

FRANCHISE DISCLOSURE DOCUMENT

LÀ LÁ BAKESHOP™

LLB Group LLC
a Delaware limited liability company
144 Briarscross Blvd
Scarborough ON M1S 3K5
CANADA
+1 416-569-2234
franchising@lalabakeshop.com
www.lalabakeshop.com

We offer a franchise for a bakery offering Vietnamese baked goods, drinks, other food products and related bakery services under the LÀ LÁ Bakeshop™ name and marks. The total investment necessary to begin operation of a LÀ LÁ Bakeshop bakery business franchise ranges from \$308,600 to \$559,300. This includes \$70,100 to \$100,300 that must be paid to franchisor or its affiliates.

You and we may also enter into an area development agreement under which you would agree to acquire an agreed upon number of franchises and open an agreed up on number of LÀ LÁ Bakeshop businesses within a designated development area and pursuant to an agreed upon opening schedule. Under the area development agreement, you will typically develop two to four LÀ LÁ Bakeshop businesses. The total investment necessary to acquire these rights ranges from \$105,000 (for the right to develop two LÀ LÁ Bakeshop businesses) to \$195,000 (for the right to develop four LÀ LÁ Bakeshop businesses), all of which must be paid to franchisor or its affiliates.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Michelle Pham at 144 Briarscross Blvd, Scarborough, Ontario M1S 3K5 (Canada), and +1 416-569-2234.

The terms of your contract will govern your franchise relationship. Don't rely on this Disclosure Document alone to understand your contract. Read all of your contract carefully. Show your contract and this Disclosure Document to an advisor, like a lawyer or an accountant.

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

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

ISSUANCE DATE: October 21, 2025

How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits C-1 and C-2.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit E includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only LÀ LÁ Bakeshop™ business in my area?	Item 12 and the "territory" provisions in the franchise agreement and area development agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a LÀ LÁ Bakeshop™ franchisee?	Item 20 or Exhibits C-1 and C-2 lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement and/or area development agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution**. The franchise agreement and area development agreement require you to resolve disputes with the franchisor by arbitration at a location in or within 50 miles of our or, as applicable, our successor's or assign's then-current principal place of business (currently, Scarborough, Ontario, Canada). Out-of-state arbitration may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate with the franchisor in Ontario (Canada) than in your own state.

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

TABLE OF CONTENTS

<u>Item</u>	<u>Page</u>
ITEM 1 THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES	1
ITEM 2 BUSINESS EXPERIENCE	2
ITEM 3 LITIGATION.....	3
ITEM 4 BANKRUPTCY	3
ITEM 5 INITIAL FEES.....	3
ITEM 6 OTHER FEES	4
ITEM 7 ESTIMATED INITIAL INVESTMENT.....	9
ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	13
ITEM 9 FRANCHISEE’S OBLIGATIONS	15
ITEM 10 FINANCING.....	16
ITEM 11 FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING	17
ITEM 12 TERRITORY	25
ITEM 13 TRADEMARKS	28
ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION	29
ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS	31
ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	31
ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION.....	32
ITEM 18 PUBLIC FIGURES.....	40
ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS	40
ITEM 20 OUTLETS AND FRANCHISEE INFORMATION	40
ITEM 21 FINANCIAL STATEMENTS	43
ITEM 22 CONTRACTS.....	43
ITEM 23 RECEIPTS	43

EXHIBITS

EXHIBIT A	State Administrators/Agents for Service of Process
EXHIBIT B-1	Franchise Agreement
EXHIBIT B-2	Representations Statement
EXHIBIT B-3	Sample General Release
EXHIBIT B-4	Area Development Agreement
EXHIBIT C-1	List of Current Franchisees
EXHIBIT C-2	List of Former Franchisees
EXHIBIT D	Form of Lease Rider
EXHIBIT E	Financial Statements
EXHIBIT F	State Addenda
EXHIBIT G	Receipts

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

The Franchisor

To simplify the language in this franchise disclosure document (this “Disclosure Document”), “franchisor,” “we,” “us,” or “our” means LLB Group LLC, the franchisor. “You” means the person or entity who buys the franchise from us. If you are a corporation, partnership, limited liability company, or other business entity, your owners will have to guarantee your obligations and be bound by the provisions of the Franchise Agreement (as defined below), Development Agreement (defined below), and other agreements as described in this Disclosure Document.

We are a Delaware limited liability company. We began offering franchises of the type described in this Disclosure Document in October 2025. We do business under our corporate name and as “LÀ LÁ Bakeshop.” Our principal business address is 144 Briarscross Blvd, Scarborough, Ontario M1S 3K5 (Canada), and our phone number is +1 416-569-2234. We do not offer franchises in any other lines of business. We do not conduct any business activities other than described in this Disclosure Document. We do not have any predecessors.

A list of the names and addresses of our agents for service of process is attached to this Disclosure Document as Exhibit A.

Our Parent and Affiliates

We do not have any parent companies.

Our affiliate, LA LA Ventures, Ltd. (“Ventures”) has offered franchises for LÀ LÁ Bakeshop Businesses within Canada since February 2024, and may provide you with products and services. Ventures transferred the Marks (defined below) to us in 2025. Ventures has not offered franchises in any other line of business. Ventures shares our principal business address.

The Franchise We Offer

We offer and grant franchises for bakeries offering Vietnamese baked goods, drinks, other food products and related bakery services (each, a “LÀ LÁ Bakeshop Business”). LÀ LÁ Bakeshop Businesses operate under the name LÀ LÁ Bakeshop™ and other trademarks, service marks, logos, and commercial symbols we periodically authorize (the “Marks”). LÀ LÁ Bakeshop Businesses are developed and operated using certain specified and distinct business formats, methods, procedures, designs, layouts, standards, and specifications, all of which we may improve, further develop, or otherwise modify from time to time (together, the “System”). We refer to the LÀ LÁ Bakeshop Business that you will operate as “your Business.”

A typical space for a LÀ LÁ Bakeshop Business will be approximately 500 to 2,000 square feet as a standalone location or within a shopping complex. Additionally, we may offer certain franchisees the opportunity to obtain a protected territory around their LÀ LÁ Bakeshop Business, which provides protection against competition from within the LÀ LÁ Bakeshop system and has the potential to drive larger awareness to and around the brand (each, a “Protected Territory”).

You must sign a franchise agreement with us to acquire the right to develop, own and operate a LÀ LÁ Bakeshop Business (the “Franchise Agreement”) using the Marks and the System at a site

selected by you and accepted by us (the “Accepted Site”). Our current form of Franchise Agreement is attached to this Disclosure Document as Exhibit B-1.

We also grant development rights under an area development agreement to develop an agreed-upon number of LÀ LÁ Bakeshop Businesses within a specifically described geographic territory according to a development schedule (the “Development Agreement”). We typically require a commitment of two to four LÀ LÁ Bakeshop Businesses. The form of Development Agreement you will sign is attached as Exhibit B-4 to this Disclosure Document. Your obligation to acquire franchises may be satisfied by you or by an entity controlled by you or your owners that meets our then-applicable system standards for franchise owners. For each LÀ LÁ Bakeshop Business you develop pursuant to the Development Agreement, you will be required to execute our then-current form of Franchise Agreement which may be different from the form of Franchise Agreement in this Disclosure Document.

Market Competition

Your Business will offer products and services to the general public and compete with other bakeries and food service businesses. The market for coffee- and tea-based beverages, caffeinated beverages, bakery items, and the other products offered by LÀ LÁ Bakeshop Businesses is well-established and highly competitive. You can expect to compete in your market with locally-owned businesses and national and regional chains, including shops and cafés that serve tea and coffee beverages and/or bakery items, as well as other LÀ LÁ Bakeshop Businesses. Your competition may also include grocery stores, convenience stores, and specialty coffee shops that offer similar products to those offered at LÀ LÁ Bakeshop Businesses. You will compete on the basis of factors such as price, service, convenience, food quality and variety, presentation, location, and advertising. You will be competing both for customers and for real estate locations. Your Business may also be affected by other factors, such as changes in consumer taste, economic conditions, population, and travel patterns. LÀ LÁ Bakeshop Businesses are typically not seasonal.

Laws and Regulations

Certain aspects of a food service business are heavily regulated by federal, state and local laws, rules and ordinances. The U.S. Food and Drug Administration, the U.S. Department of Agriculture, and various state and local departments of health and other agencies have laws and regulations concerning the preparation of food, display of nutrition facts, minimum wage, and health and safety conditions. State and local agencies routinely conduct inspections for compliance. You must also comply with laws applicable to businesses in your area generally, including compensation of employees, business licensure, zoning, real estate and occupational permitting, construction permitting, accessibility for persons with disabilities, sales and use tax, health and safety, and emergency orders related to public health or safety. There may be other laws applicable to your business.

ITEM 2 **BUSINESS EXPERIENCE**

Brian Tran, President & Director of Marketing

Mr. Tran is our President and Director of Marketing, and he has been one of our Directors since April 2025. Mr. Tran worked as a freelance marketing-communications consultant from May 2015 to

March 2021 in Toronto, Ontario, Canada. He has been a Director of our affiliates, LÀ LÁ Hospitality Group Ltd. (since December 2021), LÀ LÁ Ventures, Ltd. (since January 2024), and LÀ LÁ Bakeshop Ltd. (since March 2021 which operates a LÀ LÁ Bakeshop Business in Toronto, Ontario, Canada).

Hai Ha (Michelle) Pham, Treasurer & Director of Business Development

Ms. Pham is our Treasurer and Director of Business Development, and she has been one of our Directors since April 2025. From June 2019 to June 2021, Ms. Pham worked as the Founder & CEO of Genius School of Chess in Ho Chi Minh City, Vietnam. Since December 2021, she has been a Director of our affiliate LÀ LÁ Hospitality Group Ltd., and since December 2021, she has served as a Director of our affiliate LÀ LÁ Midland Ltd., which operates a LÀ LÁ Bakeshop™ business at 3272 Midland Avenue, B-127, Scarborough, Ontario M1V 0C7. Lastly, since March 2021, Ms. Pham has been a Director of our affiliate LÀ LÁ Bakeshop Ltd.

Thanh Hoa (Harry) Pham, Corporate Secretary and Director of Operations

Mr. Pham is our Corporate Secretary and Director of Operations and has been one of our Directors since April 2025. He has been the Corporate Secretary and a Director of our affiliates, LÀ LÁ Hospitality Group Ltd. (since December 2021), LÀ LÁ Ventures Ltd. (since January 2024), and LÀ LÁ Bakeshop Ltd. (since March 2021).

ITEM 3
LITIGATION

Thi Diem Quynh Ngo v. LA LA Bakeshop, Ltd., Brian Tran, Hai Ha Pham, Thanh Hoa Pham, Ontario Superior Court of Justice, Case No. CV-25-00741670-0000, filed April 23, 2025. Thi Diem Quynh Ngo (“Plaintiff”) filed the suit against Brian Tran, Hai Ha Pham, and Thanh Hoa Pham (“Defendants”). Plaintiff, a former director of LA LA Bakeshop, Ltd., alleges that she was inadequately compensated, and that, following an alleged improper removal as director, Defendants disregarded her interests as a minority shareholder and former director. Plaintiff asserts claims that Mr. Tran, Ms. Pham, and Mr. Pham breached fiduciary duties, performed unauthorized asset transfers, and engaged in self-dealing. Plaintiff seeks \$200,000 in damages, alleging such amount represents the loss of value in her shares, deprivation of her reasonable expectations as a shareholder, and other losses.

Other than the above, 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

Initial Franchise Fee

You must pay us an initial franchisee fee of \$60,000 upon signing the Franchise Agreement. The payment of the initial franchise fee does not include a Protected Territory. The initial franchise fee is payable in a lump sum, fully earned when paid, and non-refundable.

Protected Territory Fee

If you request, and we grant you, a Protected Territory, you will pay us a Protected Territory fee (a “Protected Territory Fee”) as follows: (i) \$10,000, for a three-mile radius surrounding your Business; or (ii) \$20,000, for a five-mile radius surrounding your Business. The Protected Territory Fee is payable in a lump sum, fully earned when paid, and non-refundable. We are not required to grant a Protected Territory in any instance and the decision whether to grant a Protected Territory will be in our sole discretion on a case-by-case basis.

Initial Inventory

Before opening your Business, you must purchase certain products from us or our affiliate, including branded packaging materials and branded uniform items such as aprons and hats. We estimate that the cost of these purchases, prior to opening your Business, will range from \$10,100 to \$20,300. The cost of these purchases will depend on the size and specifications of your Business, the cost of taxes and shipping in your area, the quantity of products you order, the number of employees you choose to hire, and similar market conditions. The cost of products you purchase is fully earned when paid, payable upon your placement of each order, and non-refundable.

Development Fee

If you sign a Development Agreement, you will pay us a development fee at the time that you execute the Development Agreement (the “Development Fee”) in lieu of any initial franchise fees due under the Franchise Agreements. The Development Fee will be an amount equal to \$60,000, plus \$45,000 multiplied by the number of LÁ LÁ Bakeshop Businesses you agree to develop under the Development Agreement after the first LÁ LÁ Bakeshop Businesses. Typically, the development schedule under a Development Agreement will require the development of two to four LÁ LÁ Bakeshop Businesses, which means that the typical Development Fee will range from \$105,000 to \$195,000. The Development Fee is uniformly imposed, payable in a lump sum, fully earned when paid, and non-refundable.

ITEM 6 OTHER FEES

Type of Fee	Amount	Due Date	Remarks ^{1, 2}
Royalty	6% of Gross Revenue ³	Monthly, on the 5 th day of each month	“Gross Revenue” is defined in the notes to this table disclosed below. Royalty fees are calculated based on Gross Revenue from the previous calendar month.
Marketing Fund Contribution	1% of Gross Revenue ³	Monthly	The amount of your Marketing Fund contribution may be periodically modified, subject to a maximum increase of an additional 1% of Gross Revenue in any 12-month period.

Type of Fee	Amount	Due Date	Remarks ^{1, 2}
Technology and Support Fee	\$20 per month, but may range between \$20 and \$100 per month	Monthly	This fee provides for your right to use certain technology that we mandate and make available for use in the operation of your Business from time to time. We expect that the costs we incur in and the resources we devote to enhancing and expanding the technology used in the operation of your Business may increase over time, so we reserve the right to increase the amount of the fee in our discretion.
Local Advertising Expenditure	1% of Gross Revenue ³	Monthly	You must spend an amount that we periodically designate to advertise and promote your Business. We may periodically change the amount of your Local Advertising Expenditure (as defined in Item 11) with notice to you, provided that the amount of the Local Advertising Expenditure will be increased subject to a maximum increase of an additional 1% of Gross Revenue in any 12-month period. We may require accounting of your expenditures on local advertising and/or require you to pay this amount to us or our affiliates to spend on your behalf.
Interest on Late Payment	Lesser of 1.5% per month or the highest commercial contract rate allowed by law	As incurred	All amounts which you owe us for any reason will bear interest accruing as of their due dates.
Insufficient Funds Fee	\$85 per occurrence, plus \$10 per day overdue	As incurred	You must pay this fee if any of your checks are returned to us due to insufficient funds or if there are insufficient funds in the business account you designate to cover our withdrawals.
Transfer Fee	\$30,000 per LÁ LÁ Bakeshop Business	As incurred, prior to transfer	You must pay this fee as one of the conditions of transferring your Business and/or your Franchise Agreement (except that no transfer fee is due if the transfer is from an individual to a wholly-owned and controlled entity (including in the event of your (or if you are operating as an entity, your Managing Owner's) death or disability); provided in each case, other conditions may apply and you must still reimburse us for our costs of processing the transfer, including legal fees). If you are transferring your Development Agreement and/or your Businesses under a Development Schedule, this fee will be imposed per LÁ LÁ Bakeshop Business being transferred.
Successor Franchise Fee	\$10,000	As incurred, prior to renewal	You must pay this fee as one of the conditions of obtaining a successor franchise upon the expiration of the Franchise Agreement.
Relocation Fee	\$30,000 per request	As incurred, prior to relocation	You must pay this fee as one of the conditions of relocating your Business to a successor franchise upon the expiration of the Franchise Agreement.

Type of Fee	Amount	Due Date	Remarks ^{1, 2}
Additional Training & Support Fee	\$250 per trainer per 8-hour day, plus our costs and expenses	As incurred	You must pay our then-current additional training and support fee if: (a) we approve you to send additional attendees to the Initial Training Program (defined in Item 11); (b) we agree to provide additional training for any persons after completion of the Initial Training Program; (c) we provide the Initial Training Program to any Designated Manager (defined in Item 15); (d) we require Mandatory Trainees (defined in Item 11) to attend additional training for failing to comply with system standards; (e) you request and we provide you with local advertising assistance for your Business; or (f) you request and we provide any other additional or special guidance.
Training Reimbursement	Reimbursement of our costs and expenses	As incurred	You must reimburse all of our and our representatives' out-of-pocket costs, including food, travel, accommodation and living expenses for any training or support we provide to you.
Company-Provided Products and Services	Will vary	Upon order placement	We may require you to purchase certain products and/or services from us and/or our affiliates during the term of your Franchise Agreement as needs arise, including branded employee uniforms, supplemental or additional training materials, and branded packaging materials.
Alternative Product or Vendor Testing	Reimbursement of our costs and expenses	As incurred	We may charge you this fee if you ask us to evaluate any vendors or products that we have not previously approved.
Insurance	Amount of premiums plus our costs and expenses	As incurred	If you fail or refuse to obtain and maintain the insurance we specify, we may (but are not required to) obtain such insurance for you and your Business on your behalf, and you must reimburse us for our costs for doing so.
Seminar & Conference Fees	\$500 per person	As incurred	You must pay for your and your employees' attendance at any seminars and conferences we may require that you attend.
Audit Fee	Reimbursement of our costs and expenses	Within 15 days of report receipt	If any audit of your Gross Revenue is necessary due to your failure to furnish reports on a timely basis, or if our examination reveals an understatement exceeding 3% of the amount that you actually reported to us, you must reimburse us for the costs of the audit, including fees of attorneys and accountants and the travel expenses, room and board, and compensation of our employees.

Type of Fee	Amount	Due Date	Remarks ^{1, 2}
Interim Operations Fee	10% of Gross Revenue collected, plus our costs and expenses	As incurred	Due if we operate your Business on an interim basis: (1) if you abandon or fail actively to operate your Business for a period of more than 5 consecutive days; (2) at any time after the death or disability of you (if you are conducting business as an individual) or your Managing Owner (if you are conducting business as an entity), if your Business is at any time not being managed properly; or (3) the Franchise Agreement expires or is terminated and we are transitioning your Business to us or another person we designate. This fee is payable in addition to all recurring payments you owe us, including Royalty fees.
Indemnification	Reimbursement of our damages and costs and expenses	As incurred	You must reimburse us, our affiliates, and each of our and their respective affiliates, owners, directors, managers, officers, employees, agents, successors, and assignees, if any of us is held liable for claims related to the operation of your Business, actions or omissions of you or your representatives, or your breach of the Franchise Agreement. The costs we incur may include fees for accountants, arbitrators, attorneys, and expert witnesses; investigation costs; court costs; and travel and living expenses.
Costs and Attorneys' Fees	Reimbursement of our costs and expenses	As incurred	If we are the prevailing party in any dispute proceeding between you and us, you must pay our damages, costs, and expenses, including arbitration and court costs and reasonable attorneys' fees.
Tax Reimbursement	Reimbursement of our costs and expenses	As incurred	You are responsible for paying all taxes for your Business, and you must reimburse us for any taxes that we must pay to any state taxing authority on account of your operation or payments that you make to us.

Type of Fee	Amount	Due Date	Remarks ^{1, 2}
Lost Revenue Damages	Will vary	Within 15 days of expiration or termination of Franchise Agreement	Payable if we terminate the Franchise Agreement because of your breach, in an amount equal to the net present value of the Royalty fees and Marketing Fund contributions that would have become due had the Franchise Agreement not been terminated, from the date of termination to the earlier of: (a) 24 months following the date of termination, or (b) the originally scheduled expiration of the term of the Franchise Agreement (the "Measurement Period"). Damages are calculated as follows: (1) the number of calendar months in the Measurement Period, multiplied by (2) the aggregate of the Royalty fee and Marketing Fund contribution percentages, multiplied by (3) the average monthly Gross Revenue of your Business during the 12 full calendar months immediately before the termination date (or, if the termination is based on your unapproved closure of the Business, the 12 full calendar months immediately before the closure date). If, as of the termination date, the Business has operated for at least 12 months, damages will be calculated based on the average monthly Gross Revenue of all LÀ LÁ Bakeshop Businesses during the entirety of our fiscal year immediately before the termination date.

Explanatory Notes:

1. Except as described in this Item 6, all fees are uniformly imposed and collected by and payable to us, though we may transfer these rights to our affiliates. All amounts paid to us and our affiliates are non-refundable and must be in United States Dollars (\$).

2. You must pay us all amounts in the manner we periodically prescribe. We may direct you to make some or all of the payments under the Franchise Agreement to our designee(s). You must also participate, at your expense, in any other pre-authorized payment plans, computerized point-of-sale systems, credit verification systems, electronic funds transfer systems, automatic banking systems or other similar plans or systems we may require, to facilitate your payment of all amounts owed to us. You must sign and deliver to us any documents we require for such electronic debits of your account. You must ensure that funds are available in your designated account to cover our withdrawals.

If you fail to report Gross Revenue, if we cease to have access to your POS System, or if your Business is closed without our authorization for any period of time, then, for any fees under the Franchise Agreement which are calculated based on Gross Revenue, we may debit your account for 110% of the average Gross Revenue for the last 3 months of operations of your Business. If the amounts that we debit from your account on the basis of any understatement are less than the amounts you actually owe us once we have determined the true and correct Gross Revenue, we will debit your account for the balance on the day we specify. If the amounts that we debit from your account on the

basis of any understatement are greater than the amounts you actually owe us, we will credit the excess against the amounts we otherwise would debit from your account during the following period.

3. “Gross Revenue” means the amount of sales of all products and services sold in, on, about or from your Business, together with any other revenues derived from the operation of your Business, whether by Franchisee or by any other person, whether or not in accordance with the terms hereof, and whether for cash or on a charge, credit, barter or time basis, including, but not limited to, all such sales and services (i) where orders originate and/or are accepted by you in your Business but delivery or performance thereof is made from or at any place other than your Business or (ii) pursuant to telephone, online or other similar orders received or filled at or in your Business. For purposes of determining Royalty fees, Gross Revenue does not include: (a) the amount of refunds, allowances or discounts to customers (including coupon sales) up to 10% of the Gross Revenue, provided the related sales have previously been included in Gross Revenue; or (b) the amount of any tax imposed by any federal, state, municipal or governmental authority directly on sales and collected from customers of your Business if such tax is added to the selling price and actually paid by you to such governmental authority. Gross Revenue will also include the amount of all sales assumed to have been lost by the interruption of business, to be determined on the basis upon which proceeds of any business interruption insurance are paid or are payable to you.

ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT FRANCHISE AGREEMENT

Type of Expenditure	Amount	Method of Payment ¹	When Due	To Whom Payment is Made
Initial Franchise Fee	\$60,000	Lump sum	Upon signing Franchise Agreement	Us
Protected Territory Fee ²	\$0 - \$20,000	Lump sum	Upon signing Franchise Agreement	Us
Costs and Expenses for Initial Training Program ³	\$2,000 - \$5,000	As incurred	Before opening	Unaffiliated third parties (e.g., hotels, airlines, restaurants)
Real Estate (3 Months' Rent) ⁴	\$10,000 - \$30,000	As incurred	As incurred	Landlord
Real Estate Commission/Fee ⁵	\$0 - \$15,000	As incurred	As incurred	Real Estate Brokerage
Security and Utility Deposits ⁶	\$3,000 - \$6,000	As incurred	As incurred	Unaffiliated third parties (e.g., utility companies, landlord)
Leasehold Improvements ⁷	\$100,000 - \$200,000	As incurred	Before opening	Unaffiliated third parties

Insurance ⁸	\$1,500 - \$2,000	As incurred	As incurred	Unaffiliated third parties
POS System and Technology and Support Fees ⁹	\$2,000 - \$4,000	As incurred	Before opening	Approved third-party suppliers, Us
Initial Inventory and Uniforms ¹⁰	\$10,100 - \$20,300	As incurred	Before opening	Us or our affiliates
Additional Inventory ¹⁰	\$3,000 - \$5,000	As incurred	Before opening	Approved third-party suppliers
Furniture, Fixtures & Equipment ¹¹	\$70,000 - \$120,000	As incurred	Before opening	Approved third-party suppliers
Signage ¹²	\$8,000 - \$15,000	As incurred	Before opening	Approved third-party suppliers
Permits and Licenses ¹³	\$5,000 - \$7,000	As incurred	As incurred	Unaffiliated third parties
Professional Fees ¹⁴	\$2,000 - \$5,000	As incurred	As incurred	Unaffiliated third parties
Grand Opening Advertising ¹⁵	\$2,000 - \$5,000	As incurred	Before opening	Unaffiliated third parties
Additional Funds – First 3 Months of Operation ¹⁶	\$30,000 - \$40,000	As incurred	As incurred	Unaffiliated and approved third-party suppliers (e.g., employees)
TOTAL ESTIMATED INITIAL INVESTMENT ¹⁷	\$308,600 - \$559,300			

Explanatory Notes:

1. General. Except as otherwise provided, the amounts payable to us or our affiliates in this table are not refundable under any circumstances. All amounts payable to third parties will be paid (and refunded, if applicable) under the terms of your agreements with these respective third parties. We do not offer financing directly or indirectly for any part of the initial investment.
2. Protected Territory Fee. If you request, and we grant you, a Protected Territory, you will pay us a Protected Territory Fee as follows: (i) \$10,000, for a three-mile radius surrounding your Business; or (ii) \$20,000, for a five-mile radius surrounding your Business. We are not required to grant a Protected Territory in any instance and the decision whether to grant a Protected Territory will be in our sole discretion on a case-by-case basis.
3. Costs & Expenses for Initial Training Program. We provide the Initial Training Program at no charge for you (or if you are conducting business as an entity, your Managing Owner) and one of your employees (if applicable, your Designated Manager). However, you must pay for the transportation, food, lodging, and other expenses that you and your employees will incur while attending our Initial Training Program. These expenses will vary depending on your proximity to the location where the training is held and the type of accommodations you choose. The provided estimates do not account for any additional training fees.

