transfer, and all other requirements and rights related to such proposed transfer, as provided for above, shall apply (1) if the Franchisee is a limited liability company or other business association, to the addition or deletion of a member of the company or the transfer of any membership interest among existing members, and (2) if the Franchisee is a corporation, to any proposed transfer or assignment of 25% or more of the issued and outstanding shares of the Franchisee, whether such transfer occurs in a single transaction or several transactions

b Ownership Interest Transfer means the voluntary, involuntary, direct or indirect sale, assignment, transfer, license, sublicense, sublease, collateral assignment, grant of a security, collateral or conditional interest, inter vivos transfer, testamentary disposition or other disposition of any direct or indirect Ownership Interest in the Franchisee or revenues or income of the Store, including (1) any Transfer, redemption or issuance of a legal or beneficial Ownership Interest in the Franchisee or any Business Entity that has an interest in the Franchisee or of any interest convertible to or exchangeable for a legal or beneficial Ownership Interest in the Franchisee or any Business Entity that has an interest in the Franchisee, (2) any merger or consolidation between the Franchisee or any Business Entity that has an interest in the Franchisee and another Business Entity, whether or not the Franchisee is the surviving Business Entity, (3) any Transfer in, or as a result of, a divorce, insolvency, dissolution proceeding or otherwise by operation of law, (4) any Transfer upon the Franchisee's death or the death of any of the Franchisee's Owners by will, declaration of or transfer in trust or under the laws of intestate succession, or (5) any foreclosure upon the Store or the transfer, surrender or loss by the Franchisee of possession, control or management of the Store Location

17 6. **Assignment by the Franchisor** This Agreement is fully assignable by the Franchisor and shall inure to the benefit of any assignee or other legal successor in interest, and the Franchisor shall in such event be fully released from the same

17 7. **Franchisee's Death or Disability** Upon the death or permanent disability of the Franchisee (or the individual controlling the Franchisee entity), the executor, administrator, conservator, guardian or other personal representative of such person shall transfer the Franchisee's interest in this Agreement or such interest in the Franchisee entity to an approved third party Such disposition of this Agreement or such interest (including, without limitation, transfer by bequest or inheritance) shall be completed within a reasonable time, not to exceed 180 days from the date of death or permanent disability, and shall be subject to all terms and conditions applicable to transfers contained in this Article 17 Failure to transfer the interest in this Agreement or such interest in the Franchisee entity within said period of time shall constitute a breach of this Agreement For the purposes hereof, the term "permanent disability" shall mean a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent the Franchisee or the owner of a controlling interest in the Franchisee entity from supervising the management and operation of the DREAM DINNERS Store for a period of 120 days from the onset of such disability, impairment or condition

## 18 TERM AND EXPIRATION

**18.1. Term** The term of this Agreement is for a period of 10 years from the date of this Agreement, unless sooner terminated as provided herein

**18.2 Continuation** If for any reason, the Franchisee continues to operate the Store beyond the term of this Agreement or any subsequent renewal period, it shall be deemed to be on a month-to-month basis under the terms of this Agreement and subject to termination upon 30 days' notice or as required by law If said hold-over period exceeds 90 days, this Agreement is subject to immediate termination unless applicable law requires a longer period Upon termination after any hold-over period, the Franchisee and those in active concert with the Franchisee, including family members, officers, directors, partners and managing agents, are subject to the terms of Sections 19 3, 19 4, 21 2 and 21 3 of this Agreement and all other applicable post-termination obligations contained in this Agreement

**18.3. Rights Upon Expiration** At the end of the initial term hereof, the Franchisee shall have the option to renew its franchise rights for one additional term of either five years or 10 years, at the Franchisee's discretion, by acquiring successor franchise rights, if the Franchisor does not exercise its right not to offer a successor franchise in accordance with Section 18 5 below and if the Franchisee

a At least 30 days prior to expiration of the term, executes the form of Franchise Agreement then in use by the Franchisor,

b Has complied with all provisions of this Agreement during the current term, including the payment on a timely basis of all Royalties, Marketing Contributions and other fees due hereunder "Compliance" shall mean, at a minimum, that the Franchisee has not received any written notification from the Franchisor of breach hereunder more than four times during the term hereof,

c Upgrades or remodels the DREAM DINNERS Store and its operations at the Franchisee's sole expense (the necessity of which shall be in the sole discretion of the Franchisor) to conform with the then-current Operations Manual,

d Executes a general release, in a form satisfactory to the Franchisor, of any and all claims against the Franchisor and its affiliates, and their respective officers, directors, employees and agents arising out of or relating to this Agreement, and

e Pays a successor franchise fee of $3,000 to the Franchisor

**18.4. Exercise of Option for Successor Franchise** The Franchisee may exercise its option for a successor franchise by giving written notice of such exercise to the Franchisor not later than 180 days prior to the scheduled expiration of this Agreement The Franchisee's successor franchise rights shall become effective by signing the Franchise Agreement then currently being offered to new franchisees of the Franchisor The terms of the then current franchise agreement shall govern the renewal term except that the Franchisee will not have to pay another initial franchise fee

**18 5. Conditions of Refusal** The Franchisor shall not be obligated to offer the Franchisee a successor franchise upon the expiration of this Agreement if the Franchisee fails to comply with any of the above conditions of renewal In such event (except for failure to execute the then-current Franchise Agreement or pay the successor franchise fee), the Franchisor shall give notice of expiration at least 180 days prior to the expiration of the term, and such notice shall set forth the reasons for such refusal to offer successor franchise rights Upon the expiration of this Agreement, the Franchisee shall comply with the provisions of Section 19 5 below

## 19. DEFAULT AND TERMINATION

**19.1. Termination by Franchisor - Effective Upon Notice** The Franchisor shall have the right, at its option, to terminate this Agreement and all rights granted the Franchisee hereunder, without affording the Franchisee any opportunity to cure any default (subject to any state laws to the contrary, where state law shall prevail), effective upon notice to the Franchisee, addressed as provided in Section 23 13 upon the occurrence of any of the following events

a Abandonment If the Franchisee ceases to operate the DREAM DINNERS Store or otherwise abandons the DREAM DINNERS Store for a period of three consecutive days, or any shorter period that indicates an intent by the Franchisee to discontinue operation of the DREAM DINNERS Store, unless and only to the extent that full operation of the DREAM DINNERS Store is suspended or terminated due to Force Majeure, as defined in Section 23 15, or other similar causes beyond the Franchisee's control and not related to the availability of funds to the Franchisee,

b Insolvency, Assignments If the Franchisee becomes insolvent or is adjudicated as bankrupt, or if any action is taken by the Franchisee, or by others against the Franchisee under any insolvency, bankruptcy or reorganization act, (this provision may not be enforceable under federal bankruptcy law, 11 U S C §§ 101 et seq ), or if the Franchisee makes an assignment for the benefit of creditors or a receiver is appointed by the Franchisee,

c Unsatisfied Judgments, Levy, Foreclosure If any material judgment (or several judgments which in the aggregate are material) is obtained against the Franchisee and remains unsatisfied or of record for 30 days or longer (unless a supersedeas or other appeal bond has been filed), or if execution is levied against the Franchisee's business or any of the property used in the operation of the DREAM DINNERS Store and is not discharged within five days, or if the real or personal property of the Franchisee's business shall be sold after levy thereupon by any sheriff, marshal or constable,

d Criminal Conviction If the Franchisee is convicted of a felony, a crime involving moral turpitude, or any crime or offense that is reasonably likely, in the sole opinion of the Franchisor, to materially and unfavorably affect the System, Marks, goodwill or reputation thereof,

e Failure to Make Payments If the Franchisee fails to pay any Royalties, Marketing Contributions, payments for marketing materials, products or any other amounts due the Franchisor or its affiliates, including any amounts which may be due as a result of any subleases or lease assignments between the Franchisee and the Franchisor, within 10 days after receiving notice that such fees or

amounts are overdue,

f Misuse of Marks If the Franchisee misuses or fails to follow the Franchisor's directions and guidelines concerning use of the Franchisor's Marks and fails to correct the misuse or failure within 10 days after notification from the Franchisor,

g Unauthorized Disclosure If the Franchisee intentionally or negligently discloses to any unauthorized person the contents of or any part of the Franchisor's Operations Manual or any other trade secrets or confidential information of the Franchisor,

h Repeated Noncompliance If the Franchisee has received two previous notices of default from the Franchisor and is again in default of this Agreement, regardless of whether the previous defaults were cured by the Franchisee,

i Unauthorized Transfer If the Franchisee engages in a transfer without complying with the provisions of Article 17 above, or

j Misrepresentation in Application If the Franchisee makes a material misrepresentation in its application or other materials submitted to the Franchisor, prior to its purchase of the franchise

**19 2. Termination by Franchisor - Thirty Days' Notice** The Franchisor shall have the right to terminate this Agreement (subject to any state laws to the contrary, where state law shall prevail), effective upon 30 days written notice to the Franchisee, if the Franchisee breaches any other provision of this Agreement and fails to cure the default during such 30-day period In that event, this Agreement will terminate without further notice to the Franchisee, effective upon expiration of the 30-day period Defaults shall include, but not be limited to, the following

a Failure to Maintain Standards The Franchisee fails to maintain the then-current operating procedures and adhere to the specifications and standards established by the Franchisor as set forth herein or in the Operations Manual or otherwise communicated to the Franchisee,

b Deceptive Practices The Franchisee engages in any unauthorized business or practice or sells any unauthorized product or service under the Franchisor's Marks or under a name or mark which is confusingly similar to the Franchisor's Marks,

c Failure to Obtain Consent The Franchisee fails, refuses or neglects to obtain the Franchisor's prior written approval or consent as required by this Agreement,

d Failure to Comply with Manual The Franchisee fails or refuses to comply with the then-current requirements of the Operations Manual, or

e Breach of Related Agreement The Franchisee defaults under any term of any sublease or lease for the Store Location, any supply agreement, any service agreement, any security agreement, loan agreement, any other agreement material to the DREAM DINNERS Store or any other Franchise Agreement between the Franchisor and the Franchisee and such default is not cured within the time specified in such sublease, lease, agreement or other Franchise Agreement The Franchisor will provide the Franchisee the same cure rights with respect to defaults under such other agreements with the Franchisor as the Franchisee has under this Agreement

Notwithstanding the foregoing, if the breach is curable, but is of a nature which cannot be reasonably cured within such 30 day period and the Franchisee has commenced and is continuing to make good faith efforts to cure the breach during such 30 day period, the Franchisee shall be given an additional reasonable period of time to cure the same, and this Agreement shall not automatically terminate without written notice from the Franchisor

**19.3. Termination for Failure to Meet Minimum Performance Requirement** If the Franchisee fails to meet its monthly Minimum Performance Requirement for three or more consecutive months, this Agreement will terminate effective upon 90 days written notice with an opportunity to cure the default by meeting the Minimum Performance Requirement during the 90 day cure period This Agreement shall terminate without further notice to the Franchisee if the Franchisee fails to meet the Minimum Performance Requirement during the 90 day cure period

**19.4. Right to Purchase** Upon termination or expiration of this Agreement for any reason, the Franchisor shall have the option to purchase the DREAM DINNERS Store or all or a portion of the assets of the Store, which may include, at the Franchisor's option, all of the Franchisee's interest, if any, in and to the real estate upon which the DREAM DINNERS Store is located, including leasehold interests, and all buildings and other improvements thereon, at fair market value, less any amount apportioned to the goodwill of the DREAM DINNERS Store which is attributable to the Franchisor's Marks and System, and less any amounts owed to the Franchisor by the Franchisee The following additional terms shall apply to the Franchisor's exercise of this option

a The Franchisor's option hereunder shall be exercisable by providing the Franchisee with written notice of its intention to exercise the option given to the Franchisee no later than the effective date of termination, in the case of termination, or at least 90 days prior to the expiration of the term of this Agreement, in the case of non-renewal,

b In the event that the Franchisor and the Franchisee cannot agree on the fair market value of the DREAM DINNERS Store or the assets being purchased by the Franchisor, then the fair market value shall be determined by an independent third-party appraisal The Franchisor and the Franchisee shall each select one independent, qualified appraiser, and the two so selected shall select a third appraiser, all three to determine the fair market value of the DREAM DINNERS Store or the assets being purchased The purchase price shall be the median of the fair market values as determined by the three appraisers and such determination shall be binding upon the parties The parties shall bear the expenses of their selected appraiser and shall evenly split the expenses of the third appraiser

c The Franchisor and the Franchisee agree that the terms and conditions of this right and option to purchase may be recorded, if deemed appropriate by the Franchisor, in the real property records and the Franchisor and the Franchisee further agree to execute such additional documentation as may be necessary and appropriate to effectuate such recording, and

d The Franchisor shall set the closing for the purchase of the DREAM DINNERS Store to take place no later than 60 days after the termination or nonrenewal date. At the Franchisor's option, the Franchisee shall continue the Store operations by extension of this Agreement through the closing date The Franchisor will pay the purchase price in full at the closing, or, at its option, in 12 equal consecutive monthly installments with interest at a rate of 10% per annum The Franchisee must sign all documents of assignment and transfer as are reasonably necessary for purchase of the DREAM DINNERS Store or its assets by the Franchisor

In the event that the Franchisor does not exercise the Franchisor's right to purchase the Franchisee's DREAM DINNERS Store as set forth above, the Franchisee will be free to keep or to sell, after such termination or expiration, to any third party, all of the physical assets of its DREAM DINNERS Store, provided, however, that all appearances of the Marks and the Franchisor's color scheme, design and trade dress are first removed in a manner approved in writing by the Franchisor

**19.5 Obligations of Franchisee Upon Termination or Expiration** The Franchisee is obligated upon termination or expiration of this Agreement to immediately perform the following at the Franchisee's sole expense

a The Franchisee agrees to pay to the Franchisor and its affiliates, within fifteen (15) days after the termination or expiration and non-renewal of this Agreement, such Royalty, Marketing Fund contributions, payments for inventory, equipment or merchandise, or any of the products or services purchased by the Franchisee from the Franchisor or its affiliates, and any other sums owed to the Franchisor by the Franchisee The Franchisee must also pay to the Franchisor any lost future profits resulting from the termination of this Agreement before the expiration date

b The Franchisee agrees upon termination or expiration of this Agreement to immediately return to the Franchisor all copies of the Operations Manual, training aids, and any other materials loaned by the Franchisor, and to assign to the Franchisor or to its designee all agreements which the Franchisor requires the Franchisee to assign,

c The Franchisee agrees upon termination or expiration of this Agreement to immediately deliver to the Franchisor in the form requested by the Franchisor, complete records of the Store in the form requested by the Franchisor, including

(i) Complete financial records of the Store,

(ii) Copies of all contracts, leases, options, guarantees, commitments, written or oral, which the Franchisee has relating to the operation of the Store, including all Customer Service Contracts,

(iii) Statements of account showing all amounts owed by or to the Franchisor or to any Customers or third-party for any reason, and all amounts due to the Fund by the Franchisee,

(iv) A summary of all claims, lawsuits, threats of litigation, government investigations, and copies of any documents that relate to the claims, threats or investigation,

(v) Deliver to the Franchisor all pre-paid Customer order information and all pre-paid fees collected from Customers for undelivered products and services

(vi) All other records relating to the Store which the Franchisor may request

(vii) The cost of providing this information shall be paid by the Franchisee The Franchisee must cooperate fully with the Franchisor and its representatives in providing such oral or written answers to questions relating to the Store as they may request

d Cancel Assumed Names/Transfer Phone Numbers and Email Addresses The Franchisee agrees upon termination or expiration of this Agreement to take such action that may be required to cancel all assumed names or equivalent registrations relating to use of any Marks The Franchisor may immediately file with the Franchisee's local telephone company the Assignments of Telephone Numbers that the Franchisee has provided the Franchisor as reflected in Schedule F and may instruct the telephone company to transfer use and control of the Store's telephone numbers to the Franchisor or its designee If the Franchisee's Assignment of Telephone Numbers is no longer valid, the Franchisee shall immediately execute a new Assignment of Telephone Numbers in the form requested by the Franchisor The Franchisee must, upon termination or expiration of this Agreement, take such action that may be required to transfer any email addresses associated with Store to the Franchisor and provide to the Franchisor any username or password required to maintain the email accounts related to Store The Franchisee irrevocably constitutes and appoints the Franchisor and its designee as the Franchisee's agent and lawyer-in-fact to effect the transfer of the Store's telephone number(s) and email address(es), including authority

to execute and deliver on the Franchisee's behalf any transfer of service agreement the telephone company requires, and to revoke any call-forwarding or similar instructions the Franchisee has given the telephone company The Franchisor shall have no liability to the Franchisee on account of or arising from any action it authorizes or takes to effect the transfer of the Store's telephone number(s) or email address(es) in accordance with this Section 19 5(d) In addition, the Franchisor shall be entitled to injunctive or similar relief, without bond, against the Franchisee and any other person bound to enforce compliance with these requirements

e The Franchisee agrees upon termination or expiration of this Agreement, to cease to operate the Store, and to not thereafter, directly or indirectly, represent itself to the public or hold itself out as a present or former Franchisee of the Franchisor

f Upon termination or expiration of this Agreement, the Franchisee shall, at the Franchisor's option, and without paying compensation to the Franchisee, assign to the Franchisor, or to the Franchisor's designee, the Franchisee's interest in any lease then in effect for the Premises The Franchisor shall notify the Franchisee of its intent to exercise this option and the identity of the designee within thirty (30) days after termination or expiration of this Agreement

g Upon the termination or expiration of this Agreement, the Franchisee shall immediately and permanently cease to use, by advertising, or in any manner whatsoever, any of the Marks, the Confidential Information, and the Franchisor's other intellectual property In addition, the Franchisee shall dispose of all signs, advertising materials, stationery, forms, merchandise and inventory which display the Marks, and shall dispose of such materials in the manner the Franchisor specifies

h The Franchisee agrees that upon the termination or expiration of this Agreement, the Franchisee will cooperate with the Franchisor or the Franchisor's Designee to ensure there is no disruption in service to Customers The Franchisee shall send a notice to all of the Store's Customers in the form the Franchisor designates regarding the termination of the Franchise Agreement, and shall refund to each Customer the unearned portion of any pre-paid fees At the Franchisor's option, the Franchisee's shall assign, without charge, all of the Customer Services Agreements and any pre-paid amounts for services yet to be rendered to the Franchisor or the Franchisor's Designee, provide the Franchisor and the Franchisor with access to all "Customer Data," and authorize or release all of the Franchisee's employees from employment contracts to allow them to work for the Franchisor or the Franchisor's designee Customer Data means all of the financial and Customer information stored on the Store's computer hardware or software, including lists of former, current, and prospective Customers, and their contact information, the Franchisee's credit extensions to Customers, Customer purchasing histories, and rates charged to Customers

i Abide by all restrictive covenants set forth in Article 21 of this Agreement and, if exercised by the Franchisor, the Franchisor's option to purchase described in Section 19 4 of this Agreement

**19 6. Step-In Rights** In addition to the Franchisor's right to terminate this Agreement, and not in lieu of such right, or any other rights, the Franchisor may have against Franchisee, upon a failure to cure any default within the applicable time period (if any) prescribed in this Section, the Franchisor has the right, but not the obligation, to enter upon the Store premises and to operate the Store on the Franchisee's behalf exercise complete authority with respect to the operation of the Store until such time as Franchisor determines, in Franchisor's sole discretion that the default has been cured, and Franchisee is otherwise in compliance with this Agreement Notwithstanding the forgoing, the Franchisee shall be solely responsible for the payment of all expenses associated with the operation of the Store, including, without limitation, rent and other real estate expenses and employee salaries, and shall remain the employer of the Store's staff In the event Franchisor exercises the rights described in this Section, the Franchisee must reimburse the Franchisor for all reasonable costs and overhead, if any, the Franchisor incurs in connection

with its operation of the Franchisee's Store including, without limitations, costs of personnel for supervising and staffing the Store and their travel, meal, and lodging accommodations If Franchisor undertakes to operate the Store pursuant to this Section, Franchisee agrees to indemnify and hold Franchisor (and Franchisor's representative(s) and employees) harmless from and against any fines, claims, suits or proceedings which may arise out of Franchisor's operation of the Store

**19.7 Acknowledgement** In the event this Agreement is terminated by the Franchisor prior to its expiration as set forth in Sections 19 1, 19 2 and 19 3 above, the Franchisee acknowledges and agrees that, in addition to all other available remedies, the Franchisor shall have the right to recover lost future profits during any period in which the Franchisee fails to pay such Royalties through and including the remainder of the then-current term of this Agreement

**19 8. State and Federal Law** THE PARTIES ACKNOWLEDGE THAT IN THE EVENT THE TERMS OF THIS AGREEMENT REGARDING TERMINATION OR EXPIRATION ARE INCONSISTENT WITH APPLICABLE LAW, THAT APPLICABLE LAW SHALL GOVERN THE FRANCHISEE'S RIGHTS REGARDING TERMINATION OR EXPIRATION OF THIS AGREEMENT

## 20. BUSINESS RELATIONSHIP

**20.1. Independent Businesspersons** It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between them and that the Franchisee is an independent contractor Nothing in this Agreement is intended to make either party an agent, legal representative, subsidiary, joint venture, partner, employee/employer, or servant of the other for any purpose whatsoever Neither party is liable or responsible for the other's debts or obligations, nor shall either party be obligated for any damages to any person or property directly or indirectly arising out of the operation of the other party's business authorized by or conducted pursuant to this Agreement Neither the Franchisor nor the Franchisee will hold themselves out to be the agent, employer or partner of the other and neither the Franchisor nor the Franchisee has the authority to bind or incur liability on behalf of the other The Franchisor is not the Franchisee's employer, or the employer of the Franchisee's employees

**20.2. Payment of Third Party Obligations** The Franchisor shall have no liability for the Franchisee's obligations to pay any third parties, including without limitation, any product vendors, or any sales, use, service, occupation, excise, gross receipts, income, property or other tax levied upon the Franchisee, the Franchisee's property, the DREAM DINNERS Store or upon the Franchisor in connection with the sales made or business conducted by the Franchisee (except any taxes the Franchisor is required by law to collect from the Franchisee with respect to purchases from the Franchisor)

**20.3. Indemnification** The Franchisee shall indemnify, defend and hold harmless the Franchisor, its subsidiaries, parents and affiliates, and their respective shareholders, equity owners, partners, directors, officers, managers, members, employees, agents, representatives, successors and assigns (the "**Franchisor Indemnified Parties**"), against, and reimburse them for all "**Losses and Expenses,**" including those described in Section 20 2 above, incurred in connection with any action, suit, proceeding, claim, demand, investigation, or formal or informal inquiry (regardless of whether same is reduced to judgment) or any settlement thereof, which arises out of the Franchisee's operation of the Store, including the following

a The Franchisee's alleged violation of any law, regulation or ordinance, or any directive or any industry standard

b The Franchisee's alleged libel, slander or any other form of defamation

c The Franchisee's alleged violation or breach of any warranty, representation, agreement or obligation in this Agreement

d Any acts, errors or omissions of the Franchisee or any of its agents, servants, employees, contractors, partners, proprietors, Affiliates, or representatives

e Any Products or Services provided by the Franchisee related to the operation of the Store, or any representations made by the Franchisee in any advertising or promotional materials

f Any injury that arises out of the products and services provided by the Franchisee