4. Rent. The estimate above is for three months of rent. The cost of leasing or acquiring your Accepted Site will depend upon the market in which the proposed site is located. A typical space will be approximately 500 to 2,000 square feet. Local market conditions, changes in the economy and inflation will also contribute to your occupancy costs. The location of the parcel of real property, its relationship to and the nature of any adjoining uses, and its accessibility will affect both its size and price. Commonly, some lease agreements require additional payments for maintenance, insurance, taxes, and other charges and expenses related to building maintenance and the lessee's reimbursement to the lessor thereof. The provided estimates do not include any such additional payments, as these are items you must negotiate with your landlord.

5. Real Estate Commission & Fees. If you retain the services of a real estate brokerage to assist you in finding an Accepted Site, you may be required to pay a real estate commission or fee to such brokerage.

6. Security and Utility Deposits. The fees and deposits that you are required to spend to obtain utility services for your Business (such as gas, telephone, and electricity) will vary depending upon the state, county, or other locality in which your Business is located. The provided estimates also include a security deposit under the lease, equal to one month's rent.

7. Leasehold Improvements. Leasehold improvements include carpentry, floor covering, painting, plumbing, heating, ventilation, air conditioning, general construction and administration costs as well as other costs associated with initial construction and site improvements of your Accepted Site. The provided estimates do not account for any tenant improvement allowances you may negotiate with your landlord. The cost of leasehold improvements will also depend on (i) the size and condition of the Accepted Site; (ii) pre-construction costs (such as the removal of existing fixtures and improvements and the demolition of existing walls); (iii) local market conditions, including the availability and cost of materials and labor; (iv) the extent and quality of improvements desired by you over and above our minimum requirements; and (v) your landlord's contribution to the cost of the improvements, if any.

8. Insurance. This amount is for the first three months of premiums for the insurance policies we require. Currently, our requirements include commercial general liability insurance; all risk insurance coverage sufficient for all assets of your Business, the Accepted Site, and other tangible property located at the Accepted Site; workers' compensation insurance; comprehensive crime and blanket employee dishonesty insurance; and business interruption and extra expense insurance. Additionally, if you use any vehicles in connection with your Business' operation, you must obtain non-owned automobile liability insurance and/or automobile liability coverage for owned, non-owned, scheduled, and hired vehicles.

9. POS System and Technology and Support Fees. The estimate provided includes your purchase of your POS System hardware and monthly subscriptions for the software programs we require, for the first three months of your Business' operations (see Item 11). The total cost of your POS System will depend on whether you already own any components that must be purchased (such as an Apple iPhone), freight and installation costs, connectivity services in your area, applicable state and local taxes, and other factors.

10. Initial Inventory and Uniforms & Additional Inventory. You are required to purchase certain initial inventory from us and our affiliate(s) prior to opening your Business, including branded packaging supplies and uniform components, including branded aprons and hats. Additionally, you must purchase other initial inventory from third-party suppliers that we designate, including food

products, office supplies, non-branded paper products, cleaning supplies, and related items. The cost of initial inventory will depend on shipping and freight prices, the cost of raw materials, your geographic market, and similar factors.

11. *Furniture, Fixtures, & Equipment*. You must purchase or lease certain fixtures, equipment (including certain bakery and kitchen equipment), machinery, furniture, and décor and trade dress items, all of which must comply with our specifications and standards. Costs will vary depending on a number of factors, including brands purchased, local market conditions, the size and needs of your Business, and building codes and health requirements of the municipality where your Business is located.

12. *Signage*. The estimated figures shown include your costs for interior and exterior signage. Your costs in this regard may be affected by restrictions on interior or exterior signs imposed by your landlord or by local municipal ordinances. Costs will also vary depending upon the size, color, and back-lit channel letters of the sign and other specifications we and the landlord may require.

13. *Permits & Licenses*. The provided estimates include the cost of obtaining local business licenses and permits, which typically remain in effect for one year. The cost of these permits and licenses may vary substantially depending on the location of your Business and the local, municipal, and state laws applicable to your Business' operations.

14. *Professional Fees*. The amount of professional fees you incur will depend on the number of representatives you engage (such as lawyers and accountants), the experience and sophistication of those representatives, and the geographic market in which you operate.

15. *Grand Opening Advertising*. You must spend at least \$2,000 to promote the opening of your Business during the period that is 30 days before, and 60 days following, the Opening Date. You must spend this amount in addition to all other amounts you must spend on advertising specified in the Franchise Agreement. However, you may elect to spend more than the minimum amount on your grand opening marketing program. The amount you spend will depend on several factors, including the local market conditions, brand awareness in the surrounding community, the amount of competition in your area, and other factors. At our request, you must give the grand opening advertising expenditures to us and we will conduct the grand opening advertising campaign on your behalf.

16. *Additional Fees (First 3 Months)*. This item estimates your initial start-up expenses for your Business' initial three-month operating period, including inventory and supplies, payroll and benefits, maintenance and repair, working cash, as well as other related costs for the continued operation of your Business. Your expenses will depend on factors such as how much you follow our methods and procedures, the extent to which you request our assistance, your management skill, experience and business acumen, local economic conditions for products or services, the prevailing wage rate, competition and the sales level reached during the initial period.

17. *Total Estimated Initial Investment*. The estimated initial investment figures shown above are based on our affiliates' experience in owning and operating LÀ LÀ Bakeshop Businesses located in Canada, and we have adjusted the presented estimates to reflect United States currency and market trends. The estimated initial investment figures provided in this table assume that you (or your Managing Owner) are not paid any salary or wages, and do not include the costs associated with any financing you may obtain.

YOUR ESTIMATED INITIAL INVESTMENT DEVELOPMENT AGREEMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is Made
Development Fee ¹	\$105,000 - \$195,000	Lump sum	Upon signing Development Agreement	Us
TOTAL ESTIMATED INITIAL INVESTMENT ²	\$105,000 - \$195,000			

Explanatory Notes:

1. Development Fee. The Development Fee equals \$60,000, plus \$45,000 multiplied by the number of LÀ LÁ Bakeshop Businesses you agree to open after your first LÀ LÁ Bakeshop Business. The actual amount of the Development Fee will depend on the number of LÀ LÁ Bakeshop Businesses specified in your Development Schedule. We typically require a commitment of two to four LÀ LÁ Bakeshop Businesses; however, you may commit to develop more than four LÀ LÁ Bakeshop Businesses.
2. Total Estimated Initial Investment. For each LÀ LÁ Bakeshop Business that you develop pursuant to the terms of a Development Agreement, you must execute a Franchise Agreement and incur the costs associated with developing a LÀ LÁ Bakeshop Business under the terms of that Franchise Agreement. Please see Table 1 of this Item 7 for the estimated cost of developing a LÀ LÁ Bakeshop Business under an individual Franchise Agreement.

ITEM 8 **RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

Specifications for Products, Services and Suppliers

We have developed and may continue to develop system standards for types, models and brands of required fixtures, furniture, equipment, components of the POS System, furnishings, signs, and other operating assets, inventory, products, materials, and services used by LÀ LÁ Bakeshop Businesses. We may require you to purchase and use only the products and services meeting our system standards. We may also require you to purchase the products and services only from suppliers that we have designated or approved. We or our affiliates may be an exclusive or approved supplier of certain products and services, or otherwise be a party to these transactions.

Our standards and specifications for products and services and criteria for suppliers are not currently issued to franchisees or approved suppliers. We may condition our approval of a product or supplier on requirements relating to product quality, prices, consistency, reliability, financial capability, labor relations, customer relations, frequency of delivery, concentration of purchases, standards of service or other criteria. If you would like us to consider approving a vendor that is not already approved by us, you must submit your request in writing before purchasing any items or services from such vendor. We will make all determinations about whether to approve an alternative vendor based on our then-current criteria, which may change periodically. Currently, we estimate that we will provide notice of our decision to approve or disapprove an alternative supplier within 90 days

of receiving the request and all necessary materials for evaluation. We may also refuse to consider and/or approve any alternative vendor for any reason whatsoever. We may charge you a fee equal to our actual costs for testing if you ask us to evaluate any proposed alternative vendors. We may revoke our approval of any vendor at any time by providing written notice to you. You may not contract with any alternative vendors without receiving our prior approval.

Currently, you must purchase (i) certain branded products, including packaging materials and branded uniforms from us and/or our affiliates, and (ii) your other inventory, equipment, products, and supplies from suppliers we approve. We may add, remove, and/or otherwise modify our designated and approved suppliers at any time. No revenue was collected by us or our affiliates from the sale of products or services to our franchisees in our most recently completed fiscal year. Except for our interest in Ventures, none of our officers own interest in any suppliers. Other than as described in this Item 8, neither we nor our affiliates are suppliers of any required products or services to franchisees, though we may be in the future.

Collectively, the purchases you obtain according to our specifications or from approved or designated suppliers will represent approximately 85% to 90% of your total purchases to establish your Business and 80% to 85% of your total purchases to operate your Business.

Insurance

You must secure and maintain insurance policies for your Business, as required under applicable law and your lease, and in minimum types and amounts of coverage we require. Currently, our requirements include (i) commercial general liability insurance with a limit of not less than \$2,000,000 per occurrence and in the aggregate; (ii) all risk insurance coverage sufficient for all assets of your Business, the Accepted Site, and other tangible property located at the Accepted Site; (iii) workers' compensation insurance with the statutory minimum coverage amounts, in accordance with laws applicable in the state in which your Business is operated; (iv) comprehensive crime and blanket employee dishonesty insurance; and (v) business interruption and extra expense insurance in amounts sufficient to cover net profits and continuing expenses (including Royalty fees and other amounts due to us). Additionally, if you use any vehicles in connection with your Business' operation, you must obtain non-owned automobile liability insurance and/or automobile liability coverage for owned, non-owned, scheduled, and hired vehicles with a limit of not less than \$2,000,00 per occurrence and in the aggregate.

We may periodically change the minimum amounts of coverage required under these insurance policies or require different or additional insurance coverages (including reasonable excess liability insurance) at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. These insurance policies must be purchased from licensed insurers having a rating of "A/VIII" or higher by the then-current edition of Best Insurance Reports published by A.M. Best Company (or other similar publication or criteria we designate). Each insurance policy must name us and any affiliate(s) we designate as additional named insureds, using a form of endorsement that we have approved, and provide for 30 days' prior written notice to us of a policy's material modification, cancellation or expiration. Each insurance policy must contain a waiver of all subrogation rights against us and any of our affiliate(s) we specify. You must routinely furnish us copies of your certificates of insurance or other evidence of your maintaining this insurance coverage and paying premiums.

Purchase Arrangements, Material Benefits, and Revenue

We may periodically negotiate purchase arrangements with suppliers of products and services to franchisees, including price terms. In the future, you may be required to purchase products or services at a price or on other terms we have negotiated in advance. As of the issuance date of this Disclosure Document, we have not established purchasing or distribution cooperatives, though we may do so in the future. We do not currently provide material benefits to franchisees for purchasing particular products or services or for using particular approved suppliers. As of the issuance date of this Disclosure Document, none of our officers own any interest in any of our approved suppliers.

We and/or our affiliates may derive revenue in the form of rebates, vendor promotions, or other consideration from suppliers based on your purchases and leases of certain products and services, though currently neither we nor our affiliates do so. Neither we nor our affiliates derived any revenue from suppliers based on franchisee purchases during the 2024 fiscal year.

ITEM 9 **FRANCHISEE'S OBLIGATIONS**

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

Obligation	Section in Franchise Agreement	Section in Development Agreement	Item in Disclosure Document
(a) Site selection and acquisition/lease	Sections 2.A and 2.B	Sections 2.B, 2.C, and 2.D	Item 11
(b) Pre-opening purchases/leases	Section 2	Not applicable	Item 5, 7, 8, and 11
(c) Site development and other pre-opening requirements	Sections 2.A and 2.B	Section 2	Items 7, 8, and 11
(d) Initial and ongoing training	Section 4	Not Applicable	Items 6, 7, and 11
(e) Opening	Section 2	Section 2	Item 11
(f) Fees	Section 3	Section 3	Items 5, 6, 7, and 11
(g) Compliance with standards and policies/operating manual	Section 7	Section 2.D	Items 8, 11, and 16
(h) Trademarks and proprietary information	Sections 5 and 6	Not Applicable	Items 13 and 14
(i) Restrictions on products/services offered	Sections 7.C and 7.H	Not Applicable	Items 8, 11, 12, and 16
(j) Warranty and customer service requirements	Section 7	Not Applicable	Item 11

Obligation	Section in Franchise Agreement	Section in Development Agreement	Item in Disclosure Document
(k) Territorial development and sales quotas	Section 1	Section 2 and Attachment A	Items 1 and 12
(l) On-going product/service purchases	Sections 7.C and 7.H	Not Applicable	Items 6 and 8
(m) Maintenance, appearance and remodeling requirements	Sections 7.A and 7.H	Not Applicable	Items 6, 8, 11, and 17
(n) Insurance	Section 7.E	Not Applicable	Items 7 and 8
(o) Advertising	Section 8	Not Applicable	Items 6, 7, 8, and 11
(p) Indemnification	Section 16.C	Section 9.C	Item 6
(q) Owner's participation/management/staffing	Sections 1 and 4	Not Applicable	Items 11 and 15
(r) Records and reports	Section 9	Section 4	Item 6
(s) Inspections and audits	Section 10	Not Applicable	Items 6 and 11
(t) Transfer	Section 11	Section 5	Item 17
(u) Renewal	Section 12	Not Applicable	Item 17
(v) Post-termination obligations	Sections 14 and 15	Section 8	Item 17
(w) Non-competition covenants	Section 15	Section 8.B	Item 17
(x) Dispute resolution	Section 17	Section 10	Item 17
(y) Guaranty and assumption of obligations	Exhibit B	Attachment B	Item 15

ITEM 10 **FINANCING**

We do not offer direct or indirect financing. We do not guarantee your promissory notes, mortgages, leases or other 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.

Our Pre-Operating Obligations

Franchise Agreement

Before you begin operating your Business, we or our designees will:

1. Review and either accept or reject a proposed site and lease for your Business (Franchise Agreement – Section 2.A)
2. Review your proposed development and construction plans and specifications for the Accepted Site and the design thereof, including materials, colors, trade dress, and presentation to be used in connection with the development of your Business and approve or disapprove such plans and specifications (Franchise Agreement – Section 2.B)
3. Allow you to purchase from us or our affiliates certain inventory items we prescribe for LÀ LÁ Bakeshop Businesses, including branded uniforms and packaging materials (Franchise Agreement – Section 2.B)
4. Provide the Initial Training Program to your Mandatory Trainees (Franchise Agreement – Section 4.A)
5. If available, make our Brand Manual available to you (Franchise Agreement – Section 4.F)
6. Review and either allow or disallow your Business to open for business to the general public (Franchise Agreement – Section 2.G)

Development Agreement

After you sign a Development Agreement, but before you open your first Business, we or our designees will:

1. Review and either accept or reject a proposed site and lease for your Business and execute our then-current form of Franchise Agreement (Development Agreement – Sections 2.D and 2.E).

Site Selection

If you have not yet located a site for your Business when you sign the Franchise Agreement, you must select a suitable site and obtain our approval of that site as your Accepted Site within 90 days following the execution of your Franchise Agreement. Neither we nor our affiliates generally own the sites for LÀ LÁ Bakeshop Businesses and lease any such sites to franchisees. You must send us all of the information we require for your proposed site. We will make all determinations about whether to approve a site based on our then-current criteria, including visibility, size, layout, adjacent uses, parking, demographics, local competition, and other factors we periodically determine. Currently, we estimate that we will provide notice of our decision to approve or disapprove a proposed site within 30

days of receiving the request. After you obtain our approval of a site for your Accepted Site, you must execute a lease that we accept for your Accepted Site. The lease must contain certain provisions we require, including collateral assignment of lease, under the form of lease rider attached as Exhibit D. You must secure possession of the Accepted Site under the terms of a lease we have approved within 90 days of our approval of the Accepted Site. If you fail to satisfy any of these deadlines, we may terminate your Franchise Agreement.

If you sign a Development Agreement, your Development Schedule will set forth the deadline for site approval, lease execution, and opening of each LA LÁ Bakeshop Business developed thereunder. We may terminate your Development Agreement for your failure to comply with the deadlines set forth in the Development Schedule.

Opening Requirements

We estimate that you will begin operating your Business by the first anniversary of the date you sign the Franchise Agreement. The date that you open your Business to the general public (your “Opening Date”) will depend on several factors, including when: (a) your Mandatory Trainees complete our Initial Training Program to our satisfaction; (b) you obtain our approval of an Accepted Site and lease for your Business; (c) you complete the build-out of the Accepted Site in accordance with approved plans, including obtaining all required permits and licenses, and conforming the Accepted Site to local ordinances and business codes; (d) you install all required fixtures, equipment, signage and other operating assets and components of the POS System; (e) you obtain all other initial inventory and supplies we designate; and (f) you meet all of our other criteria to our satisfaction before you begin operating your Business. If you do not comply with these requirements and open your Business to the public by the first anniversary of the date you sign the Franchise Agreement, we may terminate your Franchise Agreement.

Our Post-Operating Obligations

Franchise Agreement

During your operation of your Business, we or our designees will:

1. Subject to limitations on scheduling, availability, and similar resources, provide you with periodic advice and guidance regarding the operation of your Business, including ongoing training opportunities, seminars, and/or conferences that we require or you request us to provide (Franchise Agreement – Section 4.D)
2. Continue to make our Brand Manual available to you (Franchise Agreement – Section 4.F)
3. Let you use our Marks and certain copyrighted and copyrightable materials in connection with the operation of your Business (Franchise Agreement – Section 5)
4. Approve or disapprove advertising materials you submit to us prior to use (Franchise Agreement – Section 8.C)
5. Approve or disapprove alternative vendors you submit to us (Franchise Agreement – Section 7.I)

6. Administer the Marketing Fund pursuant to the terms of the Franchise Agreement (Franchise Agreement – Section 8.D)

Development Agreement

We are not obligated to provide any post-opening assistance under the Development Agreement.

Brand Manual

We will make our system standards and other suggested specifications, standards and procedures, and information for the operation of LÀ LÁ Bakeshop Businesses available to you during the term of the Franchise Agreement, which may include one or more separate manuals, newsletters, memos, or bulletins, as well any audio or video content, and/or other content available through or distributed by any Digital Presence or other electronic or digital means (collectively, the “Brand Manual”). We do not currently have a traditional operations manual, but if one is created, we will offer you the opportunity to review the table of contents for such traditional operations manual before you sign the Franchise Agreement.

Advertising and Promotion

Grand Opening Advertising

You must develop and implement a grand opening promotional program that we approve, aimed at introducing your Business to the general public. Your grand opening program must take place during a period that is 30 days before, and 60 days following, the Opening Date. You are required to spend at least \$2,000 in connection with advertising and promotional programming for your grand opening, and you must complete your grand opening in accordance with the plan you present to us and we approve. If we develop any marketing materials for grand openings of LÀ LÁ Bakeshop Businesses, you must use any such materials we require in connection with the grand opening promotion of your Business.

Marketing Fund

We have established a promotional fund (the “Marketing Fund”) to administer certain advertising, marketing, and public relations programs for the System, the LÀ LÁ Bakeshop brand, and the promotion of LÀ LÁ Bakeshop Businesses. You must contribute to the Marketing Fund the amount that we prescribe. You are required to contribute 1% of Gross Revenue, which we may periodically modify with notice to you, subject to a maximum increase of an additional 1% in any 12-month period.

The purpose of the Marketing Fund is to promote the Marks, the System, the LÀ LÁ Bakeshop brand, and LÀ LÁ Bakeshop Businesses generally. There is no guarantee that you or your Business will benefit from Marketing Fund expenditures directly or in proportion to your Marketing Fund contribution. We are not required to spend any amount on marketing within your Protected Territory (if applicable) and/or promoting your Business.

We will have exclusive control over all programs and services administered by the Marketing Fund, including over the creative concepts, materials, and campaigns and their geographic market, media placement and allocation. The Marketing Fund may pay for preparing and producing video, audio, and written materials and electronic media; developing, implementing, and maintaining any

website, domain name, email address, social media account, username, other digital presence or presence on any electronic, virtual, or digital medium of any kind (each an “Digital Presence”) or other software or applications; administering national, regional, digital, or local advertising and marketing campaigns and/or programs; using in-house resources as well as advertising, promotion, and marketing agencies and other advisors to provide assistance; supporting public relations, market research, and other advertising, promotion, and marketing strategy or implementation activities; and/or any other expenditures that are directly or indirectly related to promoting the Marks, the System, the brand, and/or LÀ LÁ Bakeshop Businesses. We may also use the Marketing Fund to pay for the Marketing Fund’s administrative and overhead costs, including the reasonable salaries and benefits of personnel who manage and administer the Marketing Fund, and any other expenses that we or our affiliates incur that are related to administering or directing the Marketing Fund and its programs. We may modify Marketing Fund programs, services, or expenditures at any time.

We will account for the Marketing Fund separately from our other funds. However, neither we nor any of our affiliates has any fiduciary obligation to you or any other person for administering the Marketing Fund. The Marketing Fund may spend in any year more or less than the total Marketing Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We may administer the Marketing Fund through a separate entity, and such entity will have all of the specified rights and duties. We may use collection agents and institute legal proceedings to collect Marketing Fund contributions at the Marketing Fund’s expense. We may also forgive, waive, settle, and compromise all claims by or against the Marketing Fund. We will prepare an annual, unaudited statement of Marketing Fund contributions and expenses and give you the statement on written request, within 120 days after the end of each fiscal year, but not less than 30 days from our receipt of such request.

We may reduce or suspend Marketing Fund contributions and/or operations of the Marketing Fund for one or more periods of any length and terminate (and, if terminated, reinstate) the Marketing Fund and associated Marketing Fund contributions. If we terminate the Marketing Fund, we will spend the remaining balance of the monies in the Marketing Fund in accordance with our system standards until such amounts are exhausted. We may elect to maintain multiple Marketing Funds, whether determined by geographic region, country, or otherwise, or consolidate or merge multiple Marketing Funds.

We did not collect any Marketing Fund contributions or spend any amounts from any Marketing Fund on media production, media placement, administration, or to solicit new franchise sales in our most recently completed fiscal year. We did not collect any Marketing Fund contributions from corporate-owned LÀ LÁ Bakeshop Businesses in our prior fiscal year. LÀ LÁ Bakeshop Businesses owned by us or our affiliates may, but are not required to contribute to the Marketing Fund at the same rate as franchise-owned LÀ LÁ Bakeshop Businesses.

Local Advertising Expenditure

You are solely responsible for conducting all local advertising for your Business. However, you must satisfy our system standards for all advertising for your Business using the Marks or the System, which may include the requirement that you advertise and market your Business in any advertising medium we determine, use forms of advertisement we approve, list your Business with the online directories and subscriptions we periodically prescribe, and/or establish any other Digital Presence we require.

We may require you to spend an amount that we designate to advertise and promote your Business, in addition to your Marketing Fund contribution (the “Local Advertising Expenditure”). We may require you to pay part or all of your Local Advertising Expenditure to us or our designee to spend on marketing programs that we determine for your Business. We may periodically change the amount of your Local Advertising Expenditure with notice to you, provided that the amount of the Local Advertising Expenditure will not be increased by more than 1% of Gross Revenue in any 12-month period during the term of your Franchise Agreement. You must send us, in the manner we prescribe, an accounting of your expenditures for local advertising at the intervals and on the dates that we periodically designate.

Your advertising, promotion, and marketing must be completely clear, factual, and not misleading and conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that we prescribe. At least 14 days before you use them, you must send us for approval samples of all advertising, promotional, and marketing materials which we have not prepared or previously approved. If you do not receive written approval within 10 days after we receive the materials, they are deemed to be disapproved. Only after we approve the materials are you permitted to use them. However, we may withdraw our approval at any time and for any reason, in which case you must discontinue use of any such materials within five days of such withdraw. You may not use any advertising, promotional, or marketing materials that we have not approved or have disapproved.

We may assist franchisees with their local advertising and promotional efforts, the timing, frequency, and nature of which we will determine. If we provide such assistance, you must remit to us the amount of your required Local Advertising Expenditure and pay our additional training and support fee (currently \$250 per trainer per 8-hour day, plus our costs and expenses). If we incur any costs or fees paid to third parties in order to assist you with advertising, all costs and fees charged by the third-party vendor will be invoiced to you and/or paid against the balance of your Local Advertising Expenditure you remit to us.

Websites and Digital Presences

We may establish and develop Digital Presences to advertise, market, and promote LÀ LÁ Bakeshop Businesses, the products and services that they offer and sell, or the LÀ LÁ Bakeshop franchise opportunity (each a “Website”). We may, but are not obligated to, provide you with a webpage or other Digital Presence that references your Business on any Website. If we provide you with a webpage or other Digital Presence on any Website, you must: (i) provide us the information and materials we request to develop, update, and modify the information about your Business on the Website; and (ii) notify us whenever any information on the Website about your Business is not accurate. We will provide you one email address to be used in connection with your Business. You must only use this email in connection with your Business, and you must do so according to our then-current system standards. We will have unrestricted access to and sole ownership of all such email accounts, and all documents, data, materials, and messages shared from or by such accounts. You may sell products through any third-party food service delivery or order platform we have approved in advance in writing, provided that we may limit the geographic area in which such activities may be conducted.

Except as provided above, or as approved by us in writing or in the Brand Manual, you may not develop, maintain, or authorize any Digital Presence that mentions your Business, links to any Website, or displays any of the Marks. You may also not engage in any promotional or similar activities, or sell any products or services, whether directly or indirectly, through any Digital Presence,

without our prior written approval. If we approve the use of any such Digital Presence in the operation of your Business, you will develop and maintain such Digital Presence only in accordance with our guidelines, including our guidelines for posting any messages or commentary on third-party websites and/or maintaining an online privacy policy. Unless we specify otherwise, we will own the rights to each such Digital Presence. At our request, you must grant us access to each such Digital Presence, and to take whatever action (including signing an assignment or other documents) we request to evidence our ownership of such Digital Presence, or to help us obtain exclusive rights in such Digital Presence.

We do not have a franchisee advisory council that advises us on advertising policies. We do not have any local or regional advertising cooperatives.

POS System, Hardware, and Software

You must obtain and install the computer hardware, software, and point-of-sale system that we approve for LÀ LÁ Bakeshop Businesses, including the Clover Station Duo computerized cash collection and data processing system (collectively, the “POS System”). We may modify system standards for the POS System periodically, including the designated or approved suppliers for the POS System, and you must update your POS System to comply with the modified system standards promptly after you receive notice. There are no contractual limitations on the frequency and cost of this obligation, and we are not required to reimburse you for these costs. Currently, the required technology includes (i) one Apple iPhone, capable of running the latest version of iOS, with cellular and data connections; (ii) one Clover Station Duo; and (iii) software we require (including online ordering software and Google Workspace). We estimate the cost of acquiring and installing the required technology will be \$2,000 to \$4,000.

We require franchisees to pay monthly software fees. Currently, monthly software fees are \$40 plus payment processing fees for Clover Station Duo (which amount may be more depending on the available options and is paid directly to the designated third party vendor); \$40 per month for an online ordering site account (which amount may be more depending on available options and is paid directly to the designated third party vendor); and \$20 per month for Google Workspace with email capabilities, which is paid directly to us and is subject to increase based on our costs incurred from such third-party vendor.

We estimate the ongoing cost of maintaining and upgrading the POS System to meet the then-current system standards to be approximately \$300 per year. This amount includes the required third-party subscription fees you will pay to us. Neither we nor our affiliates have any obligation to provide ongoing technical support, maintenance, repairs, upgrades, or updates to your POS System, though we may recommend that you obtain a support service contract from a vendor that we designate, for purposes of implementing and periodically upgrading your POS System.

Your POS System must configure and connect to our computer systems in such a way where we are provided with continuous, real-time, unlimited and independent access to your POS System at all times. We will have an unrestricted right to access, collect, and retain information from your POS System.

Initial and Ongoing Training

Initial Training Program

Prior to your Opening Date, you (or if you are conducting business as an entity, your Managing Owner) and one of your employees (if applicable, your Designated Manager) (together, the “Mandatory Trainees”) must attend and complete to our satisfaction our initial training program, which covers all aspects of operating a LÀ LÁ Bakeshop Business, with a focus on learning to produce our menu items and customer service information (the “Initial Training Program”).

We will control the substance and duration of our Initial Training Program, which will be held at a location and in a format of our choice, which may be virtually. Currently, all training is conducted at a LÀ LÁ Bakeshop Business in Toronto, Ontario (Canada) or at another location we determine. We anticipate that the Initial Training Program will last 4 to 8 weeks. We may vary the contents or duration of the Initial Training Program among your Mandatory Trainees, based on their experience, role, responsibilities, and other factors we determine. We will also determine the timing, dates, and schedule of the Initial Training Program, though we anticipate that we will conduct the Initial Training Program several times per calendar year on an as-needed basis. Scheduling of the training is based on the availability of the Mandatory Trainees, availability of space in the Initial Training Program, training facility availability and the projected Opening Date for your Business. We may require certain training pre-requisites that must be completed and/or met prior to your Mandatory Trainees’ attendance at the Initial Training Program. All Mandatory Trainees must complete the Initial Training Program to our satisfaction prior to operating your Business. Failure of all Mandatory Trainees to complete the Initial Training Program to our satisfaction may result in our termination of the Franchise Agreement. You may invite additional attendees to the Initial Training Program, if space allows, subject to our approval and subject to all attendees participating at once. For any additional trainees we approve, we may charge our then-current additional training and support fee (currently \$250 per trainer per 8-hour day, plus our costs and expenses).

You have the ultimate and exclusive responsibility for ensuring that all of your employees and personnel are appropriately trained to operate your Business in accordance with the Franchise Agreement and our system standards, regardless of any training or support that we provide. You must implement a training program that we approve and employ only those individuals who complete such training program and are qualified to perform his or her duties at your Business.

If you request additional training for any Mandatory Trainees that have completed the Initial Training Program, you must pay our then-current additional training and support fee for any such training that we provide (currently \$250 per trainer per 8-hour day, plus our costs and expenses). If the Mandatory Trainees complete our Initial Training Program to our satisfaction, and do not expressly and promptly request additional training after completion of the Initial Training Program, you and they will be deemed to have been sufficiently trained in the operation of a LÀ LÁ Bakeshop Business.

We may require that your Mandatory Trainees attend and satisfactorily complete various training courses that we periodically choose to provide at the times and locations that we designate, which relate to the operation of your Business, the LÀ LÁ Bakeshop franchise system, and the system standards. Some of these training courses may require you to purchase videos or other instructional materials from us or third parties we designate. Besides attending these courses, we may require you (or if you are conducting business as an entity, your Managing Owner) and/or your Designated Manager(s) (if applicable) to attend conferences and seminars at locations we designate, which may

be virtually. We may charge a fee for you and your personnel's attendance at such events (currently \$500 per person).

If you engage any new Designated Manager(s) during the term of the Franchise Agreement, such person(s) must satisfactorily complete our then-current Initial Training Program within 30 days of employment, and we may charge reasonable fees for such training (currently \$250 per trainer per 8-hour day, plus our costs and expenses).

We will provide the Initial Training Program to your Mandatory Trainees at no additional cost to you. You are responsible for the costs and expenses (such as transportation, lodging, meals and compensation) of each person who attends the Initial Training Program and/or additional trainings, seminars, or conferences held during the term of your Franchise Agreement. If any of our representatives must travel to your Business to conduct any trainings or assistance, you are responsible for paying our then-current additional training and support fee (currently \$250 per trainer per 8-hour day, plus our costs and expenses).

As of the date of this Disclosure Document, the Initial Training Program that we provide to new LÀ LÁ Bakeshop franchisees is comprised of the following components:

TRAINING PROGRAM

Subject	Storefront Franchise		Location
	Hours of Classroom Training	Hours of On-The-Job Training	
Orientation	40	0	Remote video call
Baking	0	80	LÀ LÁ Bakeshop Business we designate, in New York or Ontario, Canada
Decorating	0	120	LÀ LÁ Bakeshop Business we designate, in New York or Ontario, Canada
Drinks	0	40	LÀ LÁ Bakeshop Business we designate, in New York or Ontario, Canada
Management	0	40	LÀ LÁ Bakeshop Business we designate, in New York or Ontario, Canada
TOTAL	40	280	

Our training team is led by Thanh Hoa (Harry) Pham, our Corporate Secretary and Director of Operations, who has 10 years of experience with the subject matters being taught, and four years of experience with us and our affiliates. Other individuals will assist in conducting the training program, including Hoai (Halsey) Nguyen, LÀ LÁ Bakeshop Business Manager, who has six years of experience in the industry and four years of experience with us and our affiliates; Vy (Sallie) Nguyen, LÀ LÁ Bakeshop Business Manager, who has six years of experience in the industry and four years of experience with us and our affiliates; My (Irina) Nguyen, LÀ LÁ Bakeshop Business Supervisor, who has four years of experience in the industry and three years of experience with us and our affiliates;

and Tung Pham, LÀ LÁ Bakeshop Business Owner & Manager, who has 10 years of experience in the industry and over one year of experience with us and our affiliates. Our training materials include the Brand Manual and other training and operations materials and manuals.

On-Site Support & General Guidance

In the event that you need or request additional assistance for the opening of your Business, if you have otherwise satisfied all of our pre-opening requirements, and if we approve such request, we may send one or more of our representatives to your Business for assistance during the opening of your Business. We will determine the duration of such assistance (which may be before and/or after your Opening Date) and the number of representatives we send, though we are not obligated to assist with any aspects of opening LÀ LÁ Bakeshop Businesses. Throughout the term of your Franchise Agreement, we may also provide you with periodic advice regarding the operation of your Business, subject to scheduling, availability, and similar resources. If we provide any representative(s) and/or advice, you must pay our additional training and support fee (currently \$250 per trainer per 8-hour day, plus our costs and expenses) in addition to reimbursement of all of the representatives' out-of-pocket costs for providing on-site opening support to you (such as transportation, lodging, meals and compensation).

We will not be required to send any of our representatives to your Business to provide any services if we determine that it is unsafe to do so. In such cases, we may elect to conduct any or all support, inspections, training, or other services virtually (but our election not to do so is not a breach of any duties we owe to you under the Franchise Agreement). We may discontinue or modify any and all ongoing training or advice we provide during the term of the Franchise Agreement.

ITEM 12 **TERRITORY**

Franchise 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.

We may offer and sell and grant others the right to offer and sell goods and services to customers located anywhere (except, if you are granted a Protected Territory, those rights may be limited in certain circumstances). There are no limitations on your ability to solicit customers in any location. However, you may not sell any product or service associated with the Marks and/or offered by LÀ LÁ Bakeshop Businesses through any alternative channel of distribution (including selling products at retail or through the internet, catalog sales, telemarketing, direct marketing, e-commerce, product lines in other businesses, or through any other Digital Presence) without our express prior authorization. You may not conduct delivery, catering or other services that would be fulfilled away from the Accepted Site except as authorized by us, and if you conduct any such activities, we may limit the geographic area in which such activities may be conducted.

We are not required to compensate you if we exercise any of the rights specified in this Item 12. Provided you are in full compliance with the Franchise Agreement and any other agreements with us and our affiliates, other than as stated in this Item 12, continuation of your territorial protection under the Franchise Agreement does not depend on your achieving a certain sales volume, market penetration, or other contingency.

If you are granted a Protected Territory, we will not operate, or grant a license to a third-party to operate, during the term of your Franchise Agreement, a LÀ LÁ Bakeshop Business within your Protected Territory, as long as you are in compliance with your Franchise Agreement. A Protected Territory will comprise a radius of three or five miles, as designated by us and subject to your payment of the respective Protected Territory Fee, with a center point of the radius set at the front door of your Business located at the Accepted Site. If you are granted a Protected Territory, you must sign our current form of Protected Territory Addendum, as attached to the Franchise Agreement.

You may only operate your Business at the Accepted Site and you may not use your Accepted Site for any operations other than the operation of your Business. You may not relocate your Business to a location other than the Accepted Site without our prior written approval. Our approval will depend on our then-current criteria for relocations, which may change periodically, and which may include the prospects of obtaining a favorable replacement site, the real estate market in your area, your compliance with system standards, the financial performance of your Business, and other factors we determine. You have no right of first refusal or similar rights to acquire additional LÀ LÁ Bakeshop Businesses.

Although we are not restricted from doing so, we and our affiliates have not established, operated or franchised, and do not currently intend to establish, operate, or franchise, any other franchises or company-owned outlets offering similar services or goods under a different trademark.

Development Agreement

Under the Development Agreement, you will develop, open and operate multiple LÀ LÁ Bakeshop Businesses within a defined geographic area known as the “Development Area.” We determine the size of the Development Area based on various market and economic factors, such as an evaluation of market demographics, the market penetration of similar businesses, the availability of appropriate sites, and the growth trends in the market. Typically, the Development Area comprises of population of 50,000 to 100,000 depending on the numbers of LÀ LÁ Bakeshop Businesses you undertake to open. As a result, the Development Area generally consists of a portion of a city, county or designated market area. Your Development Area will be described in the Development Agreement before you sign the Development Agreement.

You will not receive an exclusive territory under the Development Agreement. You may face competition from other franchisees, other developers, from outlets that we own, or from other channels of distribution or competitive brands that we control. As long as you remain in compliance with the Development Agreement and all Franchise Agreements, (1) there are no circumstances under which the Development Area granted to you may be altered before the expiration or the termination of the Development Agreement without your written consent, and (2) we will not develop or operate, or grant anyone else a franchise or other rights to develop and operate, a LÀ LÁ Bakeshop Business in the Development Area. However, we and our affiliates retain the right at all times to engage in any and all activities that we deem appropriate and to do any of the following without paying any compensation to you:

(1) establish and operate, and allow others to establish and operate, LÀ LÁ Bakeshop Businesses using the Marks and the System, at any location outside the Development Area, on such terms and conditions we deem appropriate;

(2) establish and operate, and allow others to establish and operate, any other type of restaurant or business, including any bakery business that may offer products and services which are identical to, similar to, or competitive with products and services offered by LÀ LÁ

Bakeshop Businesses, under trade names, trademarks, service marks and commercial symbols other than the Marks, including under trade names, trademarks, service marks and commercial symbols that are similar to or competitive with the Marks, anywhere in the world (including in the Development Area);

(3) establish and operate, and allow others to establish and operate, other lines of business and to distribute any and all products and services and/or their components or ingredients identified by the Marks, including those used in or sold at LÀ LÁ Bakeshop Businesses and/or any proprietary merchandise and pre-packaged products (such as frozen and ready-to-eat food items, spices and sauces, etc.), through alternate distribution channels (including, the Internet, supermarkets, convenience stores, grocery stores), at any location in the world (including in the Development Area), regardless of the nature or location of the customers with whom such other businesses and distribution channels do business;

(4) establish and operate, and allow others to establish and operate, any LÀ LÁ Bakeshop Business, or other business using the Marks and/or the System, and/or offering and selling any of the products or services that are similar to, the same, or competitive with those products or services offered by LÀ LÁ Bakeshop Businesses, at or through any nontraditional venues, including, permanent, temporary, or seasonal food service facilities in any stadium, entertainment or amusement park, airport, highway travel plaza, museum, shopping mall, university, elementary or secondary school, office or commercial building, hospital, military facility, special events, or other closed or limited markets, at any location in the world (including in the Development Area);

(5) be acquired by or acquire (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), any other business, including businesses that operate or allow others to establish and operate businesses similar to, the same, or competitive with LÀ LÁ Bakeshop Businesses, at any location in the world (including in the Development Area); and in the event of such an acquisition, the acquirer and its affiliates will have the right to continue to establish and operate, and authorize others to establish and operate, such businesses, at any location in the world (including in the Development Area); and

(6) engage in all other activities not expressly prohibited by the Development Agreement, at any location in the world (including in the Development Area).

Other LÀ LÁ Bakeshop Businesses, food aggregators, and/or third-party delivery service providers may solicit sales from and deliver to customers located in your Development Area without any obligation to pay any compensation to you for soliciting or serving customers from the Development Area.

Upon expiration or termination of the Development Agreement, we and our affiliates will be entitled to develop and operate, and to franchise others to develop and operate, LÀ LÁ Bakeshop Businesses within the former Development Area, but not within the Development Area granted to you under any effective Franchise Agreement between us and you.

You have no right of first refusal or similar rights to acquire additional franchises or establish additional LÀ LÁ Bakeshop Businesses.

ITEM 13

TRADEMARKS

Principal Marks

We own the following Marks, which have been applied for on the Principal Register of the U.S. Patent and Trademark Office:

Mark	Serial Number	Filing Date
LÀ LÁ BAKESHOP	98597602	June 12, 2024
	98597617	June 12, 2024

We do not have a federal registration for each of our principal trademarks. Therefore, our unregistered trademarks do not have as many legal benefits and rights as a federally registered trademark. If our right to use any unregistered trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

All required affidavits of use and renewals will be filed in a timely manner. There is presently no effective determination of the U.S. Patent and Trademark Office, the Trademark Trial & Appeal Board, the trademark administrator of any state or any court, nor any pending infringement, opposition or cancellation proceeding or any pending material litigation involving our principal Marks.

Your Use of the Marks and the System

You will be granted a limited, non-exclusive license to use the Marks and the System for the term of the Franchise Agreement for purposes of operating your Business in compliance with your Franchise Agreement and the system standards. You will have no right to sublicense or assign your right to use the Marks and the System. You must use and display the Marks in the manner we describe in the Brand Manual. You may not use any other trademarks, service marks, commercial symbols, other than the Marks, to identify or operate your Business. We do not grant you the right to use any of the Marks if you sign a Development Agreement.

The Marks and the System may evolve over time, including after you sign the Franchise Agreement. If we decide to modify, substitute, add or discontinue the use of any Marks or the System, you must make the modifications and updates we specify and comply with all other directions we give regarding the use of the Marks and the System in connection with your Business within a reasonable time after receiving notice from us. We are not required to reimburse you for any costs or expenses associated with making such changes, promoting a modified or substitute Mark, or for any loss of revenue due to any modifications to the Marks or System.

The Marks and the System are owned by us and/or our affiliates. Your use of the Marks and the System and any goodwill established by that use are exclusively for the benefit of us and our affiliates. The Franchise Agreement does not confer any goodwill or other interests in the Marks or the

System upon you, other than the right to operate your Business under your Franchise Agreement. You may not contest or assist any other person in contesting the validity of any registration for the Marks or the System, and/or the rights to the Marks and the System of us and our affiliates.

Infringement

You will be required to promptly notify us of any suspected unauthorized use of the Marks or the System, any challenge to the validity of the Marks or the System, or any challenge to our ownership or our right to use and to license others to use, or your right to use, the Marks or any aspect of the System. We have the exclusive right to direct and control any proceedings involving the Marks or the System, including any settlements thereof. We may take any actions we deem appropriate, including no action, to defend any claims of infringement of the Marks and components of the System. You must sign any documents and take any other action that we deem necessary or advisable to protect and maintain our and our affiliates' (as applicable) interests in the Marks and the System. We will defend your lawful use of the Marks and/or the System in accordance with your Franchise Agreement and reimburse your costs of defense (including the cost of any judgment or settlement and out-of-pocket expenses) if we determine that you have in fact used the Marks and/or the System in accordance with your Franchise Agreement, if you have timely notified us of (and comply with our directions in responding to) the proceeding, and if you are in compliance with your Franchise Agreement. If we determine, however, that your use of the Marks and/or the System was not in accordance with the Franchise Agreement, you will be responsible for all costs associated with such proceeding(s). Our reimbursement obligation will be limited to an aggregate amount not to exceed the initial franchise fee that you actually paid to us.

We are not aware of any superior rights or infringing uses that could materially affect your use of the Marks in any state where your Business may be located.

ITEM 14

PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

We do not own any patents, and we have not filed any patent applications, that are material to the franchise.

We and/or our affiliates claim copyrights in the Brand Manual, Websites, advertising or marketing materials and programs, any or all of the design elements contained within the Marks, architectural drawings, LÁ LÁ Bakeshop Business designs, marketing techniques, advertising programs, advertising strategies, supplier lists, expansion plans, and other information we create or use, and the like relating to the operation of used in operating LÁ LÁ Bakeshop Businesses and the System. We have not registered these copyrights with the U.S. Copyright Office. You may use the copyrighted works only as we specify while operating your Business (and must stop using them if we so direct you). There currently are no effective adverse determinations regarding the copyrighted materials. We are not aware of any infringing uses of our copyrighted works which could materially affect your use of the copyrighted works. We need not protect or defend our copyrighted works. We may control any action involving the copyrighted works, even if you bring the matter to our attention. We need not participate in your defense or indemnify you for damages or expenses in a proceeding involving the copyrighted works.

In connection with your franchise, you and your owners and personnel may periodically be provided and/or have access to non-public information about the System and the operation of LÁ LÁ Bakeshop Businesses, including your Business (the "Confidential Information"), including: (1)

recipes, menu items and processes for making baked goods and beverages (1) site selection criteria, market or demographic research, and/or other real estate reports; (2) training and operations materials and manuals, including the Brand Manual; (3) the system standards and other methods, formats, specifications, standards, systems, procedures, techniques, sales and marketing techniques, knowledge, and experience used in developing, promoting and operating LÀ LÁ Bakeshop Businesses; (4) market research, promotional, marketing and advertising programs for LÀ LÁ Bakeshop Businesses; (5) specifications for vendors, products, services and supplies; (6) any software or technology which is proprietary to the System, including any login credentials, source code, data, reports, and other materials generated by the software or similar technology; (7) knowledge of the operating results and financial performance of any LÀ LÁ Bakeshop Businesses; (8) customer data, including personal information, analytic data regarding customer behavior, and opt-in/opt-out preferences; and (9) any other information designated as confidential or proprietary by us or our affiliates.

All Confidential Information is exclusively owned by us or our affiliates and is proprietary to our System (other than certain personal information relating to your employees and personnel, and/or certain other data that we do not have access to or are otherwise designated or restricted by us). You and your directors, officers, shareholders and partners, as applicable, agree to (and to use each of your best efforts to cause each of your respective current and former spouses, immediate family members, owners, employees, representatives, affiliates, successors and assigns to): (i) process, retain, use, collect, and disclose our Confidential Information strictly to the limited extent, and in such a manner, as necessary for the development and operation of your Business in accordance with the Franchise Agreement; (ii) process, retain, use, collect, and disclose our Confidential Information strictly in accordance with the privacy policies and system standards we establish, and our and our representative's instructions; (iii) keep confidential and not disclose, sell, distribute, or trade our Confidential Information to any person other than those of your employees and representatives who need to know such Confidential Information for the purpose of assisting you in operating your Business in accordance with the Franchise Agreement (you will be responsible for any violation of this requirement by any person to whom you provide Confidential Information); (iv) not make unauthorized copies of any of our Confidential Information; (v) adopt and maintain administrative, physical and technical safeguards to prevent unauthorized use or disclosure of any of our Confidential Information, including by establishing reasonable security and access measures, restricting its disclosure to key personnel, and/or by requiring persons who have access to such Confidential Information to be bound by contractual obligations to protect such Confidential Information and preserve our rights and controls in such Confidential Information, in each case that are no less protective or beneficial to us than the terms of the Franchise Agreement (and we may designate or approve the form of confidentiality agreement that you will use); and (vi) at our request, destroy or return any of the Confidential Information. Confidential Information does not include information, knowledge, or know-how, which is lawfully known to the public without violation of applicable law or an obligation to us or our affiliates.

As it relates to any "personal information" that constitutes part of our Confidential Information, you must also: (a) process, retain, use, collect, and disclose all personal information only in strict accordance with all applicable laws, regulations, orders, the guidance and codes of practice issued by industry or regulatory agencies, and the privacy policies and terms and conditions of any applicable Digital Presence; (b) assist us with meeting our compliance obligations under all applicable laws, regulations, and orders relating to personal information, including the guidance and codes of practice issued by industry or regulatory agencies; and (c) promptly notify us of any communication or request from any customer or other person to access, correct, delete, opt-out of, or limit activities relating to any personal information.

All improvements, developments, derivative works, feedback, enhancements, or modifications to any component of the franchise system, including any new or modified systems of operation, and any information or materials made or created by you, your employees or your representatives, whether developed separately or in conjunction with us, will become part of the System and be owned by us and our affiliates. If you, your employees, or your representatives are deemed to have any interest in such intellectual property, you must assign all right, title and interest in and to such innovations to us and agree to obtain the same from your personnel and representatives.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You must identify one of your owners who is a natural person with at least 10% ownership interest and voting power in you and who will have authority and signatory power on your behalf (the “Managing Owner”) to supervise the business you conduct under the Franchise Agreement. Your Managing Owner must be authorized to deal with us in all matters whatsoever which may arise with respect to the Franchise Agreement. You must obtain our written consent prior to changing the Managing Owner.