"**Losses and Expenses**" means all losses, compensatory, exemplary or punitive damages, fines, charges, costs, expenses, lost profits, attorney's fees, experts' fees, court costs, settlement amounts, judgments, compensation for damages to the Franchisor's reputation and goodwill, costs of or resulting from delays, financing, costs of marketing material and media time or space, and costs of changing, substituting, or replacing same, and all expenses of recall, refunds, compensation, public notices, and other such amounts incurred in connection with the matters described The Franchisor Indemnified Parties shall have the right to defend any such claim against them This indemnity shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement

## 21. RESTRICTIVE COVENANTS

**21.1.** **Non-Competition During Term** The Franchisee acknowledges that, in addition to the training provided pursuant to this Agreement and the license of the Marks hereunder, the Franchisor has also licensed commercially valuable information which comprises and is a part of the System, including without limitation, operations, meal assembly methods, vendor and supplier lists, marketing, promotion and related information and materials and that the value of this information derives not only from the time, effort and money which went into its compilation, but from the usage of the same by all the franchisees of the Franchisor using the Marks and System Therefore, other than the DREAM DINNERS Store licensed herein or authorized by separate agreement(s) with the Franchisor, neither the Franchisee nor any of the Franchisee's officers, directors, shareholders, equity owners, members, managers or partners, nor any member of his or their immediate families, shall during the term of this Agreement

a Directly or indirectly, for themselves, on behalf of, or in conjunction with any person, individual or business entity, sell, promote, recommend, own, maintain advise, help, invest in, make loans to , be employed by, engage in, or have any interest in any business which is a Competitive Business, or which is a subsidiary or division of a Competitive Business, or

b divert or attempt to divert any business related to, or any customer or account of the DREAM DINNERS Store, the Franchisor's business or any other DREAM DINNERS franchisee's business, by direct inducement or otherwise, or divert or attempt to divert the employment of any employee of the Franchisor or another franchisee licensed by the Franchisor to use the Marks and System, to any Competitive Business by any direct inducement or otherwise

The term "**Competitive Business**" as used in this Agreement shall mean any business at which customers who have pre-ordered meal ingredients may assemble meals on-site for at home or off-site consumption Notwithstanding the foregoing, the Franchisee shall not be prohibited from owning securities in a Competitive Business if such securities are listed on a stock exchange or traded on the over-the-counter market and represent 5% or less of that class of securities issued and outstanding

**21 2.** **Post-Termination Covenant Not to Compete** Upon termination or expiration of this Agreement for any reason, the Franchisee and its officers, directors, shareholders, members, managers and/or partners agree that, for a period of two years commencing on the effective date of termination or

expiration, or the date on which the Franchisee ceases to conduct business, whichever is later, neither Franchisee nor its officers, directors, shareholders, members, managers and/or partners shall have any direct or indirect interest (through a member of any immediate family of the Franchisee or its owners or otherwise) as a disclosed or beneficial owner, investor, partner, director, officer, employee, consultant, representative or agent or in any other capacity in any Competitive Business, defined in Section 21 1 above, located or operating within a 20-mile radius of the Protected Territory, within 20 miles of any other franchised DREAM DINNERS Store or, within 20 miles of any DREAM DINNERS Store owned by the Franchisor or an affiliate of the Franchisor The restrictions of this Section shall not be applicable to the ownership of shares of a class of securities listed on a stock exchange or traded on the over-the-counter market that represent 5% or less of the number of shares of that class of securities issued and outstanding The Franchisee and its officers, directors, shareholders, members, managers and/or partners acknowledge that they possess skills and abilities of a general nature and have other opportunities for exploiting such skills Consequently, enforcement of the covenants made in this Section will not deprive them of their personal goodwill or ability to earn a living

**21 3. Confidentiality of Proprietary Information** The Franchisee and the Franchisor acknowledge that the distinctive business format, plans, methods, data, processes, marketing systems, manuals, formulas, meal assembly techniques, recipes, designs, layouts, operating procedures, trademarks, proprietary Marks and information and know-how of the Franchisor which are developed and utilized in connection with the System are proprietary and confidential (**"Confidential Information"**) Such Confidential Information is unique, exclusive property and a trade secret of the Franchisor and has valuable goodwill associated with it The Franchisee acknowledges that any unauthorized disclosure or use of the Confidential Information would be wrongful and would cause irreparable injury and harm to the Franchisor It is understood that Confidential Information is deemed to include, without limitation, Customer Data, Proprietary Recipes, vendor lists, meal assembly methods, any and all information contained in the Operations Manual, and any information of whatever nature which gives the Franchisor and its affiliates an opportunity to obtain an advantage over its competitors who do not have access to, know or use such lists, methods, written materials or information The Franchisee further acknowledges that the Franchisor has expended a great amount of effort and money in obtaining and developing the Confidential Information, that the Franchisor has taken numerous precautions to guard the secrecy of the Confidential Information, that it would be very costly for competitors to acquire or duplicate the Confidential Information and that any unauthorized disclosure of such Confidential Information shall cause irreparable harm to the Franchisor Consequently, the Franchisee shall not at any time, publish, disclose, divulge or in any manner communicate to any person, firm, corporation, association, partnership or any other entity whatsoever or use, directly or indirectly, for its own benefit or for the benefit of any person, firm, corporation or other entity other than for the use of the Franchisor or the Franchisee's DREAM DINNERS Store, any of the Confidential Information of the Franchisor or its affiliates The Franchisor and the Franchisee agree that the Confidential Information does not include information that is generally available to the public

**21.4. Confidentiality Agreement** The Franchisee shall cause each of its officers, directors, partners, shareholders, equity owners, members, managers, the Manager, and, if the Franchisee is an individual, immediate family members (together, **"Personnel"**), to execute a Confidentiality and Noncompetition Agreement containing the above restrictions, in a form approved by the Franchisor no later than 10 days after this Agreement is executed by the Franchisee, the Franchisor and all guarantors During the term of this Agreement, the Franchisee shall require all new Personnel to sign a Confidentiality Agreement within 10 days of being hired The Franchisee shall provide copies of all signed Confidentiality Agreements to the Franchisor within 10 days after they are signed

**21.5. Non-Disparagement** The Franchisee agrees that it shall not take any action or make any statements to any third parties that would constitute a criticism, denigration or disparagement of the Franchisor or its System or would tend to be injurious to the reputation or goodwill of the Franchisor or its Marks, or which in any manner may interfere with the business affairs or business relations of the

Franchisor

**21 6. No Defense** The Franchisee hereby agrees that the existence of any claim the Franchisee may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to Franchisor's enforcement of the covenants contained in this Section 21 The Franchisee agrees to pay all Losses and Expenses, as defined below which the Franchisor incurs in connection with the enforcement of this Section 21

**21 7 Intent and Enforcement** It is the parties' intent that the provisions of this Section 21 be judicially enforced to the fullest extent permissible under applicable law Accordingly, the parties agree that any reduction in scope or modification of any part of the noncompetition provisions contained herein shall not render any other part unenforceable In the event of the actual or threatened breach of this Section 21 by Franchisee, any of Franchisee's principals, or any member of the immediate family of Franchisee or Franchisee's principals, Franchisor shall be entitled to an injunction restraining such person from any such actual or threatened breach Franchisee agrees that in the event of the actual or threatened breach of this Section 21, Franchisor's harm will be irreparable and that Franchisor has no adequate remedy at law to prevent such harm Franchisee acknowledges and agrees on Franchisee's own behalf and on behalf of the persons who are liable under this Section 21 that each has previously worked or been gainfully employed in other careers and that the provisions of this Section 21 in no way prevent any such person from earning a living Franchisee further acknowledges and agrees that the time limitation of this Section 21 shall be tolled during any default under this Section

## 22. INSURANCE

**22.1. Insurance Coverage** The Franchisee shall procure, maintain and provide evidence of (i) comprehensive general liability insurance for the Store Location and its operations with a limit of not less than $2,000,000 00 combined single limit or with such greater limits or such other terms and conditions as may be described in the Operations Manual or required as part of any lease agreement for the Store Location, (ii) products liability coverage in the amount of $1,000,000 per claim and $2,000,000 in the aggregate, (iii) advertising liability insurance with a limit of not less than $1,000,000, (iv) unemployment and worker's compensation insurance with a broad form all-states endorsement coverage sufficient to meet the requirements of applicable law, and (v) all-risk personal property insurance in an amount equal to at least 100% of the replacement costs of the contents and tenant improvements located at the DREAM DINNERS Store All of the required policies of insurance shall name the Franchisor as an additional insured, provide for a 30-day advance written notice to the Franchisor of cancellation, and contain a waiver of subrogation in the Franchisor's favor The Franchisor shall have the right upon 60 days prior written notice to the Franchisee to revise the coverage limits and types of required insurance described in this Section 22 1

**22.2 Evidence of Insurance Coverage** Prior to commencing the construction and/or buildout of the Store, and thereafter at least once annually, the Franchisee shall deliver to the Franchisor certificates of insurance, endorsements, insurance declarations, evidence of payment of premiums and any other evidence that the Franchisee has in place the insurance coverage required by this Agreement and the Manual (collectively the "Certificates"), evidencing the proper coverage with limits not less than those required under this Agreement and the Manual.

## 23. MISCELLANEOUS PROVISIONS

**23.1. Governing Law/Consent to Venue and Jurisdiction** Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U S C Sections 1051 et seq ) or other federal law, this Agreement shall be interpreted under, and any dispute between the parties shall be governed by and determined in accordance with, the substantive laws of the state in which the Store is located, which laws shall prevail in the event of any conflict of law The Franchisee and the Franchisor have negotiated

regarding a forum in which to resolve any disputes, which may arise between them and have agreed to select a forum in order to promote stability in their relationship Therefore, if a claim is asserted in any legal proceeding involving the Franchisee or the Franchisee Affiliates and the Franchisor or the Franchisor Affiliates, all parties agree that the exclusive venue for disputes between them shall be in the state and federal courts in King County, Washington and each waive any objection they may have to the personal jurisdiction of or venue in the state and federal courts in King County, Washington THE FRANCHISOR, THE FRANCHISOR AFFILIATES, THE FRANCHISEE AND THE FRANCHISEE AFFILIATES EACH WAIVE THEIR RIGHTS TO A TRIAL BY JURY

**23.2. Injunctive Relief** The Franchisor and the Franchisee shall each have the right in the proper case to obtain injunctive relief from a court of competent jurisdiction The Franchisee agrees that the Franchisor may obtain such injunctive relief, without posting a bond or bonds totaling no more than $500, but upon due notice, and the Franchisee's sole remedy in the event of the entry of such injunctive relief shall be the dissolution of such injunctive relief, if warranted, upon hearing duly had, provided, however, that all claims for damages by reason of the wrongful issuance of any such injunction are hereby expressly waived by the Franchisee

**23 3. Modification** The Franchisor and/or the Franchisee may modify this Agreement only upon execution of a written agreement between the two parties The Franchisee acknowledges that the Franchisor may modify its standards, specifications and operating and marketing procedures set forth in the Operations Manual unilaterally under any conditions and to the extent in which the Franchisor, in its sole discretion, deems necessary to protect, promote or improve the Marks and the quality of the System, but under no circumstances will such modifications be made arbitrarily without such determination

**23 4 Entire Agreement** This Agreement, including all exhibits and addenda, contains the entire agreement between the parties and supersedes any and all prior agreements concerning the subject matter hereof The Franchisee agrees and understands that the Franchisor shall not be liable or obligated for any oral representations or commitments made prior to the execution hereof or for claims of negligent or fraudulent misrepresentation based on any such oral representations or commitments and that no modifications of this Agreement shall be effective except those in writing and signed by both parties The Franchisor does not authorize and will not be bound by any representation of any nature other than those expressed in this Agreement and in the most recent franchise disclosure document provided to the Franchisee by the Franchisor or its representatives The Franchisee further acknowledges and agrees that no representations have been made to it by the Franchisor regarding projected sales volumes, market potential, revenues, profits of the Franchisee's Store, or operational assistance other than as stated in this Agreement or in the most recent franchise disclosure document provided to the Franchisee by the Franchisor or its representatives Nothing in this or any related agreement, however, is intended to disclaim the representations the Franchisor made in the franchise disclosure document that the Franchisor furnished to the Franchisee

**23 5. Delegation by the Franchisor** From time to time, the Franchisor shall have the right to delegate the performance of any portion or all of its obligations and duties hereunder to third parties, whether the same are agents of the Franchisor or independent contractors which the Franchisor has contracted with to provide such services The Franchisee agrees in advance to any such delegation by the Franchisor of any portion or all of its obligations and duties hereunder The Franchisee acknowledges and agrees that the Franchisor may not be bound and this Agreement may not be modified by any agent without the Franchisor's prior written consent The Franchisee acknowledges and agrees that any such delegation of the Franchisor's duties and obligations to agents does not assign or confer any rights under this Agreement upon agents and that agents are not third party beneficiaries of this Agreement

**23.6. Effective Date** This Agreement shall not be effective until accepted by the Franchisor as evidenced by dating and signing by an officer of the Franchisor The effective date of this Agreement may be designated as prior to the date it is signed by an officer of the Franchisor, however, if this

Agreement is for a successor term, to prevent the successor term from extending longer than the time period designated in Section 18 3 above, if the term of the prior agreement was extended until the successor agreement became effective

**23.7. LIMITATION ON ACTION** EXCEPT AS OTHERWISE PROVIDED IN THIS ARTICLE 23, ANY AND ALL CLAIMS AND ACTIONS ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE RELATIONSHIP OF FRANCHISEE AND FRANCHISOR, OR FRANCHISEE'S OPERATION OF THE STORE, INCLUDING ANY PROCEEDING, OR ANY CLAIM IN ANY PROCEEDING (INCLUDING ANY DEFENSES AND ANY CLAIMS OF SET-OFF OR RECOUPMENT), MUST BE BROUGHT OR ASSERTED BEFORE THE EXPIRATION OF THE EARLIER OF (A) THE TIME PERIOD FOR BRINGING AN ACTION UNDER ANY APPLICABLE STATE OR FEDERAL STATUTE OF LIMITATIONS, (B) ONE (1) YEAR AFTER THE DATE UPON WHICH A PARTY DISCOVERED, OR SHOULD HAVE DISCOVERED, THE FACTS GIVING RISE TO AN ALLEGED CLAIM, OR (C) ONE (1) YEARS AFTER THE FIRST ACT OR OMISSION GIVING RISE TO AN ALLEGED CLAIM, OR IT IS EXPRESSLY ACKNOWLEDGED AND AGREED BY ALL PARTIES THAT SUCH CLAIMS OR ACTIONS SHALL BE IRREVOCABLY BARRED CLAIMS OF FRANCHISOR ATTRIBUTABLE TO UNDERREPORTING OF SALES, AND CLAIMS OF THE PARTIES FOR FAILURE TO PAY MONIES OWED AND/OR INDEMNIFICATION SHALL BE SUBJECT ONLY TO THE APPLICABLE STATE OR FEDERAL STATUTE OF LIMITATIONS

**23 8. WAIVER OF DAMAGES** FRANCHISOR AND FRANCHISEE HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF A DISPUTE, EACH SHALL BE LIMITED TO THE RECOVERY OF ACTUAL DAMAGES SUSTAINED BY SUCH PARTY, PROVIDED THAT FRANCHISOR SHALL RETAIN THE RIGHT TO COLLECT LOST FUTURE PROFITS

**23.9 Attorneys' Fees** In the event of any default on the part of either party to this Agreement, in addition to all other remedies, the party in default will pay the aggrieved party all amounts due and all damages, costs and expenses, including reasonable attorneys' fees, incurred by the aggrieved party in any legal action, arbitration or other proceeding as a result of such default, plus interest at the highest rate allowable by law, accruing from the date of such default

**23.10. No Waiver** No waiver of any condition or covenant contained in this Agreement or failure to exercise a right or remedy by the Franchisor or the Franchisee shall be considered to imply or constitute a further waiver by the Franchisor or the Franchisee of the same or any other condition, covenant, right or remedy

**23.11 No Right to Set Off** The Franchisee shall not be allowed to set off amounts owed to the Franchisor for Royalties, Marketing Contributions, fees or other amounts due hereunder, against any monies owed to the Franchisee, nor shall the Franchisee in any event withhold such amounts due to any alleged nonperformance by the Franchisor hereunder, which right of set off is hereby expressly waived by the Franchisee

**23.12. Invalidity** If any provision of this Agreement shall be held, declared or pronounced void, voidable, invalid, unenforceable or inoperative for any reason, by any court of competent jurisdiction, government authority, arbitrator or other arbiter of any dispute arising hereunder, such holding, declaration or pronouncement shall not affect adversely any other provisions of this Agreement which shall otherwise remain in full force and effect If the restrictions concerning the time duration, geography, affected individuals or entities, or breadth of activity contained in Article 21 are held to be unenforceable under any applicable law, the arbiter of any dispute regarding this Agreement is hereby

authorized to and shall make only such limited changes as are necessary to make the restrictions enforceable

**23.13** **Notices** All notices required to be given under this Agreement shall be given in writing, by certified mail, return receipt requested, or by an overnight delivery service providing documentation of receipt, at the address set forth in the first Section of this Agreement or at such other addresses as the Franchisor or the Franchisee may designate from time to time, and shall be effectively given when deposited in the United States mail, postage prepaid, or when received via overnight delivery, as may be applicable Copies may be provided by electronic mail but copies shall not substitute for notices as required above

**23.14.** **Survival of Provisions** Any provisions that by their terms extend beyond termination or expiration of this Agreement shall continue in full force and effect subsequent to and notwithstanding the termination or expiration of this Agreement

**23.15.** **Force Majeure**

a Definition of Force Majeure As used in this Agreement, the term "**Force Majeure**" shall mean any Act of God, strike, lock-out or other industrial disturbance, war (declared or undeclared), riot, epidemic, fire or other catastrophe, act of any government, including but not limited to, condemnation proceedings, and any other similar cause not within the control of the party affected thereby

b Effect, Notice If the performance of any obligation by any party under this Agreement is prevented or delayed by reason of Force Majeure, which cannot be overcome by use of normal commercial measures, the parties shall be relieved of their respective obligations to the extent the parties are prevented or delayed in performance during the period of Force Majeure The party whose performance is affected by an event of Force Majeure shall give prompt written notice of the Force Majeure event to the other party by electronic mail, overnight delivery of written notice, or telephone (which must be confirmed in writing), setting forth the nature thereof and an estimate as to its duration, and shall be liable for failure to give timely notice only to the extent of damage actually caused

c Relocation, Reconstruction Notwithstanding the provisions of this Section 23 15, if, as a result of an event of Force Majeure, the Franchisee ceases to operate the Store or loses the right to possession of the Store premises, Franchisee shall apply within thirty (30) days after the event of Force Majeure for Franchisor's approval to relocate or reconstruct the Store If relocation is necessary, the Franchisor agrees to use its reasonable efforts to assist Franchisee in locating an alternative site in the same general area where Franchisee can operate a Store for the balance of the term of this Agreement If the Franchisor so assists Franchisee, Franchisee shall reimburse the Franchisor for its reasonable out-of-pocket expenses incurred as a result thereof This provision shall not be construed to prevent Franchisee from receiving the full amount of any condemnation award of damages relating to the closing of the Store, provided however, that Franchisee specifically waives and releases any claim it may have against the Franchisor for the value of any building, fixtures and other improvements on the premises, whether or not installed or paid for by the Franchisee, and Franchisee agrees to subordinate any claim it may have to Franchisor's claim for improvements Selection of an alternative location will be subject to the site approval procedures set forth herein Once Franchisee has obtained the Franchisor's approval to relocate or reconstruct the Store, Franchisee must diligently pursue relocation or reconstruction until the Store is reopened for business

**23.16.** **Payment of Taxes** The Franchisee shall reimburse the Franchisor, or its affiliates and designees, promptly and when due, the amount of all sales taxes, use taxes, personal property taxes and similar taxes

imposed upon, required to be collected or paid by the Franchisor, or its affiliates or designees, on account of services or goods furnished by the Franchisor, its affiliates or designees, to the Franchisee through sale, lease or otherwise (except for any taxes the Franchisor or its affiliates are required by law to collect from the Franchisee with respect to products purchased from the Franchisor and its affiliates), or on account of collection by the Franchisor of the initial franchise fee, Royalties, Marketing Contribution or any other payments made by the Franchisee to the Franchisor required under the terms of this Agreement

**23.17. Cumulative Rights** The rights and remedies of the Franchisor and the Franchisee hereunder are cumulative and no exercise or enforcement by the Franchisor or the Franchisee of any right or remedy hereunder shall preclude the exercise or enforcement by the Franchisor or the Franchisee of any other right or remedy hereunder which the Franchisor or the Franchisee is entitled by law to enforce

**23.18. No Class or Consolidated Actions** ALL CLAIMS, CONTROVERSIES AND DISPUTES MAY ONLY BE BROUGHT BY FRANCHISEE ON AN INDIVIDUAL BASIS AND MAY NOT BE CONSOLIDATED WITH ANY CLAIM, CONTROVERSY OR DISPUTE FOR OR ON BEHALF OF ANY OTHER FRANCHISEE OR BE PURSUED AS PART OF A CLASS ACTION

**23.19. Acknowledgement** BEFORE SIGNING THIS AGREEMENT, THE FRANCHISEE SHOULD READ IT CAREFULLY WITH THE ASSISTANCE OF LEGAL COUNSEL THE FRANCHISEE ACKNOWLEDGES THAT

(A) THE FRANCHISEE HAS CONDUCTED AN INDEPENDENT INVESTIGATION OF THE SYSTEM, AND THAT THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT INVOLVES BUSINESS RISKS AND THAT THE FRANCHISEE'S SUCCESS IS LARGELY DEPENDENT UPON THE ABILITY OF THE FRANCHISEE AS AN INDEPENDENT BUSINESSPERSON THE FRANCHISOR EXPRESSLY DISCLAIMS THE MAKING OF, AND THE FRANCHISEE ACKNOWLEDGES IT HAS NOT RECEIVED, ANY WARRANTY OR GUARANTY, EXPRESS OR IMPLIED, AS TO THE POTENTIAL VOLUME, PROFITS OR SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT,

(B) The Franchisee acknowledges that the Franchisor has accorded the Franchisee the required time and opportunity to consult with advisors about the potential benefits and risks of entering into this Agreement, and has been provided with a full opportunity to read and understand this Agreement The Franchisee acknowledges having had the opportunity to discuss with the Franchisor each of the provisions, including the essential provisions, of this Agreement, and

(C) The Franchisee acknowledges receipt of a complete copy of this Agreement, the Schedules referred to, and agreements relating to, if any, and the Disclosure Document at least fourteen (14) days prior to the earlier of (1) the date on which this Agreement or any other agreement was executed and (2) any payment of any consideration by or on behalf of the Franchisee to the Franchisor or any of its associates for the grant of the Franchise

THE FRANCHISEE ACKNOWLEDGES THAT ITS SIGNATURE TO THIS AGREEMENT HAS NOT BEEN INDUCED BY ANY REPRESENTATION INCONSISTENT WITH THE TERMS OF THIS AGREEMENT OR INCONSISTENT WITH THE DISCLOSURE DOCUMENT GIVEN TO THE FRANCHISEE BY THE FRANCHISOR IN CONNECTION WITH THIS FRANCHISE THIS AGREEMENT MAY BE AMENDED ONLY BY WRITTEN INSTRUMENT SIGNED BY ALL PARTIES

*[Signature pages on the following line ]*

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the date first set forth above

**DREAM DINNERS, INC**

By _____

Name _____
Title _____

**FRANCHISEE**

_____
(Print Name)

_____
Individually

Address _____
City _____
State _____ Zip _____

_____
(Print Name)

_____
Individually

Address _____
City _____
State _____ Zip _____

_____
(Print Name)

_____
Individually

Address _____
City _____
State _____ Zip _____

**AND:**

(if a corporation or partnership)