You (or if you are conducting business as an entity, your Managing Owner) are solely responsible for the management, direction, and control of your Business. You (or your Managing Owner) must supervise the management and operation of your Business and continuously exert best efforts to promote and enhance your Business. However, after you (or if you are conducting business as an entity, your Managing Owner) have operated your Business in compliance with the Franchise Agreement for at least six months, you (or your Managing Owner) may elect not to supervise your Business on a full-time basis, provided that you appoint one or more managers who have completed our then-current Initial Training Program to work full-time at your Business (each a “Designated Manager”). Your Designated Manager(s) must work full-time at your Business to supervise the day-to-day operations of your Business, and must complete the Initial Training Program to our satisfaction. If your Designated Manager ceases active employment with your Business, you must notify us within 5 days of such cessation and enroll a replacement Designated Manager in the Initial Training Program within 30 days of such cessation.

If you are a legal business entity, each of your direct and indirect owners must execute a guaranty in the form personally to be bound, jointly and severally, by all provisions of the Franchise Agreement or Development Agreement (as applicable) and any ancillary agreements between you and us. Our current form of guaranty is attached as Exhibit B to the Franchise Agreement. If any owner is an individual, his or her spouse must consent in writing to that owner’s execution of the guaranty.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell from your Business all of the products and services that we periodically specify, and you may not offer or sell at your Business, the Accepted Site, or any other location any products or services using our Marks or System that we have not authorized. You must discontinue selling and offering for sale any products or services that we at any time disapprove. You must offer for sale and sell at your Business authorized products and services only in the manner (including days and hours of operation) and at the locations we have prescribed, and you must not sell any products or services wholesale or through alternative channels of distribution without our express approval. We may authorize one or more LÀ LÁ Bakeshop Businesses to offer additional, different, or modified

products or services, and we are under no obligation to authorize every LÀ LÁ Bakeshop Business to offer the same products or services. We may condition our approval for any such products or services on our then-current criteria, and/or additional terms and conditions that we establish. If we at any time (including after our initial approval) determine that you fail to meet our system standards for offering or selling any products or services, we may permanently or temporarily terminate your right to offer or sell such products or services.

If we at any time require or permit you to offer delivery, catering and/or any other off-site products or services, we may limit the geographic area in which you may offer such services, and we may modify that geographic area periodically based on factors we determine (such as the presence of other LÀ LÁ Bakeshop franchisees' Protected Territories).

To the extent permitted by applicable law, we may set maximum and/or minimum prices that may be charged for products and services offered by LÀ LÁ Bakeshop Businesses. If we impose such a maximum or minimum price for any product or service, you must sell the products and services at the specified retail price or, if applicable, at a price up to and including our designated maximum price and down to and including our designated minimum price. For any product or service for which we do not impose a maximum or minimum price, we may require you to comply with an advertising policy adopted by us which will prohibit you from advertising any price for a product or service that is different than our suggested retail price. Although you must comply with any advertising policy we adopt, you will not be prohibited from selling any product or service at a price above or below the suggested retail price unless we impose a maximum price or minimum price for such product or service.

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the Franchise Agreement, Development Agreement, and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.

Provision	Section in Agreement	Summary
(a) Length of the franchise term	Franchise Agreement: Section 1.A	5 years from the effective date of the Franchise Agreement, unless terminated earlier.
	Development Agreement: Section 2.A	Earlier of (i) the date on which the last LÀ LÁ Bakeshop Business required to be opened in order to satisfy the Development Schedule (as defined in the Development Agreement) opens for regular business, or (ii) the last day of the last Development Period (as defined in the Development Agreement).

Provision	Section in Agreement	Summary
(b) Renewal or extension of the term	Franchise Agreement: Section 12.A	If you satisfy the conditions in the Franchise Agreement, you may renew your franchise for one successive term of 5 years.
	Development Agreement: Not Applicable	Not Applicable
(c) Requirements for franchisee to renew or extend	Franchise Agreement: Sections 12.A and 12.B	To seek a successor term you must: (i) have fully complied with the Franchise Agreement during its term, (ii) be in full compliance with the Franchise Agreement and all system standards on the date the successor term would commence, (iii) either maintain possession of and agree to remodel your Business or secure substitute premises approved by us, (iv) provide us a timely written notice of intent to acquire a successor franchise, (v) execute a general release and our then-current form of franchise agreement and ancillary documents, the terms of which may materially differ from the terms of the Franchise Agreement annexed to this Disclosure Document, and (v) pay the successor franchise fee.
	Development Agreement: Not Applicable	Not Applicable
(d) Termination by franchisee	Franchise Agreement: Section 13.A	You may terminate the Franchise Agreement if (a) you and your owners are fully compliant with the Franchise Agreement; and (b) we fail to materially comply with the Franchise Agreement and do not correct the failure within 30 days of receiving written notice; or, if we cannot cure the failure within 30 days and fail to provide notice within 30 days of that inability, you may terminate after an additional 30 days.
	Development Agreement: Section 6.A	You may terminate the Development Agreement if (a) you and your owners are fully compliant with the Development Agreement; and (b) we fail to materially comply such agreement and do not correct the failure within 30 days of receiving written notice, or, if we cannot cure the failure within 30 days and fail to provide notice within 30 days of that inability, you may terminate after an additional 30 days.
(e) Termination by franchisor without cause	Franchise Agreement: Not Applicable	We may not terminate the Franchise Agreement without cause.
	Development Agreement: Not Applicable	We may not terminate the Development Agreement without cause.
(f) Termination by franchisor with cause	Franchise Agreement: Section 13.B	We may terminate the Franchise Agreement if you or your owners commit one of several violations.
	Development Agreement: Section 6.B	We may terminate the Development Agreement if you or your owners commit one of several violations. Under cross-default

Provision	Section in Agreement	Summary
		provision, we can terminate the Development Agreement if you or your approved affiliate fails to comply with any provision of any Franchise Agreement and does not cure such failure within the applicable cure period.
(g) “Cause” defined — curable defaults	Franchise Agreement: Section 13.B	You abandon or fail to actively to operate your Business for 3 or more consecutive days; you fail to maintain the insurance we require and do not correct the failure within 10 days after we deliver written notice of that failure to you; you lose the right to occupy the premises of your Business; you violate any law, ordinance, rule or regulation of a governmental agency in connection with the operation of your Business and fail to correct such violation within 72 hours after you receive notice from us or any other party; you fail to pay us or our affiliates any amounts due and do not correct the failure within 10 days after written notice of that failure has been delivered or you fail to pay any third-party obligations owed in connection with your ownership or operation of your Business and does not correct such failure within the applicable cure periods; you fail to pass quality assurance audits, and do not cure such failure within 15 days after we deliver written notice of failure to you; you fail to comply with any other provision of the Franchise Agreement or any system standard, and do not correct the failure within 30 days after we deliver written notice of the failure to you; and you fail to comply with any other agreement with us or our affiliates, (including but not limited to the Development Agreement) and do not correct the failure within the cure period, if any.
	Development Agreement: Section 6.B	You fail to pay us or our affiliates or any third party any amounts due and do not correct the failure within 10 days after written notice of that failure of the duty owed in connection with your ownership or operation of your Business; or you or any of your owners fail to comply with any provision of the Development Agreement and do not correct the failure within 30 days after we deliver written notice of the failure to you; and you, your owner(s) or affiliate(s) fail to comply with any other agreement with us or our affiliates, including any Franchise Agreement, unless the failure is timely and completely cured within any cure period provided under the applicable agreement.

Provision	Section in Agreement	Summary
(h) “Cause” defined — non-curable defaults	Franchise Agreement: Section 13.B	If you make any material misrepresentation or omission in acquiring the franchise or operating your Business; you do not locate, and sign a Lease or purchase document for, an acceptable site for the Accepted Site within 90 days of executing the Franchise Agreement; you do not open your Business for business within the time frame prescribed by us; we determine that your Mandatory Trainees did not complete the initial training to our satisfaction; you are or have been convicted by a trial court of, or plead or have pleaded no contest or guilty to, a felony; you engage in any conduct which, in our opinion, adversely affects the reputation of your Business or the goodwill associated with the Marks; you use the Marks in any way prohibited by us or otherwise misuse the Marks; you make or attempt to make an unauthorized transfer of your ownership interest in the Franchise Agreement; you knowingly make any unauthorized use or disclosure of any part of the Brand Manual or any other Confidential Information; fail to pay all applicable taxes; you understate your Gross Revenue 3 or more times; bankruptcy; an assignment for the benefit of creditors; appointment of a trustee or receiver; failure to comply with anti-terrorism laws; health and safety risks; and failure to comply with other agreements with us or our affiliate and do not correct such failure within the applicable cure period, if any.
	Development Agreement: Section 6.B	You have made or make any material misrepresentation or omission in the application materials; you fail to comply with the Development Schedule or fail to make progress to be able to satisfy your development obligations; you make or attempt to make an unauthorized transfer; you fail on 3 or more separate occasions within any 12 consecutive month period to comply with any provision of the Development Agreement; you fail on 2 or more separate occasions within any 6 consecutive month period to comply with the same obligation under the Development Agreement; bankruptcy; an assignment for the benefit of creditors; appointment of a trustee or receiver; failure to comply with anti-terrorism laws; you or any of your owners are or have been convicted by a trial court of, or plead or have pleaded no contest or guilty to, a felony; you engage in any conduct which, in our opinion, adversely affects the reputation of the LÀ LÁ Bakeshop Businesses or the goodwill associated with the Marks; or we or our affiliates terminate, for cause, any Franchise Agreement or any other agreement executed pursuant to the Development Agreement between us and/or our affiliates, on one hand, and you or your affiliates, on the other hand.
(i) Franchisee’s obligations on termination / non-renewal	Franchise Agreement: Sections 14 and 15	Close LÀ LÁ Bakeshop Business for business and cease selling any products and services; cease using the Marks; cancel all fictitious name relating to use of the Marks; cease identifying yourself or former LÀ LÁ Bakeshop Business with current

Provision	Section in Agreement	Summary
		franchise owners; cease use of contact information of your or Digital Presence; return or destroy Confidential Information; comply with non-competition provisions; and for a period of 2 years you, your owners, your and their affiliates and respective officers, directors, managers, and family members must not interfere with our relationship with any of our vendors, employees, or consultants or do any act to injure the goodwill of the franchise system.
	Development Agreement: Section 8	Comply with the non-compete provisions; and for a period of 2 years, you, your owners, your and their affiliates and respective officers, directors, managers, and family members must not interfere with our relationship with any of our vendors, employees, or consultants or do any act to injure the goodwill of the System.
(j) Assignment of contract by franchisor	Franchise Agreement: Section 11.A	There is no restriction on our right to assign.
	Development Agreement: Section 5.A	There is no restriction on our right to assign.
(k) “Transfer” by franchisee — defined	Franchise Agreement: Section 11.B	Includes transfer, assignment, sale, conveyance, gift, pledge, mortgage, or other forms of disposal of the rights under the Franchise Agreement, in you, in your Business, or the transfer, surrender, or loss of the possession, control, or management of your Business.
	Development Agreement: Section 5.B	Includes transfer, assignment, sale, conveyance, gift, pledge, mortgage, or other forms of disposal of the rights under the Development Agreement or in you.
(l) Franchisor approval of transfer by franchisee	Franchise Agreement: Section 11.C	You may not make or initiate a transfer without our prior written approval, in accordance with the standards provided in the Franchise Agreement.
	Development Agreement: Section 5.B	You may not make or initiate a transfer without our prior written approval, in accordance with the standards provided in the Development Agreement.
(m) Conditions for franchisor approval of transfer	Franchise Agreement: Section 11.C	The transferee must satisfy our then-current requirements; you and your owners are in the compliance of the Franchise Agreement; you provide us all the documents we require related to the transfer; transferee and its personnel successfully complete our then-current Initial Training Program; if you or the transferor offer the transferee financing for any part of the purchase price, all of the transferee’s obligations under the financing arrangement must be subordinate to the transferee’s obligation to pay all amounts due to us, our affiliates and other third-party suppliers; you and your owners sign and deliver to us a general release; each transferee signs and delivers to us a copy of our

Provision	Section in Agreement	Summary
		then current form of Franchise Agreement and related documents; you and your owners have been in compliance with the Franchise Agreement; you and your transferring owners (and your and their immediate family members) will not, for 2 years beginning on the transfer's effective date, engage in any of the activities proscribed in the Franchise Agreement; the terms and conditions (including the purchase price) are satisfactory to us; you pay a transfer fee; and all existing deficiencies of your Business, including any refurbishment or remodeling required by our system standards.
	Development Agreement: Section 5.C	The transferee must satisfy our then-current requirements; you and your owners are in the compliance of the Development Agreement; you provide us all the documents we require related to the transfer; if you or the transferor offer the transferee financing for any part of the purchase price, all of the transferee's obligations under the financing arrangement must be subordinate to the transferee's obligation to pay all amounts due to us, our affiliates and other third-party suppliers; you and your owners sign and deliver to us a general release; each transferee signs and delivers to us a copy of our then current form of guaranty; if the transfer involves a transfer of the development rights or a transfer of a controlling interest in you, the transferee, at our request, must sign our then-current form of area development agreement and related documents; you and your owners have been in compliance with the Development Agreement; you and your transferring owners (and your and their immediate family members) will not, for 2 years beginning on the transfer's effective date, engage in any of the activities proscribed in the Development Agreement; and the transfer of the Development Agreement must not be made separate and apart from the transfer to the transferee of some or all Franchise Agreements that were signed pursuant to the Development Agreement.
(n) Franchisor's right of first refusal to acquire franchisee's business	Franchise Agreement: Section 11.G	You must obtain from buyer, and send to us, a true and complete copy of an executed written offer, which must include details of payment terms and sources of financing. We may, within 45 days and by written notice after receiving the offer, elect to purchase based on those terms.
	Development Agreement: Section 5.F	You must obtain from buyer, and send to us, a true and complete copy of an executed written offer, which must include details of payment terms and sources of financing. We may, within 45 days and by written notice after receiving the offer, elect to purchase based on those terms.

Provision	Section in Agreement	Summary
(o) Franchisor's option to purchase franchisee's business	Franchise Agreement: Section 14.C	We have the right to purchase your Business upon the expiration or termination of your Franchise Agreement for fair market value.
	Development Agreement: Not Applicable	Not applicable
(p) Death or disability of franchisee	Franchise Agreement: Section 11.F	Upon death or disability of you or your owners, the estate of such person must transfer all interest in your Business to a party we approve within 90 days following the date of death or disability.
	Development Agreement: Not Applicable	Not Applicable
(q) Non-competition covenants during the term of the franchise	Franchise Agreement: Section 15.A	You and your owners agree may not have any involvement, directly or indirectly, in a "Competitive Business" during the term of the Franchise Agreement; lease or sublease the Accepted Site to a Competitive Business; or perform services for a Competitive Business in any location worldwide. "Competitive Business" means any business operating, or granting franchises or licenses to others to operate, a bakery or other food service business (a) engaged in the retail or wholesale production or sale of baked goods and beverages (including, but not limited to, Vietnamese baked goods and beverages including coffee and tea, as well as other baked goods); and (b) that derives more than 50% of its revenue from sales of baked goods and beverages (other than another LÀ LÁ Bakeshop Business operated by a franchisee under a Franchise Agreement with us) (subject to state law).
	Development Agreement: Section 7.A	You, your owners, your and their affiliates and respective officers, directors, managers, and family members must not have involvement in any Competitive Business, perform services for a Competitive Business, divert potential business to a Competitive Business or duplicate the system standards or System.
(r) Non-competition covenants after the franchise is terminated or expires	Franchise Agreement: Sections 15.B	For two years beginning on the later of (1) the termination or expiration of the Franchise Agreement (or the effective date of a transfer, for the transferor) or (2) the date you and your owners begin to comply, you and your owners may not have any direct or indirect interest in a Competitive Business; lease or sublease the Accepted Site to a Competitive Business; or perform services for a Competitive Business which is located or operating (a) at the Accepted Site or within a 10-mile radius of the Accepted Site, or (b) within a 5-mile radius of any LÀ LÁ Bakeshop Business (subject to state law).
	Development Agreement: Section 8.B	For two years, you, your owners, your and their affiliates and respective officers, directors, managers, and family members must not have involvement with any Competitive Business

Provision	Section in Agreement	Summary
		within the Development Area and within a 10-mile radius of the Development Area.
(s) Modification of the agreement	Franchise Agreement: Section 18.A	No modification unless by written agreement of both parties, but we may change the Brand Manual and system standards at any time.
	Development Agreement: Section 11.A	No modification unless by written agreement of both parties.
(t) Integration / merger clause	Franchise Agreement: Section 18.A	Only the written terms of the Franchise Agreement and other related written agreements are binding (subject to state law). Any representations or promises outside the Franchise Agreement may not be enforceable; <i>provided</i> , that nothing is intended to disclaim the representations we made in this Disclosure Document.
	Development Agreement: Section 11.F	Only the written terms of the Development Agreement and other related written agreements are binding (subject to state law). Any representations or promises outside the Development Agreement may not be enforceable; <i>provided</i> , that nothing is intended to disclaim the representations we made in this Disclosure Document.
(u) Dispute resolution by arbitration or mediation	Franchise Agreement: 17	Subject to state law, all controversies, disputes or claims between us must be submitted for binding arbitration at a location in or within 50 miles of our or, as applicable, our successor's or assign's then-current principal place of business (currently, Scarborough, Ontario, Canada). Arbitration may not be conducted on a class-wide basis, consolidated with any other proceeding, or brought on your behalf by an association or agent.
	Development Agreement: Section 10.A	Subject to state law, all controversies, disputes or claims between us must be submitted for binding arbitration at a location in or within 50 miles of our or, as applicable, our successor's or assign's then-current principal place of business (currently, Scarborough, Ontario, Canada). Arbitration may not be conducted on a class-wide basis, consolidated with any other proceeding, or brought on your behalf by an association or agent.
(v) Choice of forum	Franchise Agreement: 17.C	Subject to state law and your obligation to arbitrate, you must commence actions in the court nearest to our or, as applicable, our successor's or assign's then-current principal place of business (currently, Scarborough, Ontario, Canada).
	Development Agreement: Section 10.C	Subject to state law and your obligation to arbitrate, you must commence actions in the court nearest to our or, as applicable, our successor's or assign's then-current principal place of business (currently, Scarborough, Ontario, Canada).

Provision	Section in Agreement	Summary
(w) Choice of law	Franchise Agreement: Section 17.B	Except for the Federal Arbitration Act and other federal law, Delaware law governs (subject to federal and state law).
	Development Agreement: Section 10.B	Except for the Federal Arbitration Act and other federal law, Delaware law governs (subject to federal and state law).

ITEM 18

PUBLIC FIGURES

We do not use any public figure to promote the franchise system.

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 this Disclosure Document. Financial performance information that differs from any included in this Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet that 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.

We do not make any financial performance representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to us by contacting Michelle Pham at 144 Briarscross Blvd, Scarborough, Ontario, M1S 3K5 (Canada), and +1 416-569-2234; the Federal Trade Commission; and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1
SYSTEMWIDE OUTLET SUMMARY
FOR YEARS 2022 TO 2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	0	0	0
	2023	0	0	0
	2024	0	1 ¹	+1

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Company-Owned	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Total	2022	0	0	0
	2023	0	0	0
	2024	0	1	+1

1. We own some interest in this location.

TABLE NO. 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO
NEW OWNERS (OTHER THAN FRANCHISOR OR AN AFFILIATE)
FOR YEARS 2022 TO 2024

State	Year	Number of Transfers
All States	2022	0
	2023	0
	2024	0
Totals	2022	0
	2023	0
	2024	0

TABLE NO. 3
STATUS OF FRANCHISED OUTLETS
FOR YEARS 2022 TO 2024

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
New York	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1 ¹	0	0	0	0	1
Totals	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1

1. We own some interest in this location.

TABLE NO. 4
STATUS OF COMPANY-OWNED OUTLETS
FOR YEARS 2022 TO 2024

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
All States	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Totals	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0

TABLE NO. 5
PROJECTED OPENINGS
FOR THE 2025 YEAR

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

The numbers in Tables 1 through 4 above are as of December 31, 2024, December 31, 2023, and December 31, 2022. The projections in Table 5 are made as of the issuance date of this Disclosure Document for the remainder of the 2025 calendar year.

Exhibit C-1 contains a list of the names, addresses and telephone numbers of our current franchisees as of December 31, 2024; and Exhibit C-2 contains a list of the names and last known address and telephone number of each franchisee who had a Franchise Agreement terminated, cancelled, not renewed or who otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year, or who had not communicated with us within 10 weeks of the issuance date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to buyers when you leave the franchise system.

We have not sold any franchises as of the date of this Disclosure Document. Therefore, within the last three years, no franchisees have signed confidentiality clauses. In some instances, however, current and former franchisees may sign provisions restricting their ability to speak openly about their experience with our franchise system. You may wish to speak with current and former franchisee but be aware that not all such franchisees will be able to communicate with you.

As of the date this Disclosure Document, there were no trademark-specific franchisee organizations that were created, sponsored, or endorsed by us and there were no trademark-specific franchisee organizations that requested to be included in this Disclosure Document.

ITEM 21
FINANCIAL STATEMENTS

We have not been in business for three years or more, and therefore we cannot include all financial statements required. Attached to this Disclosure Document as Exhibit D is our audited financial statements for the period from inception (April 7, 2025) to May 31, 2025, and our unaudited financial statements as of August 31, 2025. Our fiscal year ends December 31.

ITEM 22
CONTRACTS

The following contracts are attached as exhibits to this Disclosure Document:

EXHIBIT B-1 Franchise Agreement
EXHIBIT B-2 Representations Statement
EXHIBIT B-3 Sample General Release
EXHIBIT B-4 Area Development Agreement
EXHIBIT D Form of Lease Rider

ITEM 23
RECEIPTS

Exhibit G contains detachable documents acknowledging your receipt of this Disclosure Document. Please sign and date both copies of the receipt, keep one copy for your records, and return the other signed and dated copy to us.

EXHIBIT A
STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

EXHIBIT A

STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for the franchising disclosure/registration laws. We may not yet be registered to sell franchises in any or all of these states. There may be states in addition to those listed below in which we have appointed an agent for service of process. There may also be additional agents appointed in some of the states listed.

CALIFORNIA

Department of Financial Protection &
Innovation:
1 (866) 275-2677

Los Angeles

Suite 750
320 West 4th Street
Los Angeles, California 90013
(213) 576-7500

Sacramento

2101 Arena Blvd.
Sacramento, California 95834
(916) 445-7205

San Diego

1455 Frazee Road, Suite 315
San Diego, California 92108
(619) 610-2093

San Francisco

One Sansome Street, Suite 600
San Francisco, California 94104
(415) 972-8559

HAWAII

(state administrator)

Business Registration Division
Securities Compliance Branch
Department of Commerce
and Consumer Affairs
P.O. Box 40
Honolulu, Hawaii 96810
(808) 586-2722

ILLINOIS

Franchise Bureau
Office of the Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

INDIANA

(state administrator)

Indiana Secretary of State
Securities Division, E-111
302 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6681

MARYLAND

(state administrator)

Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

MICHIGAN

(state administrator)

Michigan Attorney General's Office
Consumer Protection Division
Attn: Franchise Section
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, Michigan 48909
(517) 373-7117

MINNESOTA

Commissioner of Commerce
Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101
(651) 539-1600

NEW YORK

(state administrator)

NYS Department of Law
Franchise Section
28 Liberty Street, 21st Floor
New York, NY 10005
(212) 416-8236 Phone
(212) 416-6042 Fax

NORTH DAKOTA

(state administrator)

North Dakota Securities Department
600 East Boulevard Avenue
State Capitol - Fourteenth Floor, Dept. 414
Bismarck, North Dakota 58505-0510
(701) 328-4712

OREGON

Department of Business Services
Division of Finance & Corporate Securities
350 Winter Street, NE, Room 410
Salem, Oregon 97310-3881
(503) 378-4387

RHODE ISLAND

Department of Business Regulation
Division of Securities
John O. Pastore Complex
Building 69-1
1511 Pontiac Avenue
Cranston, Rhode Island 02920
(401) 462-9500

SOUTH DAKOTA

Division of Insurance
Securities Regulation
124 S. Euclid, Suite 104
Pierre, South Dakota 57501
(605) 773-3563

VIRGINIA

(state administrator)

State Corporation Commission
Division of Securities
and Retail Franchising
1300 East Main Street, 9th Floor
Richmond, Virginia 23219
(804) 371-9051

(agent for service of process)

Clerk, State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, Virginia 23219
(804) 371-9672

WASHINGTON

(state administrator)

Department of Financial Institutions
Securities Division
P.O. Box 41200
Olympia, Washington 98504-1200
(360) 902-8760

WISCONSIN

(state administrator)

Securities and Franchise Registration
Wisconsin Department of Financial Institutions
4022 Madison Yards Way, North Tower
Madison, Wisconsin 53705
(608) 266-1064

EXHIBIT B-1
FRANCHISE AGREEMENT

LLB GROUP LLC
FRANCHISE AGREEMENT

LÀ LÁ BAKESHOP

FRANCHISEE

STORE NAME

ADDRESS

TABLE OF CONTENTS

	<u>Page</u>
1. GRANT OF FRANCHISE; TERRITORIAL PROTECTION; RESERVATION OF RIGHTS.....	1
A. GRANT OF FRANCHISE	1
B. TERRITORIAL PROTECTION.....	2
C. RESERVATION OF RIGHTS.....	2
D. EXERCISE OF JUDGMENT.....	3
E. CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP.....	3
2. SITE SELECTION, LEASE OF LOCATION, AND DEVELOPMENT AND OPENING OF A LÀ LÁ BAKESHOP BUSINESS.....	4
A. SITE SELECTION.....	4
B. BUSINESS DEVELOPMENT.....	5
C. FINANCING; MAXIMUM BORROWING LIMITS; LIQUIDITY.....	6
D. OPERATING ASSETS.....	6
E. POINT-OF-SALE SYSTEM.....	6
F. WEBSITE, INTRANET, AND EXTRANET SYSTEM.....	7
G. OPENING ASSISTANCE.....	7
3. FEES.....	8
A. INITIAL FEES.....	8
B. ROYALTY FEES.....	8
C. TECHNOLOGY AND SUPPORT FEE.....	8
D. ELECTRONIC FUNDS TRANSFERS.....	8
E. LATE PAYMENTS AND INSUFFICIENT FUNDS.....	9
F. APPLICATION OF PAYMENTS.....	9
4. TRAINING AND ASSISTANCE.....	9
A. INITIAL TRAINING PROGRAM.....	9
B. TRAINING OF EMPLOYEES.....	10
C. ADDITIONAL TRAINING.....	10
D. CONFERENCES AND SEMINARS.....	10
E. REQUIREMENTS TO ATTEND TRAINING.....	10
F. BRAND MANUAL; MODIFICATIONS TO SYSTEM.....	10
G. GENERAL GUIDANCE AND ON-SITE ASSISTANCE.....	11
5. MARKS; COPYRIGHTS.....	11
A. OWNERSHIP AND GOODWILL OF THE MARKS.....	11
B. LIMITATIONS ON USE OF THE MARKS.....	12
C. SUBSTITUTE MARKS.....	12

D.	REGISTRATION OF MARKS.....	12
E.	COPYRIGHTED AND COPYRIGHTABLE MATERIALS.	13
F.	LIMITATIONS ON USE OF COPYRIGHTED MATERIALS.....	13
G.	NOTIFICATION OF INFRINGEMENT AND CLAIMS.	13
H.	INDEMNIFICATION FOR USE OF MARKS.....	13
6.	CONFIDENTIAL INFORMATION; INFORMATION SECURITY.	14
A.	TRADE SECRETS & CONFIDENTIAL INFORMATION.	14
B.	INFORMATION SECURITY.....	16
7.	BUSINESS OPERATIONS AND SYSTEM STANDARDS.	16
A.	CONDITION AND APPEARANCE OF THE LÀ LÁ BAKESHOP BUSINESS.....	16
B.	MANAGEMENT OF THE LÀ LÁ BAKESHOP BUSINESS.....	17
C.	APPROVED PRODUCTS AND SERVICES.....	17
D.	COMPLIANCE WITH LAWS AND GOOD BUSINESS PRACTICES.....	17
E.	INSURANCE.	19
F.	PRICING.	20
G.	CONTACT INFORMATION.	20
H.	COMPLIANCE WITH SYSTEM STANDARDS.	20
I.	AFFILIATED VENDORS.	21
8.	MARKETING.	22
A.	GRAND OPENING.....	22
B.	LOCAL ADVERTISING.	22
C.	APPROVAL OF MARKETING.	23
D.	MARKETING FUND.	23
9.	RECORDS, REPORTS, AND FINANCIAL STATEMENTS.	24
A.	RECORDKEEPING AND BOOKKEEPING.....	24
B.	REPORTING.....	25
10.	INSPECTIONS AND AUDITS.....	25
A.	FRANCHISOR’S RIGHT TO INSPECT FRANCHISEE’S BUSINESS.....	25
B.	FRANCHISOR’S RIGHT TO AUDIT.	26
11.	TRANSFER.....	26
A.	BY FRANCHISOR.	26
B.	BY FRANCHISEE.	26
C.	CONDITIONS FOR APPROVAL OF TRANSFER.	27
D.	TRANSFER TO A WHOLLY OWNED CORPORATION OR LIMITED LIABILITY COMPANY.	28
E.	PUBLIC OR PRIVATE OFFERING.	29
F.	FRANCHISEE’S DEATH OR DISABILITY.....	29

	G. FRANCHISOR’S RIGHT OF FIRST REFUSAL	29
12.	EXPIRATION OF THIS AGREEMENT.....	31
	A. FRANCHISEE’S RIGHT TO ACQUIRE A SUCCESSOR FRANCHISE.....	31
	B. GRANT OF A SUCCESSOR FRANCHISE.	31
	C. AGREEMENTS/RELEASES.....	32
13.	TERMINATION OF AGREEMENT.....	32
	A. TERMINATION BY FRANCHISEE.	32
	B. TERMINATION BY FRANCHISOR.....	32
	C. INTERIM OPERATIONS BY FRANCHISOR.....	34
14.	EFFECT OF AND OBLIGATIONS UPON TERMINATION OR EXPIRATION OF THIS AGREEMENT.....	35
	A. OBLIGATIONS UPON TERMINATION OR EXPIRATION.	35
	B. LOST REVENUE DAMAGES.....	36
	C. FRANCHISOR’S RIGHT TO PURCHASE THE LÀ LÁ BAKESHOP BUSINESS.....	36
15.	RESTRICTIVE COVENANTS.....	38
	A. COMPETITION DURING TERM OF AGREEMENT.....	38
	B. COMPETITION AFTER TERM OF AGREEMENT.....	38
	C. NON-INTERFERENCE.....	39
	D. NON-DISPARAGEMENT.....	39
16.	RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.....	39
	A. INDEPENDENT CONTRACTORS.	39
	B. EMPLOYEES, AGENTS, AND INDEPENDENT CONTRACTORS.	40
	C. INDEMNIFICATION.	40
17.	ENFORCEMENT.....	40
	A. ARBITRATION.	40
	B. GOVERNING LAW.	41
	C. CONSENT TO JURISDICTION.	42
	D. WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL.....	42
	E. INJUNCTIVE RELIEF.	42
	F. COSTS AND ATTORNEYS’ FEES.....	42
	G. LIMITATIONS OF CLAIMS.	42
	H. SECURITY INTEREST.....	43
18.	MISCELLANEOUS.....	43
	A. BINDING EFFECT.....	43
	B. RIGHTS OF PARTIES ARE CUMULATIVE.....	43
	C. SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS.	43
	D. WAIVER OF OBLIGATIONS.....	44

E.	CONSTRUCTION.	44
F.	SUCCESSORS AND THIRD-PARTY BENEFICIARIES.	45
G.	NOTICES AND PAYMENTS.	45
H.	PROHIBITED PARTIES.	45
I.	COUNTERPARTS.	45
EXHIBIT A	FRANCHISEE INFORMATION SUMMARY	
EXHIBIT B	GUARANTY AND ASSUMPTION OF OBLIGATIONS	
EXHIBIT C	COLLATERAL ASSIGNMENT OF CONTACT INFORMATION AND DIGITAL PRESENCES	
EXHIBIT D	PROTECTED TERRITORY ADDENDUM	

LLB GROUP LLC

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the “**Agreement**”) is made and entered into as of the Effective Date by and between **LLB GROUP LLC**, a Delaware limited liability company with its principal business address at 144 Briarscross Blvd, Scarborough, Ontario M1S 3K5 Canada (“**Franchisor**”), and _____, whose principal business address is _____ (“**Franchisee**”). The “**Effective Date**” is the date on which Franchisor signs this Agreement, as shown beneath its signature.

RECITALS

A. Franchisor has experience, special skills, methods, techniques, and know how, and has developed a system for the design, marketing and operations of bakeries offering Vietnamese baked goods, drinks, other food products and related bakery services under the name “LÀ LÁ Bakeshop™” (each, a “**LÀ LÁ Bakeshop Business**”).

B. The distinguishing features of the LÀ LÁ Bakeshop system, include, but are not limited to, the name “LÀ LÁ Bakeshop™” and all such other trade names, trademarks, logos, emblems, insignia and signs developed by Franchisor for use with the LÀ LÁ Bakeshop franchise system from time to time (collectively, the “**Marks**”); specially designed fixtures, equipment, facilities, containers, and other items used in serving and dispensing food and beverage products; products, methods, procedures, recipes, distinctive food and beverage products and the formula and quality standards therefor; and instructional materials and training courses; all of which may be changed, improved and further developed by Franchisor from time to time (collectively, the (“**System**”).

C. Franchisor grants to persons who it determines satisfactorily meets its qualifications, and who confirm their willingness to undertake the investment and effort, a franchise to own and operate a LÀ LÁ Bakeshop Business.

D. Franchisee has applied for a franchise to own and operate a LÀ LÁ Bakeshop Business and have provided Franchisor with certain information in support of its application. Franchisor is willing to grant Franchisee the franchise on the terms and conditions contained in this Agreement.

AGREEMENT

FOR AND IN CONSIDERATION of the foregoing Recitals (which are incorporated herein), the covenants contained herein, and other valuable consideration, the receipt and sufficiency of which are acknowledged, Franchisor and Franchisee agree as follows:

1. GRANT OF FRANCHISE; TERRITORIAL PROTECTION; RESERVATION OF RIGHTS.

A. **GRANT OF FRANCHISE** The term of this Agreement (the “**Term**”) shall commence on the Effective Date and, unless sooner terminated as provided in Section 13, shall continue until the fifth (5th) anniversary of the Effective Date.

During the Term, Franchisor hereby grants to Franchisee the right and license to operate a LÀ LÁ Bakeshop Business, and a non-exclusive license to use the System and Marks solely and exclusively in the operation thereof. Franchisee undertakes the obligation, to develop and operate a LÀ LÁ Bakeshop

Business and to use solely in connection therewith, the Marks and the System in accordance with the terms and conditions of this Agreement only at the Accepted Site (as defined in Section 2.A). Franchisee agrees to use the Marks and System (the “**Franchise**”), as they are periodically changed, improved and further developed by Franchisor.

Unless otherwise agreed to by Franchisor, Franchisee has until the first (1st) anniversary of the Effective Date to complete the Initial Training Program as required by Section 4.A and to commence operation of and open the LÀ LÁ Bakeshop Business to the public (the “**Opening Deadline**”). Franchisee must obtain Franchisor’s prior written approval before commencing operation of the LÀ LÁ Bakeshop Business.

B. **TERRITORIAL PROTECTION.** Franchisee acknowledges and agrees that, unless Franchisee has been given a protected territory under this Agreement (a “**Protected Territory**”), the Franchise granted under this Agreement is non-exclusive, Franchisee has no territorial protection, and Franchisee has no right to exclude, control, or impose conditions on the location or development of other or future franchises under the Marks, or on any sales or distribution of products under the Marks or other business activities of Franchisor or any other party licensed to use the Marks.

If Franchisee is granted a Protected Territory, and as long as Franchisee is in strict compliance of this Agreement, Franchisor will not operate, or grant a franchise to a third-party to operate, during the term of this Agreement, a LÀ LÁ Bakeshop Business that is or will be located at a physical premises of which is located within the Protected Territory. If Franchisee is granted a Protected Territory, Franchisee must sign Franchisor’s current form of Protected Territory Addendum, which shall include the specific geographic boundaries of the Protected Territory. Franchisor’s current form of Protected Territory Addendum is attached hereto as Exhibit D.

C. **RESERVATION OF RIGHTS.** Notwithstanding anything in this Agreement to the contrary, Franchisee acknowledges that Franchisor (and its affiliates) retain the right at all times during and after the Term to engage in any and all activities that Franchisor (and they) deem appropriate and that have not been expressly granted to Franchisee in this Agreement, wherever and whenever Franchisor (and they) desire, and whether or not such activities compete with the LÀ LÁ Bakeshop Business, including the right, anywhere in the world, to do any of the following:

- (i) establish, operate, and grant to other franchisees or licensees the right to establish and operate, a LÀ LÁ Bakeshop Business or any other business using the Marks, the System, or any variation of the Marks and the System, in any location and on any terms and conditions that Franchisor deems appropriate.

- (ii) establish and operate, and allow others to establish and operate, any other type of restaurant or business, including any bakery business, that may offer products and services which are identical to, similar to, or competitive with products and services offered by LÀ LÁ Bakeshop Businesses, under trade names, trademarks, service marks and commercial symbols other than the Marks, including under trade names, trademarks, service marks and commercial symbols that are similar to or competitive with the Marks;

- (iii) establish and operate, and allow others to establish and operate, other lines of business and to distribute any and all products and services and/or their components or ingredients identified by the Marks, including those used or sold in the LÀ LÁ Bakeshop Business and/or any proprietary merchandise and pre-packaged products (such as frozen and ready-to-eat food items, spices and sauces, etc.), through alternate distribution channels (including, the Internet, supermarkets, convenience stores, grocery stores), wherever located or operating, regardless of the

nature or location of the customers with whom such other businesses and distribution channels do business;

(iv) establish and operate, and allow others to establish and operate, any LÀ LÁ Bakeshop Business, or other business using the Marks and/or the System, and/or offering and selling any of the products or services that are similar to, the same as, or competitive with those products or services offered by LÀ LÁ Bakeshop Businesses, at or through any nontraditional venues, including, permanent, temporary, or seasonal food service facilities in any stadium, entertainment or amusement park, airport, highway travel plaza, museum, shopping mall, university, elementary or secondary school, office or commercial building, hospital, military facility, special events, or other closed or limited markets;

(v) be acquired by or acquire (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), any other business, including businesses that operate or allow others to establish and operate businesses similar to, the same, or competitive with LÀ LÁ Bakeshop Businesses; and in the event of such an acquisition, the acquirer and its affiliates will have the right to continue to establish and operate, and authorize others to establish and operate, such businesses; and

(vi) engage in all other activities not expressly prohibited by this Agreement, at any location in the world.

D. **EXERCISE OF JUDGMENT.** Franchisor has the right to operate, develop, and change the System and the System Standards (as defined in Section 4.F) in any manner that is not specifically prohibited by this Agreement. Whenever Franchisor has the reserved a right to take or to withhold an action, to grant or decline to grant Franchisee a right to take or withhold an action, or to provide or withhold approval or consent, Franchisor may, except as otherwise specifically provided in this Agreement, make Franchisor's decision or exercise its rights based on information readily available to Franchisor and in its sole and unfettered judgment, which is not subject to review, of what is in Franchisor's or the System's best interests at the time the decision is made.

E. **CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP.** If Franchisee is at any time a corporation, limited liability company, partnership, or other legal entity (each, an "Entity"), Franchisee agrees and represents that:

(i) Franchisee will have the authority to execute, deliver, and perform its obligations under this Agreement and all related agreements and are duly organized or formed and validly existing in good standing under the laws of the state of Franchisee's incorporation or formation;

(ii) Franchisee's organizational documents will recite that this Agreement restricts the issuance and transfer of any ownership interests in Franchisee, and all certificates and other documents representing ownership interests in Franchisee will bear a legend referring to this Agreement's restrictions;

(iii) Exhibit A to this Agreement completely and accurately describes all of Franchisee's owners and their interests in Franchisee as of the Effective Date;

(iv) Each of Franchisee's owners during the Term and their spouses will execute a guaranty in the form Franchisor prescribes, undertaking personally to be bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between Franchisor and Franchisee. Franchisor's current form of Guaranty and Assumption of Obligation is attached

hereto as Exhibit B. Franchisor confirms that a spouse who signs Exhibit B solely in his or her capacity as a spouse (and not as an owner) is signing that agreement merely to acknowledge and consent to the execution of the guaranty by his or her spouse and to bind the assets of the marital estate as described therein and for no other purpose (including to bind the spouse's own separate property). Subject to Franchisor's rights and Franchisee's obligations under Section 11, Franchisee and its owners agree to sign and deliver to Franchisor a revised Exhibit A to reflect any permitted changes in the information that Exhibit A now contains;

(v) Franchisee must identify on Exhibit A one of Franchisee's owners who is a natural person with at least ten percent (10%) direct ownership interest and voting power in Franchisee and who will have the authority of a chief executive officer or equivalent (the "**Managing Owner**"). Franchisee agrees to deliver to Franchisor a revised Exhibit A to accurately identify the Managing Owner should the identity of that person change during the Term as permitted hereunder; and

(vi) The Managing Owner is authorized, on Franchisee's behalf, to deal with Franchisor in respect of all matters whatsoever which may arise in respect of this Agreement and/or the ownership and operation of the LÀ LÁ Bakeshop Business. Any decision made by the Managing Owner will be final and binding upon Franchisee, and Franchisor will be entitled to rely solely upon the decision of the Managing Owner in any such dealings without the necessity of any discussions with any other party named in this Agreement, and Franchisor will not be held liable for any actions taken by Franchisee or otherwise, based upon any decision or actions of the Managing Owner.

2. **SITE SELECTION, LEASE OF LOCATION, AND DEVELOPMENT AND OPENING OF A LÀ LÁ BAKESHOP BUSINESS.**

A. **SITE SELECTION.** The rights granted to Franchisee hereunder shall be non-exclusive and shall be restricted to the operation of a single LÀ LÁ Bakeshop Business (the "**Accepted Site**"). If Franchisee and Franchisor have selected the Accepted Site on or before the Effective Date of this Agreement, the address of the Accepted Site will be set out on Exhibit A attached hereto. During the Term, the Accepted Site shall be used exclusively to operate a LÀ LÁ Bakeshop Business. The rights granted to Franchisee are for the specific Accepted Site and cannot be transferred to any other location, except with Franchisor's prior written approval.

If Franchisee has not yet located a site for the Accepted Site as of the Effective Date, then Franchisee must obtain Franchisor's acceptance of the proposed site for the Accepted Site for the LÀ LÁ Bakeshop Business within ninety (90) days after the Effective Date. If Franchisee has not located a site for the Accepted Site as of the Effective Date, Franchisor may require Franchisee to use the services of a real estate brokerage firm prescribed by Franchisor from time-to-time. Franchisee agrees to obtain Franchisor's written acceptance of a proposed site for the LÀ LÁ Bakeshop Business before signing any lease, sublease, or other document for the site. Franchisor's determination to accept or not accept a site may be based on various criteria which may change from time-to-time in Franchisor's discretion. Franchisee agrees to send Franchisor information it requires for the proposed site.

Franchisee acknowledges and agrees that, if Franchisor recommends or gives Franchisee information regarding a site for the Accepted Site, that is not a representation or warranty of any kind, express or implied, of the site's suitability for a LÀ LÁ Bakeshop Business or any other purpose. Franchisor's recommendation indicates only that Franchisor believes that the site meets Franchisor's then-acceptable criteria which have been established for Franchisor's own purposes and are not intended to be relied on by Franchisee as an indicator of likely success. Applying criteria that have appeared effective with other sites and premises might not accurately reflect the potential for all sites and premises, and

demographic or other factors included in or excluded from Franchisor's criteria could change, even after Franchisor's acceptance of the Accepted Site or Franchisee's development of the LÀ LÁ Bakeshop Business, altering the potential of a site and premises. The uncertainty and instability of these criteria are beyond Franchisor's control, and Franchisor is not responsible if a site and premises that Franchisor recommends fail to meet Franchisee's expectations. Franchisee acknowledges and agrees that Franchisee's acceptance of the Franchise and selection of the Accepted Site are based on Franchisee's own independent investigation of the site's suitability for the Accepted Site.

B. BUSINESS DEVELOPMENT. Franchisor reserves the right to review the lease for the Accepted Site (the "**Lease**") before Franchisee executes it. The Lease must provide for certain provisions Franchisor requires, including Franchisee's right to operate a LÀ LÁ Bakeshop Business at the Accepted Site during the Term in accordance with this Agreement, a collateral assignment of the Lease in Franchisor's favor, and other terms as described in Franchisor's then-current form of Franchisor's standard Lease Addendum. It is Franchisee's sole responsibility to obtain a fully executed Lease Addendum in connection with executing the Lease. If Franchisee or the landlord request that Franchisor consider any modifications to the Lease Addendum, and Franchisor elects to do so, Franchisor may also require Franchisee to reimburse Franchisor for all expenses that Franchisor incurs (including attorneys' fees) in connection with such review. Franchisor may also reject any request for modifications to the Lease Addendum for any reason.

Franchisee acknowledges and agrees that any of Franchisor's involvement in the acceptance of the Accepted Site, the Lease review, or the modification of the terms of the Lease Addendum is for Franchisor's sole benefit. Franchisee agrees that it is not relying on Franchisor to accept the Accepted Site, review the Lease or agree to the Lease Addendum modifications for Franchisee's benefit. Franchisee acknowledges that Franchisor has advised Franchisee to seek the advice and counsel of Franchisee's professional advisors on all of the terms and conditions of the Lease before Franchisee signs it. If Franchisee does not agree with the Lease Addendum modifications that Franchisor accepts, Franchisee may elect not to sign the lease, but Franchisee would have to find another suitable site for the Accepted Site within the time prescribed in Section 2.A.

Franchisee agrees to provide Franchisor a complete copy of the executed Lease, and any addendums thereto, within five (5) business days from the execution of such Lease or its addendum, and thereafter as Franchisor may reasonably request.

Unless otherwise agreed in writing, Franchisee must secure possession of the Accepted Site under the terms of the Lease that Franchisor has accepted for the LÀ LÁ Bakeshop Business within ninety (90) days from Franchisor's acceptance of the Accepted Site. In order to maintain uniformity in appearance of all LÀ LÁ Bakeshop Businesses, Franchisee must use the services of architects, contractors, and engineers prescribed by Franchisor from time-to-time in connection with the development of the LÀ LÁ Bakeshop Business. Franchisee agrees at its expense to do the following: (a) obtain and submit to Franchisor for approval detailed construction plans and specifications and space plans for the LÀ LÁ Bakeshop Business that comply with any design specifications provided by Franchisor and all applicable ordinances, building codes, permit requirements, and lease requirements and restrictions; (b) obtain all required zoning changes, planning consents, building, utility, sign and business permits and licenses (including liquor permits and licenses), and any other consents, permits and licenses necessary to lawfully open and operate the LÀ LÁ Bakeshop Business; (c) construct all required improvements in compliance with construction plans and specifications approved by Franchisor; (d) decorate the LÀ LÁ Bakeshop Business in compliance with plans and specifications approved by Franchisor; (e) purchase and install all required Operating Assets (as defined in Section 2.D); and (f) obtain all customary contractors' sworn statements and partial and final waivers of lien for construction, remodeling, decorating and installation services. Franchisee agrees to use the vendor(s) that Franchisor selects, if any (which may include Franchisor or its affiliates), for design,

engineering, construction management and purchasing services in connection with the development of the LÁ LÁ Bakeshop Business.

C. **FINANCING; MAXIMUM BORROWING LIMITS; LIQUIDITY.** Franchisee acknowledges and agrees that:

(i) Franchisee will, at all times, maintain sufficient working capital reserves as necessary and appropriate to comply with its obligations under this Agreement. On Franchisor's request, Franchisee will provide Franchisor with evidence of working capital availability. Franchisor reserves the right, from time-to-time, to establish certain levels of working capital reserves, and Franchisee will comply with such requirements; and

(ii) Franchisor may from time-to-time designate the maximum amount of debt that LÁ LÁ Bakeshop Businesses may service, and Franchisee will ensure that it will comply with such limits.

D. **OPERATING ASSETS.** Franchisee agrees to purchase and use in operating the LÁ LÁ Bakeshop Business only those operating assets Franchisor approves for the LÁ LÁ Bakeshop Businesses as meeting Franchisor's specifications and standards for quality, design, appearance, function, and performance (the "**Operating Assets**"). Franchisee agrees to place or display at the Accepted Site (interior and exterior) only the signs, emblems, lettering, logos, and display materials Franchisor approves from time-to-time. Franchisee agrees to purchase or lease approved brands, types, or models of Operating Assets only from the Vendors (as defined in Section 7.I), which may include or be limited to Franchisor or its affiliates

E. **POINT-OF-SALE SYSTEM.** Franchisee, at its expense, must purchase and use Franchisor's designated computerized cash collection and data processing system (the "**POS System**") that meets the standards and specifications provided by Franchisor from time to time in the Brand Manual or otherwise. Franchisee will pay a monthly fee plus payment processing fees directly to the supplier of the POS System. Franchisee must enter all sales and other information Franchisor requires in the POS System. Franchisor may periodically require Franchisee, at its expense, to upgrade, update, change and/or replace the POS System to remain in compliance with the standards and specifications required by Franchisor. Franchisee, at its expense, must maintain the POS System in good working order and connected to any telephone system or computer network that Franchisor requires. Franchisee, at its expense, must configure and connect the POS System to Franchisor's systems to provide Franchisor with continuous real-time access to and control over Franchisee's POS System and all information and data stored thereon. Franchisor may require Franchisee to pay Franchisor or its designated third parties reasonable fees to support and upgrade the POS System and a reasonable fee to Franchisor or its designated third party for polling or collecting data from the POS System.