_____
Company Name

By _____
Name _____
Title _____
Address _____
City _____
State _____ Zip _____

**SCHEDULE A**
**TO FRANCHISE AGREEMENT**

**SUMMARY PAGES**
**DREAM DINNERS, INC.**
**FRANCHISE AGREEMENT**

These summary pages to the Dream Dinners Franchise Agreement (the "Summary Pages") summarize certain terms of the attached Agreement The Summary Pages are an integral part of the attached Agreement and are hereby incorporated therein

1. **Store Location** The "**Store Location,**" set forth in Section 3 1 of the Agreement shall be _____,

**OR**

**Designated Area** The Franchisor and the Franchisee acknowledge that the Store Location cannot be designated in Section 1 above as a specific address because the location has not been selected and approved, therefore, within 120 days following the date of the Agreement, the Franchisee shall choose and acquire an approved location for its DREAM DINNERS Store within the following geographic area ("**Designated Area**") _____
_____

2. **Protected Territory** The "**Protected Territory**" referred to in Section 3 3 of the Agreement shall be described as _____
_____

3. **Initial Franchise Fee** The Franchisee shall pay to the Franchisor an initial franchise fee of $_____, due and payable in the manner set forth in Section 4 1 of the Agreement

4. **Grand Opening and Design Fee** The Franchisee shall pay to the Franchisor a grand opening and design fee of $_____, due and payable in the manner set forth in Section 5 3 of the Agreement

5. **Opening Date** The Franchisee shall complete all of the Franchisee's obligation set forth in Section 5 11 of the Agreement no later than twelve (12) months from the date of the Agreement

6. **Minimum Performance Requirement** $30,000 in Gross Revenues per month, commencing on the 13th full month of operations after the Opening Date, pursuant to Section 10 3 of the Agreement

7. **Royalty** 6% of Gross Revenues, due and payable in the manner set forth in Section 12 1 of the Agreement, commencing on the first full month of operations after the Opening Date

8 **Minimum Monthly Royalty** $1,800, commencing on the 13th full month of operations after the Opening Date, due and payable in the manner set forth in Section 12 1 of the Agreement

9 **Controlling Principal**

Name _____
Address _____
Telephone Number _____
Email Address

10. **Acknowledgement** By executing this Schedule and/or the Rider hereto, the Franchisee acknowledges that the Franchisor's approval of a site does not constitute a representation or warranty of any kind, express or implied, as to the suitability of the site for a DREAM DINNERS Store or for any other purpose and that the Franchisee's acceptance of a franchise for the operation of a DREAM DINNERS Store at the site is based on its own independent investigation of the suitability of the site

Fully executed this _____ day of _____, 20____

**DREAM DINNERS, INC.**

By _____

Name _____
Title _____

**FRANCHISEE**

_____
(Print Name)

_____
Individually

Address _____
City _____
State _____ Zip _____

_____
(Print Name)

_____
Individually

Address _____
City _____
State _____ Zip _____

_____
(Print Name)

_____
Individually

Address _____
City _____
State _____ Zip _____

AND:

(if a corporation or partnership)

_____
Company Name

By _____
Name _____
Title _____
Address _____
City _____
State _____ Zip _____

**SCHEDULE A-1**
**TO FRANCHISE AGREEMENT**

## RIDER TO ADDENDUM - LOCATION APPROVAL

1. **Store Location** The Store Location, set forth in Section 3.1 of the Agreement shall be _____ and the "**Protected Territory**," referred to in Section 3.3 of the Agreement, shall be described as _____

2. **Legal Address** The business address for any notices mailed pursuant to Section 23.12 of the Agreement shall be changed to read as follows _____

Fully executed this _____ day of _____, 20___

**DREAM DINNERS, INC.**

By _____

Name _____
Title _____

**FRANCHISEE**

_____
(Print Name)

_____
Individually

Address _____
City _____
State _____ Zip _____

_____
(Print Name)

_____
Individually

Address _____
City _____
State _____ Zip _____

_____
(Print Name)

_____
Individually

Address _____
City _____
State _____ Zip _____

**AND.**

(if a corporation or partnership)

_____
Company Name

By _____
Name _____
Title _____
Address _____
City _____
State _____ Zip _____

**SCHEDULE B**
**TO FRANCHISE AGREEMENT**

## PERSONAL GUARANTY

In consideration of, and as an inducement to, the execution of the above Franchise Agreement (the "**Agreement**") by Dream Dinners, Inc (the "**Franchisor**"), each of the undersigned hereby personally and unconditionally

Guarantees to the Franchisor and its successors and assigns, for the term of the Agreement, including renewals thereof, that the franchisee as that term is defined in the Agreement (the "**Franchisee**") shall 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

All terms not otherwise defined shall have the meanings set forth in the Agreement

Each of the undersigned waives the following

1 Acceptance and notice of acceptance by the Franchisor of the foregoing undertaking,

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 any action be brought against the Franchisee or any other person as a condition of liability, and

5 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 shall be joint and several,

2 He or she shall render any payment or performance required under the Agreement upon demand if the Franchisee fails or refuses punctually to do so,

3 Such liability shall not be contingent or conditioned upon pursuit by the Franchisor of any remedies against the Franchisee or any other person, and

4 Such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which the Franchisor 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 shall in any way

modify or amend this guaranty, which shall be continuing and irrevocable during the term of the Agreement, including renewals thereof

5 His or her obligation and liability hereunder shall not be affected by any amendment or modification of the Agreement and he or she has no right to approve or consent to any such amendment or modification

6 **Governing Law/Consent to Venue and Jurisdiction** Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U S C Sections 1051 et seq ) or other federal law, this Agreement shall be interpreted under the laws of, and any dispute between the parties shall be governed by and determined in accordance with, the substantive laws of the state where the Store is located, which laws shall prevail in the event of any conflict of law The parties have negotiated regarding a forum in which to resolve any disputes, which may arise between them and have agreed to select a forum in order to promote stability in their relationship Therefore, if a claim is asserted in any legal proceeding involving the undersigned or its affiliates and the Franchisor or its affiliates, all parties agree that the exclusive venue for disputes between them shall be in the state and federal courts in King County, Washington and each waive any objection they may have to the personal jurisdiction of or venue in the state and federal courts in King County, Washington The Franchisor, its affiliates, the undersigned and its affiliates each waive their rights to a trial by jury

7 **Injunctive Relief** The parties shall each have the right in the proper case to obtain injunctive relief from a court of competent jurisdiction The undersigned agrees that the Franchisor may obtain such injunctive relief, without posting a bond or bonds totaling no more than $500, but upon due notice, and the undersigned's sole remedy in the event of the entry of such injunctive relief shall be the dissolution of such injunctive relief, if warranted, upon hearing duly had, provided, however, that all claims for damages by reason of the wrongful issuance of any such injunction are hereby expressly waived by the undersigned

8 **Attorneys' Fees** In the event of any default on the part of any party to this Agreement, in addition to all other remedies, the party in default will pay the aggrieved party all amounts due and all damages, costs and expenses, including reasonable attorneys' fees, incurred by the aggrieved party in any legal action, arbitration or other proceeding as a result of such default, plus interest at the highest rate allowable by law, accruing from the date of such default

**IN WITNESS WHEREOF**, each of the undersigned has affixed his or her signature effective on the same day and year as the Agreement was executed

| **WITNESS** | **GUARANTOR(S)** |
|---|---|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

**SCHEDULE C**
**TO FRANCHISE AGREEMENT**

## STATEMENT OF OWNERSHIP

**Franchisee**· _____

**Trade Name** (if different from above) _____

_____

Form of Ownership
(Check One)

_____ Individual _____ Partnership _____ Corporation _____ Limited Liability Company

If a Partnership, provide name and address of each partner showing percentage owned, whether active in management, and indicate the state in which the partnership was formed

If a Limited Liability Company, provide name and address of each member and each manager showing percentage owned and indicate the state and date of organization

If a Corporation, give the state and date of incorporation, the names and addresses of each officer and director, and list the names and addresses of every shareholder showing what percentage of stock is owned by each

_____

_____

_____

_____

_____

Franchisee acknowledges that this Statement of Ownership applies to the DREAM DINNERS Store authorized under the Franchise Agreement

Use additional sheets if necessary Any and all changes to the above information must be reported to the Franchisor in writing

**DREAM DINNERS, INC.**

By _____

Name _____
Title _____

**FRANCHISEE**

_____
(Print Name)

_____
Individually

Address _____
City _____
State _____ Zip _____

_____
(Print Name)

_____
Individually

Address _____
City _____
State _____ Zip _____

_____
(Print Name)

_____
Individually

Address _____
City _____
State _____ Zip _____

**AND:**

(if a corporation or partnership)

_____
Company Name

By _____
Name _____
Title _____
Address _____
City _____
State _____ Zip _____

**SCHEDULE D**
**TO FRANCHISE AGREEMENT**

## AUTHORIZATION AGREEMENT FOR PREAUTHORIZED PAYMENTS (DIRECT DEBITS)

The undersigned depositor ("**Depositor**") hereby (1) authorizes Dream Dinners, Inc ("**Company**") to initiate debit entries and/or credit correction entries to the undersigned's checking and/or savings account indicated below and (2) authorizes the depository designated below ("**Depository**") to debit such account pursuant to Company's instructions Depositor will attach a voided check to this authorization for the bank account described below

| | |
|---|---|
| Depository | Branch |
| City | State Zip Code |
| Bank Transit/ABA Number | Account Number |

This authority is to remain in full force and effect until Depository has received joint written notification from Company and Depositor of the Depositor's termination of such authority in such time and in such manner as to afford Depository a reasonable opportunity to act on it Notwithstanding the foregoing, Depository shall provide Company and Depositor with 30 days' prior written notice of the termination of this authority If an erroneous debit entry is initiated to Depositor's account, Depositor shall have the right to have the amount of such entry credited to such account by Depository, if (a) within 15 calendar days following the date on which Depository sent to Depositor a statement of account or a written notice pertaining to such entry or (b) 45 days after posting, whichever occurs first, Depositor shall have sent to Depository a written notice identifying such entry, stating that such entry was in error and requesting Depository to credit the amount thereof to such account These rights are in addition to any rights Depositor may have under federal and state banking laws

**THE FRANCHISEE:**

_____

By _____
Name _____
Title _____
Date _____

**SCHEDULE E**
**TO FRANCHISE AGREEMENT**

## LEASE RIDER

This Lease Rider is executed as of this _____ day of _____, 20__, by and between _____ (the "Franchisee") and _____, ("Landlord") as a Rider to the lease (as amended, renewed, and/or extended from time to time, "the Lease") for the Store Location located at _____ (the "Premises"), State of _____ (the "Store Location") dated as of _____

WHEREAS, the Franchisee has executed or intends to execute a franchise agreement (the "Franchise Agreement") with Dream Dinners, Inc (the "Franchisor"), for the operation of a Dream Dinners Store (the "Store") at the Store Location, and as a requirement thereof, the Lease for the Location must include the provisions contained in this Rider, and

WHEREAS, Landlord and the Franchisee agree that the terms contained herein shall supersede any terms to the contrary set forth in the Lease,

NOW THEREFORE, in consideration of mutual covenants set forth herein, the execution and delivery of the Lease, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Landlord and the Franchisee hereby agree as follows

1 The Location only may be used for the operation of a Store

2 Landlord shall deliver to the Franchisor a copy of any notice of default or termination of the Lease at the same time such notice is delivered to the Franchisee, but no later than thirty (30) days before a termination of the Lease would become effective

3 The Franchisor shall have the right, but not the obligation, upon giving written notice of its election to the Franchisee and Landlord, to enter the Store Location to cure any breach of the Lease, and if so stated in the notice, to also succeed to the Franchisee's rights, title, and interests thereunder

4 Notwithstanding anything to the contrary contained in the Lease, the Franchisee shall have the absolute right to sublet, assign or otherwise transfer its interest in the Lease to the Franchisor or its affiliate, or to a company with which the Franchisee or the Franchisor may merge or consolidate, without Landlord's approval, written or otherwise, without any increase in rent, without a material change in any other terms of the Lease, and without requiring the Franchisor to execute a guarantee of the obligations under the assigned Lease

5 The Franchisee shall, if requested by the Franchisor, assign to the Franchisor, and Landlord hereby irrevocably and unconditionally consents to such assignment, all of the Franchisee's rights, title, and interest to and under the Lease upon any termination, or if no subsequent Franchise Agreement is executed, but no such assignment shall be effective unless (a) the Franchise Agreement is terminated or expires without execution of a Subsequent Franchise Agreement, and (b) the Franchisor notifies the Franchisee and

Landlord in writing that the Franchisor assumes the Franchisee's obligations under the Lease

6 The Lease may not be modified, amended, renewed or extended in any manner or assigned by the Franchisee without the Franchisor's prior written consent The Store Location may not be altered or modified in any way without the Franchisor's prior written consent Moreover, without the Franchisor's prior written consent, the Store Location may not be sublet, subdivided or used for any purpose other than for the operation of the Store

7 The Franchisee and Landlord acknowledge and agree that the Franchisor shall have no liability or obligation whatsoever under the Lease unless and until the Franchisor assumes the Lease in writing pursuant to Paragraphs 3, 4 or 5 above The Franchisor shall assume all of the Franchisee's obligations under the Lease from and after the date of assignment, but shall have no obligation to pay any delinquent rent or to cure any other default under the Lease that occurred or existed prior to the date of the assignment

8 If the Franchisor assumes the Lease, as above provided, the Franchisor may further assign the Lease to another person or entity to operate a Dream Dinners® Store at the Location, subject to Landlord's consent which consent shall not be unreasonably withheld or delayed No such consent shall be required if the Lease is assigned or sublet to another Dream Dinners® franchisee or licensee Landlord agrees to execute such further documentation to confirm its consent to the assignments permitted under this Rider as the Franchisor may request

9 If the Franchise Agreement expires or is terminated, Landlord shall exercise its right to terminate the Lease and/or to exercise its other remedies under the Lease, unless the Lease is assumed by the Franchisor or its designee within thirty (30) days of the termination or expiration of the Franchise Agreement

10 If the Lease expires or is terminated for any reason, the Franchisor may enter the Store Location and remove any signs or other articles bearing any trade names, logos, trademarks that are part of the System and de-identify the leased Premises as a Dream Dinners® Store (including removing any Dream Dinners® trade dress, equipment, features and/or fixtures), without legal process and without being guilty of trespass

11 Landlord and the Franchisor day rely upon any notice from either of them regarding the status of the Lease or of the Franchise Agreement, they shall have no duty to perform any independent investigation to verify the Franchisee's rights under the Lease or the Franchise Agreement, and, the Franchisee agrees to indemnify and hold the Franchisor harmless from any and all claims arising out of the Lease and the reliance upon the Franchisor's or Landlord's representations regarding the Franchisee's status, the status of the Franchisor or the status of the Franchise Agreement

12 Landlord shall make available to the Franchisor all information which it collects or produces related to sales of the Store and the way in which the Store is operated The Franchisee consents to Landlord providing all such information to the Franchisor

13 Copies of any and all notices required or permitted hereby or by the Lease shall also be sent to the Franchisor at _____, Attn President or such other address as the Franchisor shall specify by written notice to Landlord

14 Under the Franchise Agreement, any lease or any modification or renewal of the Lease for the Location of the Store is subject to the Franchisor's approval Accordingly, the Lease is contingent upon such approval

LANDLORD

_____

By _____
Name _____
Title _____
Date _____

THE FRANCHISOR

_____

By _____
Name _____
Title _____
Date _____

THE FRANCHISEE

_____

By _____
Name _____
Title _____
Date _____

**SCHEDULE F**
**TO FRANCHISE AGREEMENT**

## ASSIGNMENT OF TELEPHONE NUMBER(S) AND LISTINGS

This Assignment relates to

Name of the Franchisee _____

Address of Store _____

Telephone Number(s) and other identifiers Telephone numbers (___) _____,
(___), (___) _____, IP addresses _____,

VOIP identifier_____, usernames _____

Telephone Company _____

For valuable consideration, the Franchisee identified above (the "Franchisee") assigns and Transfers to Dream Dinners, Inc (the "Franchisor") all of the Franchisee's rights and interests in each and all of the telephone number(s), VOIP identifier(s), IP address(es), and user name(s) listed above (the "Numbers")

The Franchisee authorizes the Franchisor to file this Assignment with the telephone company, website hosting service, or listing service that issued the Numbers for the purposes of establishing the Franchisor's claim to and right to designate the user of the Numbers

The Franchisee irrevocably constitutes and appoints the Franchisor as the Franchisee's agent and lawyer-in-fact for the purposes of (i) signing and delivering any Transfer of Service Agreement or comparable document the telephone company requires to Transfer the rights in the Numbers from the Franchisee to the Franchisor or its designee, and (ii) canceling and revoking any call-forwarding or similar instructions the Franchisee has issued to the telephone company with respect to any of the Numbers, with full power to sign the Franchisee's name and otherwise to act in the Franchisee's name, place and stead

The Franchisee agrees to reimburse the Franchisor the full amount of any local service and long distance charges the telephone company requires that the Franchisor pays to obtain the Numbers, together with interest as provided in the parties' Franchise Agreement

The Franchisee represents and warrants to the Franchisor that the Franchisee obtained the Numbers in his, her or its own name, and that the Franchisee is the person of record the telephone company shall recognize as registered user or "owner" of the Numbers

**THE FRANCHISEE:**

_____

By _____
Name _____
Title _____
Date _____

# EXHIBIT C TO THE
# DREAM DINNERS, INC.
# FRANCHISE DISCLOSURE DOCUMENT

## CONFIDENTIALITY AND NON-COMPETE AGREEMENT

## CONFIDENTIALITY AND NON-COMPETE AGREEMENT

This Confidentiality Agreement (the "Agreement") is made and entered into this __ day of _____, 201___, by and between _____ (the "**Franchisee**") and _____ (the "**Associate**")

## RECITALS

WHEREAS, Dream Dinners, Inc ("**Dream Dinners**") has developed a system for establishing, operating and promoting retail stores operating under the Dream Dinners® trademark that host meal assembly sessions where customers can prepare meals for cooking and consumption at the customers' homes (each a "**Store**")

WHEREAS, Dream Dinners is the owner of certain confidential information and trade secrets relating to the operation of Stores, including, without limitation, (a) Dream Dinners' proprietary recipes for meal preparation (the "**Recipes**"), (b) methods and procedures for processing and fulfilling customer orders, including an e-commerce website (the **"E-Commerce Website"**), (c) inventory management systems, (d) standards and specifications for the buildout, decor, interior and exterior signage and trade dress for a Store, (e) standards and specifications for hosting meal-making sessions and offering and selling other approved goods and services, (f) marketing and promotional plans, (g) the Dream Dinners **"Operations Manuals"** and other written guidelines conveying components of the Dream Dinners operating system, (h) current and prospective customer lists and referral sources, (i) information about Dream Dinners franchisees and the operation of Stores, (j) information about suppliers and pricing, business plans, and market research, and (k) and all other information that is used in the establishment and operation of Stores, which is derived from Dream Dinners, Franchisee, or other franchisees, and which has value to Dream Dinners (**"Confidential Information"**)

WHEREAS, Associate understands that Franchisee and Dream Dinners may disclose to Associate and Associate may have access to certain of the Confidential Information during the course of Associate's relationship with Franchisee (the "**Relationship**") as Franchisee's

_____ Owner, Officer, Director, Principal, Manager

_____ Employee, Independent Contractor

WHEREAS, in consideration of Associate's Relationship with the Franchisee, and initial and ongoing training and support Associate may receive from Franchisee, Associate agrees to comply with the provisions stated below Associate also agrees the restraints imposed by this Agreement are reasonable and necessary to protect the Franchisee's Store, Franchisee, Dream Dinners, and other Dream Dinners Stores

WHEREAS, the Franchisee and Associate acknowledge and agree (1) that Dream Dinners is a third-party beneficiary of the rights and obligations set forth in this Agreement, (2) that Dream Dinners will suffer irreparable harm in the event of any breach or violation of this Agreement, (3) that Dream Dinners shall have the right to enforce the provisions of this Agreement in the event of any breach or violation, or threatened breach or violation, of this Agreement, and (4) that Dream Dinners' appropriate remedies for breach or violation, or threatened breach or violation of this Agreement, include interim, interlocutory, and final orders granting injunctive, mandatory, or other extraordinary relief, without the need for the posting of security or an undertaking in damages

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, the parties agree as follows

## CONFIDENTIALITY

1 **Confidentiality** Associate acknowledges that any unauthorized disclosure or use of the Confidential Information would be wrongful and would cause irreparable injury and harm to the Franchisee and Dream Dinners Consequently, Associate shall not at any time, publish, disclose, divulge or in any manner communicate to any person, firm, corporation, association, partnership or any other entity whatsoever or use, directly or indirectly, for its own benefit or for the benefit of any person, firm, corporation or other entity other than for the use of the Franchisee or Dream Dinners, any of the Confidential Information The Franchisee and Associate agree that the Confidential Information does not include information that is generally available to the public Upon the cessation of Associate's Relationship with Franchisee, regardless of the cause, Associate will return all materials, documents, lists and other items containing Confidential Information, all customer information, manuals, sales and service reports, sales and service manuals and literature, price books, samples, and any Dream Dinners' issued tools or control concerning clients, products or services of Franchisee and Dream Dinners

## NONCOMPETITION COVENANTS

**(For Franchisee's owners, officers, directors, managers, and principals, only )**

2 **Noncompetition Covenant** Associate hereby covenants and agrees that, during the term of the Associate's Relationship with Franchisee, neither Associate nor any member of Associate's immediate family shall

a have any direct or indirect ownership interest as a disclosed or beneficial owner in a Competitive Business,

b perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business, or

c divert or attempt to divert any business related to, or any client or account of the Franchisee, Dream Dinners, or any Store, by direct inducement or otherwise, or divert or attempt to divert the employment of any employee of Franchisee, Dream Dinners, or any Store, to any Competitive Business by any direct inducement or otherwise

The term "Competitive Business" as used in this Agreement shall mean any business at which customers who have pre-ordered meal ingredients may assemble meals on-site for at home or off-site consumption Notwithstanding the foregoing, the Associate shall not be prohibited from owning securities in a Competitive Business if such securities are listed on a stock exchange or traded on the over-the-counter market and represent 5% or less of that class of securities issued and outstanding

The term "Immediate Family" as used in this Agreement shall mean and include spouses, domestic partners, children, parents and siblings

3 **Post-Termination Covenant Not to Compete** Associate covenants and agrees that, for a period of two years commencing on the date Associate's Relationship with Franchisee, or for a period of two years after termination or cessation of Associate's relationship with the Store ends, whichever first occurs, neither Associate, nor any member of Associate's immediate family, shall have any direct or indirect interest as a legal or a beneficial owner, investor, partner, director, officer, manager, employee, consultant, representative or agent or in any other capacity in any Competitive Business located or operating within a 20 mile radius of the Protected Territory, as defined in the Franchise Agreement governing the Franchised Business, within 20 miles of any other Store or within 20 miles of any Store

owned by the Company or an affiliate of the Company The restrictions of this paragraph shall not be applicable to the ownership of shares of a class of securities listed on a stock exchange or traded on the over-the-counter market that represent 5% or less of the number of shares of that class of securities issued and outstanding Associate and its officers, directors, shareholders, and/or partners expressly acknowledge that they possess skills and abilities of a general nature and have other opportunities for exploiting such skills Consequently, enforcement of this covenant will not deprive them of their personal goodwill or ability to earn a living

## MISCELLANEOUS

4 **Governing Law** This Agreement shall be construed and interpreted under the laws of the State where the Franchisee's Store is located, and these laws shall govern the relationship of Franchisee, Dream Dinners, and the Associate as set forth in this Agreement Associate acknowledges that the Confidential Information has been developed and shall continue to be developed by Dream Dinners in the State of Washington, and that the Confidential Information shall be communicated by Dream Dinners to Franchisee and Associate from the State of Washington In recognition of such services and their origin, Associate hereby irrevocably consents to the personal jurisdiction of the state and federal courts in the State of Washington

5 **Severability** If any provisions in this Agreement are held to be invalid or unenforceable by a court of competent jurisdiction, such holding will not invalidate any of the other provisions of this Agreement, it being intended that the provisions of this Agreement are severable

6 **Notice** All notices required to be given under this Agreement shall be given in writing, by certified mail, return receipt requested, or by an overnight delivery service providing documentation of receipt, at the address set forth in the first Section of this Agreement or at such other addresses as the Franchisor or the Franchisee may designate from time to time, and shall be effectively given when deposited in the United States mail, postage prepaid, or when received via overnight delivery, as may be applicable Copies may be provided by electronic mail but copies shall not substitute for notices as required above

If directed to the Franchisee the notice shall be addressed to

_____
_____
_____
Attention _____
Facsimile _____

If directed to Associate the notice shall be addressed to

_____
_____
_____
Attention _____
Facsimile _____

7 **Assignability** The rights and remedies of the Franchisee and Dream Dinners under this Agreement are fully assignable and transferable and shall inure to the benefit of its respective affiliates, successors, and assigns The respective obligations of the Franchisee and the Associate hereunder may not be assigned by the Franchisee or the Associate without the prior written consent of Dream Dinners

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written

FRANCHISEE

_____

By _____
Title _____

ASSOCIATE

_____
Print Name

_____
Signature

# EXHIBIT D TO THE
# DREAM DINNERS, INC.
# FRANCHISE DISCLOSURE DOCUMENT

## LIST OF DREAM DINNERS FRANCHISEES
## As of December 31, 2015

**ALABAMA**

**Store 837E Pinebrook, AL**
283 McGregor Avenue
Mobile, AL 36608
Phone 251 316 3727
Email pinebrookAL@dreamdinners com
Stacey Mobley

**ARIZONA**

**Store 516 7th Street/Union Hills**
822 East Union Hill Drive, Suite D-4
Phoenix, AZ 85024
Phone 623 581 5192
Email 7thstplazaaz@dreamdinners com
Sara Gilbride
Laura Prefling
Patty Willis

**Store 147-792E Ray Road**
3820 E Ray Road Suite 28
Phoenix, AZ 85044
Phone 480 704 5312
Email RayRoadAZ@dreamdinners com
Sara Gilbride
Laura Prefling
Patty Willis

**Store 1000 Shea & 101**
8670 E Shea Blvd
Scottsdale, AZ 85260
Phone 480 625 8169
Email Shea101AZ@dreamdinners com
Sara Gilbride
Laura Prefling

**Store 126 Orange Grove & I-10**
3682 W Orange Grove Road Suite 132
Tucson, AZ 85741
Phone 520 742 0837
Email OrangeGrove_i10AZ@dreamdinners com
Gert Magnuson
Suzanne Dew

**CALIFORNIA**

**Store 204 Belmont Plaza**
390 El Camino Real, Suite R
Belmont, CA 94002
Phone 650 595 4545
Email belmontplazaCA@dreamdinners com
Jennifer Robinson

**Store 784 Rose Center**
2154 Columbus Parkway
Benicia, CA 94510
Phone 707 747 0977
Email rosecenter@dreamdinners com
Esther Hassard
John Lucchesi

**Store 497 Carlsbad Forum**
1905 Calle Barcelona Suite 206
Carlsbad, CA 92009
Phone 760 436 3737
Email carlsbadforumCA@dreamdinners com
Valerie Bass

**Store 822 Warner Avenue**
8760 Warner Ave
Fountain Valley, CA 92708
Phone 714 375 9525
Email warneraveca@dreamdinners com
Duffy Humbert
Beverly Wurth

**Store 248 Knollwood Plaza**
11852 3/4 Balboa Blvd
Granada Hills, CA 91344
Phone 818 368 8106
Email knollwoodplazaCA@dreamdinners com
Romy Lampert

**Store 515 Crescenta Valley**
4121 Pennsylvania Ave Unit F
La Crescenta, CA 91214
Phone 818 384 2845
Email crescentavalleyCA@dreamdinners com
Stephanie & Ray Carnes

**Store 477-870 Jackson Drive**
5208 Jackson Drive #116
La Mesa, CA 91941
Phone 619 460 6800
Email JacksonDriveCa@dreamdinners com
Suzanne Chambers

**Store 178 El Toro & Trabuco**
22369 El Torro Rd
Lake Forest, CA 92630
Phone 949 583 2800
Email eltorotrabucoCA@dreamdinners com
Debbie Ranck

**Store 398-747 Vasona Station**
14107-T Winchester Blvd
Los Gatos, CA 95032
Phone 408 871 6858
Email VasonaStationCA@dreamdinners com
Kamini Patel

**Store 500 Dale Road**
4048 Dale Rd, Suite 201
Modesto, CA 95356
Phone 209 533 9333
Email DaleRoadCA@dreamdinners com
Edy and Ron Gaudioso
Carla Ciccarelli
Wihelmina Willemse

**Store 249 East Colorado**
1274 E Colorado Blvd
Pasadena, CA 91106
Phone 626 796 7863
Email eastcoloradoCA@dreamdinners com
Stephanie & James Irey

**Store 215 Poway Rd**
12218 Poway Rd Suite 100
Poway, CA 92064
Phone 858 679 3732
Email powayrdCA@dreamdinners com
Sheila & Phil Harris

**Store 373 Buenaventura Ave**
4075 Railroad Ave
Redding, CA 96001
Phone 530 242 8700
Email BuenaventuraCA@dreamdinners com
Bonnie Betts

**Store 550 Tri City Center**
1404 Industrial Pkway, Tri City Shopping Center
Redlands, CA 92374
Phone 909 798 4626
Email TriCityCenterCA @dreamdinners com
Stephanie & Ray Carnes

**Store 216 Truxel Station**
2063 Arena Blvd , Suite 170
Sacramento, CA 95834
Phone 916 928 3993
Email TruxelStationCA@dreamdinners com
Kim Kosalek

**Store 859H Tierrasanta Blvd**
10715 Tierrasanta Blvd Suite A
San Diego, CA 92124
Phone 858 565 0345
Email tierrasantaCA@dreamdinners com
Lillian Sarangay
Lee Ann d'Artenay

**Store 434-2 Camden Park**
2013 Camden Avenue
San Jose, CA 95124
Phone 408 363 3968
Email camdenparkCA@dreamdinners com
John Wei
LeAnne Varenkamp

**Store 536 Ferrini Square**
795 E Foothill Blvd
San Luis Obispo, CA 93405
Phone 805 786 4852
Email ferrinisquareCA@dreamdinners com
Lauren Persall

**Store 351 Grand**
1641 Grand Avenue Suite 102 & 103
San Marcos, CA 92078
Phone 760 471 0055
Email grandCA@dreamdinners com
Deborah & John Horton

**Store 347 Solana Center**
230 Lomas Santa Fe Dr
Solana Beach, CA 92075
Phone 858 350 4546
Email SolanaCenterCA@dreamdinners com
Kate Patterson

**Store 318-0417 79 South**
31757 Temecula Parkway E
Temecula, CA 92592
Phone 951 302 6982
Email 79southCA@dreamdinners com
Suzanne Dew
Gertrude Magnuson

**Store 529 Lincoln Oaks**
140 W Hillcrest Drive, Suite 123
Thousand Oaks, CA 91360
Phone 805 277 3447
Email lincolnoaksCA@dreamdinners com
Jenny & Jose Roberto Granados

**Store 628C Southwood Village**
22226 Palos Verdes Blvd
Torrance, CA 90505
Phone 310 792 0055
Email SouthwoodVillageCA@dreamdinners com
Beverly Wurth
Duffy Humbert

**Store 488 Tustin French Quarter**
17351 17th St
Tustin, CA 92780
Phone 714 832 8185
Email tustinfrenchqtrca@dreamdinners com
Erin Mike
Jamie Mills

**Store 632C Peabody Plaza**
211 Peabody Road, Suite A
Vacaville, CA 95687
Phone 707 447 3788
Email PeabodyPlazaCA@dreamdinners com
Renee Eisan
Sylvia LePera

**Store 752D Victoria Village**
1413 Victoria Avenue Suite B
Ventura, CA 93003
Phone 805 644 4478
Email victoriavillageCA@dreamdinners com
Ann Centeno

**Store 111 Mar Vista**
11700 National Blvd Suite N
West Los Angeles, CA 90064
Phone 310 398 7455
Email MarVistaCA@dreamdinners com
Brook & Justin Hensley

## COLORADO

**Store 091 Yosemite & Dry Creek**
7286 South Yosemite Suite 200
Centennial, CO 80112
Phone 720 200 3558
Email
Yosemite_DryCreekCo@dreamdinners com
Pat Blum

**Store 354-819F Briargate**
5578 Powers Center Point
Colorado Springs, CO 80920
Phone 719 282 3140
Email briargateCO@dreamdinners com
Jackie Peterson

**Store 63 Villages of Parker**
10447 S Parker Rd
Parker, CO 80134
Phone 303 840 3030
Email parkerplazaCO@dreamdinners com
Sheila Klockow
Rhiannon Cochran

**Store 136 Kipling & I-70**
4980 N Kipling St Unit A-3
Wheat Ridge, CO 80033
Phone 303 432 3110
Email kiplingi70CO@dreamdinners com
Carol & James Eddy

## FLORIDA

**Store 310 Pinecrest Parkway**
12727 South Dixie Highway
Miami, FL 33156
Phone 786 573 2775
Email PinecrestParkwayFL@dreamdinners com
Nina & Alex Ortiz

**Store 137 Sawgrass**
3439 N Hiatus Road
Sunrise, FL 33351
Phone 954 746 7577
Email SawgrassFL@dreamdinners com
Sally-Ann Grant
Nicole Marefka

## GEORGIA

**Store 305 GA 400 @ Hwy 20**
539 Lake Center Parkway Suite 500
Cumming, GA 30040
Phone 770 887 4141
Email ga400hwy20GA@dreamdinnners com
Leslie Price-Bennett
Deana Fulbright

**Store 835H Mansell Oaks**
900 Mansell Road, Suite 10
Roswell, GA 30076
Phone 678 352 9600
Email manselloaksGA@dreamdinners com
Adanna Hartwell
Keisha Duck

Kine Geathers
Lillian Fails

**INDIANA**
**Store 298 96th Street**
9520 Uptown Dr Suite H
Indianapolis, IN 46256
Phone 317 842 1130
Email 96streetIN@dreamdinners com
Stacey & William Kent Hiller

**Store 767D 26 Crossing**
210 Meijer Drive Suite B
Lafayette, IN 47905
Phone 765 449 4100
Email 26crossingIN@dreamdinners com
Cathy Johnson
Amy Maxwell
Tammy Ungaro

**KANSAS**
**Store 293 119th & Metcalf**
6517 W 119th Street
Overland Park, KS 66209
Phone 913 491 6733
Email 119metcalfKS@dreamdinners com
Jana & Dan Day

**MARYLAND**
**Store 646C Turning Point**
8923 Fingerboard Road
Frederick, MD 21704
Phone 301 874 1515
Email turningpointmd@dreamdinners com
Tracey Muragaki
Jamie Carr

**Store 369 Cloverly Street**
720 Cloverly Street
Silver Spring, MD 20905
Phone 301 879 4707
Email cloverlystreetMD@dreamdinners com
Chandra Colvin

**MASSACHUSETTS**
**Store 260 Nobscot Plaza**
847 Edgell Rd
Framingham, MA 01701
Phone 508 877 3336
Email NobscotPlazaMA@dreamdinners com
Tiffany Duda
Michele Guilmette
Ann Marie Parness

**Store 389 Man-Mar Drive**
51 ManMar Drive
Plainville, MA 02672
Phone 508 809 9180
Email ManMarMA@dreamdinners com
Beth Fies

**Store 431 West Boylston St**
184 West Boylston Street
West Boylston, MA 01583
Phone 508 835 2444
Email WestboylstonstMA@dreamdinners com
Lynn Lynch
Serena Massey

**MICHIGAN**
**Store 643C Independence Marketplace**
23019 Outer Drive
Allen Park, MI 48101
Phone 313 278 2899
Email
independencemrktplMI@dreamdinners com
Michelle Keenan
Ginger Mistor

**Store 258 Seven Mile Road**
33591 7 Mile Rd
Livonia, MI 48152
Phone 248 477 8300
Email sevenmileroadMI@dreamdinners com
Kelly Gornick

**NEVADA**
**Store 400-869H Clearview Drive**
135 Clearview Drive, #123
Carson City, NV 89701
Phone 775 841-3663
Email ClearviewDrNV@dreamdinners com
Bonnie Betts

**NEW JERSEY**
**Store 525 Towne Centre**
302 Walter E Foran Blvd

Flemington, NJ
Phone 908 788 5500
Email townecentreNJ@dreamdinners com
Jacqueline Purnell

**NORTH CAROLINA**

**Store 527 Waxhaw Park**
3909 Providence Rd South Suite E
Waxhaw, NC 28173
Phone 702 243 3063
Email waxhawnc@dreamdinners com
Mary & John Sweeter

**OHIO**

**Store 261 Kenwood Road**
9715 Kenwood Road
Blue Ash, OH 45242
Phone 513 984 9866
Email kenwoodroadOH@dreamdinners com
Tiffany Patrick

**Store 722C Cross Pointe Centre**
101 E Alex-Bell Road
Centerville, OH 45459
Phone 937 312 9930
Email crosspointectrOH@dreamdinners com
Kellie & Dennis Lovejoy
Michelle & Andre Patterson
Lisa Marie & Bradford Weiss

**Store 514 Anderson Towne Center**
7500 Beechmont Avenue Suite 413
Cincinnati, OH 45255
Phone 513 233 3732
Email
AndersonTowneCtrOH@dreamdinners com
Lisa Giegel
Lisa Robison

**Store 788D 1-74 & Harrison Avenue**
6507 Harrison Avenue
Cincinnati, OH 45247
Phone 513 598 4949
Email i74_harrisonaveOH@dreamdinners com
Tiffany Patrick

**Store 078-561 Murphy Parkway**
389 W Olentangy St
Powell, OH 43065
Phone 614 798 1400
Email murphyparkwayOH@dreamdinners com
Stephanie Brown

**Store 280 Tylersville & Cox**
7743 Cox Lane
West Chester, OH 45069
Phone 513 779 3555
Email tylersville_coxOH@dreamdinners com
Tiffany Patrick

**Store 167-750D Cherri Park Square**
31 Cherri Park Square
Westerville, OH 43081
Phone 614 890 8880
Email cherriparksqOH@dreamdinners com
Troy Bellot
Jon Mix

**OREGON**

**Store 309 NW Cornell & 169th**
1800 NW 169th Place A400
Beaverton, OR 97006
Phone 503 614 8800
Email nwcornellOR@dreamdinners com
Dina Birmingham

**Store 1 Sunnybrook Center**
13061 SE 84th Ave
Sunnybrook Shopping Center
Clackamas, OR 97015
Phone 503 888 1214
Email SunnysideVillageOR@dreamdinners com
Shannon & Melvin Jr Murdock
Barbara & Melvin Sr Murdock

**Store 159 SW Nyberg & I-5**
7068 SW Nyberg Rd
Tualatin, OR 97062
Phone 503 692 0245
Email swnybergOR@dreamdinners com
Kristi & Joseph Craig

**PENNSYLVANIA**

**Store 16 309 at Advance Ln**
262 Bethlehem Pike Suite 101
Colmar, PA 18915

Phone 215 822 4055
Email 309advancelnPA@dreamdinners com
Kris Petrich

**Store 499 Granite Run**
1577 Manheim Pike
Lancaster, PA 17601
Phone 717 509 4530
Email graniterunpa@dreamdinners com
Cindi Homer
Jacqueline J Purnell

**Store 408 Goshen Village on Paoli**
1514 Paoli Pike, Goshen Village Shopping
West Chester, PA 19380
Phone 610 344 0321
Email goshenvillagePA@dreamdinners com
Cindi Homer

**TEXAS**

**Store 199-874H 620 North**
12129 RR 620 Suite 447
Austin (NW), TX 78750
Phone 512 401 2800
Email 620northTX@dreamdinnners com
Stacy & Alan Adams

**Store 691 Buffalo Speedway**
5172 Buffalo Speedway Suite B
Houston, TX 77005
Phone 713- 609 9650
Email buffalospeedwayTX@dreamdinners com
Nhi Phan

**Store 677 Hwy 6 at Riverstone Place left off**
5418 Highway 6 Suite 216
Missouri City, TX 77459
Phone 281 818 7124
Email riverstoneplaceTX@dreamdiners com
Lisa Kampwerth

**Store 402 Davis Blvd @ Precinct Line**
8628 Davis Blvd, Suite 205
North Richland Hills, TX 76180
Phone 817 788 8958
Email davis_precinctlineTX@dreamdinners com
Cindy Dunklin
Staci Harris

**Store 492 Old Chocolate Bayou at FM 518**
8201 Broadway St , Ste # 111
Pearland, TX 77581
Phone 281 485 7304
Email
OldChocolateBayouTX@dreamdinners com
Tania Monroy

**UTAH**

**Store 304-823 800 North**
825 North 100 West Ste 105
Orem, UT 84065
Phone 801 225 7655
Email 800northUT@dreamdinners com
Jean Colarusso

**Store 358 Brickyard Plaza**
1140 South Brickyard Road #28
Salt Lake City, UT 84106
Phone 801 446 3994
Email brickyardplazaut@dreamdinners com
Jean Colarusso

**VIRGINIA**

**Store 292 Woodlake Commons**
6808 Woodlake Commons Loop
Midlothian, VA 23225
Phone 804 739 6442
Email
WoodlakeCommonsVA@dreamdinners com
Cassia Welton

**WASHINGTON**

**Store 315 Kennewick**
8803 W 1st Place
Kennewick, WA 99336
Phone 509 735 8315
Email kennewickWA@dreamdinners com
Melissa & Kyle Edberg

**Store 17 Alaska Junction**
4701 41st Ave SW Suite 110
Seattle, WA 98116
Phone 206 983 5999
Email alaskajunctionWA@dreamdinners com
Leslie & Lewis Thomson

**Store 114 Hazel Dell**
616 NE 81st St #D
Vancouver, WA 98665
Phone 360 571 2306

Email hazeldellWA@dreamdinners com
Becky & Mike Sims

# EXHIBIT E TO THE
# DREAM DINNERS, INC.
# FRANCHISE DISCLOSURE DOCUMENT

## LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM

## FRANCHISEES WHO HAVE LEFT THE SYSTEM
## As of December 31, 2015

Listed below are the names, city, state, and telephone number of every Franchisee who has had a franchise terminated, cancelled, or not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement within the most recently completed fiscal year, or who has not communicated with Dream Dinners within 10 weeks of the issuance date of this Disclosure Document If you buy this franchise, your contact information may be disclosed in the future to other buyers when you leave the franchise system

**CALIFORNIA**

**Store 515 Crescenta Valley**
Lissa Mooney
Tujunga, CA
Phone 818 219 1082

**Store 373 Buenaventura Ave (Redding)**
Sarah Butcher
Betty McHale
Anderson, CA
Phone 530 604 1930

**Store 529 Lincoln Oaks**
Jennifer MacIsaac
Thousand Oaks, CA
Phone 805 427 0052

**Store 752D Victoria Village (Ventura)**
Theresa Henuber
Santa Paula, CA
Phone 805 443 4074

**CONNECTICUT**

**Store 161 Berlin Turnpike**
Karen Morton
Pamela Foss
Berlin, CT
Phone 860 716 7217

**Store 403 Cheshire (Plantsville)**
Kelly Kemnitz
Lena Brown
Southington, CT
Phone 860 770 8152

**MICHIGAN**

**Store 258 Seven Mile Road (Livonia)**
Kelly Cates
Flat Rock, MI
Phone 734 748 5391

**NORTH CAROLINA**

**Store 447 Clemmons Village West**
Edie Amerando
Doris Bodenhamer
Clemmons, NC
Phone 336 817 2090

**Store 527 Waxhaw Park**
JoAnn Skibba
Waxhaw, NC
Phone 704 301 6658

**OREGON**

**Store 1 Sunnybrook Center**
Beth Gritzmacher
Susie Osborn
Clackamas, OR
Phone 503 997 2479

**PENNSYLVANIA**

**Store 408 Goshen Village on Paoli**
Faith Weaver
Cynthia Simpson
West Chester, PA
Phone 610 429 1626

**SOUTH CAROLINA**

**Store 549 I77 & HWY 160 (Fort Mill)**
Kimberly & Paul Bakker
Charlotte, NC
Phone 980 297 9459

**VIRGINIA**

**Store 292 Woodlake Commons (Midlothian)**
Jay Farley
Richmond, VA
Phone unknown

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# EXHIBIT F TO THE DREAM DINNERS, INC. FRANCHISE DISCLOSURE DOCUMENT

## FINANCIAL STATEMENTS

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**DREAM DINNERS, INC. AND SUBSIDIARY**

CONSOLIDATED FINANCIAL REPORT
(Audited)

DECEMBER 31, 2015 AND 2014

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petersonsullivan LLP

Certified Public Accountants
& Advisors

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Dream Dinners, Inc and Subsidiary
Snohomish, Washington

We have audited the accompanying consolidated financial statements of Dream Dinners, Inc (a Washington corporation) and Subsidiary, which comprise the consolidated balance sheets as of December 31, 2015 and 2014, and the related consolidated statements of income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error

**Auditor's Responsibility**

Our responsibility is to express an opinion on the consolidated financial statements based on our audit We conducted our audit in accordance with auditing standards generally accepted in the United States Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control Accordingly, we express no such opinion An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

**Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Dream Dinners, Inc and Subsidiary as of December 31, 2015 and 2014, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States

Peterson Sullivan LLP

March 16, 2016

601 Union Street
Suite 2300
Seattle WA 98101

(206) 382-7777 MAIN
(206) 382-7700 FAX

pscpa com

An independent firm associated with
MOORE STEPHENS

**DREAM DINNERS, INC AND SUBSIDIARY**

CONSOLIDATED BALANCE SHEETS

December 31, 2015 and 2014

| ASSETS | 2015 | 2014 |
|---|---|---|
| Current Assets | | |
| Cash | $ 670,794 | $ 929,648 |
| Royalties receivables, net of allowance for doubtful accounts of $50,000 in 2015 and $136,000 in 2014 | 151,824 | 188,479 |
| Due from related party | 7,438 | |
| Inventory | 60,800 | 78,291 |
| Prepaid expenses | 8,391 | 13,329 |
| Total current assets | 899,247 | 1,209,747 |
| Property and Equipment, net | 426,552 | 299,575 |
| Other Assets | | |
| Due from parent company | 496,664 | 632,092 |
| Intangible assets | 11,935 | 11,935 |
| | 508,599 | 644,027 |
| | $ 1,834,398 | $ 2,153,349 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current Liabilities | | |
| Accounts payable | $ 61,797 | $ 55,595 |
| Accrued liabilities | 204,176 | 252,619 |
| Accrued payroll and liabilities | 95,977 | 94,072 |
| Due to marketing fund | 152,928 | 72,416 |
| Current portion of long-term debt | 56,460 | |
| Total current liabilities | 571,338 | 474,702 |
| Long-term Debt, less current portion | 62,469 | |
| Total liabilities | 633,807 | 474,702 |
| Stockholders' Equity | | |
| Common stock, no par value, 50,000 shares authorized, 6,351 shares issued and outstanding | 210,510 | 210,510 |
| Retained earnings | 990,081 | 1,468,137 |
| Total stockholders' equity | 1,200,591 | 1,678,647 |
| | $ 1,834,398 | $ 2,153,349 |