In addition to the POS System, Franchisee, at its expense, must: (i) equip its LÁ LÁ Bakeshop Business(es) with certain other required hardware and software to be used in connection with the LÁ LÁ Bakeshop Business; and (ii) upgrade or update the computer hardware and software that Franchisor specifies periodically and maintain access to the Internet or other computer network(s) that Franchisor specifies. In addition, Franchisee, at its expense, must also apply for and maintain other credit card, debit card or other non-cash payment systems that Franchisor periodically requires. Franchisor may require Franchisee to maintain support service contracts and/or maintenance service contracts and implement and periodically make upgrades and changes to the POS System, computer hardware and software, and credit card, debit card or other non-cash payment systems. Franchisor shall have the right to designate the vendor(s) for such support service contracts and maintenance service contracts. If the license to use any

software or modules added to such software is granted to Franchisee by Franchisor, Franchisee shall immediately notify Franchisor of any defects or breakages in such software.

Franchisee will perform any maintenance required to maintain the said software in good working order. As such, Franchisee agrees not to: (i) trace any source code in whole or in part; (ii) reproduce any software, except with the prior written consent of Franchisor; (iii) modify the software in any manner whatsoever; (iv) assign, rent, sublicense or otherwise dispose of the software on a temporary or permanent basis; (v) proceed to, or organize for, the electronic transfer of the software from one computer to another on a network, or allow distribution of copies of such software and any documentation related to such software to any third parties; and/or (vi) grant any security interest in the software, in any way whatsoever, and to keep them free from all seizure, receivership order, claim or any right of retention.

F. **WEBSITE, INTRANET, AND EXTRANET SYSTEM.** Franchisee must, at its expense, participate in any website, intranet or extranet system Franchisor may develop or other online communications as Franchisor may require. Franchisor has the right to determine the content and use of Franchisor's website and any intranet or extranet system Franchisor may develop and will establish the rules under which franchisees may or must participate. Franchisee may not use the Marks or any part or derivative thereof on the Internet, except as Franchisor expressly permits in writing and as authorized by Franchisor's then- current policies. Without limiting the generality of the foregoing, Franchisee may not use the Marks or any part or derivative of the Marks as part of any URL or domain name or as part of any unauthorized email address and may only register the Marks or any part or derivative of the Marks as part of any user name on any gaming website or social networking website (such as Facebook®, Instagram® or X™ (formerly known as Twitter®)) with the express written consent of Franchisor. Franchisee also may not display on any website (including commercial websites, gaming websites, and social networking websites) any of Franchisor's copyrighted or proprietary works, which include the Marks, or any collateral merchandise identified by the Marks, without the express written consent of Franchisor. For greater clarity, Franchisee may not register, post or display any of the Marks on any website or social media platform without the express written consent of Franchisor. In the event of any uncertainty, Franchisee expressly agrees to request and obtain written consent from Franchisor prior to registering, posting or displaying any of the Marks on any website, social media platform, or any other medium in any format. Franchisor retains all rights relating to Franchisor's website and any intranet or extranet system Franchisor may develop and may alter or terminate Franchisor's website, intranet or extranet system. Franchisee's general conduct on Franchisor's website, intranet and extranet system or other online communications and specifically Franchisee's use of the Marks or any advertising is subject to the provisions of this Franchise Agreement. Franchisee acknowledges that certain information related to Franchisee's participation in Franchisor's website, intranet or extranet system may be considered Confidential Information, including access codes and identification codes. Franchisee's right to participate in Franchisor's website, intranet and extranet system, or otherwise use the Marks or System on the Internet or other online communications, will terminate when this Agreement expires or terminates or is transferred.

G. **OPENING ASSISTANCE.** Before opening a LÀ LÁ Bakeshop Business, Franchisee shall comply with (i) all of Franchisor's pre-opening, development, construction and training requirements and checklists, and (ii) all other opening requirements set forth in this Agreement, the Brand Manual and/or elsewhere in writing by Franchisor ("**Opening Requirements**"). Upon satisfactory completion of the Opening Requirements, if Franchisee needs and requests opening assistance from Franchisor and Franchisor approves that request, Franchisee will pay all costs and expenses of Franchisor's personnel to assist Franchisee with opening, for as long as any such Franchisor's personnel assist at the LÀ LÁ Bakeshop Business. The costs and expenses associated with this assistance include, but are not limited to, wages, salary, transportation, meals, lodging and fringe benefits. All personnel provided under this Section shall be selected by Franchisor and are subject to change or removal by Franchisor in its sole discretion. Franchisee must obtain written approval from Franchisor before opening its LÀ LÁ Bakeshop Business.

Franchisor shall have no obligation to provide personnel to assist with the opening of the LÀ LÁ Bakeshop Business. Franchisor shall have no obligation to approve the opening of the LÀ LÁ Bakeshop Business if (a) Franchisee has not satisfied, as determined by Franchisor, all the Opening Requirements and other requirements under this Agreement, or (b) Franchisee or any of its affiliates are in default under any agreement with Franchisor or Franchisor affiliate.

3. FEES.

A. **INITIAL FEES.** Upon the execution of this Agreement, Franchisee shall pay to Franchisor an initial franchise fee in an amount set forth on Exhibit A (the “**Initial Franchise Fee**”). Franchisee acknowledges and agrees that the Initial Franchise Fee is paid as consideration for Franchisor granting Franchisee the right to develop, open, and operate the LÀ LÁ Bakeshop Business using the Marks and the System, that the Initial Franchise Fee is fully earned by Franchisor at the time this Agreement is executed, and the Initial Franchise Fee shall not be refundable for any reason.

B. **ROYALTY FEES.** In addition to all other amounts required to be paid hereunder, during the Term, Franchisee agrees to pay to Franchisor a royalty fee of a percentage of the monthly Gross Revenue (as such term is defined below) of the LÀ LÁ Bakeshop Business in an amount set forth on Exhibit A (the “**Royalty Fee**”) to this Agreement. Payment of the Royalty Fee shall be made on or before the fifth (5th) day of each month, with respect to the Gross Revenue of the LÀ LÁ Bakeshop Business for the preceding calendar month.

“**Gross Revenue**” means the amount of sales of all products and services sold in, on, about or from the LÀ LÁ Bakeshop Business, together with any other revenues derived from the operation of the LÀ LÁ Bakeshop Business, whether by Franchisee or by any other person, whether or not in accordance with the terms hereof, and whether for cash or on a charge, credit, barter or time basis, including, but not limited to, all such sales and services (i) where orders originate and/or are accepted by Franchisee in Franchisee’s LÀ LÁ Bakeshop Business but delivery or performance thereof is made from or at any place other than Franchisee’s LÀ LÁ Bakeshop Business or (ii) pursuant to telephone, online or other similar orders received or filled at or in Franchisee’s LÀ LÁ Bakeshop Business. For purposes of determining Royalty Fees, Gross Revenue does not include: (a) the amount of refunds, allowances or discounts to customers (including coupon sales) up to 10% of the Gross Revenue, provided the related sales have previously been included in Gross Revenue; or (b) the amount of any tax imposed by any federal, state, municipal or governmental authority directly on sales and collected from customers of Franchisee’s LÀ LÁ Bakeshop Business if such tax is added to the selling price and actually paid by Franchisee to such governmental authority. Gross Revenue will also include the amount of all sales assumed to have been lost by the interruption of business, to be determined on the basis upon which proceeds of any business interruption insurance are paid or are payable to Franchisee.

C. **TECHNOLOGY AND SUPPORT FEE.** Franchisee agrees to pay a recurring technology and support fee (the “**Technology and Support Fee**”) in the amount and manner that Franchisor specifies, which may range from \$20 per month and \$100 per month, in Franchisor’s discretion.

D. **ELECTRONIC FUNDS TRANSFERS.** Franchisee hereby authorizes Franchisor to debit its checking, savings or other account automatically for the Royalty Fee, Marketing Fund (as defined in Section 8.D) contributions, and other amounts due to Franchisor or its affiliates in connection with Franchisee’s operation of the LÀ LÁ Bakeshop Business (the “**EFT Authorization**”). The EFT Authorization includes any payment collection method(s) that Franchisor may adopt in the future (that may or may not involve a traditional bank), and Franchisee agrees to sign and deliver to Franchisor any documents Franchisor requires from time-to-time for such EFT Authorization. Such EFT Authorization shall remain in full force and effect during the Term. Franchisor will debit the account Franchisee

designates for these amounts on their due dates (or the subsequent business day if the due date is a national holiday or a weekend day). Franchisee agrees to ensure that funds are available in Franchisee's designated account to cover withdrawals by Franchisor.

If Franchisee fails to report the Gross Revenue, Franchisor may debit Franchisee's account for one hundred and ten percent (110%) of the average of the last three Royalty Fee, Technology and Support Fee, and Marketing Fund contributions that Franchisor debited. If the amounts that Franchisor debits from Franchisee's account are less than the amounts Franchisee actually owes Franchisor (once Franchisor has determined the true and correct Gross Receipts), Franchisor will debit Franchisee's account for the balance on the day Franchisor specifies. If the amounts that Franchisor debits from Franchisee's account are greater than the amounts Franchisee actually owes Franchisor, Franchisor will credit the excess against the amounts Franchisor otherwise would debit from Franchisee's account during the following week.

Franchisor may require Franchisee to pay any amounts due under this Agreement or otherwise by means other than automatic debit (e.g., by check) whenever Franchisor deems appropriate, and Franchisee agrees to comply with Franchisor's payment instructions.

E. **LATE PAYMENTS AND INSUFFICIENT FUNDS.** All amounts which Franchisee owes to Franchisor for any reason will bear interest accruing as of their due date at the rate specified by Franchisor from time-to-time, or the highest commercial contract interest rate the law allows, but in no event shall such rate exceed one and one-half percent (1.5%) per month. Interest shall accrue on all late payments regardless of whether Franchisor exercises its right to terminate this Agreement as allowed by this Agreement. Franchisor will charge a service fee of Eighty-Five Dollars (\$85) per occurrence, plus Ten Dollars (\$10) per day, for checks returned to Franchisor due to insufficient funds or in the event there are insufficient funds in the business account designated by Franchisee to cover Franchisor's withdrawals. Franchisor may debit Franchisee's bank account automatically for the service charge and interest. Franchisee acknowledges that this Section 3.E. is not Franchisor's agreement to accept any payments after they are due or Franchisor's commitment to extend credit to, or otherwise finance Franchisee's operation of, the LÀ LÁ Bakeshop Business.

F. **APPLICATION OF PAYMENTS.** Notwithstanding designation by Franchisee to the contrary, Franchisor shall be entitled to apply all payments made by Franchisee hereunder to any of Franchisee's past due indebtedness.

4. **TRAINING AND ASSISTANCE.**

A. **INITIAL TRAINING PROGRAM.** Franchisee (or if Franchisee is an Entity, the Manager Owner) is solely responsible for the management, direction, and control of the LÀ LÁ Bakeshop Business. Franchisee (or its Managing Owner, as applicable) must supervise the management and operation of the LÀ LÁ Bakeshop Business and continuously exert best efforts to promote and enhance the LÀ LÁ Bakeshop Business. Franchisee (or its Managing Owner, as applicable) and one employee of Franchisee ("**Mandatory Trainees**") must attend and successfully complete to the satisfaction of Franchisor an initial training program (the "**Initial Training Program**"), specified by Franchisor or a comparable training program approved in advance by Franchisor as it shall be entitled to determine. Without limiting the generality of the foregoing, the Initial Training Program will be conducted in Toronto, Ontario (or at another location determined by Franchisor in its sole discretion) by Franchisor. The Mandatory Trainees must complete the Initial Training Program to Franchisor's satisfaction before the LÀ LÁ Bakeshop Business may open for business. No fee will be charged by Franchisor for the Mandatory Trainees' participation in the Initial Training Program; however, Franchisee shall be solely responsible for the costs and expenses (such as transportation, lodging, meals and compensation) of each person who attends the training.

After Franchisee (or its managing Owner, if applicable) have operated the LÀ LÁ Bakeshop Business in compliance with this Agreement for at least six (6) months, Franchisee (or its Managing Owner) may elect not to supervise the LÀ LÁ Bakeshop Business on a full-time basis, provided that Franchisee appoints one or more managers who have completed Franchisor's then-current Initial Training Program to work full-time for the LÀ LÁ Bakeshop Business (each a “**Designated Manager**”). Franchisee's Designated Manager(s) must work full-time at the LÀ LÁ Bakeshop Business to supervise the day-to-day operation of the LÀ LÁ Bakeshop Business and must complete the Initial Training Program to Franchisor's satisfaction. If a Designated Manager ceases active employment at the LÀ LÁ Bakeshop Business, Franchisee must notify Franchisor within 5 days of cessation of the Designated Manager's employment at the LÀ LÁ Bakeshop Business and enroll a qualified replacement in the Initial Training Program within 30 days of cessation of such Designated Manager's employment.

B. **TRAINING OF EMPLOYEES.** Franchisee shall implement a training program approved by Franchisor for employees of the LÀ LÁ Bakeshop Business and shall be responsible for the proper training of its employees. Franchisee agrees not to employ any person who fails or refuses to complete Franchisee's training program or is unqualified to perform his or her duties at the LÀ LÁ Bakeshop Business in accordance with the requirements established for the operation of a LÀ LÁ Bakeshop Business.

C. **ADDITIONAL TRAINING.** Franchisee (or its Managing Owner, if applicable) and employees (and Designated Manager(s), if applicable) shall attend and conduct such additional training programs as Franchisor may from time to time reasonably require relating to the operation of the LÀ LÁ Bakeshop Business and the System. Additional training may include, but is not limited to, new products and new menu items. Franchisee also may be required to purchase training videos or other instructional materials as specified by Franchisor from time to time in the Brand Manual or otherwise. Franchisee will be responsible for the travel and living expenses of such persons, and Franchisor may charge a reasonable fee sufficient to cover the costs and expenses of such conferences and seminars.

D. **CONFERENCES AND SEMINARS.** Franchisor may require Franchisee (or its Managing Owner, if applicable) and employees (and Designated Manager(s), if applicable) of the LÀ LÁ Bakeshop Business to attend conferences and seminars which may be offered by Franchisor from time to time. Franchisee will be responsible for the travel and living expenses of such persons, and Franchisor may charge a reasonable fee sufficient to cover the costs and expenses of such conferences and seminars.

E. **REQUIREMENTS TO ATTEND TRAINING.** All individuals participating in training programs offered by Franchisor must (i) behave in a professional, non-disruptive, non-harassing and non-discriminatory manner during training, (ii) not be under the influence of any stimulant during training, and (iii) satisfy any other training pre-requisites set forth in the Brand Manual or otherwise. Franchisor has a right to terminate training for any individual that, in Franchisor's judgment, does not satisfy the requirements in this Section and Franchisee must immediately designate a replacement.

F. **BRAND MANUAL; MODIFICATIONS TO SYSTEM.** During the Term, Franchisor will loan to Franchisee one copy of, or provide Franchisee with electronic access to, Franchisor's confidential brand manual, which will contain information and specifications concerning the standards and specifications of the System, the development and operation of LÀ LÁ Bakeshop Businesses, and any other information and advice Franchisor may periodically provide to its franchisees (the “**Brand Manual**”). The Brand Manual contains mandatory specifications, standards, operating procedures and rules that Franchisor periodically prescribes for operating LÀ LÁ Bakeshop Businesses, including any new developments and improvements to the System (the “**System Standards**”). Franchisee shall at all times ensure that its copy of the Brand Manual and any other confidential materials supplied by Franchisor to Franchisee are kept current and up to date. Franchisee must keep any printed Brand Manual in a secure location at the LÀ LÁ

Bakeshop Business, and must restrict employee access to the Brand Manual on a need-to-know basis, and take reasonable steps to prevent unauthorized disclosure or copying of any information in any printed or computerized Brand Manual. If Franchisor and Franchisee have any disagreement about the most current contents of the Brand Manual, Franchisor's master copy of the Brand Manual will control. Upon the expiration or termination of this Agreement for any reason, Franchisee must return all copies of the Brand Manual to Franchisor, and upon Franchisor's request, certify to Franchisor that Franchisee has not kept any copies in any medium. The Brand Manual is confidential, copyrighted and Franchisor's exclusive property.

Franchisee recognizes and agrees that from time to time hereafter, Franchisor may change, modify or improve the System, including modifications to the Brand Manual, the menu and format, the processes and systems to support the business, the menu items and other product ingredients, the products offered for sale, the required equipment, the signage, the presentation and usage of the Marks and the adoption and use of new, modified or substituted Marks or other proprietary materials. Franchisee agrees to accept, use and/or display for the purposes of this Agreement any such changes, modifications or improvements to the System, including the adoption of new, modified or substituted Marks, and Franchisee agrees to make such expenditures as such changes, modifications or improvements to the may require. For purposes of this Agreement, all references to the System shall include such future changes, modifications and improvements.

If Franchisee develops any new modification, concept, process, improvement or slogan in the operation or promotion of the LÀ LÁ Bakeshop Business or to the System, the same shall be deemed a work made for hire, and Franchisee shall promptly notify Franchisor of, and provide Franchisor with all necessary information, regarding such modification, concept, process, improvement or slogan, without compensation to Franchisee. Franchisee acknowledges that any such modification, concept, process, improvement or slogan shall become Franchisor's sole and exclusive property and that Franchisor may use or allow other franchisees to use the same in connection with the System or the operation of LÀ LÁ Bakeshop Businesses, without compensation to Franchisee.

G. **GENERAL GUIDANCE AND ON-SITE ASSISTANCE.** Franchisor may, in its discretion, advise Franchisee from time-to-time regarding the operation of the LÀ LÁ Bakeshop Business based on Franchisee's reports or Franchisor's inspections, with respect to: (i) standards, specifications, and operating procedures and methods that LÀ LÁ Bakeshop Businesses use; (ii) purchasing required and authorized Operating Assets and other products and services; (iii) advertising and marketing materials and programs; and (iv) training programs. Franchisor may also provide guidance via telephonic or virtual conversations or consultation at Franchisor's offices. If Franchisee requests, and Franchisor agrees to provide, additional or special guidance, assistance, or training, Franchisor may charge Franchisee the then-applicable fee, including Franchisor's personnel's per diem charges and travel and living expenses.

5. **MARKS; COPYRIGHTS.**

A. **OWNERSHIP AND GOODWILL OF THE MARKS.** Franchisee acknowledges and agrees that nothing herein contained shall give Franchisee any right, title or interest in and to the Marks, except the non-exclusive right to use the Marks in connection with the operation of the LÀ LÁ Bakeshop Business under the System in strict accordance with the terms of this Agreement. Franchisee also acknowledges and agrees that the Marks and all goodwill now or in the future pertaining to the Marks are the sole and exclusive property of Franchisor and that it shall not raise or cause to be raised any questions concerning, or objections to, the validity or ownership of the Marks on any grounds whatsoever. Franchisee will not seek to register, re-register or assert claim to or ownership of, or otherwise appropriate to itself, any of the Marks or any marks or names confusingly similar to the Marks, or the goodwill symbolized by the Marks except insofar as such action inures to the benefit of and has the prior written approval of Franchisor. Upon the expiration, termination or cancellation of this Agreement, whether by lapse of time,

default or otherwise, Franchisee agrees immediately to discontinue all use of the Marks and to remove all copies, replicas, reproductions or simulations thereof from the LÀ LÁ Bakeshop Business and to take all necessary steps to assign, transfer or surrender to Franchisor or otherwise place in Franchisor or its designee title to all such names or marks (other than the Marks) which Franchisee may have used during the term of this Agreement or any renewal or extension thereof in connection with the operation of the LÀ LÁ Bakeshop Business.

B. **LIMITATIONS ON USE OF THE MARKS.** To protect the Marks, the System, and the goodwill associated therewith, Franchisee shall, unless Franchisor otherwise consents in writing:

(i) Only use the Marks in the manner authorized and permitted by Franchisor and/or authorized under this Agreement. Any unauthorized use thereof shall constitute an infringement of Franchisor's rights.

(ii) Only use the Marks for the operation of the LÀ LÁ Bakeshop Business at the Accepted Site, or in advertising for the LÀ LÁ Bakeshop Business conducted at or from the Accepted Site. Franchisee may not use any of the Marks in any part of any domain name or electronic address or any similar proprietary or common carrier electronic delivery system. Franchisee will not seek to register, or assert any claim of ownership or usage rights to, any domain name or electronic address incorporating any of the Marks or any names confusingly similar to the Marks. Franchisee agrees, at the request of Franchisor, to take all necessary steps to assign to Franchisor all rights in or to such domain names and electronic addresses (and any registrations for the foregoing) that Franchisee may acquire.

(iii) Operate and advertise the LÀ LÁ Bakeshop Business only under the name "LÀ LÁ Bakeshop™" or such other Marks as Franchisor may designate from time to time, without prefix or suffix, except to describe the location of the LÀ LÁ Bakeshop Business.

(iv) Not use any of the Marks in its corporate or other legal name without the prior express written consent of Franchisor.

(v) Not permit the use of any trade names, or trademarks at the LÀ LÁ Bakeshop Business or the Accepted Site other than the Marks.

(vi) Affix in a conspicuous location in or upon any commercial premises used to conduct the LÀ LÁ Bakeshop Business, a sign containing the following notice: "This business is owned and operated independently by _____ who is an authorized licensed user of the trademark "LÀ LÁ Bakeshop™", which trademark is owned by LLB Group LLC."

C. **SUBSTITUTE MARKS.** If Franchisor decides to change, add or discontinue use of any of the Marks, or to introduce additional or substitute Marks, Franchisee, upon a reasonable period of time after receipt of written notice, shall take such action, at its sole expense, as is necessary to comply with such changes, alteration, discontinuation, addition or substitution. Franchisor shall have no liability for any loss of revenue or goodwill due to any new Marks or discontinued Marks.

D. **REGISTRATION OF MARKS.** Franchisee recognizes that Franchisor makes no representations or warranty to Franchisee that any of the Marks are registered or registerable, that Franchisor has the right or exclusive right to use any of the Marks, or that the Marks do not infringe any intellectual property, proprietary or other right of any person.

E. **COPYRIGHTED AND COPYRIGHTABLE MATERIALS.** During the Term, Franchisor will authorize Franchisee to use certain copyrighted and copyrightable materials in connection with the operation of the LÀ LÁ Bakeshop Business, including the Brand Manual, trade dress, menus and other materials (collectively, the “**Copyrighted Materials**”). As between Franchisor and Franchisee, Franchisor or its affiliates own the Copyrighted Materials and all benefits inherent in such ownership. Franchisor and its affiliates may further create, acquire or obtain licenses for certain copyrights in various works of authorship used in connection with the operation of the LÀ LÁ Bakeshop Business, including all categories of works eligible for protection under the copyright laws of the United States, all of which will be deemed to be Copyrighted Materials under this Agreement. Franchisor intends that all works of authorship related to LÀ LÁ Bakeshop Businesses and created in the future will be owned by Franchisor or its affiliates.

F. **LIMITATIONS ON USE OF COPYRIGHTED MATERIALS.** Franchisee’s right to use the Copyrighted Materials is derived only from this Agreement and limited to Franchisee operating the LÀ LÁ Bakeshop Business in accordance with this Agreement and all System Standards during the Term. Franchisee will ensure that all Copyrighted Materials used hereunder bear an appropriate copyright notice under the Universal Copyright Convention or other copyright laws specifying that Franchisor or, as appropriate, its affiliate is the owner of the copyright. Franchisee acknowledges that this Agreement does not confer upon Franchisee any interest in the Copyrighted Materials, other than the right to use them in the operation of the LÀ LÁ Bakeshop Business in compliance with this Agreement. If Franchisor authorizes Franchisee to prepare any adaptation, translation or work derived from the Copyrighted Materials, or if Franchisee prepares any Copyrighted Materials such as advertisements, posters or promotional materials, such adaptation, translation, derivative work or copyrighted material is Franchisor’s property, and Franchisee assigns all of its right, title and interest therein to Franchisor. Franchisee will execute all documents, in recordable form, as Franchisor determines are necessary to reflect such ownership. Franchisee will not use any such adaptations, translations, derivative works and copyrighted materials without Franchisor’s prior written approval.

G. **NOTIFICATION OF INFRINGEMENT AND CLAIMS.** Franchisee agrees to notify Franchisor immediately of any apparent infringement or challenge to Franchisee’s use of any Mark or Copyrighted Material, or of any person’s claim of any rights in any Mark or Copyrighted Material, and any other threatened or actual litigation or other claim involving the LÀ LÁ Bakeshop™ brand. Franchisee also agrees not to communicate with any person other than Franchisor, its attorneys, and Franchisee’s attorneys, regarding any infringement, challenge, or claim. Franchisor and its affiliates may take the action that Franchisor deems appropriate (including no action) and control exclusively any litigation, U.S. Patent and Trademark Office proceeding, U.S. Copyright Office proceeding, or other administrative proceeding arising from any infringement, challenge, or claim or otherwise concerning any Mark or Copyrighted Material. Franchisee agrees to sign any documents and take any other reasonable action that, in the opinion of Franchisor and its affiliates’ attorneys, are necessary or advisable to protect and maintain Franchisor’s and its affiliates’ interests in any litigation or U.S. Patent and Trademark Office, U.S. Copyright Office or other proceeding, or otherwise to protect and maintain Franchisor’s and its affiliates’ interests in the Marks and Copyrighted Materials. Franchisor will reimburse Franchisee for Franchisee’s costs of taking any action that Franchisor or its affiliates have asked Franchisee to take.