See Notes to Financial Statements

**DREAM DINNERS, INC AND SUBSIDIARY**

CONSOLIDATED STATEMENTS OF INCOME

For the Years Ended December 31, 2015 and 2014

| | 2015 | 2014 |
|---|---|---|
| Revenue | | |
| Franchise fees | $ 97,000 | $ 78,000 |
| Franchise royalties | 2,094,564 | 2,080,885 |
| Marketing materials | 40,631 | 121,082 |
| | 2,232,195 | 2,279,967 |
| Expenses | | |
| Personnel | 1,785,136 | 1,504,356 |
| Administrative | 418,218 | 615,711 |
| Facilities | 284,667 | 255,735 |
| Marketing | 64,724 | 85,338 |
| | 2,552,745 | 2,461,140 |
| Loss from operations | (320,550) | (181,173) |
| Other Income (Expense) | | |
| Due from parent company write-off | (230,985) | |
| Interest income | 8,290 | 18,553 |
| Interest expense | (32,684) | |
| Other income | 96,098 | 387,365 |
| Gain (loss) on disposal of assets | 1,775 | (7,213) |
| | (157,506) | 398,705 |
| Net income (loss) | $ (478,056) | $ 217,532 |

See Notes to Financial Statements

**DREAM DINNERS, INC AND SUBSIDIARY**

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
For the Years Ended December 31, 2015 and 2014

| | Number of Shares | Common Stock | Retained Earnings | Total |
|---|---|---|---|---|
| Balance, December 31, 2013 | 6,351 | $ 210,510 | $ 1,250,605 | $ 1,461,115 |
| Net income | | | 217,532 | 217,532 |
| Balance, December 31, 2014 | 6,351 | 210,510 | 1,468,137 | 1,678,647 |
| Net loss | | | (478,056) | (478,056) |
| Balance, December 31, 2015 | 6,351 | $ 210,510 | $ 990,081 | $ 1,200,591 |

See Notes to Financial Statements

**DREAM DINNERS, INC AND SUBSIDIARY**

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2015 and 2014

| | 2015 | 2014 |
|---|---|---|
| Cash Flows from Operating Activities | | |
| Net income (loss) | $ (478,056) | $ 217,532 |
| Adjustments to reconcile net income (loss) to net cash flows from operating activities | | |
| Depreciation | 78,597 | 45,724 |
| Loss (gain) on disposal of assets | (1,775) | 7,213 |
| Changes in operating assets and liabilities | | |
| Royalties receivables | 36,655 | (15,187) |
| Inventory | 17,491 | (30,350) |
| Prepaid expenses | 4,938 | (6,417) |
| Accounts payable | 6,202 | 24,749 |
| Accrued liabilities | (48,443) | (217,460) |
| Accrued payroll | 1,905 | |
| Due to marketing fund | 80,512 | 115,455 |
| Net cash flows from operating activities | (301,974) | 141,259 |
| Cash Flows from Investing Activities | | |
| Purchase of property and equipment | (205,574) | (40,338) |
| Proceeds from sale of property and equipment | 1,775 | 351 |
| Net cash flows investing activities | (203,799) | (39,987) |
| Cash Flows from Financing Activities | | |
| Proceeds on long-term debt | 154,864 | |
| Principal payments on long-term debt | (35,935) | |
| Due to (from) related party | (7,438) | 7,287 |
| Advances to parent company, net | 135,428 | (203,532) |
| Net cash flows from financing activities | 246,919 | (196,245) |
| **Net Change in Cash** | **(258,854)** | **(94,973)** |
| Cash, beginning of year | 929,648 | 1,024,621 |
| Cash, end of year | $ 670,794 | $ 929,648 |

See Notes to Financial Statements

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### Note 1 Nature of Operations and Summary of Significant Accounting Policies

**Nature of Operations**

Dream Dinners, Inc ("the Company") was formed April 17, 2002, as a Washington Corporation The Company is the franchisor of "Dream Dinners" stores "Dream Dinners" stores sell groceries and provide space for customers to prepare multiple take-home meals, ready for freezing or cooking

On January 1, 2004, the Company completed a reorganization in which it became the wholly-owned subsidiary of Dream Dinners Operations, Inc ("the Parent") The Parent owns and operates nine "Dream Dinners" stores, one of which is also used by the Company for training and testing This store is located in the greater Seattle, Washington, metropolitan area, and the other stores are located in Washington, Connecticut, Michigan, New Hampshire, Illinois, Oregon, North Carolina, and South Carolina

As of December 31, 2015, the Company franchised 77 "Dream Dinner" stores located in 21 states and has plans to establish franchises throughout the rest of the United States

**Principles of Consolidation**

During 2005, the Company formed Dream Marketing, LLC, a wholly-owned subsidiary, to purchase marketing materials and sell to franchisees at discounted prices The consolidated financial statements include the accounts of Dream Dinners, Inc and Dream Marketing, LLC All significant intercompany balances and transactions have been eliminated

**Use of Estimates**

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures Accordingly, actual results could differ from those estimates

**Cash**

Cash includes cash on deposit with major financial institutions Cash balances from time to time exceed federally insured limits The Company believes these balances are subject to minimal risk because they are with large, high quality financial institutions

**Receivables**

The Company extends credit to its franchisees in the normal course of business, performs ongoing credit evaluations, and maintains allowances for potential credit losses The Company reduces its receivable and related allowance when the receivable is considered to be uncollectible Receivables are considered past due at approximately 10 days after they are due, and begin accruing interest at 18% per annum if not paid within 20 days of the due date Receivables accruing interest at December 31, 2015 and 2014, were $10,865 and $123,526, respectively

**Inventory**

Inventory consists of marketing materials for the stores, and is carried at the lower of cost or market (first-in, first-out)

**Property and Equipment**

Furniture, fixtures, and equipment are stated at cost Depreciation of furniture, fixtures, and equipment is computed using the straight-line method over the estimated useful lives, ranging from three to seven years Leasehold improvements are depreciated using the straight-line method over the shorter of their useful lives or the lease term, ranging from seven to ten years

**Revenue Recognition**

When an individual franchise is sold, the Company agrees to provide certain services to the franchisee Generally, these services include approval of site selection and build-out, basic management training, use of "Dream Dinners" operations manuals, and grand opening training

As consideration for the grant of a franchise, each franchisee agrees to pay to the Company an initial franchise fee of $35,000 and an initial grand opening and design fee of $10,000 Revenue from initial franchise and grand opening fees is recognized when all material services relating to the sale have been substantially performed by the Company, essentially, when the franchisee holds its grand opening Expenses associated with the initial franchise and grand opening fees are deferred until the revenue is recognized Renewal franchise fees are recognized as revenue when the license agreements are signed and the fee is paid since there are no material services and conditions related to the renewal franchise fee

Continuing franchise royalties of $1,800 per month or 6% of gross franchisee sales are recognized as earned

**Advertising**

The Company charges advertising costs to operations when incurred Advertising expense was $3,393 and $1,988 for the years ended December 31, 2015 and 2014, respectively

**Gift Cards**

When a customer purchases a gift card, a liability is recorded for the unredeemed outstanding gift card When the gift cards are redeemed at Dream Dinners locations, the franchisee recognizes revenue and the Company provides the franchisee the funds The Company recognizes breakage income on unredeemed gift cards when it can determine that the likelihood of the gift card being redeemed is remote The Company determines the gift card breakage rate based on historical redemption patterns Gift card liabilities are included within accrued liabilities on the accompanying consolidated balance sheets and gift card breakage is included in other income on the accompanying consolidated statements of income

**Federal Income Taxes**

The Company and its subsidiary have elected, with the consent of its stockholders, to be taxed under provisions of Subchapter S of the Internal Revenue Code Under those provisions, the Company and its subsidiary do not pay federal corporate income taxes on their taxable income Instead, the stockholders are liable for individual federal income taxes on their respective shares of the Company and subsidiary's taxable income For federal income tax purposes, the Company and subsidiary are regarded as a Qualified Subchapter S Corporation and are included in the combined federal income tax return of Dream Dinners Operations, Inc

Management has evaluated the tax positions taken on the combined tax return for those that are "more likely than not" to be sustained in the event of a tax authority examination Management believes there are no uncertain tax positions for the years ended December 31, 2015 and 2014

**Subsequent Events**

The Company has evaluated subsequent events through the date these financial statements were available to be issued, which was March 16, 2016

## Note 2 Property and Equipment

Property and equipment at December 31, is comprised of the following

| | 2015 | 2014 |
|---|---|---|
| Computer software | $ 636,611 | $ 463,533 |
| Leasehold improvements | 213,566 | 213,566 |
| Computer equipment | 89,975 | 81,723 |
| Furniture and fixtures | 82,960 | 67,190 |
| Vehicles | 55,715 | 55,715 |
| Kitchen equipment | 10,757 | 9,553 |
| | 1,089,584 | 891,280 |
| Less accumulated depreciation | 663,032 | 591,705 |
| | $ 426,552 | $ 299,575 |

## Note 3 Long-Term Debt

Long-term debt at December 31, 2015 consists of the following

| | |
|---|---|
| Notes payable to a lender, due in monthly installments of $6,847, including interest at 6 20% and 7 98%, final payments due in 2016 and 2018 | $ 118,929 |

Future maturities on long-term debt for the years ending December 31 are as follows

| | | |
|---|---|---|
| 2016 | $ | 56,460 |
| 2017 | | 40,841 |
| 2018 | | 21,628 |
| | $ | 118,929 |

**Note 4 Marketing Fund**

The Company maintains and administers the Dream Dinners Marketing Fund ("the Fund") The Fund has been established to receive, hold, and spend contributions for advertising related to "Dream Dinners" stores Franchisees make monthly contributions to the Fund of $800 or 2% of monthly gross revenues, whichever is greater

Activities of the Fund are kept separate from the operations of the Company The Fund is not available to defray any of the Company's general operating expenses, except for reasonable salaries, administrative costs, and overhead required for the administration of the Fund

A summary of the Fund financial statements as of and for the years ended December 31, is as follows

| | | 2015 | | 2014 |
|---|---|---|---|---|
| Assets | | | | |
| Cash | $ | 180,170 | $ | 281,258 |
| Marketing fees receivable, net | | 61,733 | | 77,748 |
| Due from Dream Dinners, Inc and Subsidiary | | 152,928 | | 72,416 |
| Due from related party | | 978 | | |
| | $ | 395,809 | $ | 431,422 |
| Liabilities | | | | |
| Accounts payable | $ | 33,461 | $ | 67,375 |
| | | 33,461 | | 67,375 |
| Fund Equity | | 362,348 | | 364,047 |
| | $ | 395,809 | $ | 431,422 |
| Operations | | | | |
| Percentage of sales revenue | $ | 898,552 | $ | 895,693 |
| Vendor rebates | | 556,733 | | 401,971 |
| Marketing expenses | | (1,456,985) | | (1,434,865) |
| Income (loss) from operations | | (1,700) | | (137,201) |
| Fund equity, beginning of year | | 364,048 | | 501,249 |
| Fund equity, end of year | $ | 362,348 | $ | 364,048 |

## Note 5. Related Party Transactions

### Parent Company

At December 31, 2015 and 2014, the Company had a balance due from the Parent of $496,664 and $632,092, respectively, for purchases of equipment and for operations During the year ended December 31, 2015, the Company wrote off $230,985, as it was not expected to be collected

### Due to/from Related Party

In 2005, the majority stockholders of the Parent established a tax exempt entity The directors of the entity are also majority stockholders and directors of the Parent The Company advanced $7,438 to the entity and stockholders as of December 31, 2015

## Note 6. Commitments

### Building Leases

The Company leases corporate office space under a non-cancelable operating lease agreement with the two majority stockholders of the Company The lease expires in March 2021 The lease calls for minimum rent plus additional rent based on a percentage of the Company's revenue, up to a maximum amount Rental expense under the lease totaled $184,775 and $177,268 for the year ended December 31, 2015 and 2014, respectively

The Company has also leased a facility that the Company then subleases to the Parent This lease is non-cancelable and expires in April 2017 The lease allows for the option of two additional renewal terms of five years each and is guaranteed by the majority stockholders of the Parent The sublease is a month-to-month arrangement and calls for rent equal to the actual expense incurred by the Company Sublease income totaled $78,843 and $72,778 for the years ended December 31, 2015 and 2014, respectively

Future minimum lease payments are as follows

| | Leases | Sublease Amount | Net Lease Amount |
|---|---|---|---|
| 2016 | $ 130,710 | $ (76,710) | $ 54,000 |
| 2017 | 73,296 | (19,296) | 54,000 |
| 2018 | 54,000 | | 54,000 |
| 2019 | 54,000 | | 54,000 |
| 2020 | 54,000 | | 54,000 |
| Thereafter | 13,500 | | 13,500 |
| | $ 379,506 | $ (96,006) | $ 283,500 |

Rental expense, net of sublease income under the building leases for the years ended December 31, 2015 and 2014, is $105,932 and $104,490, respectively

**Note 7. Profit Sharing Plan**

The Company has a 401(k) Profit Sharing and Retirement Plan ("the Plan") which covers substantially all full-time employees meeting minimum eligibility requirements and allows employees to defer a portion of their salary up to the limitations of the Internal Revenue Code The Company is not required to make matching contributions and as such, no Company contributions were made to the plan as of December 31, 2015 or 2014

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**DREAM DINNERS, INC. AND SUBSIDIARY**

CONSOLIDATED FINANCIAL REPORT
(Audited)

DECEMBER 31, 2014 AND 2013

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petersonsullivan LLP

Certified Public Accountants
& Advisors

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Dream Dinners, Inc and Subsidiary
Snohomish, Washington

We have audited the accompanying consolidated financial statements of Dream Dinners, Inc (a Washington corporation) and Subsidiary, which comprise the consolidated balance sheets as of December 31, 2014 and 2013, and the related consolidated statements of income, changes in stockholders' equity and cash flows for the years then ended, and the related notes to the consolidated financial statements

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error

**Auditor's Responsibility**

Our responsibility is to express an opinion on the consolidated financial statements based on our audit We conducted our audit in accordance with auditing standards generally accepted in the United States Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error In making those risk assessments, the auditor considers internal control relevant to the entity s preparation and fair presentation of the consolidated financial statements 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 entity's internal control Accordingly, we express no such opinion An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

**Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Dream Dinners, Inc and Subsidiary as of December 31, 2014 and 2013, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States

Peterson Sullivan LLP

March 16, 2015

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Seattle, WA 98101

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An independent firm associated with
MOORE STEPHENS

**DREAM DINNERS, INC. AND SUBSIDIARY**

CONSOLIDATED BALANCE SHEETS
December 31, 2014 and 2013

| ASSETS | 2014 | 2013 |
|---|---|---|
| Current Assets | | |
| Cash | $ 929,648 | $ 1,024,621 |
| Receivables | | |
| Royalties, net of allowance for doubtful accounts of $136,000 in both 2014 and 2013 | 187,820 | 172,093 |
| Other | 659 | 1,199 |
| Due from marketing fund | | 103,550 |
| Due from related party | | 7,002 |
| Inventory | 78,291 | 47,941 |
| Prepaid expenses | 13,329 | 6,912 |
| Total current assets | 1,209,747 | 1,363,318 |
| Property and Equipment, net | 299,575 | 312,525 |
| Other Assets | | |
| Due from parent company | 632,092 | 428,560 |
| Intangible assets | 7,535 | 7,535 |
| Deposits | 4,400 | 4,400 |
| | 644,027 | 440,495 |
| | $ 2,153,349 | $ 2,116,338 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current Liabilities | | |
| Accounts payable | $ 55,595 | $ 30,846 |
| Accrued liabilities | 406,917 | 624,377 |
| Due to marketing fund | 11,905 | |
| Due to related party | 285 | |
| Total current liabilities | 474,702 | 655,223 |
| Stockholders' Equity | | |
| Common stock, no par value, 50,000 shares authorized, 6,351 shares issued and outstanding | 210,510 | 210,510 |
| Retained earnings | 1,468,137 | 1,250,605 |
| Total stockholders' equity | 1,678,647 | 1,461,115 |
| | $ 2,153,349 | $ 2,116,338 |

See Notes to Financial Statements

**DREAM DINNERS, INC. AND SUBSIDIARY**

CONSOLIDATED STATEMENTS OF INCOME

For the Years Ended December 31, 2014 and 2013

| | 2014 | 2013 |
|---|---|---|
| Revenue | | |
| Initial franchise fees | $ 78,000 | $ 54,000 |
| Franchise royalties | 2,080,885 | 2,189,259 |
| Marketing materials | 121,082 | 47,125 |
| | 2,279,967 | 2,290,384 |
| Expenses | | |
| Personnel | 1,504,356 | 1,547,154 |
| Facilities | 255,735 | 258,651 |
| Marketing | 85,338 | 43,006 |
| Administrative | 615,711 | 563,910 |
| | 2,461,140 | 2,412,721 |
| Loss from operations | (181,173) | (122,337) |
| Other Income (Expense) | | |
| Interest income | 18,553 | 20,576 |
| Other income | 387,365 | |
| Loss on disposal of assets | (7,213) | (2,899) |
| | 398,705 | 17,677 |
| Net income (loss) | $ 217,532 | $ (104,660) |

See Notes to Financial Statements

**DREAM DINNERS, INC AND SUBSIDIARY**

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLERS' EQUITY
For the Years Ended December 31, 2014 and 2013

| | Number of Shares | Common Stock | Retained Earnings | Total |
|---|---|---|---|---|
| Balance, December 31, 2012 | 6,351 | $ 210,510 | $ 1,355,265 | $ 1,565,775 |
| Net loss | | | (104,660) | (104,660) |
| Balance, December 31, 2013 | 6,351 | 210,510 | 1,250,605 | 1,461,115 |
| Net income | | | 217,532 | 217,532 |
| Balance, December 31, 2014 | 6,351 | $ 210,510 | $ 1,468,137 | $ 1,678,647 |

See Notes to Financial Statements

**DREAM DINNERS, INC. AND SUBSIDIARY**

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2014 and 2013

| | 2014 | 2013 |
|---|---|---|
| Cash Flows from Operating Activities | | |
| Net income (loss) | $ 217,532 | $ (104,660) |
| Adjustments to reconcile net income (loss) to net cash flows from operating activities | | |
| Depreciation | 45,724 | 43,190 |
| Bad debt expense | | 63,965 |
| Loss on disposal of assets | 7,213 | 2,899 |
| Changes in operating assets and liabilities | | |
| Royalties receivable | (15,727) | (34,193) |
| Other receivables | 540 | 646 |
| Due to/from marketing fund | 115,455 | (27,389) |
| Inventory | (30,350) | (3,117) |
| Prepaid expenses | (6,417) | 79,306 |
| Accounts payable | 24,749 | 6,237 |
| Accrued liabilities | (217,460) | 63,542 |
| Net cash flows from operating activities | 141,259 | 90,426 |
| Cash Flows from Investing Activities | | |
| Purchase of property and equipment | (40,338) | (55,452) |
| Proceeds from sale of property and equipment | 351 | 400 |
| Net cash flows investing activities | (39,987) | (55,052) |
| Cash Flows from Financing Activities | | |
| Principal payments on long-term debt | | (13,000) |
| Due to/from related party | 7,287 | (1,933) |
| Advances to parent company, net | (203,532) | (82,382) |
| Net cash flows from financing activities | (196,245) | (97,315) |
| **Net Change in Cash** | **(94,973)** | **(61,941)** |
| Cash, beginning of year | 1,024,621 | 1,086,562 |
| Cash, end of year | $ 929,648 | $ 1,024,621 |

See Notes to Financial Statements

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### Note 1 Nature of Operations and Summary of Significant Accounting Policies

**Nature of Operations**

Dream Dinners, Inc. ("the Company") was formed April 17, 2002, as a Washington Corporation The Company is the franchisor of "Dream Dinners" stores "Dream Dinners" stores sell groceries and provide space for customers to prepare multiple take-home meals ready for freezing or cooking

On January 1, 2004, the Company completed a reorganization in which it became the wholly-owned subsidiary of Dream Dinners Operations, Inc ("the Parent") The Parent owns and operates seven "Dream Dinners" stores, one of which is also used by the Company for training and testing This store is located in the greater Seattle, Washington metropolitan area, and the other four are located in Washington, Connecticut, Michigan, New Hampshire, Illinois, and Oregon

As of December 31, 2014, the Company franchised 80 "Dream Dinner" stores located in 23 states and has plans to establish franchises throughout the rest of the United States

**Principles of Consolidation**

During 2005, the Company formed Dream Marketing, LLC, a wholly-owned subsidiary, to purchase marketing materials and sell to franchisees at discounted prices The consolidated financial statements include the accounts of Dream Dinners, Inc and Dream Marketing, LLC All significant intercompany balances and transactions have been eliminated

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures Accordingly, actual results could differ from those estimates

**Cash**

Cash includes cash on deposit with major financial institutions Cash balances from time to time exceed federally insured limits The Company believes these balances are subject to minimal risk because they are with large, high quality financial institutions

**Receivables**

The Company extends credit to its franchisees in the normal course of business, performs ongoing credit evaluations, and maintains allowances for potential credit losses The Company reduces its receivable and related allowance when the receivable is considered to be uncollectible Receivables are considered past due at approximately 10 days after they are due, and begin accruing interest at 18% per annum if not paid within 20 days of the due date Receivables accruing interest at December 31, 2014 and 2013, were $123,526 and $133,747, respectively

**Inventory**

Inventory consists of marketing materials for the stores, and is carried at the lower of cost or market (first-in, first-out)

**Property and Equipment**

Furniture, fixtures, and equipment are stated at cost Depreciation of furniture, fixtures, and equipment is computed using the straight-line method over the estimated useful lives, ranging from three to seven years Leasehold improvements are depreciated using the straight-line method over the shorter of their useful lives or the lease term, ranging from seven to ten years

**Intangible Assets**

Intangible assets are stated at cost Intangible assets include a trademark, which is not subject to amortization but is evaluated annually for impairment Management has assessed that there is no impairment for the years ended December 31, 2014 or 2013

**Revenue Recognition**

When an individual franchise is sold, the Company agrees to provide certain services to the franchisee Generally, these services include approval of site selection and build-out, basic management training, use of "Dream Dinners" operations manuals, and grand opening training

As consideration for the grant of a franchise, each franchisee agrees to pay to the Company an initial franchise fee of $35,000 and an initial grand opening and design fee of $10,000 Revenue from initial franchise and grand opening fees is recognized when all material services relating to the sale have been substantially performed by the Company; essentially, when the franchisee holds its grand opening Expenses associated with the initial franchise and grand opening fees are deferred until the revenue is recognized

Continuing franchise royalties of $1,800 per month or 6% of gross franchisee sales are recognized as earned

**Advertising**

The Company charges advertising costs to operations when incurred Advertising expense was $1,988 and $2,762 for the years ended December 31, 2014 and 2013, respectively

**Gift Cards**

When a customer purchases a gift card, a liability is recorded for the unredeemed outstanding gift card When the gift cards are redeemed at Dream Dinners locations, the franchisee recognizes revenue and the Company provides the franchisee the funds The Company recognizes breakage income on unredeemed gift cards when it can determine that the likelihood of the gift card being redeemed is remote The Company determines the gift card breakage rate based on historical redemption patterns Gift card breakage is included in other income on the accompanying consolidated statements of income