H. **INDEMNIFICATION FOR USE OF MARKS.** Franchisor agrees to reimburse Franchisee for all expenses that it incurs in any trademark infringement proceeding disputing Franchisee’s authorized use of any Mark under this Agreement if Franchisee has timely notified Franchisor of, and comply with Franchisor’s directions in responding to, the proceeding. At Franchisor’s option, Franchisor and its affiliates may defend and control the defense of any proceeding arising from Franchisee’s use of any Mark under this Agreement.

6. CONFIDENTIAL INFORMATION; INFORMATION SECURITY.

A. **TRADE SECRETS & CONFIDENTIAL INFORMATION.** In connection with Franchisee's franchise under this Agreement, Franchisee and its owners and personnel may from time to time have access to, be provided with, or otherwise be exposed to certain information about the System and the operation of LÀ LÁ Bakeshop Businesses, including Franchisee's LÀ LÁ Bakeshop Business (some, but not all, of which may be "trade secrets" under applicable law), that Franchisor considers and protects as confidential (regardless of whether they are marked as such), including the following (collectively, the "**Confidential Information**"):

- (i) site selection criteria;
- (ii) training and operations materials and manuals, including recipes and the Brand Manual;
- (iii) the System Standards and other methods, formats, specifications, standards, systems, procedures, techniques, sales and marketing techniques, knowledge, and experience used in developing, promoting and operating LÀ LÁ Bakeshop Businesses;
- (iv) market research, promotional, marketing and advertising programs for LÀ LÁ Bakeshop Businesses;
- (v) knowledge of specifications for, and suppliers of, products and supplies;
- (vi) any computer software or similar technology which is proprietary to Franchisor, Franchisor's affiliates, or the System, including digital passwords and identifications and any source code of, and data, reports, and other printed materials generated by, the software or similar technology;
- (vii) knowledge of the operating results and financial performance of LÀ LÁ Bakeshop Businesses, other than Franchisee's LÀ LÁ Bakeshop Business; and
- (viii) information generated by, or used or developed in, Franchisee's LÀ LÁ Bakeshop Business operation, including information relating to customer such as customer names, addresses, telephone numbers, e-mail addresses, buying habits, preferences, demographic information and related sales and customer information ("**Customer Data**"), and any other information contained from time to time in the computer system.

All Customer Data will be owned by Franchisor. Franchisee agrees to (a) use Customer Data only for the promotion of Franchisee's LÀ LÁ Bakeshop Business during the Term and (b) refrain from selling Customer Data to third parties. At Franchisor's request from time-to-time, Franchisee must provide Franchisor direct access to, or if Franchisor requests, send to Franchisor electronically, all the Customer Data specified by Franchisor.

Confidential Information does not include Restricted Data (as defined in Section 6.B.) and information, knowledge, or know-how, which is lawfully known to the public without violation of applicable law or an obligation to Franchisor or Franchisor's affiliates.

All Confidential Information furnished to Franchisee by Franchisor or on Franchisor's behalf, whether orally or by means of written material, shall (i) be deemed Franchisor's confidential and proprietary information, (ii) be held by Franchisee in strict confidence, (iii) not be copied, disclosed or revealed to or

shared with any other person except to Franchisee's employees or contractors who have a need to know such Confidential Information for purposes of this Agreement and who are under a duty of confidentiality no less restrictive than Franchisee's obligations hereunder, or to individuals or entities specifically authorized by Franchisor in advance, and (iv) not be used in connection with any other business or capacity. Franchisee will not acquire any interest in any of the Confidential Information other than the right to use it as Franchisor specifies in operating Franchisee's LÀ LÁ Bakeshop Business during the Term. Franchisee further agrees, during and after the Term, to:

- (1) process, retain, use, collect, and disclose Confidential Information strictly to the limited extent, and in such a manner, as necessary for the development and operation of Franchisee's LÀ LÁ Bakeshop Business, in accordance with this Agreement, and not for any other purpose of any kind;
- (2) process, retain, use, collect, and disclose Confidential Information strictly in accordance with the privacy policies and System Standards Franchisor establishes from time to time, and Franchisor's and its representative's instructions; and
- (3) adopt and implement administrative, physical and technical safeguards to prevent unauthorized access, use or disclosure of any of Confidential Information, including by establishing reasonable security and access measures and restricting its disclosure to key personnel.

Franchisor reserves the right to require that any employee, agent or independent contractor that Franchisee hires execute a non-disclosure agreement to protect the Confidential Information. Franchisor reserves the right to regulate the form of non-disclosure agreement that Franchisee uses and to be a third party beneficiary of those agreements with independent enforcement rights. Franchisee agrees that Franchisee is solely responsible for obtaining Franchisee's own professional advice with respect to the adequacy of the terms and provisions of any confidentiality agreement that Franchisee's employees, agents and independent contractors sign.

Franchisee acknowledges and agrees that, as between Franchisor and Franchisee, Franchisor is the sole owner of all right, title, and interest in and to the System and any Confidential Information. All improvements, developments, derivative works, enhancements, or modifications to the System and any Confidential Information (collectively, "**Innovations**") made or created by Franchisee or Franchisee's employees or contractors, whether developed separately or in conjunction with Franchisor, shall be owned solely by Franchisor. Franchisee represents, warrants, and covenants that Franchisee's employees and contractors are bound by written agreements assigning all rights in and to any Innovations developed or created by them to Franchisee. To the extent that Franchisee or Franchisee's employees or contractors are deemed to have any interest in such Innovations, Franchisee hereby agrees to assign, and do assign, all right, title and interest in and to such Innovations to Franchisor. To that end, Franchisee shall execute, verify, and deliver such documents (including assignments) and perform such other acts (including appearances as a witness) as Franchisor may reasonably request for use in applying for, obtaining, perfecting, evidencing, sustaining, and enforcing such ownership rights in and to the Innovations, and the assignment thereof. Franchisee obligations to assist Franchisor with respect to such ownership rights shall continue beyond the expiration or termination of this Agreement. In the event Franchisor is unable for any reason, after reasonable effort, to secure Franchisee's signature on any document needed in connection with the actions specified in this Section, Franchisee hereby irrevocably designates and appoints Franchisor and Franchisor's duly authorized officers and agents as Franchisee's agent and attorney in fact, which appointment is coupled with an interest and is irrevocable, to act for and on Franchisee's behalf to execute, verify, and file any such documents and to do all other lawfully permitted acts to further the purposes of this Section with the same legal force and effect as if executed by Franchisee. The obligations of this Section shall survive any expiration or termination of this Agreement.

B. **INFORMATION SECURITY.** Franchisee may from time to time have access to information that can be used to identify an individual, including names, addresses, telephone numbers, e-mail addresses, employee identification numbers, signatures, passwords, financial information, credit card information, biometric or health data, government-issued identification numbers and credit report information (“**Personal Information**”). Franchisee acknowledges and agrees that all Personal Information (other than Restricted Data, defined below) is Franchisor’s Confidential Information and is subject to the protections in this Section 6.

During and after the Term, Franchisee (and if Franchisee are conducting business as an Entity, each of Franchisee’s owners) agree to, and to cause Franchisee’s respective current and former employees, representatives, affiliates, successors and assigns to: (1) process, retain, use, collect, and disclose all Personal Information only in strict accordance with all applicable laws, regulations, orders, the guidance and codes issued by industry or regulatory agencies, and the privacy policies and terms and conditions of any applicable Digital Presence; (2) assist Franchisor with meeting Franchisor’s compliance obligations under all applicable laws and regulations relating to Personal Information, including the guidance and codes of practice issued by industry or regulatory agencies; and (3) promptly notify Franchisor of any communication or request from any customer or other data subject to access, correct, delete, opt-out of, or limit activities relating to any Personal Information.

If Franchisee becomes aware of a suspected or actual breach of security or unauthorized access involving Personal Information, Franchisee will notify Franchisor immediately of the breach or unauthorized access, and specify the extent to which Personal Information was compromised or disclosed, and Franchisee’s plans to correct and prevent any further breach or unauthorized access. Franchisee will allow Franchisor, in its discretion, to participate in any response or corrective action. Further, Franchisee agrees to follow all instructions Franchisor provides, if any, regarding curative actions and public statements relating to the breach. Franchisor reserves the right (but have no obligation) to conduct a data security and privacy audit of any Franchisee’s LÀ LÁ Bakeshop Business and Franchisee’s computer systems at any time, from time to time, to ensure that Franchisee is complying with Franchisor’s requirements. Franchisee must promptly notify Franchisor if Franchisee receives any complaint, notice, or communication, whether from a governmental agency, customer or other person, relating to any Personal Information, or Franchisee’s compliance with Franchisee’s obligations relating to Personal Information under this Agreement, and/or if Franchisee has any reason to believe Franchisee will not be able to satisfy any of Franchisee’s obligations relating to Personal Information under this Agreement.

Notwithstanding anything to the contrary in this Agreement or otherwise, Franchisee agrees that Franchisor does not control or own any of the following Personal Information (collectively, the “**Restricted Data**”): (a) any Personal Information of the employees, officers, contractors, owners or other personnel of Franchisee, Franchisee’s affiliates, or Franchisee’s LÀ LÁ Bakeshop Business; (b) such other Personal Information as Franchisor from time to time expressly designate as Restricted Data; and/or (c) any other Personal Information to which Franchisor does not have access. Regardless of any guidance Franchisor may provide generally and/or any specifications that Franchisor may establish for other Personal Information, Franchisee has sole and exclusivity responsibility for all Restricted Data, including establishing protections and safeguards for such Restricted Data; provided, that in each case Franchisee agrees to comply with all applicable laws, regulations, orders, and the guidance and codes issued by industry or regulatory agencies applicable to such Restricted Data.

7. **BUSINESS OPERATIONS AND SYSTEM STANDARDS.**

A. **CONDITION AND APPEARANCE OF THE LÀ LÁ BAKESHOP BUSINESS.** Franchisee agrees that it will not use any part of the Accepted Site for any purpose other than operating a LÀ LÁ Bakeshop Business in compliance with this Agreement, and that Franchisee will place or display at

the Accepted Site (interior and exterior) only those signs, emblems, designs, artwork, lettering, logos and display and advertising materials that Franchisor approves from time-to-time. Franchisee further agrees to maintain the condition and appearance of the LÀ LÁ Bakeshop Business, its Operating Assets and the Accepted Site in accordance with the System Standards and, consistent with the image of LÀ LÁ Bakeshop Businesses, as an efficiently operated business offering high-quality products and services and observing the highest standards of cleanliness and efficient, courteous service. Therefore, Franchisee agrees to take, without limitation, the following actions during the Term at Franchisee's expense: (a) thorough cleaning, repainting and redecorating of the interior and exterior of the Accepted Site at intervals that Franchisor may prescribe; (b) interior and exterior repair of the Accepted Site as needed; and (c) repair or replacement, at Franchisor's direction, of damaged, worn-out or obsolete Operating Assets at intervals that Franchisor may prescribe (or, if Franchisor does not prescribe an interval for replacing any Operating Asset, as that Operating Asset needs to be repaired or replaced).

In addition to the foregoing, Franchisee agrees to renovate, refurbish, remodel, or replace, at Franchisee's own expense, the real and personal property and equipment used in operating the LÀ LÁ Bakeshop Business when reasonably required by Franchisor in order to comply with the image, standards of operation, and performance capability that Franchisor establishes from time-to-time.

B. MANAGEMENT OF THE LÀ LÁ BAKESHOP BUSINESS. Unless as otherwise permitted under Section 4.A of this Agreement, the LÀ LÁ Bakeshop Business shall be managed by Franchisee (or if applicable, the Managing Owner), who must work full-time at the LÀ LÁ Bakeshop Business to supervise the day-to-day operations of the LÀ LÁ Bakeshop Business and continuously exert his/her best efforts to promote and enhance the LÀ LÁ Bakeshop Business.

C. APPROVED PRODUCTS AND SERVICES. Use only those ingredients, products, supplies, furnishings and equipment that (a) conform to the standards and specifications designated by Franchisor in the Brand Manual or otherwise, and (b) are purchased from suppliers designated or approved in writing by Franchisor. Franchisor may designate at any time and for any reason, a single or multiple suppliers for ingredients, products, supplies, furnishings and equipment and require Franchisee to purchase exclusively from such designated supplier or suppliers, which exclusive designated supplier(s) may be Franchisor or an affiliate of Franchisor. If Franchisor designates itself as a supplier, Franchisor has the right to earn a profit on any items it supplies. If Franchisor designates an affiliate as a supplier, Franchisor's affiliate has the right to earn a profit on any items it supplies. Franchisor and its affiliates may also receive payments, discounts or other consideration from suppliers in consideration of such suppliers' dealings with Franchisee and/or LÀ LÁ Bakeshop franchisees, and Franchisor and its affiliates may use all amounts received by them without restriction. Franchisor and its affiliates are not required to give Franchisee an accounting of supplier payments or to share the benefit of supplier payments with Franchisee or other LÀ LÁ Bakeshop franchisees. Furthermore, if Franchisor and/or an affiliate of Franchisor are a supplier to Franchisee, Franchisor and/or Franchisor's affiliate reserve the right to set reasonable daily limits on the volume of ingredients, products, supplies or any other items whatsoever that Franchisor and/or its affiliate may supply to Franchisee. Franchisor and Franchisor's affiliates shall not be liable to Franchisee for any alleged shortfall of sales, revenues or profits, regardless of the legal basis or legal theory of any such claim. Franchisee irrevocably and forever agrees to waive any right to commence any legal action against Franchisor or Franchisor's affiliates regarding any alleged shortfall of supplied ingredients, products or any other items. Franchisee irrevocably agrees that this Franchise Agreement shall serve as a complete bar to such claims.

D. COMPLIANCE WITH LAWS AND GOOD BUSINESS PRACTICES. Franchisee must secure and maintain in force throughout the Term all required licenses, permits and certificates relating to the operation of Franchisee's LÀ LÁ Bakeshop Business and operate Franchisee's LÀ LÁ Bakeshop Business in full compliance with all applicable laws, ordinances and regulations, including PCI compliance

standards. Franchisee agrees to comply and assist in Franchisor's compliance efforts, as applicable, with any and all laws, regulations, Executive Orders or otherwise relating to anti-terrorist activities or conduct of transactions involving certain foreign parties, including the U.S. Patriot Act, Executive Order 13224, the U.S. Foreign Corrupt Practices Act, the Bank Secrecy Act, the International Money Laundering Abatement and Anti-terrorism Financing Act, the Export Administration Act, the Arms Export Control Act, the International Economic Emergency Powers Act, and related U.S. Treasury or other regulations. In connection with such compliance efforts, Franchisee agrees not to enter into any prohibited transactions and to properly perform any currency reporting and other activities relating to Franchisee's LÀ LÁ Bakeshop Business as may be required by Franchisor or by law. Franchisee confirms that Franchisee, Franchisee's owners, employees, agents, and representatives are not presently listed (nor has any such individual previously been listed) on the U.S. Treasury Department's List of Specially Designated Nationals, the Annex to Executive Order 13224 (the Annex is currently available at <http://www.treasury.gov>), or in any other governmental list which prohibits Franchisor or Franchisee from dealing with such individuals, and agree not to hire any person so listed or have any dealing with a person so listed. Franchisee is solely responsible for ascertaining what actions must be taken by Franchisee to comply with all such laws, orders or regulations, and specifically acknowledge and agree that Franchisee's indemnification responsibilities as provided in Section 16.C also pertain to Franchisee's obligations hereunder. Notwithstanding the foregoing, unless any order issued by any federal, state or local authority requires closure of Franchisee's LÀ LÁ Bakeshop Business, Franchisee will not close Franchisee's LÀ LÁ Bakeshop Business unless Franchisee obtains Franchisor's prior written consent.

Franchisee's LÀ LÁ Bakeshop Business must in all dealings with its customers, suppliers, Franchisor and the public adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. Franchisee agrees to refrain from any business or advertising practice which might injure Franchisor's business or the goodwill associated with the Marks or other LÀ LÁ Bakeshop Businesses. Franchisee agrees to comply with Franchisor's privacy policy, as it may be amended periodically; Franchisee further agrees to comply with any requests to return or delete customer personal information, whether requested by Franchisor or directly by the customer, as required by applicable data sharing and privacy laws. Franchisee must notify Franchisor in writing within three business days of: (1) the commencement of any action, suit or proceeding against Franchisee or relating to Franchisee's LÀ LÁ Bakeshop Business, or any audit, investigation, or similar proceeding with respect to pending or threatened actions, suits or proceedings against Franchisee or relating to Franchisee's LÀ LÁ Bakeshop Business; (2) the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality relating to Franchisee's LÀ LÁ Bakeshop Business; (3) any notice that Franchisee or Franchisee's LÀ LÁ Bakeshop Business may have violated any law, ordinance or regulation relating to Franchisee's LÀ LÁ Bakeshop Business; (4) receipt of any notice of complaint from the Better Business Bureau, any local, state or federal consumer affairs department or division, or any other government or independent third party involving a complaint from a client or potential client relating to Franchisee's LÀ LÁ Bakeshop Business; and (5) written complaints from any client or potential client. Franchisee must immediately provide Franchisor copies of any documentation Franchisee receive of events in (1) through (5) above and resolve the matter in a prompt and reasonable manner in accordance with good business practices.

Notwithstanding the foregoing, unless any federal, state, or local law or authority requires Franchisee to close Franchisee's LÀ LÁ Bakeshop Business, Franchisee will not close Franchisee's LÀ LÁ Bakeshop Business without Franchisor's prior written consent.

E. **INSURANCE.** Franchisee agrees to secure and maintain during the term of this Agreement, at its own cost, the following insurance policies by carriers approved by Franchisor:

(i) Such insurance as may be required by the terms of any Lease for the Accepted Site or, if there is no such lease, Franchisee agrees to carry all risk coverage insurance covering the building, if applicable, and all equipment, supplies, products, inventory, furniture, fixtures and other tangible property located in the LÁ LÁ Bakeshop Business or on the Accepted Site in the amount of the full insurable value of such property.

(ii) Commercial General Liability Insurance, including coverages for products-completed operations, contractual liability, personal and advertising injury, fire damage, and medical expenses, having a combined single limit for bodily injury and property damage of at least \$2,000,000 per occurrence and \$2,000,000 in the aggregate (except for fire damage and medical expense coverages, which may have different limits of not less than full value for one fire and \$5,000 for one person, respectively); all such coverages shall be on an occurrence basis and shall provide for waivers of subrogation; plus (ii) non-owned automobile liability insurance and, if Franchisee owns, rents or identifies any vehicles with any Marks or vehicles are used in connection with the operation of the LÁ LÁ Bakeshop Business, automobile liability coverage for owned, non-owned, scheduled and hired vehicles having a combined single limit of \$2,000,000 per occurrence.

(iii) Workers' compensation insurance as required by law.

(iv) Adequate limits for comprehensive crime and blanket employee dishonesty insurance.

(v) Business interruption and extra expense insurance for a minimum of twelve months to cover net profits and continuing expenses (including Royalty Fees).

Franchisee agrees that Franchisor shall be named as an additional insured under each of the foregoing insurance policies where applicable. Before the opening of the LÁ LÁ Bakeshop Business and, thereafter, at least 30 days before the expiration of any such policy or policies, Franchisee shall deliver to Franchisor certificates of insurance evidencing the proper coverage with limits not less than those required hereunder, and all such certificates shall expressly contain endorsements requiring the insurance company to give Franchisor at least 30 days written notice in the event of material alteration to termination, non-renewal, or cancellation of, the coverages evidenced by such certificates and notice of any claim filed under such policy within 30 days after the filing of such claim. Franchisor shall be entitled, from time to time, during the term of this Agreement, to require that the minimum limits and types of insurance coverage, as specified above, be increased or changed as Franchisor shall be entitled to determine. If Franchisee at any time fails or refuses to maintain any insurance coverage required by Franchisor or to furnish satisfactory evidence thereof, Franchisor, at its option and in addition to its other rights and remedies hereunder, may, but need not, obtain such insurance coverage on behalf of Franchisee, and Franchisee shall pay to Franchisor on demand any premiums incurred by Franchisor in connection therewith. Franchisee's obligation to obtain and maintain, or cause to be obtained and maintained, the foregoing policy or policies in the amounts specified shall not be limited in any way by reason of any insurance which may be maintained by Franchisor, nor shall Franchisee's performance of that obligation relieve it of liability under the indemnity provisions set forth in Section 16.C hereof. Notwithstanding the existence of such insurance, Franchisee, as agreed above, is and shall be responsible for all loss or damage and contractual liability to third persons originating from or in connection with the operation of the LÁ LÁ Bakeshop Business and for all claims or demands for damages to property or for injury, illness or death of persons directly or indirectly resulting therefrom.

F. **PRICING.** Unless prohibited by applicable law, Franchisor may periodically set a maximum or minimum price that Franchisee may charge for products and services offered by LÀ LÁ Bakeshop Businesses. If Franchisor imposes such a maximum or minimum price for any product or service, Franchisee may charge any price for the product or service up to and including Franchisor's designated maximum price or down to and including Franchisor's designated minimum price. The designated maximum and minimum prices for the same product or service may, at Franchisor's option, be the same or may differ across all LÀ LÁ Bakeshop Businesses. For any product or service for which Franchisor does not impose a maximum or minimum price, Franchisor may require Franchisee to comply with an advertising policy adopted by Franchisor which will prohibit Franchisee from advertising any price for a product or service that is different than Franchisor's suggested retail price. Although Franchisee must comply with any advertising policy that Franchisor adopts, Franchisee will not be prohibited from selling any product or service at a price above or below the suggested retail price unless Franchisor imposes a maximum price or minimum price for such product or service.

G. **CONTACT INFORMATION.** Franchisee agrees that each telephone number, directory listing, and any other type of contact information used by or that identifies or is associated with the LÀ LÁ Bakeshop Business (any "**Contact Information**") will be used solely to identify the LÀ LÁ Bakeshop Businesses in accordance with this Agreement. Franchisee is required to execute the form Collateral Assignment of Contact Information and Digital Presences attached as Exhibit C to grant Franchisor with full power and control over the Contact Information and Digital Presences upon termination or expiration of this Agreement.

H. **COMPLIANCE WITH SYSTEM STANDARDS.** Franchisee acknowledges and agrees that operating and maintaining the LÀ LÁ Bakeshop Business according to System Standards are essential to preserve the goodwill of the Marks and the goodwill of all LÀ LÁ Bakeshop Businesses. Therefore, compliance with all System Standards is mandatory, and Franchisee agrees at all times to operate and maintain the LÀ LÁ Bakeshop Business according to each and every System Standard, as Franchisor periodically modifies and supplements them. Though Franchisor retains the right to establish and periodically modify System Standards which Franchisee has agreed to maintain in the operation of the LÀ LÁ Bakeshop Business, Franchisee retains the right and sole responsibility for the day-to-day management and operation of the LÀ LÁ Bakeshop Business and the implementation and maintenance of System Standards at the LÀ LÁ Bakeshop Business. System Standards may regulate any aspect of the development, operation and maintenance of the LÀ LÁ Bakeshop Business, including any one or more of the following:

- (i) the appearance and condition of the LÀ LÁ Bakeshop Business;
- (ii) operating procedures and platforms (including with respect to delivery and catering programs that Franchisor might approve from time-to-time;
- (iii) sales, marketing, advertising and promotional programs (including coupons and other price-related promotions) and materials and media used in these programs;
- (iv) staffing levels for the LÀ LÁ Bakeshop Business and employee qualifications, training, uniforms (although Franchisee has sole responsibility and authority concerning employee selection and promotion, hours worked, rates of pay and other benefits, work assigned and working conditions);
- (v) use and display of the Marks;
- (vi) days and hours of operation;

- (vii) methods of payment that the LÀ LÁ Bakeshop Business may accept from customers;
- (viii) participation in market research and testing and product and service development programs;
- (ix) participation in gift card and loyalty programs;
- (x) menus and pricing;
- (xi) use of third-party food aggregators;
- (xii) policies for the registration, use, content, or management of Digital Presences, or other technology systems, solutions, or products;
- (xiii) bookkeeping, accounting, data processing and record keeping systems and forms; formats, content and frequency of reports to Franchisor of sales, revenue, and financial performance and condition; and giving Franchisor copies of tax returns and other operating and financial information concerning the Franchise (Franchisor will use reasonable efforts to keep such records confidential);
- (xiv) participation in quality assurance and customer satisfaction programs, including payment of fees to Franchisor and its affiliates or designees for Franchisee's participation in such programs;
- (xv) types, amounts, terms and conditions of insurance coverage required for the LÀ LÁ Bakeshop Business, including criteria for Franchisee's insurance carriers; and
- (xvi) any other aspects of operating and maintaining the LÀ LÁ Bakeshop Business that Franchisor determines to be useful to preserve or enhance the efficient operation, image or goodwill of the Marks and LÀ LÁ Bakeshop Businesses.