**Federal Income Taxes**

The Company and its subsidiary have elected, with the consent of its stockholders, to be taxed under provisions of Subchapter S of the Internal Revenue Code Under those provisions, the Company and its subsidiary do not pay federal corporate income taxes on their taxable income Instead, the stockholders are liable for individual federal income taxes on their respective shares of the Company and subsidiary's taxable income For federal income tax purposes, the Company and subsidiary are regarded as a Qualified Subchapter S Corporation and are included in the combined federal income tax return of Dream Dinners Operations, Inc

Management has evaluated the tax positions taken on the combined tax return for those that are "more likely than not" to be sustained in the event of a tax authority examination Management believes there are no uncertain tax positions for the years ended December 31, 2014 and 2013 The Company is open to audit for the previous three years

**Subsequent Events**

The Company has evaluated subsequent events through the date these financial statements were available to be issued, which is the same date as the independent auditor's report

**Note 2 Property and Equipment**

Property and equipment at December 31 is comprised of the following

| | 2014 | 2013 |
|---|---|---|
| Computer equipment | $ 81,723 | $ 75,454 |
| Computer software | 463,533 | 477,803 |
| Furniture and fixtures | 67,190 | 67,190 |
| Kitchen equipment | 9,553 | 7,854 |
| Vehicles | 55,715 | 113,893 |
| Leasehold improvements | 213,566 | 207,206 |
| | 891,280 | 949,400 |
| Less accumulated depreciation | 591,705 | 636,875 |
| | $ 299,575 | $ 312,525 |

**Note 3. Marketing Fund**

The Company maintains and administers the Dream Dinners Marketing Fund ("the Fund") The Fund has been established to receive, hold, and spend contributions for advertising related to "Dream Dinners" stores Franchisees make monthly contributions to the Fund of $800 or 2% of monthly gross revenues, whichever is greater

Activities of the Fund are kept separate from the operations of the Company The Fund is not available to defray any of the Company's general operating expenses, except for reasonable salaries, administrative costs, and overhead required for the administration of the Fund As of December 31, 2014 and 2013, the balance due to the Fund was $11,905 and the balance due from the Fund was $103,550 for these costs, respectively

A summary of the Fund financial statements as of and for the years ended December 31, is as follows

| | 2014 | 2013 |
|---|---|---|
| Assets | | |
| Cash | $ 281,258 | $ 600,272 |
| Marketing fees receivable, net | 77,748 | 74,184 |
| Due from Dream Dinners, Inc | 11,905 | |
| Due from related party | 60,511 | 10,391 |
| | $ 431,422 | $ 684,847 |
| Liabilities | | |
| Accounts payable | $ 67,375 | $ 80,048 |
| Due to Dream Dinners, Inc | | 103,550 |
| | 67,375 | 183,598 |
| Fund equity | 364,047 | 501,249 |
| | $ 431,422 | $ 684,847 |
| Operations | | |
| Percentage of sales revenue | $ 895,693 | $ 916,476 |
| Vendor rebates | 401,971 | 352,892 |
| Marketing expenses | (1,434,865) | (1,334,834) |
| Income (Loss) from Operations | (137,201) | (65,466) |
| Fund equity, beginning of year | 501,249 | 566,715 |
| Fund equity, end of year | $ 364,048 | $ 501,249 |

**Note 4 Related Party Transactions**

**Parent Company**

At December 31, 2014 and 2013, the Company had a balance due from the Parent of $632,092 and $428,560, respectively, for purchases of equipment and for operations

**Due to/from Related Party**

In 2005, the majority stockholders of the Parent established a tax exempt entity The directors of the entity are also majority stockholders and directors of the Parent The Company owes $285 to the entity and stockholders party as of December 31, 2014, and advanced $7,002 to the entity and stockholders as of December 31, 2013

**Note 5. Commitments**

**Building Leases**

The Company has signed a lease for the corporate office space under a non-cancelable operating lease agreement with the two majority stockholders of the Company The lease expires in March 2016 and allows for the option of one additional renewal term of five years The lease calls for minimum rent plus additional rent based on a percentage of the Company's revenue, up to a maximum amount Rental expense under this lease totaled $104,490 and $108,305 for the years ended December 31, 2014 and 2013, respectively

The Company has also leased a facility that the Company then subleases to the Parent This lease is non-cancelable and expires in April 2017 The lease allows for the option of two additional renewal terms of five years each and is guaranteed by the majority stockholders of the Parent The sublease is a month-to-month arrangement and calls for rent equal to the actual expense incurred by the Company Sublease income totaled $72,778 and $69,810 for the years ended December 31, 2014 and 2013, respectively

Future minimum lease payments are as follows

| | Leases | Sublease Amount | Net Lease Amount |
|---|---|---|---|
| 2015 | $ 113,877 | $ (59,877) | $ 54,000 |
| 2016 | 75,270 | (61,770) | 13,500 |
| 2017 | 15,561 | (15,561) | |
| | $ 204,708 | $ (137,208) | $ 67,500 |

Rental expense, net of sublease income under the building leases for the years ended December 31, 2014 and 2013, is $104,490 and $108,305, respectively

**Note 6. Profit Sharing Plan**

The Company has a 401(k) Profit Sharing and Retirement Plan ("the Plan") which covers substantially all full-time employees meeting minimum eligibility requirements and allows employees to defer a portion of their salary up to the limitations of the Internal Revenue Code The Company is not required to make matching contributions and as such, no Company contributions were made to the plan as of December 31, 2014 or 2013

# EXHIBIT G TO THE
# DREAM DINNERS, INC.
# FRANCHISE DISCLOSURE DOCUMENT

## TABLE OF CONTENTS TO THE OPERATIONS MANUAL

# Table of Contents


| Section / Module | Included in Printed Manual | Online Resource | Pages |
|---|---|---|---|
| **Operating Manual** | | | |
| **00 Introduction** *Overview of Dream Dinners concept and information specifically for the franchise owner* | | | |
| 00 01 About Dream Dinners | x | x | 1 - 6 |
| 00 02 The Benefits of Eating Together | x | x | 7 - 10 |
| 00 03 For the Franchise Owner | x | x | 11 - 12 |
| **10 Human Resources** *Contains a collection of tools to assist you in hiring, managing and terminating employees* | | | |
| 10 00 Human Resources Table of Contents | x | x | 13 - 14 |
| 10 10 Pre-Employment & Hiring | x | x | 15 - 32 |
| 10 10 10 Job Descriptions | | | |
| 10 10 20 Pre-Employment | | | |
| 10 10 30 Employment Acknowledgements | | | |
| 10 20 Staff Management | x | x | 35 - 74 |
| 10 20 10 Review and Performance | | | |
| 10 20 20 Management | | | |
| 10 30 Termination | x | x | 75 - 84 |
| **20 Guest Relations** *Recipe for Success and FAQ's* | | | |
| 20 01 Recipe for Success | x | x | 85 - 98 |
| 20 02 Serving up Platinum Care | x | x | 99 - 100 |
| 20 03 Crisis Management and Response | x | x | 101 - 104 |
| 20 04 Frequently Asked Questions | x | x | 105 - 124 |
| **30 Finance** *Accounting 101 and credit card setup information* | | | |
| 30 00 Finance 101 | x | x | 125 - 140 |
| **40 FAdmin** *User guides for our Website tools* | | | |
| 40 00 FAdmin Section Table of Contents | x | x | 141 - 142 |
| 40 10 FAdmin Overview | | | |
| 40 11 Navigation & Store Settings | x | x | 143 - 148 |
| 40 20 Reports | | | |
| 40 20 00 Formula Definitions | x | x | 149 - 154 |
| 40 20 01 Dashboard | x | x | 155 - 156 |
| 40 20 02 Trending Report | x | x | 157 - 158 |
| 40 20 03 Session Summary & Goal Tracking | x | x | 159 - 162 |
| 40 20 04 Financial Statistical Report | x | x | 163 - 164 |
| 40 20 05 Weekly Summary | x | x | 165 - 166 |
| 40 20 06 Payment Reconciliation | x | x | 167 - 168 |
| 40 20 07 Cashflow | x | x | 169 - 170 |
| 40 20 08 Order History | x | x | 171 - 174 |
| 40 20 09 Cancellation Report | x | x | 175 - 176 |
| 40 20 10 Guest Details Report | x | x | 177 - 178 |
| 40 30 Session Management Tools | | | |

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| 40 31 Creating and Managing Guest Accounts | x | x | 179 - | 186 |
| 40 32 Menu & Markup Editor | x | x | 187 - | 192 |
| 40 33 Sessions Manager | x | x | 193 - | 204 |
| 40 34 Order Manager | x | x | 205 - | 228 |
| **50 Operations** *Tools for the day to day operation of your store* | | | | |
| 50 00 Operations Section Table of Contents | x | x | 229 - | 230 |
| 50 10 Food Handling and Safety | | | | |
| 50 11 Food Handling and Safety | x | x | 229 - | 234 |
| 50 12 Food Safety During Power Outages and Floods | x | x | 235 - | 238 |
| 50 13 HACCPP | | x | | |
| 50 14 SYSCO Corp – Recall Communications | x | x | 239 - | 242 |
| 50 15 Accident Prevention Plan | x | x | 243 - | 248 |
| 50 20 Inventory Management and Ordering | | | | |
| 50 20 Glossary of Terms | x | x | 249 - | 252 |
| 50 21 Roles & Responsibilities | x | x | 253 - | 260 |
| 50 22 The Pre-Order | x | x | 261 - | 268 |
| 50 23 Ongoing Monthly Inventory & Ordering | x | x | 269 - | 272 |
| 50 24 sSysco Quick Start Guide | x | x | 273 - | 278 |
| 50 25 Receiving and Putting Away your Order | x | x | 279 - | 282 |
| 50 26 Post Month | x | x | 283 - | 284 |
| 50 30 The Monthly Packet | | | | |
| 50 31 The Monthly Packet | x | x | 285 - | 294 |
| 50 32 HoneyDew | x | x | 295 - | 300 |
| 50 33 Schematic | x | x | 301 - | 304 |
| 50 40 Session Operations | | | | |
| 50 41 Monthly Operations | x | x | 305 - | 312 |
| 50 42 Operating a Session | x | x | 313 - | 318 |
| 50 50 Loss Prevention and Waste Reduction | | | | |
| 50 51 Loss Prevention and Waste Management | x | x | 319 - | 324 |
| 50 60 Labor and Operating Standards | | | | |
| 50 61 Labor and Operating Standards | x | x | 325 - | 344 |
| 50 70 Helps | | | | |
| 50 71 Operations Tool Kit (Overview Document) | x | x | 345 - | 346 |
| **60 IT** *How to documents for setting up email, enabling macros in Excel, and general PC maintenance* | | | | |
| 60 00 IT Section Table of Contents | x | x | 347 - | 348 |
| 60 10 Dream Connect | x | x | 349 - | 358 |
| 60 20 Email Setup and Use | x | x | 359 - | 392 |
| 60 30 Equipment Minimum Specifications | x | x | 393 - | 394 |
| 60 40 PC Maintenance | x | x | 395 - | 406 |
| **70 Sales** *Sales process training documents and supporting tools* | | | | |
| 70 00 Sales Process Basics | x | x | 407 - | 418 |
| 70 10 SAAS - Sales as a Service | x | x | 419 - | 426 |
| 70 20 Creating Vision, Mission, and Goals | | | 427 - | 438 |
| 70 30 CRM (Customer Relationship Management) | | | | |
| **80 Marketing** *Tools for marketing your business* | | | | |
| 80 00 Marketing Overview | x | x | 439 - | 440 |

| | | | | |
|---|---|---|---|---|
| 80 10 Brand | x | x | 441 - | 444 |
| 80 20 Acquisition - Programs | x | x | 445 - | 446 |
| 80 30 Acquisition - Advertising | x | x | 447 - | 450 |
| 80 40 Product Offerings | x | x | 451 - | 452 |
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| 80 60 Public Relations | x | x | 461 - | 462 |
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| 80 80 New Store & Merchandising | x | x | 469 - | 470 |
| 80 90 Collateral & Campaigns | x | x | 471 - | 472 |
| **90 Program Documents** *Marketing Programs Available in Marketing Manual* | | | | |
| 90 10 PLATEPOINTS | x | x | 473 - | 504 |
| 90 20 Dream Taste | x | x | 505 - | 520 |
| 90 30 Dream Events | x | x | 521 - | 522 |
| 90 40 Made for You | x | x | 523 - | 530 |
| 90 50 Bring a Friend | x | x | 531 - | 540 |
| 90 60 Private Party | x | x | 541 - | 546 |
| 90 70 Gift Card | x | x | 547 - | 560 |
| **100 Merchandising** *Top level program guides including* | | | | |
| 100 00 Finishing Touch Freezer | x | x | 561 - | 574 |
| **110 Store Development** *Contains the store Maintenance Manual and lease negotiation help guide* | | | | |
| 110 00 Store Development Section Table of Contents | x | x | 575 - | 576 |
| 110 10 Real-Estate and Lease Negotiation | | x | | |
| 110 20 Construction Manual | | x | | |
| 110 30 Store Maintenance | x | x | 577 - | 596 |
| 110 40 Refreshing Your Store Manual | | x | | |

| **Videos / Webinars** | |
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| **FAdmin** | |
| Session Management | |
| FAdmin Home | x |
| Introduction to the Order Manager | x |
| Management Tools for Gift Cards | x |
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| Dream Dashboard | x |
| Trending Report | x |
| Session Summary & Goal Tracking | x |
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| Financial Statistical Report | x |
| Payment Reconciliation Report | x |
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| Weekly Summary | x |

| | |
|---|---|
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| **Guest Relations** | |
| Guest Relations and Team Building | x |
| **Testimonials** | |
| Attitude is Everything | x |
| Bad to Beautiful | x |
| Girls Just Wanna Have Fun | x |
| It's a Marathon, Not a Sprint | x |
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| **Human Resources** | |
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| Train the Trainer - Staff Management | x |
| Train the Trainer - Termination | x |
| **Marketing** | |
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| **Operations** | |
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| Closing Stations and Cross Over | x |
| How your Session Calendar Impacts Labor | x |
| Loss Prevention and Waste Management | x |
| Monthly Inventory and Ordering | x |
| Post Month | x |
| Preparing for a Session | x |
| Receiving and Putting Away Your Order | x |
| Reducing your Labor and Costs | x |
| Roles and Responsibilities | x |
| Station Setup | x |
| Sysco Market Quick Start Guide | x |
| The HoneyDew | x |
| The Monthly Packet | x |
| The Pre-Order | x |
| Time Standards Labor Model | x |
| **Sales** | |
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| Sales as a Service | x |
| Manager Mentoring 101 - The Basics | x |
| Manager Mentoring 201 - Advanced | x |

# EXHIBIT H TO THE
# DREAM DINNERS, INC.
# FRANCHISE DISCLOSURE DOCUMENT

## STATE ADDENDA AND RIDERS TO THE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT, AND OTHER AGREEMENTS

ADDENDUM TO THE
DREAM DINNERS, INC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF CALIFORNIA

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

OUR WEBSITE (www DreamDinnersfranchise com) HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AND ANY COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT www dbo ca gov

1 **The following paragraph is added to the end of Item 3.**

Neither the Franchisor, any person 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 such persons from membership in such association or exchange

2 **The following paragraphs are hereby added at the end of Item 17:**

The California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or nonrenewal of a franchise If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control

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 )

The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the Franchise This provision may not be enforceable under California law

The Franchise Agreement contains a liquidated damages clause Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable

The Franchise Agreement requires application of the laws of the State of Washington This provision may not be enforceable under California law

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 provisions of a franchise agreement restricting venue to a forum outside the State of California

YOU MUST SIGN A GENERAL RELEASE OF CLAIMS IF YOU RENEW OR TRANSFER YOUR FRANCHISE CALIFORNIA CORPORATIONS CODE §31512 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE INVESTMENT LAW (CALIFORNIA CORPORATIONS CODE §§31000 THROUGH 31516) BUSINESS AND PROFESSIONS CODE §20010 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE RELATIONS ACT (BUSINESS AND PROFESSIONS CODE §§20000 THROUGH 20043)

3 **The following paragraph is added to the end of Item 19**

The financial performance representation in FDD Item 19 does not reflect the costs of sales, operating expenses or other costs or expenses that must be deducted from the Gross Revenues or gross sales figures to obtain your net income or profit You should conduct an independent investigation of the costs and expenses you will incur in operating your Dream Dinners Store Franchisees or former franchisees, listed in the FDD, may be one source of this information "

RIDER TO THE
DREAM DINNERS, INC
FRANCHISE AGREEMENT
FOR THE STATE OF CALIFORNIA

To the extent the California Franchise Investment Law, Cal Corp Code §§ 31000-31516 or the California Franchise Relations Act, Cal Bus & Prof Code §§20000-20043 applies, the terms of this Addendum apply

1 Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended

The Franchise Agreement requires the franchisee 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 there under is void Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043)

The Franchise Agreement requires application of the laws of Washington This provision may not be enforceable under California law

The Franchise Agreement contains a liquidated damages clause Under California Civil Code §1671, certain liquidated damages clauses are unenforceable

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or non-renewal of a franchise The Federal Bankruptcy Code also provides rights to franchisee concerning termination of the Franchise Agreement upon certain bankruptcy-related events If the Franchise Agreement is inconsistent with the law, the law will control

The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise This provision may not be enforceable under California law

2 Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement

3 Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect

4 The Franchise Agreement is amended by making the following changes In all other respects, the Franchise Agreement shall remain in full force and effect

Section 16 1 is amended by adding the following

"On the date the Franchisee reports its Store's Gross Revenues, the Franchisee shall provide the Franchisor with a monthly reports of assets it has acquired, their purchase date and purchase price, the

person or entity from whom each asset was acquired, the depreciated value of each asset, the identity of all persons and entities holding liens on each asset, the date of disposition of each asset and the date of the release of lien of each asset, as well as other information prescribed by the Franchisor in the Operations Manual The depreciation schedule for each asset shall be the schedule prescribed or approved by the Franchisor in the Operations Manual from time to time, which shall generally be the fastest depreciation schedule permitted under either Generally Accepted Accounting Principles or under the Internal Revenue Code "

Section 17 2 d is amended by adding "Notwithstanding Section 21 13 only a notice which is written and delivered to the Franchisor by business courier or by receipted mail which includes all of the following information required by the California Franchise Relations Act will be accepted for purposes of Section 17 2 d "

"Franchisee shall, prior to the sale, assignment, or transfer of the Franchise Agreement, all or substantially all of the assets of the franchised business, or a controlling or noncontrolling interest in the franchised business, to another person, notify the Franchisor of the Franchisee's intent to sell, transfer, or assign the Franchise Agreement, all or substantially all of the assets of the franchised business, or the controlling or noncontrolling interest in the franchised business " The notice shall be in writing, delivered to the Franchisor by business courier or by receipted mail and include all of the following

(1) The proposed transferee's name and address

(2) A copy of all agreements related to the sale, assignment, or transfer of the Franchise Agreement, the assets of the franchised business, or the interest in the franchised business

(3) The proposed transferee's application for approval to become the successor Franchisee The application shall include all forms, financial disclosures, and related information generally utilized by the Franchisor in reviewing prospective new Franchisees, if those forms are readily made available to the existing Franchisee If the forms are not readily available, the Franchisee shall request and the Franchisor shall deliver the forms to the Franchisee

As soon as practicable after the receipt of the proposed transferee's application, the Franchisor shall notify, in writing, the Franchisee and the proposed transferee of any additional information or documentation necessary to complete the transfer application If the Franchisor's then-existing standards for the approval of new or renewing franchisees are not readily available to the Franchisee when the Franchisee notifies the Franchisor of the Franchisee's intent to sell, transfer, or assign the Franchise, the assets of the franchised business, or the controlling or noncontrolling interest in the franchised business, the Franchisor shall communicate the standards to the Franchisee within fifteen (15) calendar days Those standards may include requirements that the proposed transferee complete one or more interviews with the Franchisor's executives, and/or a committee of such executives or of executives and franchisees, who may decide, among other things, whether the proposed transferee's personality, interest, plans for the business, involvement in franchising or in competitive activities would make the proposed transferee a suitable Dream Dinners Franchisee or owner of an interest in a Dream Dinners Franchisee "

"The Franchisor shall, within sixty (60) days after the receipt of all of the necessary information and documentation required above (a), or as specified by written agreement between the Franchisor and the Franchisee notify the Franchisee of the approval or disapproval of the proposed sale, assignment, or transfer A proposed sale, assignment, or transfer shall be deemed approved, unless disapproved by the Franchisor in the manner provided herein If the proposed sale, assignment, or transfer is disapproved,

the Franchisor shall include in the notice of disapproval a statement setting forth the reasons for the disapproval "

Section 19 2 The first sentence is deleted and the following is added in its place

"For defaults under this Section (12) c , the Franchisee shall have sixty (60) days from the delivery of such notice within which to cure the default of this Agreement If the Franchisee believes it cannot reasonably cure a default while exercising diligent efforts within sixty (60) days, if the Franchisee notifies the Franchisor of its conclusion within fifteen (15) days after receiving the notice of default, and if the Franchisor delivers notice to the Franchisee that it concurs in the Franchisee's conclusion within thirty (30) days from the delivery of the notice of default, the Franchisee shall have an additional fifteen (15) days within which to fully cure that default If all defaults identified in the notice are timely cured, this Agreement shall not be terminated absent a subsequent or previously undiscovered default results in a subsequent notice "

Section 19 4 is stricken and the following is substituted

Section 19 4 Franchisor's Option to Purchase

If at any time the Franchisor reasonably believes that the Franchisee is in default of any obligation arising under this Agreement, or if the Franchisee has failed to comply with any conditions of entering into a subsequent Franchise Agreement, specified in Sections 18 3 and 18 4, the Franchisor, in addition to any other remedies available under this Agreement or at law or in equity, may purchase the assets of the Franchisee's business for their depreciated value on the date of the notice The date on which the purchase shall occur (Closing Date) shall be the day before the effective date of the termination or expiration as specified in the notice, or on such other date as the parties shall agree The Franchisor shall not exercise this option unless it or its assignee can acquire the right to operate a business from the Store Location following the Closing Date The Franchisor shall, at its option, only purchase assets, including leasehold interests, that are delivered to the Franchisor On the Closing Date, and, in the case of assets that are rented or leased, assets to which the rentor or lessor has approved the sale to the Franchisor or its assignee on no more onerous terms than those under which the asset was rented or leased to the Franchisee

The value of the Franchise Agreement shall be the depreciated value of the initial franchise fee, or if applicable, the depreciated value of the successor franchise fee paid by the Franchisee as established by the depreciation schedule set forth in the Operations Manual Payments for the assets due from the Franchisor shall exclude all amounts the Franchisee and its Affiliates owe to the Franchisor and its Affiliates, including the Marketing Fund, all amounts owed to other creditors which have not been paid by the Closing Date, any unpaid taxes, and any attorneys' fees incurred by the Franchisor or its affiliates in resolving or defending any disputes or claims arising out of the purchase of the assets The purchase price shall be reduced to the extent that any asset is damaged The Franchisee agrees that the Franchisor may also set off against the purchase price the Minimum Monthly Royalty Fees that would have been due to the Franchisor during the shorter of the remainder of the term of this Agreement or three (3) years

**Conditions for Closing**

With respect to any contracts or leases, the Franchisee shall provide a list (including written copies, if applicable) of all such contracts or commitments and a statement of whether they are assignable In addition, the Franchisee shall provide the Franchisor with the Franchisee's tax returns and financial statements for the last three (3) years, good standing certificates, a description of any litigation, pending claims, governmental actions, or disputes, and a description of any liens or encumbrances, mortgages The purchase agreement related to the transaction will convey all of the purchased assets in good working order,

free and clear of any liens, encumbrances, mortgages, pledges, covenants and restrictions, and will provide for customary representations and warranties, covenants, indemnities, escrow and/or holdbacks of the purchase price

If the Franchisee has failed to provide the reports pertaining to its assets that are required by the second paragraph of Section 16 1, above, or if the Franchisee fails to provide the Franchisor or its assignee with evidence of clear title to each of the assets used in the operation of the business at the Store Location, the Franchisor or its assignee may assume control of all of the assets on the terminate date established by the notice of default delivered pursuant to Section 19 2 or on the expiration date, and may defer making any payments to the Franchisee until the Franchisee has provided the Franchisor or its designee with all of the information specified by Section 16 1 and the Operations Manual and the Conditions for Closing The Franchisor may hold back or escrow any portion of the purchase price it believes is needed to protect against claims arising out of the Franchisee's operation of the franchised business

At closing, the parties shall execute an asset purchase agreement which will contain typical warranties, representation and schedules normally associated with the sale of substantially all of the assets of a business The Franchisor and the Franchisee shall each be liable for their attorneys' and other professionals' fees associated with the transaction

Section 18 4 The following is added to the end of the paragraph

"The Franchisee's failure to request to enter into a Subsequent Agreement as specified herein shall be deemed a rejection of the Franchisor's offer to enter into a Subsequent Franchise Agreement, which shall cause this Agreement to expire at the end of the term "

Section 21 3 Add the following sentence at the end of the paragraph All notices required by this Agreement, including those related to requests, acts or omissions of the foregoing individuals or entities, will be effective when delivered to the Franchisee. The Franchisee alone is liable for forwarding any notices to its officers, directors, employees, shareholders, owners, Guarantors, principals, members and/or partners "

The Personal Guaranty (Schedule B) is amended by adding the following language at the end "Each Guarantor agrees to indemnify and defend the Franchisor against any and all claims, including attorneys' fees and costs, arising out of the Franchisor's efforts to purchase the Franchisee's assets as the parties have agreed in Section 19 4 of this Agreement To the extent that any court or arbitrator determines that a higher purchase price is due to the Franchisee based upon a formula that differs from the one established in this Agreement, the Guarantors agree to pay the Franchisor The difference between the agreed purchase price and the higher price upon receipt of a demand for payment from the Franchisor The Franchisor shall not be required to purchase the Franchisee's assets if the purchase price determined by a third party exceeds the price that the Franchisor is willing or able to pay for the assets "

**The Franchisee**

_____

(Print Franchisee's Complete Individual or Entity Name)

By _____

Name _____

Title _____

Date _____

This Addendum is being entered into in connection with the Franchise Agreement In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below

| FRANCHISOR | FRANCHISEE |
| --- | --- |
| _____ | _____ |
| By _____ | By _____ |
| Its | Its |
| Date _____ | Date _____ |

ADDENDUM TO THE
DREAM DINNERS, INC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF ILLINOIS

1 **The following risk factor is added to the state cover page:**

**THE FRANCHISE AGREEMENT PERMITS THE FRANCHISEE TO SUE ONLY IN WASHINGTON, UNLESS SECTION 4 OF THE ILLINOIS FRANCHISE DISCLOSURE ACT REQUIRES THE FRANCHISEE TO SUE IN ILLINOIS. OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT. IT MAY ALSO COST YOU MORE TO SUE IN WASHINGTON THAN IN ILLINOIS.**

2 **Items 17(v) and 17(w) are hereby deleted in their entirety and replaced by the following:**

| | Provision | Section in Franchise Agreement | Summary |
|---|---|---|---|
| (v) | Choice of forum | Section 23 1 | Litigation in Illinois (subject to Illinois law) |
| (w) | Choice of law | Section 23 1 | Illinois law applies |

3 **Item 17 is further modified to include the following paragraph:**

Any release of claims or acknowledgments of fact contained in the Franchise Agreement that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Illinois Franchise Disclosure Act, or a rule or order under the Illinois Franchise Disclosure Act will be void and are deleted with respect to claims under the Illinois Franchise Disclosure Act

RIDER TO THE
DREAM DINNERS, INC
FRANCHISE AGREEMENT
FOR THE STATE OF ILLINOIS

This Rider to the Franchise Agreement by and between Dream Dinners, Inc and Franchisee is dated _____, 20__

1 **Section 23 1 is deleted in its entirety and the following is substituted in its place:**

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U S C Sections 1051 et seq ), or other federal law, all matters regarding this Agreement shall be governed by Illinois law

2 **Section 23 18 is deleted in its entirety and the following is substituted in its place:**

**23 18 Acknowledgement** BEFORE SIGNING THIS AGREEMENT, THE FRANCHISEE SHOULD READ IT CAREFULLY WITH THE ASSISTANCE OF LEGAL COUNSEL THE FRANCHISEE ACKNOWLEDGES THAT THE SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED HEREIN INVOLVES SUBSTANTIAL RISKS AND DEPENDS UPON THE FRANCHISEE'S ABILITY AS AN INDEPENDENT BUSINESS PERSON AND ITS ACTIVE PARTICIPATION IN THE DAILY AFFAIRS OF THE BUSINESS

3 **Section 23 4 is amended to delete the following:**

"or for claims of negligent or fraudulent misrepresentation based on any such oral representations or commitments"

4 **Section 41 of the Illinois Franchise Disclosure Act states that "any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act is void."**

**IN WITNESS WHEREOF**, the parties hereto have duly executed and delivered this Illinois Rider concurrently with the execution of the Franchise Agreement on the day and year first above written

**DREAM DINNERS, INC.**

By _____

Title _____

_____
**FRANCHISEE** (Print Name)

By _____

Title _____

ADDENDUM TO THE
DREAM DINNERS, INC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF INDIANA

"Risk Factor" 1 on the cover page does not apply, and the Indiana franchise laws apply notwithstanding "Risk Factor" 2

Indiana law prohibits us from establishing a company-owned Store within a reasonable area of your Store Location which would compete unfairly with you

In Items 17 c and 17 m , any releases you sign will not apply to any claims that may arise under the Indiana Franchise Disclosure Law and the Indiana Deceptive Practices Act

Item 17 r may not be enforceable under the Indiana Deceptive Practices Act

Item 17 v is not applicable under the Indiana Deceptive Practices Act

Item 17 w Indiana franchise laws apply even though Washington law applies generally

Any amounts we collect from your suppliers are compensation to us for services rendered by us to you and to the suppliers

ADDENDUM TO THE
DREAM DINNERS, INC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF MARYLAND

The following provisions shall supersede Item 17 of the Dream Dinners, Inc Franchise Disclosure Document and apply to all Franchises offered and sold in the State of Maryland

The Franchise Agreement provides for termination upon bankruptcy This provision may not be enforceable under federal bankruptcy law (11 U S C A §§ 101 et seq )

Pursuant to Maryland law, the general release required as a condition of renewal and/or assignment/transfer shall not apply to any claims that may arise under the Maryland Franchise Registration and Disclosure Law A copy of the Franchisor's current form of General Release is included as Exhibit I to the Disclosure Document

You may bring any cause of action against us in any court of competent jurisdiction, including the state or federal courts of Maryland Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise

RIDER TO THE
DREAM DINNERS, INC
FRANCHISE AGREEMENT
FOR THE STATE OF MARYLAND

This Rider to the Franchise Agreement by and between Dream Dinners, Inc and Franchisee is dated _____, 20____

1 **The following statement is added at the end of Sections 17 2 f "Pre-Conditions to Franchisee's Transfer" and 18 3.d "Rights Upon Expiration":**

, provided, however, that the provision requiring the execution of a general release will not apply to any claims that may arise under the Maryland Franchise Registration and Disclosure Law A copy of the Franchisor's current form of General Release is included as Exhibit I to the Disclosure Document

2 **The following statement is added at the end of Section 23.1 "Governing Law/Consent to Venue and Jurisdiction"**

The Franchisee may commence any cause of action against the Franchisor in any court of competent jurisdiction, including the state or federal courts of Maryland Any claims arising under the Maryland Franchise Registration and Disclosure Laws must be brought within three years after the grant of the franchise

3 **The following statement is added to the end of Sections 23 4 "Entire Agreement" and 23.19 "Acknowledgement"·**

The representations under this Franchise Acknowledgment/Compliance Certification are not intended, nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law **IN WITNESS WHEREOF**, the parties hereto have duly executed and delivered this Maryland Rider concurrently with the execution of the Franchise Agreement on the day and year first above written

**DREAM DINNERS, INC.**

By _____
Title _____

_____
**FRANCHISEE** (Print Name)

By _____
Title _____

RIDER TO THE
DREAM DINNERS, INC
RELEASE
FOR THE STATE OF MARYLAND

This Rider to the Release by and between Dream Dinners, Inc and Franchisee is dated _____, 20__

1. **THE FOLLOWING SHALL BE ADDED AT THE END OF RECITAL C:**

, provided however, that this Release shall not apply to any liability incurred under the Maryland Franchise Registration and Disclosure Law,

2. **THE FOLLOWING SENTENCE IS ADDED TO THE END OF SECTION 1.**

Notwithstanding the foregoing, this Release shall not apply to any liability incurred under the Maryland Franchise Registration and Disclosure Law

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Maryland Rider concurrently with the execution of the Release on the day and year first above written

**FRANCHISEE**

Date _____ _____
Individually

Date _____ _____
Individually

AND
(if a corporation, limited liability company or partnership)

_____
Company Name

Date _____ By _____
Title _____

ADDENDUM TO THE
DREAM DINNERS, INC
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF MINNESOTA

To the extent the Minnesota Franchise Act, Minn Stat §§80C 01 – 80C 22 applies, the terms of this Addendum apply

State Cover Page and Item 17, Additional Disclosures

Minn Stat Sec 80C 21 and Minn Rule 2860 4400J prohibit us from requiring litigation to be conducted outside of Minnesota, requiring waiver of a jury trial or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes In addition, nothing in the Disclosure Document shall abrogate or reduce any of your rights as provided for in Minn Stat Sec 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction

Franchisee cannot consent to the franchisor obtaining injunctive relief The franchisor may seek injunctive relief A court will determine if a bond is required

Item 13, Additional Disclosures

The Minnesota Department of Commerce requires that a franchisor indemnify Minnesota Franchisees against liability to third parties resulting from claims by third parties that the franchisee's use of the franchisor's trademark infringes upon the trademark rights of the third party The franchisor does not indemnify against the consequences of a franchisee's use of a franchisor's trademark except in accordance with the requirements of the franchise agreement, and as the condition to an indemnification, the franchisee must provide notice to the franchisor of any such claim immediately and tender the defense of the claim to the franchisor If the franchisor accepts tender of defense, the franchisor has the right to manage the defense of the claim, including the right to compromise, settle or otherwise resolve the claim, or to determine whether to appeal a final determination of the claim

Item 17, Additional Disclosures

Any condition, stipulation or provision, including any choice of law provision, purporting to bind any person who, at the time of acquiring a franchise is a resident of the State of Minnesota or in the case of a partnership or corporation, organized or incorporated under the laws of the State of Minnesota, or purporting to bind a person acquiring any franchise to be operated in the State of Minnesota to waive compliance or which has the effect of waiving compliance with any provision of the Minnesota Franchise Law is void

We will comply with Minn Stat Sec 80C 14, subds 3, 4 and 5, which requires, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure), 180 days' notice for nonrenewal of the Franchise Agreement, and that consent to the transfer of the franchise will not be unreasonably withheld

Minnesota Rule 2860 4400D prohibits a franchisor from requiring a franchisee to assent to a general release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§80C 01 – 80C 22

The limitations of claims section must comply with Minn Stat Sec 80C 17, subd 5

RIDER TO THE
DREAM DINNERS, INC
FRANCHISE AGREEMENT
FOR THE STATE OF MINNESOTA

This Rider to the Franchise Agreement by and between Dream Dinners, Inc and Franchisee is dated _____, 20____

**1. The following paragraph is added to Section 15 4 of the Franchise Agreement:**

The Minnesota Department of Commerce requires that franchisor indemnify franchisees whose franchise is located in Minnesota against liability to third parties resulting from claims by third parties that the franchisee's use of franchisor's trademarks ("Marks") infringe upon the trademark rights of the third party Franchisor does not indemnify against the consequences of a franchisee's use of franchisor's Marks but franchisor shall indemnify franchisee for claims against franchisee solely as it relates to franchisee's use of the Marks in accordance with the requirements of the Franchise Agreement and franchisor's standards As a further condition to indemnification, the franchisee must provide notice to franchisor of any such claim immediately and tender the defense of the claim to franchisor If franchisor accepts tender of defense, franchisor has the right to manage the defense of the claim, including the right to compromise, settle or otherwise resolve the claim, or to determine whether to appeal a final determination of the claim

**2 The following sentence is added at the end of Sections 17 2 f and 18 3 d**

Franchisee will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C 01 – 80C 22

**3. The following statement is added at the end of Sections 18.5, 19 1, 19.2 and 19.3·**

Minnesota law provides the Franchisee with certain termination and non-renewal rights Minn Stat Sec 80C 14 subd 4 requires that except for certain specified cases, that the Franchisee be given 90 days' notice of termination and 180 days' notice for non-renewal of this Agreement

With respect to franchises governed by Minnesota Franchise Law, the franchisor shall comply with Minn Stat Sec 80C 14, subd 3 which requires that except for certain specified cases, a franchisee be given 90 days' notice of termination (with 60 days to cure) Termination of the franchise by the franchisor shall be effective immediately upon receipt by franchisee of the notice of termination where its grounds for termination or cancellation are (1) voluntary abandonment of the franchise relationship by the franchisee, (2) the conviction of the franchisee of an offense directly related to the business conducted according to the Franchise Agreement, or (3) failure of the franchisee to cure a default under the Franchise Agreement which materially impairs the goodwill associated with the franchisor's trade name, trademark, service mark, logo type or other commercial symbol after the franchisee has received written notice to cure of at least twenty-four (24) hours in advance thereof

**4. The last sentence of Section 23.1 is deleted, with the following statement inserted in its place:**

Minnesota Statutes, Section 80C 21 and Minnesota Rule 2860 4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring wavier of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce any of

franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction

Any action pursuant to Minnesota Statutes, Section 80C 17, Subd 5 must be commenced no more than 3 years after the cause of action accrues

**5. Section 23.2 is deleted and the following is inserted in its place**

**23.2 Injunctive Relief** The Franchisor and the Franchisee shall each have the right in the proper case to seek injunctive relief from a court of competent jurisdiction The Franchisee agrees that the Franchisor may seek such injunctive relief, without posting a bond or bonds totaling no more than $500, but upon due notice, and the Franchisee's sole remedy in the event of the entry of such injunctive relief shall be the dissolution of such injunctive relief, if warranted, upon hearing duly had, provided, however, that all claims for damages by reason of the wrongful issuance of any such injunction are hereby expressly waived by the Franchisee

**IN WITNESS WHEREOF**, the parties hereto have duly executed and delivered this Minnesota Rider concurrently with the execution of the Franchise Agreement on the day and year first above written

**DREAM DINNERS, INC**

By _____
Title _____

_____
**FRANCHISEE** (Print Name)

By _____
Title _____

ADDENDUM TO THE
DREAM DINNERS, INC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF NEW YORK

**1 The following paragraphs are added to the cover page·**

INFORMATION COMPARING FRANCHISORS IS AVAILABLE CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION IF YOU LEARN THAT ANYTHING IN THE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS, HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS PROSPECTUS

**2 Item 3 is hereby amended to include the following:**

Except as set forth in this Item, neither the franchisor nor its predecessors, persons identified in Item 2, nor any affiliates offering franchises under the franchisor's principal trademarks

A Has an administrative, criminal or civil action pending against that person alleging a felony, a violation of a franchise, antitrust or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices or comparable civil or misdemeanor allegations, or any pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations

B Has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten-year period immediately preceding the application for registration, has been convicted of a or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging violation of a franchise, antifraud or securities law, fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations

C Is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency, or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange, or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent

**3. The following paragraph is hereby added to Item 4:**

Except as set forth in this Item, neither Dream Dinners, Inc , its affiliates, its predecessor, officers, or general partner during the 10-year period immediately before the date of this Disclosure Document has

A Filed as debtor (or had filed against it) a petition to start an action under the U S Bankruptcy Code,

B Obtained a discharge of its debts under the bankruptcy code, or

C Was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U S Bankruptcy Code or that obtained a discharge of its debts under the U S Bankruptcy Code during or within 1 year after the officer or general partner of the franchisor held this position in the company or partnership

**4. The following sentence is added to the end of the first paragraph of Item 5:**

We use the proceeds from your payment of the initial franchise fee to defray our costs and expenses for providing training and assistance to you and for other expenses

**5 The following is added at the beginning of Item 17:**

THESE TABLES LIST CERTAIN IMPORTANT PROVISIONS OF THE FRANCHISE AND RELATED AGREEMENTS PERTAINING TO RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION YOU SHOULD READ THESE PROVISIONS IN THE AGREEMENTS ATTACHED TO THIS DISCLOSURE DOCUMENT

**6 Item 17 d is deleted in its entirety and replaced by the following:**

| Provision | Section in Agreement | Summary |
|---|---|---|
| (d) Termination by franchisee | Section 19 | You may terminate the Agreement upon any grounds available by law |

**7. Item 17.j is deleted in its entirety and replaced by the following**

| Provision | Section in Agreement | Summary |
|---|---|---|
| (j) Assignment of contract by franchisor | Section 17 6 | However, no assignment will be made except to an assignee who, in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the franchise agreement |

**8. Item 17.w is deleted in its entirety and replaced by the following·**

| Provision | Section in Agreement | Summary |
|---|---|---|
| (v) Choice of forum | Section 23 1 | Washington law applies The foregoing choice of law should not be considered a waiver of any right conferred upon either the Franchisor or upon the Franchisee by the GBL of the State of New York, Article 33 |

**9. THE FRANCHISOR REPRESENTS THAT IT HAS NOT KNOWINGLY OMITTED FROM THE PROSPECTUS ANY MATERIAL FACT, NOR DOES THE PROSPECTUS CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT.**

RIDER TO THE
DREAM DINNERS, INC
FRANCHISE AGREEMENT
FOR THE STATE OF NEW YORK

This Rider to the Franchise Agreement by and between Dream Dinners, Inc and Franchisee is dated _____, 20___

**1. The following sentence shall be added after the first sentence of Section 8 3:**

Any new or different requirement set forth in the Operations Manual shall not unreasonably increase the Franchisee's obligations or place an excessive burden on the Franchisee's operation of its DREAM DINNERS Store

**2 The following shall be added at the end of Sections 17.2 f and 18 3.d.**

Provided however, that all rights enjoyed by the Franchisee and any causes of action arising in the Franchisee's favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force, it being the intent of this provison that the non-waiver provision of GBL 687 4 and 687 5 be satisfied

**3 Section 17.6 is deleted and the following is inserted in its place·**

This Agreement is fully assignable by the Franchisor and shall inure to the benefit of any assignee or other legal successor in interest, and the Franchisor shall in such event be fully released from the same, provided no assignment shall be made except to an assignee who, in the Franchisor's good faith judgment, is willing and able to assume the Franchisor's obligations under this Agreement

**4. The following shall be added at the beginning of Section 19·**

The Franchisee may terminate the Agreement upon any grounds available by law

**5. After the first sentence of Section 20.3, the following sentence shall be added:**

However, the Franchisee shall not be required to indemnify the Franchisor for any liabilities which arose as a result of the Franchisor's breach of this Agreement or other civil wrongs committed by the Franchisor

**6. The following shall be added to Section 23.1**

However, the foregoing choice of law shall not be considered a waiver of any right conferred upon the Franchisee by the provisions of Article 33 of the New York State General Business Law

[*Signature page to follow*]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this New York Rider concurrently with the execution of the Franchise Agreement on the day and year first above written

**DREAM DINNERS, INC**

By _____
Title _____

_____
**FRANCHISEE** (Print Name)

By _____
Title _____

ADDENDUM TO THE
DREAM DINNERS, INC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE COMMONWEALTH OF VIRGINIA

Pursuant to Section 13 1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause If any grounds for default or termination stated in the franchise agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable

RIDER TO THE
DREAM DINNERS, INC
FRANCHISE AGREEMENT
FOR THE COMMONWEALTH OF VIRGINIA

To the extent the Virginia Retail Franchising Act, Va Code §§13 1-557–13 1-574 applies, the terms of this Addendum apply

1 Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended

> "According to Section 13 1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause If any ground for default or termination stated in the franchise agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable "

2 Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement

3 Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect

This Addendum is being entered into in connection with the Franchise Agreement In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below

| FRANCHISOR | FRANCHISEE |
|---|---|
| _____ | _____ |
| By _____ | By _____ |
| Its | Its |
| Date _____ | Date _____ |

ADDENDUM TO THE
DREAM DINNERS, INC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF WASHINGTON

**The state of Washington has a statute, RCW 19.100 180 which may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.**

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19 100 RCW shall prevail

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer

RIDER TO THE
DREAM DINNERS, INC
FRANCHISE AGREEMENT
FOR THE STATE OF WASHINGTON

This Rider to the Franchise Agreement by and between Dream Dinners, Inc and Franchisee is dated _____, 20___

The state of Washington has a statute, RCW 19 100 180 which may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19 100 RCW shall prevail

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Washington Rider concurrently with the execution of the Franchise Agreement on the day and year first above written

**DREAM DINNERS, INC**

By _____
Title _____

_____
**FRANCHISEE** (Print Name)

By _____
Title _____

ADDENDUM TO THE
DREAM DINNERS, INC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF WISCONSIN

**Item 17, Additional Disclosures**

For all franchisees residing in the State of Wisconsin, we will provide you at least 90 days' prior written notice of termination, cancellation or substantial change in competitive circumstances The notice will state all the reasons for termination, cancellation or substantial change in competitive circumstances and will provide that you have 60 days in which to cure any claimed deficiency If this deficiency is cured within 60 days, the notice will be void If the reason for termination, cancellation or substantial change in competitive circumstances is nonpayment of sums due under the franchise, you will have 10 days to cure the deficiency

The conditions under which the Franchise Agreement can be terminated or not renewed may be affected by the Wisconsin Fair Dealership Law, Wisconsin Statutes 1981-82, Title XIV-A, Chapter 135

RIDER TO THE
DREAM DINNERS, INC
FRANCHISE AGREEMENT
FOR THE STATE OF WISCONSIN

This Rider to the Franchise Agreement by and between Dream Dinners, Inc and Franchisee is dated _____, 20___

1 The following paragraph is added to Section 19 7

The conditions under which this Agreement can be terminated or not renewed may be affected by the Wisconsin Fair Dealership Law, Wisconsin Statutes 1981-82, Title XIV-A, Chapter 135

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Wisconsin Rider concurrently with the execution of the Franchise Agreement on the day and year first above written

**DREAM DINNERS, INC.**

By _____

Title _____

_____
**FRANCHISEE** (Print Name)

By _____

Title _____

# EXHIBIT I TO THE
# DREAM DINNERS, INC.
# FRANCHISE DISCLOSURE DOCUMENT

## GENERAL RELEASE

## GENERAL RELEASE

**THIS GENERAL RELEASE** ("**Release**") is made effective as of the ____ day of _____, 20__ by _____ ("**Franchisee**") in favor of Dream Dinners, Inc , a Washington corporation ("**Franchisor**") (collectively referred to as "**Parties**")

1. The Parties have entered into that certain Franchise Agreement dated _____ ("**Franchise Agreement**") (to the extent not otherwise defined herein, all initial-capitalized references shall have the same meaning as set forth in the Franchise Agreement),

2. The Franchisee desires to transfer the Franchise Agreement, the ownership of the Franchisee, or the DREAM DINNERS Store or some or all of the assets of the Store,

**OR**

The Franchisee desires to enter into a successor to the Franchise Agreement,

3. The Franchisor desires to consent to the Franchisee's request subject to the Franchisee's compliance with the terms and conditions set forth in the Franchise Agreement including, without limitation, the execution and delivery by the Franchisee to the Franchisor of this Release

NOW, THEREFORE, in consideration of the foregoing, the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties hereby agree as follows

3.1 **Release** The Franchisee, for itself and its affiliates, and their respective current and former successors, assigns, officers, shareholders, directors, members, managers, agents, heirs and personal representatives ("**Franchisee Affiliates**"), hereby fully and forever unconditionally releases and discharges the Franchisor and its affiliates, and their respective successors, assigns, agents, representatives, employees, officers, shareholders, directors, members, managers, attorneys, and insurers (collectively referred to as "**Franchisor Affiliates**") from any and all claims, demands, obligations, actions, liabilities and damages of every kind and nature whatsoever ("**Released Claims**"), in law or in equity, whether known or unknown, which the Franchisee or the Franchisee Affiliates may now have against the Franchisor or Franchisor Affiliates or which may hereafter be discovered Without limiting the foregoing, Released Claims includes, but is not limited to, all claims, demands, obligations, actions, liabilities and damages, known or unknown, in any way arising from or relating to (i) any relationship or transaction with the Franchisor or Franchisor Affiliates, (ii) the Franchise Agreement or any related agreements, and (iii) the franchise relationship, from the beginning of time until the date of this Release

**[APPLIES ONLY IN CALIFORNIA]** 1 (a) Release of Unknown Claims and Waiver of California Law The Franchisee and the Franchisee Affiliates acknowledge that they are aware and informed that the laws of California may purport to limit or reduce the effect of a general release with respect to claims not known or suspected by them at the time of execution of the Release, such as Section 1542 of the Civil Code of the State of California, which provides as follows

> "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release which, if known by him, must have materially affected the settlement with the debtor "

The Franchisee and the Franchisee Affiliates waive and relinquish every right or benefit which they have, or may have, under Section 1542 of the Civil Code of the State of California, and under any similar provisions of any other law (as may be applicable to this Release), to the fullest extent that the Franchisee and the Franchisee Affiliates may lawfully waive such right or benefit pertaining to the subject matter of this Release In connection with such waiver and relinquishment, with respect to the Released Claims, the Franchisee and the Franchisee Affiliates acknowledge that they are aware and informed that they may hereafter discover facts in addition to or different from those that they now know or believe to be true with respect to the subject matter of this Release, but that it is the Franchisee's and the Franchisee Affiliates' intention to settle and release fully, and finally and forever, all Released Claims, disputes and differences, known or unknown, suspected or unsuspected, which now exist, may exist or heretofore existed, and in furtherance of such intention, the Release given herein shall be and remain in effect as a full and complete release, notwithstanding the discovery or existence of any such additional or different facts that would have affected the release of all Released Claims The Franchisee and the Franchisee Affiliates agree to defend, indemnify and hold harmless the Franchisor and the Franchisor Affiliates from any and all Released Claims arising out of, directly or indirectly, the assertion by the Franchisee and the Franchisee Affiliates (or any person or entity by, through, or on their behalf) of any Released Claims, positions, defenses, or arguments contrary to this Section 1(a) of this Release

**[APPLIES ONLY IN SOUTH DAKOTA]** 1 (b) Release of Unknown Claims and Waiver of South Dakota Law The Franchisee and the Franchisee Affiliates acknowledge that they are aware and informed that the laws of South Dakota may purport to limit or reduce the effect of a general release with respect to claims not known or suspected by Releasor at the time of execution of this Release, such as South Dakota Codified Laws § 20-7-11, which provides as follows

> "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor "

The Franchisee and the Franchisee Affiliates waive and relinquish every right or benefit which they have, or may have, under § 20-7-11 of the South Dakota Codified Laws, and under any similar provisions of any other law (as may be applicable to this Agreement), to the fullest extent that they may lawfully waive such right or benefit pertaining to the subject matter of this Release In connection with such waiver and relinquishment, with respect to the Released Claims, the Franchisee and the Franchisee Affiliates acknowledge that they are aware and informed that they may hereafter discover facts in addition to or different from those that the Franchisee and the Franchisee Affiliates now know or believe to be true with respect to the subject matter of this Release, but that it is their intention to settle and release fully, and finally and forever, all Released Claims, disputes and differences, known or unknown, suspected or unsuspected, which now exist, may exist or heretofore existed, and in furtherance of such intention, the Release given herein shall be and remain in effect as a full and complete release, notwithstanding the discovery or existence of any such additional or different facts that would have affected the release of all Released Claims The Franchisee and the Franchisee Affiliates agree to defend, indemnify and hold harmless the Franchisor and the Franchisor Affiliates from any and all Released Claims arising out of, directly or indirectly, the assertion by the Franchisee and the Franchisee Affiliates

(or any person or entity by, through, or on behalf of Releasor) of any Released Claims, positions, defenses, or arguments contrary to this Section 1 (b) of this Release

**3.2. General** This Release shall be construed and enforced in accordance with, and governed by, the laws of the State of Washington This Release embodies the entire agreement and understanding between the Parties and supersedes all prior agreements and understandings relating to the subject matter hereof, and this Release may not be modified or amended or any term hereof waived or discharged except in writing signed by the party against whom such amendment, modification, waiver or discharge is sought to be enforced Nothing in this Release is intended to disclaim any representations made by the Franchisor in the most recent franchise disclosure document provided by the Franchisor or its representatives to the Franchisee in connection with any successor to the Franchise Agreement The headings are for convenience in reference only and shall not limit or otherwise affect the meaning hereof This Release may be executed in any number of counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument If any provision of this Release shall be held by a court of competent jurisdiction to be invalid or unenforceable, such provision shall be deemed modified to eliminate the invalid or unenforceable element and, as so modified, such provision shall be deemed a part of this Release as though originally included The remaining provisions of this Release shall not be affected by such modification All provisions of this Release are binding and shall inure to the benefit of the Parties and their respective delegatees, successors and assigns

**IN WITNESS WHEREOF**, the Parties have caused this Release to be made effective on the day and year first above written

**FRANCHISOR**

Date _____ By _____
Name _____
Title _____

**FRANCHISEE:**

Date _____ _____
Individually

Date _____ _____
Individually

AND
(if a corporation, limited liability company or partnership)

_____
Company Name

Date _____ By _____
Title _____

# EXHIBIT J TO THE
# DREAM DINNERS, INC.
# FRANCHISE DISCLOSURE DOCUMENT

## RENEWAL ADDENDUM

# RENEWAL ADDENDUM

## FIRST AMENDMENT TO DREAM DINNERS FRANCHISE AGREEMENT

This Amendment to the Dream Dinners Franchise Agreement (this "**Amendment**") is made this ___ day of _____, 201__ (the "**Effective Date**") by and between Dream Dinners, Inc , a Washington corporation with its principal business address at 610 First Street, Snohomish, Washington 98290 ("**Dream Dinners**"), and _____, an individual, _____, an individual and _____, a _____ with its business address at _____(collectively the "**Franchisee**")

## RECITALS

A On_____ Franchisor and _____ entered into a franchise agreement (the "**Franchise Agreement**"), pursuant to which _____ obtained the right and undertook the obligation to operate a Dream Dinners retail store (the "**Original Franchise Agreement**") located at _____

B On _____, the Dream Dinners and the Franchisee entered into a successor franchise agreement (the "**Franchise Agreement**"), pursuant to which Dream Dinners granted the Franchisee the right to continue operating the Store for an additional ____ years

C The parties wish to amend the Franchise Agreement pursuant to the terms of this Amendment

## AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises, commitments and understandings contained herein, Dream Dinners and the Franchisee hereby agree as follows

1. **Initial Franchise Fee** Section 4 1 of the Franchise Agreement is deleted in its entirety

2. **Approval of Site Acquisition or Lease** Dream Dinners hereby approves the Store's existing premises and Franchisee's lease for the Store premises pursuant to Section 5 2 of the Franchise Agreement

3. **Site Selection and Buildout** Sections 5 1 and 5 3 of the Franchise Agreement, regarding site selection and buildout requirements, are hereby deleted in their entirety

4. **Commencement of Operations** Section 5 11 of the Franchise Agreement is deleted in its entirety

5. **Training** Sections 6 1 and 6 2 of the Franchise Agreement are deleted in their entirety

6. **Development Assistance** Article 7 of the Franchise Agreement is deleted in its entirety

7. **Term** Section 18 1 of the Franchise Agreement is deleted in its entirety, and is replaced with the following

**18.1 Term** In the Franchisee's discretion, the term of the Agreement, will be ___ 5 years **OR** ___ 10 years **[FRANCHISEE: PLEASE INDICATE WITH "X"]**, from the date of the Agreement, unless sooner terminated as provided in the Agreement

8. **Royalty Fee** The minimum royalty is effective immediately upon the Effective Date of this Agreement

9. **Store Renovation** Pursuant to Section 2 2(B) of the Original Franchise Agreement, the Store must be upgraded and remodeled to Dream Dinners' then-current standards before the parties enter into the Franchise Agreement In full satisfaction of Section 2 2(B) of the Original Franchise Agreement, the Franchisee shall complete the upgrades to the Store identified in Schedule A to this Amendment (the "**Store Remodel**") within 12 months of the Effective Date

10. **Release** The Franchisee, for itself and its owners, affiliates, successors, assigns, agents, representatives, employees, officers and directors (the "**Releasors**"), hereby fully and forever unconditionally releases and discharges Dream Dinners and its owners, affiliates, successors, assigns, agents, representatives, employees, officers, directors, attorneys, and insurers (collectively referred to as "**Franchisor's Associates**") of and from any and all actions and causes of action, suits, claims, demands, damages, judgments, accounts, agreements, covenants, debts, levies and executions, including without limitation attorneys' fees, whatsoever, whether known or unknown, liquidated or unliquidated, fixed, contingent, direct or indirect, whether in law or in equity, which the Releasors have had, now have, or may in the future have against the Franchisor's Associates, or which may hereafter be discovered (the "**Claims**"), including, but not limited to, Claims in any way arising out of or relating to the Original Franchise Agreement and the transaction pursuant to which the Franchisee purchased the Store and the Original Franchise Agreement, and the parties' performance thereunder, from the beginning of time up to and including the Effective Date

11. **Renewal Fee** Dream Dinners acknowledges receipt of $3,000 from Franchisee in full payment of the Renewal Fee set forth in Section 2 2(D) of the Original Franchise Agreement

12. **Inconsistent Terms** In the event the terms of this Amendment conflict with the terms of the Franchise Agreement, the terms of this Amendment shall control with regard to such conflict

13. **Entire Agreement** This Amendment, including the recitals thereto, which are incorporated by reference herein, and the Franchise Agreement, and their respective attachments, shall be the entire, full and complete agreement between the parties concerning the subject matter hereof, and supersede all prior agreements or other representations having influenced the parties' to execute this Amendment There are no representations, inducements, promises or

agreements, oral or otherwise, between the parties not embodied herein that are of any force or effect with reference to this Amendment or otherwise No amendment, change or variance from this Amendment shall be binding on any party unless executed in writing

Fully executed this __ day of _____, 201__

**FRANCHISOR**
**DREAM DINNERS, INC.**

By _____

Name _____

Title _____

**FRANCHISEE**

_____

By _____

Name _____

Title _____

By _____

Name _____

By _____

Name _____

## SCHEDULE A

## STORE REMODEL

| ITEMIZED LIST OF UPGRADES FOR STORE REMODEL |
|---|
| |
| Thoroughly Clean Store if it does not meet the current minimum standard |
| Repaint Store if it does not meet the current minimum standard |
| Replace murals if they do not meet the current minimum standard |
| Replace flooring if it does not meet the current minimum standard |
| Purchase new and additional smallwares if they do not meet the current minimum standard |
| Replace ceiling tiles if they do not meet the current minimum standard |
| Replace base molding if it does not meet the current minimum standard |
| |
| |

# EXHIBIT K TO THE
# DREAM DINNERS, INC.
# FRANCHISE DISCLOSURE DOCUMENT

## OPTION AGREEMENT

# OPTION AGREEMENT

This Option Agreement ("Agreement") is entered to on this _____day of ____, 2016 by and between Dream Dinners, Inc ("Franchisor") and _____ ("Franchisee")

## Grant of Option

In consideration of Franchisee's having entered into a Franchise Agreement with Franchisor on the date hereof ("First Franchise") and the payment of a nonrefundable fee in the amount of fifteen thousand ($15,000) dollars ("Option Fee"), Franchisor hereby grants Franchisee the right to enter into one additional Franchise Agreement with Franchisor for a Dream Dinners Store ("Store") to be operated from a location that Franchisor approves, within the "Option Territory" described on Schedule A (hereinafter known as the "Option") The Option Fee is fully earned by Franchisor upon its receipt

## Conditions of Exercising Option

The Option may only be exercised if

a Franchisee is operating all its Stores in compliance with all applicable franchise agreements with Franchisor,

b No uncured notice of default or notice of termination is outstanding,

c Franchisee executes Franchisor's then-current form of Store franchise agreement no later than the expiration date specified on Schedule A, simultaneously pays an initial franchise fee of five thousand ($5,000 00) dollars, and opens for business as prescribed in that Franchise Agreement,

d Franchisee continues to meet Franchisor's financial requirements for new franchises, and

e The Franchise Agreement is the subject of this Option must be executed by the Franchisee or by an affiliated entity which is controlled by Franchisee or which is under common control with Franchisee

## Method of Exercising Option

Franchisee may exercise the Option, by delivering a written notice to Franchisor, of its decision to enter into a Franchise Agreement at least thirty (30) days before the expiration date of the Option Upon receipt of the notice, Franchisor shall notify Franchisee of any information it needs to act on the request, which may include, without limitation, information about the proposed Store location, Franchisee's financial statements, the source of funds that will be used to develop and operate the Store and such other information as Franchisor determines is needed to confirm that Franchisee satisfies Franchisor's minimum financial qualifications Unless Franchisor notifies Franchisee of its decision not to enter into a Franchise Agreement, the parties shall execute a Franchise Agreement thirty (30) days after the Franchisor receives the last

requested information, but, unless otherwise agreed to by the parties, no later than the expiration date of the Option

**Assignment**

The rights created by this Agreement are not assignable unless they are transferred in the same transaction to the same transferee that Franchisor approves for a transfer of the First Franchise

**Exclusive Rights**

Until this Agreement expires or is terminated, Franchisor will not establish and operate or grant to any third party the right to operate a Store in the Option Territory

**Termination**

The rights granted by this Agreement shall terminate, when the First Franchise Agreement terminates or upon the expiration date of the Option Upon the termination or expiration of the Option rights created by this Agreement, Franchisee shall have no rights of any kind in the Option Territory beyond those expressly granted in a Franchise Agreement

**Interpretation and Dispute Resolution**

Except as it is expressly provided in this Agreement, the provisions of the First Franchise Agreement shall govern the interpretation of this Agreement The dispute resolution, notice, and indemnification provisions of the First Franchise Agreement shall also govern this Agreement

Executed this _____day of _____, 20__

| **FRANCHISOR:** | **FRANCHISEE:** |
|---|---|
| DREAM DINNERS, INC ,<br>a Washington corporation | _____ |
| By _____ | By _____ |
| Name _____ | Name _____ |
| Title _____ | Title _____ |

## SCHEDULE A

## OPTION TERRITORY AND SCHEDULE

Option Territory Description

Option Expiration Date

**FRANCHISOR:**

DREAM DINNERS, INC ,
a Washington corporation

By _____

Name _____

Title _____

**FRANCHISEE:**

_____

By _____

Name _____

Title _____

# EXHIBIT L TO THE
# DREAM DINNERS, INC.
# FRANCHISE DISCLOSURE DOCUMENT

## CLOSING QUESTIONNAIRE

## DREAM DINNERS, INC.

## CLOSING QUESTIONNAIRE

As you know, you and Dream Dinners, Inc (the "Franchisor") are preparing to enter into a Franchise Agreement for the establishment and operation of a "Dream Dinners" franchised business (a "Dream Dinners Store") The purpose of this Questionnaire is to determine whether any statements or 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 statements carefully and provide honest and complete responses to each

1 The following dates and information are true and correct

a _____, 20__ The date of my first face-to-face meeting with a representative of Dream Dinners to discuss the possible purchase of a Dream Dinners Store franchise

Initials _____

b _____, 20__ The date on which I received the Franchisor's Franchise Disclosure Document ("FDD")

Initials _____

c _____, 20__ The date when I received a fully completed copy (other than signatures) of the Franchise Agreement and Addenda (if any) and all other documents I later signed

Initials _____

d _____, 20__ The date on which I signed the Franchise Agreement

Initials _____

2 Have you personally reviewed the Franchise Agreement and each Addendum and related agreement attached to it?

Yes _____ No _____

3 Do you understand all of the information contained in the Franchise Agreement and each Addendum and related agreement provided to you?

Yes _____ No _____

If no, what parts of the Franchise Agreement, Addenda, and/or related agreements do you not understand? (Attach additional pages, as needed )

_____

_____

_____

_____

_____

**Franchise Applicant's Initials_____**

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

Yes _____ No _____

5 Have you discussed the benefits and risks of establishing and operating a Dream Dinners Store with an attorney, accountant, or other professional advisor?

Yes _____ No _____

If No, do you wish to have more time to do so?

Yes _____ No _____

6 Do you understand that the success or failure of your Dream Dinners Store 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 _____

7 Do you understand that no agreement or addendum is effective until it is also signed and dated by the Franchisor?

Yes _____ No _____

8 Do you understand that there are no enforceable promises, representations (other than in the FDD), "side deals," or other arrangements, written or oral, that are not in the Franchise Agreement?

Yes _____ No _____

9 If you have answered "No" to any one of questions 6-8, please provide a full explanation of each No answer in the following blank lines If you have answered "Yes" to each of questions 6-8, please leave the following lines blank

_____
_____
_____
_____
_____

10 Has any person speaking for the Franchisor (someone other than a Dream Dinners franchisee) made any statement or promise concerning the revenues, profits or sales of a Dream Dinners Store operated by the Franchisor or its franchisees that differs from the information contained in the FDD?

Yes _____ No _____

11 Has any person speaking for the Franchisor made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a Dream Dinners Store?

**Franchise Applicant's Initials_____**

Yes _____ No _____

12 Did you enter into any written agreement with the Franchisor concerning the purchase of this franchise before today?

Yes _____ No _____

13 Did you pay any money to the Franchisor concerning the purchase of this franchise before today?

Yes _____ No _____

14 If you have answered "Yes" to any one of questions 10-13, please provide a full explanation of each Yes answer in the following blank lines (Attach additional pages, as needed, and refer to them below ) If you have answered "No" to each of questions 10-13, please leave the following lines blank

_____
_____
_____
_____
_____
_____

15 Do you understand that the Franchise Agreement requires all disputes and claims you may have under the Franchise Agreement and the Personal Guarantee to be heard in the courts of Washington (if they cannot be resolved informally or by mediation)?

Yes _____ No _____

16 Do you understand that the Franchise Agreement and the Personal Guarantee each include a waiver of jury trials?

Yes _____ No _____

17 Do you understand that if the Franchisor provides site selection assistance, guidance or recommendations, that any recommendations, suggestions, or approvals of a proposed site are not a warranty, guarantee or representation that the site will achieve any level or amount of sales, revenue or profit as a Dream Dinners Store location?

Yes _____ No _____

18 Do you understand that the Franchise Agreement waives your right to sue for punitive damages, and limits on when claims may be brought in court?

Yes _____ No _____

19 During my discussions and evaluations leading up to my decision to buy a Dream Dinners Store franchise, I communicated with the following individuals from Dream Dinners, Inc

**Franchise Applicant's Initials_____**

| | Name | Address |
|---|---|---|
| 1 | | |
| 2 | | |
| 3 | | |
| 4 | | |

Your responses to these questions are important to us and we will rely on them

By signing this Questionnaire, you are representing to us that you have responded honestly, accurately, and completely to each of the above questions

FRANCHISE APPLICANT

_____
Signed

_____
Printed Name

_____, 201__
Date

**Franchise Applicant's Initials_____**

# EXHIBIT M TO THE
# DREAM DINNERS, INC.
# FRANCHISE DISCLOSURE DOCUMENT

## RECEIPTS

## ITEM 23
## RECEIPT
(Keep This Copy for Yourself)

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 Dream Dinners, Inc 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 New York and Rhode Island require that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship

Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first

If Dream Dinners, Inc 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 and state law may have occurred and should be reported to the Federal Trade Commission, Washington D C 20580 and the state agency listed on Exhibit A

The franchisor is Dream Dinners, Inc located at 610 First Street, Snohomish, Washington 98290, Telephone (360) 804-2000

Issuance Date April 14, 2016 as amended October 31, 2016

The franchise seller(s) for this offering are Ashley Sawyer, Tina Kuna, Stephanie Allen, Darin Leonard, and/or _____ located at 610 First Street, Snohomish, Washington 98290, Telephone (360) 804-2000, and/or _____ located at _____

Dream Dinners, Inc authorizes the respective state agencies identified on Exhibit A to receive service of process for it in the particular state

I received a Disclosure Document dated April 14, 2016 as amended October 31, 2016, and effective in the franchise registration states on the dates noted on the page following the State Cover Page that included the following Exhibits

| | | | |
|---|---|---|---|
| A | List of State Agencies/Agents for Service of Process | H | State Addenda and Riders to Disclosure Document, Franchise Agreement and Other Agreements |
| B | Franchise Agreement | I | General Release |
| C | Confidentiality and Noncompetition Agreement | J | Renewal Addendum |
| D | List of Franchisees | K | Option Agreement |
| E | Franchisees Who Have Left the System | L | Closing Questionnaire |
| F | Financial Statements | M | Receipts |
| G | Operations Manual Table of Contents | | |

| | |
|---|---|
| _____ | _____ |
| Date (Do not leave blank) | Date (Do not leave blank) |
| _____ | _____ |
| Prospective Franchisee | Prospective Franchisee |
| _____ | _____ |
| Print Name | Print Name |

**ITEM 23**
**RECEIPT**
(Return this copy to us)

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A List of State Agencies/Agents for Service of Process
B Franchise Agreement
C Confidentiality and Noncompetition Agreement
D List of Franchisees
E Franchisees Who Have Left the System
F Financial Statements
G Operations Manual Table of Contents
H State Addenda and Riders to Disclosure Document, Franchise Agreement and Other Agreements
I General Release
J Renewal Addendum
K Option Agreement
L Closing Questionnaire
M Receipts

| | |
|---|---|
| _____ | _____ |
| Date (Do not leave blank) | Date (Do not leave blank) |
| _____ | _____ |
| Prospective Franchisee | Prospective Franchisee |
| _____ | _____ |
| Print Name | Print Name |

You may return the signed receipt either by signing, dating and mailing it to 610 First Street, Snohomish, Washington 98290, or by sending a copy of the signed and dated receipt to Dream Dinners, Inc at franchise@dreamdinners com