Franchisee agrees that System Standards that Franchisor periodically prescribes in the Brand Manual, or otherwise communicate to Franchisee in writing or another form, are part of this Agreement as if fully set forth within its text. All references to this Agreement include all System Standards as periodically modified. Franchisee acknowledges that Franchisor's periodic modification of the System Standards (including changes and additions to bakery equipment and hardware and software required for the POS System), which may accommodate regional or local variations, may obligate Franchisee to invest additional capital in the LÀ LÁ Bakeshop Business and incur higher operating costs.

I. **AFFILIATED VENDORS.** Franchisor may designate, approve, or develop System Standards for manufacturers, distributors and suppliers of products and services to Franchisee's LÀ LÁ Bakeshop Business (collectively, "**Vendors**"), which may be Franchisor or Franchisor's affiliates. Franchisee must purchase the products and services Franchisor periodically designate only from the Vendors Franchisor prescribes or approves, as applicable, and only on the terms and according to the specifications Franchisor approves. Franchisor may also designate a single Vendor for any product or service, or approve a Vendor only for certain products, which may be Franchisor or Franchisor's affiliates.

Franchisor may concentrate purchases with one or more Vendors for any reason, including to obtain lower prices, advertising support and/or services for Franchisor, Franchisor's affiliates, or any group of LÀ LÁ Bakeshop Businesses that Franchisor designates. Franchisee acknowledges and agree that Franchisor

and/or Franchisor's affiliates may derive consideration, revenue and profits based on Franchisee's purchases (including from charging Franchisee for products and services Franchisor or Franchisor's affiliates provide to Franchisee, and from promotional allowances, rebates, volume discounts and other payments, services or consideration Franchisor receives from Vendors on the basis of sales to Franchisee or other franchise owners). Franchisor and/or any of Franchisor's affiliates may retain and use such consideration, revenue, and profit without restriction.

If Franchisee would like Franchisor to consider approving a Vendor that is not an approved Vendor, Franchisee must submit a request in writing before purchasing any items or services from that Vendor. Franchisor will make all determinations about whether to approve an alternative Vendor in Franchisor's sole discretion based on Franchisor's then-current criteria, which may change from time to time. Franchisor may also refuse to consider and/or approve any proposed alternative Vendor for any reason whatsoever. If Franchisee asks Franchisor to evaluate any proposed alternative Vendors, and Franchisor agrees to such evaluation, Franchisee must reimburse Franchisor for its costs and expenses of evaluating such proposed alternative Vendors within 14 days of Franchisor's invoice. Subject to Franchisee's compliance with the foregoing, Franchisor shall notify Franchisee of Franchisor's approval or disapproval decision within 60 days of the completion of all inspections and evaluations. Franchisor may, with or without cause, revoke its approval of any Vendor at any time.

8. **MARKETING.**

A. **GRAND OPENING.** Franchisee, at its sole expense, must develop and implement a grand opening promotion approved by Franchisor to introduce or (if Franchisee is purchasing an existing LÀ LÁ Bakeshop Business) to re-introduce the LÀ LÁ Bakeshop Business to the public during the period that is 30 days prior and 60 days after the opening of the LÀ LÁ Bakeshop Business or 60 days after the transfer of the LÀ LÁ Bakeshop Business (if Franchisee is purchasing an existing LÀ LÁ Bakeshop Business). Franchisee is required to spend a minimum of \$2,000 for the grand opening promotion. To the extent Franchisor has developed or approved marketing or advertising programs and materials for the LÀ LÁ Bakeshop Business' grand opening, Franchisee must use such programs and materials.

B. **LOCAL ADVERTISING.** In addition to Franchisee's obligations under Section 8.A. and Section 8.C. above, Franchisee agrees to spend money, as required in this Section 8.B, to promote the LÀ LÁ Bakeshop Business (the "**Local Advertising Expenditure**"). Franchisee agrees to list and advertise the LÀ LÁ Bakeshop Business on any Digital Presence that Franchisor requires, as set forth in the Brand Manual or otherwise in writing and, at Franchisor's direction. If other LÀ LÁ Bakeshop Businesses are located within the directory's distribution area, Franchisor may require Franchisee to participate in a collective advertisement with those other LÀ LÁ Bakeshop Business and to pay Franchisee's share of that collective advertisement. Franchisor requires Franchisee to spend at least 1% of Gross Revenue each month to advertise and promote the LÀ LÁ Bakeshop Business; however, Franchisor has the right, at any time and upon notice to Franchisee, to change the foregoing requirement, subject to a maximum increase of an additional one percent (1%) in any 12-month period with notice to Franchisee. Upon Franchisor's request, Franchisee agrees to send Franchisor, in the manner that Franchisor prescribes, an accounting of Franchisee's expenditures for local advertising and promotion. Franchisee's local advertising and promotion must follow Franchisor's guidelines.

Franchisor reserves the right, at any time, to issue a notice to Franchisee that the amounts required to be spent by Franchisee under this Section 8.B shall, instead, be paid to Franchisor or its designee. If Franchisor exercises this option, Franchisor will then spend such amounts, in accordance with local LÀ LÁ Bakeshop Business marketing guidelines and programs that Franchisor develops from time-to-time, to advertise and promote the LÀ LÁ Bakeshop Business on Franchisee's behalf. Franchisor may instead, in its discretion, contribute any such amounts to the Marketing Fund. Franchisor may also elect, on one or

more occasions and without prejudice to its rights to issue further notices, to temporarily or permanently cease conducting such marketing activities on Franchisee's behalf and, instead, to require Franchisee to conduct such marketing activities itself in accordance with this Section 8.B.

All advertising, marketing, and promotional materials that Franchisee develops for the LÀ LÁ Bakeshop Business must contain notices of the System website's domain name in the manner that Franchisor designates. Franchisee may not develop, maintain, or authorize any other website that mentions or describes Franchisor, the LÀ LÁ Bakeshop Business or displays any of the Marks. If Franchisor approves the use of any Digital Presence in the operation of the LÀ LÁ Bakeshop Business, Franchisee will develop and maintain such Digital Presence only in accordance with Franchisor's then-current privacy policy and social media policy, which Franchisor may periodically modify, including guidelines for posting any messages or commentary on third-party websites. Franchisor will own the rights to each such Digital Presence. Franchisee must grant Franchisor access and co-administrator rights to each such Digital Presence, and to take whatever action (including signing an assignment or other documents) that Franchisor requests to evidence Franchisor's ownership of such Digital Presence, or to help Franchisor obtain exclusive rights in such Digital Presence.

C. **APPROVAL OF MARKETING.** Any and all advertising and marketing materials not prepared or previously approved by Franchisor shall be submitted to Franchisor at least 14 days before any publication or run date for approval, which may be arbitrarily withheld. Franchisor shall be entitled to grant or withhold its approval. Franchisor will provide Franchisee with written notification of its approval or disapproval within a reasonable time. In the event Franchisor does not notify Franchisee of its approval or disapproval within 10 days of Franchisor's receipt of the materials, the materials shall be deemed approved. Franchisee must discontinue the use of any approved marketing within five days of Franchisee's receipt of Franchisor's request to do so. No marketing or promotion by Franchisee shall be conducted on or through the Internet, social media accounts or other electronic transmission via computer without express prior written approval by Franchisor. Without limiting the generality of the foregoing, Franchisee, without the express prior written approval of Franchisor, shall not operate, or permit to be operated on its behalf, any website which incorporates any of the Marks or otherwise promotes the LÀ LÁ Bakeshop Business. All marketing and promotion by Franchisee must be factually accurate and shall not detrimentally affect the Marks or the System, as Franchisor shall determine. Franchisee hereby acknowledges that Franchisor is the sole and exclusive owner of all copyrights and any and all marketing and promotional material prepared by or on behalf of Franchisor or Franchisee and shall at all times remain the property of Franchisor.

D. **MARKETING FUND.** Franchisor has established a promotional fund (the "**Marketing Fund**") to administer certain advertising, marketing, and public relations programs for the System, the LÀ LÁ Bakeshop brand, and the promotion of LÀ LÁ Bakeshop Businesses. Franchisee must contribute to the Marketing Fund the amount that Franchisor prescribes. Franchisee is required to contribute one percent (1%) of Gross Revenue, subject to a maximum increase of an additional one percent (1%) in any 12-month period with notice to Franchisee.

The purpose of the Marketing Fund is to promote the Marks, the System, the LÀ LÁ Bakeshop brand, and LÀ LÁ Bakeshop Businesses generally. There is no guarantee that Franchisee or Franchisee's LÀ LÁ Bakeshop Businesses will benefit from Marketing Fund expenditures directly or in proportion to Franchisee's Marketing Fund contribution. Franchisor is not required to spend any amount on marketing within Franchisee's Protected Territory (if applicable) and/or promoting Franchisee's LÀ LÁ Bakeshop Businesses.

Franchisor will have exclusive control over all programs and services administered by the Marketing Fund, including over the creative concepts, materials, and campaigns and their geographic market, media placement and allocation. The Marketing Fund may pay for preparing and producing video,

audio, and written materials and electronic media; developing, implementing, and maintaining any website, domain name, email address, social media account, username, other Digital Presence or presence on any electronic, virtual, or digital medium of any kind (each an “**Digital Presence**”) or other software or applications; administering national, regional, digital, or local advertising and marketing campaigns and/or programs; using in-house resources as well as advertising, promotion, and marketing agencies and other advisors to provide assistance; supporting public relations, market research, and other advertising, promotion, and marketing strategy or implementation activities; and/or any other expenditures that are directly or indirectly related to promoting the Marks, the System, the brand, and/or LÀ LÁ Bakeshop Businesses. Franchisor may also use the Marketing Fund to pay for the Marketing Fund’s administrative and overhead costs, including the reasonable salaries and benefits of personnel who manage and administer the Marketing Fund, and any other expenses that Franchisor or its affiliates incur that are related to administering or directing the Marketing Fund and its programs. Franchisor may modify Marketing Fund programs, services, or expenditures at any time.

Franchisor will account for the Marketing Fund separately from Franchisor’s other funds. However, neither Franchisor nor any of its affiliates have any fiduciary obligation to Franchisee or any other person for administering the Marketing Fund. The Marketing Fund may spend in any year more or less than the total Marketing Fund contributions in that year, borrow from Franchisor or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. Franchisor may administer the Marketing Fund through a separate entity, and such entity will have all of the rights and duties specified in this Section. Franchisor may use collection agents and institute legal proceedings to collect Marketing Fund contributions at the Marketing Fund’s expense. Franchisor may also forgive, waive, settle, and compromise all claims by or against the Marketing Fund. Franchisor will prepare an annual, unaudited statement of Marketing Fund contributions and expenses and give Franchisee the statement on written request, within 120 days after the end of each fiscal year, but not less than 30 days’ notice from Franchisee of such request.

Franchisor may reduce or suspend Marketing Fund contributions and/or operations of the Marketing Fund for one or more periods of any length and terminate (and, if terminated, reinstate) the Marketing Fund and associated Marketing Fund contributions. If Franchisor terminates the Marketing Fund, Franchisor will spend the remaining balance of the monies in the Marketing Fund in accordance with the System Standards until such amounts are exhausted. Franchisor may elect to maintain multiple Marketing Funds, whether determined by geographic region, country, or otherwise, or consolidate or merge multiple Marketing Funds.

9. RECORDS, REPORTS, AND FINANCIAL STATEMENTS.

A. **RECORDKEEPING AND BOOKKEEPING.** Franchisee agrees to establish a bookkeeping and recordkeeping system conforming to the requirements prescribed from time to time by Franchisor, relating, without limitation, to the use and retention of daily sales slips, coupons, purchase orders, purchase invoices, payroll records, check stubs, bank statements, sales tax records and returns, cash receipts and disbursements, payroll records, journals, and general ledgers. In establishing and maintaining Franchisee’s bookkeeping and recordkeeping system, Franchisee shall use all forms and documents established by Franchisor in the Brand Manual or otherwise. Franchisee acknowledges and agrees that if Franchisor is required or permitted by statute, rule, regulation or any other legal requirement to disclose any information regarding Franchisee or the operation of the LÀ LÁ Bakeshop Business, including earnings or other financial information, Franchisor shall be entitled to disclose such information. In addition, Franchisee hereby expressly permits Franchisor to disclose any such information to prospective transferees of Franchisee’s interest in this Agreement and potential purchasers (and their employees, agents, and representatives) of Franchisor in connection with the sale or transfer of any equity interests or assets of Franchisor or any merger, reorganization or similar restructuring of Franchisor.

B. **REPORTING.** Franchisee must provide Franchisor with those financial reports required by Franchisor from time to time. All such reports shall be prepared (i) using any forms or documents established by Franchisor as set forth in the Brand Manual or otherwise and (ii) in accordance with the generally accepted accounting principles, to the extent applicable. In order to calculate the monthly Royalty Fee payable by Franchisee under this Agreement, Franchisor will remotely access the POS System as per Section 2.E of this Agreement. Franchisor will invoice Franchisee according to the Gross Revenue data in the POS system. Notwithstanding the foregoing, if Franchisor is unable to access the POS system for any reason, or for any other reason in Franchisor's sole discretion, Franchisor shall have the right to require, upon written notice to Franchisee, that Franchisee provide any or all of the following financial reports and documentation at Franchisee's expense, and Franchisee agrees to provide the same to Franchisor:

(i) A statement of relevant Gross Revenue in the form required by Franchisor to be delivered with each payment of the Royalty Fee no later than 5:00 p.m. on the 5th day of each calendar month;

(ii) A monthly unaudited balance sheet and profit and loss statement in a form satisfactory to Franchisor covering Franchisee's business for the prior month and fiscal year to date, all of which shall be certified by Franchisee as true and correct and delivered to Franchisor no later than 5:00 pm on the 5th day of each calendar month (or quarter, as requested by Franchisor);

(iii) Annual financial statements compiled or reviewed by an independent accountant, in a form satisfactory to Franchisor, which shall include a statement of income and retained earnings, a statement of cash flows, and a balance sheet of Franchisee, all for the fiscal year then ended. Franchisor shall have the right at any time to require audited annual statements to be provided to it, at Franchisee's expense; and/or

(iv) Within thirty (30) days of filing, a true copy of all returns, schedules and reports filed by Franchisee for income, corporate or sales tax purposes.

In addition to the foregoing, Franchisee must provide Franchisor with the following records and information:

(i) A statement of relevant Gross Revenue in the form required by Franchisor to be delivered with each payment of the Royalty Fee no later than 5:00 p.m. on the 5th day of each calendar month;

(ii) Insurance certificates upon the annual renewal of the policies and all health and safety inspection reports; and

(iii) Any other data, information and supporting records reasonably requested from time to time by Franchisor.

10. **INSPECTIONS AND AUDITS.**

A. **FRANCHISOR'S RIGHT TO INSPECT FRANCHISEE'S BUSINESS.** Franchisor and its duly authorized representatives shall have the right, if they so elect, at all reasonable times, to enter and inspect the LÀ LÁ Bakeshop Business to ensure that Franchisee is complying with such specifications, standards, business practices, policies and requirements and to test any and all equipment, systems, products and ingredients used in connection with the operation of the LÀ LÁ Bakeshop Business. If Franchisee in any way shall fail to maintain the standards of quality for the products and services as established by Franchisor from time to time, Franchisor shall notify Franchisee in writing of the failure and give Franchisee

10 days in which to cure such failure. If Franchisee fails to cure such failure within such 10-day period, Franchisor shall, in addition to any other remedy available to it, have the right to assign to the LÀ LÁ Bakeshop Business such persons as it deems necessary for the training of Franchisee's employees to ensure that the standards of quality for the products and services are maintained. Franchisee shall reimburse Franchisor for all costs associated with providing such personnel, including costs of transportation, meals, lodging, salaries, wages and other compensation (including fringe benefits).

B. **FRANCHISOR'S RIGHT TO AUDIT.** Franchisee shall allow representatives of Franchisor to inspect Franchisee's books and records at all reasonable times in order to verify Gross Revenue that Franchisee reports and any other matters relating to this Agreement and the operation of the LÀ LÁ Bakeshop Business. Franchisor may require Franchisee to submit to Franchisor, or Franchisor's representatives, copies of Franchisee's books and records for any offsite inspection that Franchisor or Franchisor's representatives conduct to audit the LÀ LÁ Bakeshop Business. In the event that any such audit or inspection shall disclose an understatement of Gross Revenue, Franchisee shall pay to Franchisor, within 2 days after receipt by Franchisee of the inspection or audit report, the Royalty Fees and other sums due on account of such understatement. Further, if such audit or inspection is made necessary by the failure of Franchisee to furnish reports, financial statements or any other documentation as herein required, or if it is determined by any such audit or inspection that Franchisee's records and procedures were insufficient to permit a proper determination of Gross Revenue for any year or part thereof to be made, or that Gross Revenue for the period in question were understated by 3% or more of the Gross Revenue actually received, Franchisee shall immediately take such steps as may be necessary to remedy such default in accordance with the recommendations of such auditor and Franchisee shall promptly pay to Franchisor all costs incurred in connection with such audit or inspection, including charges of an accountant and the travel expenses, room, board and compensation of employees of Franchisor, as well as interest on the amounts owed at 18.5% per annum from the date payment was due.

If Franchisee's records and procedures were insufficient to permit a proper determination of Gross Revenue, Franchisor shall have the right to deliver to Franchisee an estimate, made by Franchisor, of Gross Revenue for the period under consideration and Franchisee shall immediately pay to Franchisor any amount shown thereby to be owing on account of the Royalty Fees, and other sums due on account of any understatement. Any such estimate shall be final and binding upon Franchisee.

11. **TRANSFER.**

A. **BY FRANCHISOR.** Franchisee acknowledges that Franchisor maintains a staff to manage and operate the System and that staff members can change as employees come and go. Franchisee represents that it has not signed this Agreement in reliance on any particular manager, owner, director, officer, or employee remaining with Franchisor in any capacity. Franchisor may change its ownership or form or assign this Agreement and any other agreement to a third party without restriction.

B. **BY FRANCHISEE.** Franchisee shall not subfranchise, sell, assign, transfer, pledge, merge, convey or encumber (each, a "**Transfer**"), the LÀ LÁ Bakeshop Business, the Accepted Site, this Agreement or any of its rights or obligations hereunder, or suffer or permit any such Transfer of the LÀ LÁ Bakeshop Business, the Accepted Site, this Agreement or its rights or obligations hereunder to occur by operation of law or otherwise without the prior express written consent of Franchisor. In addition, if Franchisee is a corporation, partnership, business trust, or similar association or entity, the shareholders, members, partners, beneficiaries, investors or other equity holders, as the case may be, may not Transfer their equity interests in such corporation, partnership, business trust, or similar association or entity, without the prior written consent of Franchisor. Furthermore, in the event that any shareholder, member, partner, investor or other equity holder of Franchisee (the "**Equity Holder**") is a corporation, partnership, business trust, or similar association or entity, the interests of the shareholders, members, partners, beneficiaries,

investors or other equity holders, as the case may be, in such Equity Holder, may not be Transferred, without the prior written consent of Franchisor. Any Transfer in violation of this Section shall be void and of no force and effect. In the event Franchisee or an Equity Holder is a corporation, partnership, business trust, or similar association or entity with certificated equity interests, all stock or equity certificates of Franchisee or Equity Holder, as the case may be, shall have conspicuously endorsed upon them a legend in substantially the following form:

“A transfer of this stock is subject to the terms and conditions of LLB GROUP LLC FRANCHISE AGREEMENT dated the _____ day of _____, 20__.”

If Franchisee intends to list the LÀ LÁ Bakeshop Business for sale with any broker or agent, Franchisee shall do so only after obtaining Franchisor’s written approval of the broker or agent and of the listing agreement and any advertising materials. Franchisee may not use any Mark in advertising the transfer or sale of the LÀ LÁ Bakeshop Business or of any ownership in Franchisee without Franchisor’s prior written consent.

C. **CONDITIONS FOR APPROVAL OF TRANSFER.** Franchisor may consider, and Franchisee will provide or assist Franchisor in compiling, any information Franchisor deems necessary or appropriate in connection with Franchisor’s assessment of a proposed Transfer. If Franchisor elects to approve a proposed Transfer, Franchisor may, in Franchisor’s sole discretion, condition Franchisor’s approval in any manner Franchisor deems necessary and appropriate to protect the LÀ LÁ Bakeshop™ brand and Franchisor’s interests in the System and this Agreement, including any of the following (each of which Franchisee agrees is reasonable):

(i) the transferee and/or the controlling persons of the transferee have a satisfactory credit rating, are of good moral character, has business qualifications satisfactory to Franchisor, are willing to comply with Franchisor’s training requirements and are willing to enter into an agreement in writing to assume and perform all of Franchisee’s duties and obligations hereunder and/or enter into a new Franchise Agreement, if Franchisor so requests, and agrees to enter into any and all agreements with Franchisor that are being required of all new franchisees, including a Guaranty, or any other agreement which may require payment of different or increased fees from those paid under this Agreement;

(ii) Franchisee and any person or Entity obligated under this Agreement or the Guaranty must be in compliance with Franchisee’s or its obligations;

(iii) Franchisee and the proposed transferee and its owners (if the transferee is an Entity) must provide all information and documents Franchisor requests regarding the Transfer and the proposed transferee and its owners;

(iv) Franchisee must provide Franchisor with executed versions of any relevant documents to effect the Transfer, and all other information Franchisor requests about the proposed Transfer;

(v) Franchisee, and its Mandatory Trainees, must complete Franchisor’s Initial Training Program to Franchisor’s satisfaction;

(vi) if Franchisee, the transferor or any third party offers the transferee financing for any part of the purchase price, all of the transferee’s obligations under promissory notes, agreements, or security interests reserved in the Operating Assets and/or this Agreement must be subordinate to the transferee’s obligation to pay all amounts due to Franchisor, Franchisor’s

affiliates, and third party vendors and otherwise agree to comply with this Agreement (or any applicable Franchise Agreement with Franchisor;

(vii) Franchisee (and Franchisee's owner(s)) must sign a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and Franchisor's affiliates, subsidiaries, members, managers, officers, directors, employees and agents;

(viii) each transferee and all its direct and indirect owners and their respective spouses must execute and deliver to Franchisor a copy of Franchisor's then current form of Guaranty undertaking personally to be bound, jointly and severally, by all provisions of this Agreement (or Franchisor's then-current form of franchise agreement if the Transfer involves transfer of a controlling interest) and any other ancillary agreements;

(ix) all monetary obligations (whether hereunder or not) of Franchisee to Franchisor or Franchisor's affiliates or subsidiaries are paid in full;

(x) Franchisee and Franchisee's owners must not have violated any provision of this Agreement or any other agreement with Franchisor or Franchisor's affiliates during both the sixty (60) day period before Franchisee requested Franchisor's consent to the Transfer and the period between Franchisee's request and the effective date of the Transfer;

(xi) if the Transfer involves a transfer of the LÀ LÁ Bakeshop Business or a transfer of a controlling interest in Franchisee, the transferee, at Franchisor's request, must sign Franchisor's then-current form of franchise agreement and related documents, any and all of the provisions of which may differ materially from any and all of those contained in this Agreement;

(xii) the Marks not being used in any advertising for any Transfer prohibited by this Agreement;

(xiii) Franchisee and Franchisee's transferring owners (and Franchisee's and their immediate family members) will not, for two (2) years beginning on the transfer's effective date, engage in any of the activities proscribed in Section 15.B. below;

(xiv) the terms and conditions of the proposed Transfer (including the purchase price) being satisfactory to Franchisor;

(xv) Franchisee must pay or cause to be paid to Franchisor a transfer fee in an amount of \$30,000; and

(xvi) at Franchisor's request, the proposed transferee or assignee refurbishes the LÀ LÁ Bakeshop Business to comply with then-current System Standards.

D. TRANSFER TO A WHOLLY OWNED CORPORATION OR LIMITED LIABILITY COMPANY. Notwithstanding Section 11.C. above, if Franchisee is a natural person and in full compliance with this Agreement, Franchisee may transfer this Agreement to a corporation or limited liability company which conducts no business other than Franchisee's LÀ LÁ Bakeshop Business and, if applicable, other LÀ LÁ Bakeshop Businesses, in which Franchisee maintain management control, and of which Franchisee owns and controls one hundred percent (100%) of the economic interests, equity and voting power of all issued and outstanding ownership interests, provided that all of the assets of Franchisee's LÀ LÁ Bakeshop Business are owned, and the business of Franchisee's LÀ LÁ Bakeshop Business is conducted, only by that single corporation or limited liability company. Any such proposed

transfer will be subject to the conditions described in Section 11.C, except that Franchisor will not require payment of a transfer fee and Franchisor's right of first refusal under Section 11.G will not apply; provided, that Franchisee reimburses Franchisor for any direct costs Franchisor incurs in connection with documenting and otherwise processing such transfer, including reasonable legal fees. Franchisee (and Franchisee's owners) agrees to remain personally liable under this Agreement as if the transfer to the corporation or limited liability company did not occur.

E. **PUBLIC OR PRIVATE OFFERING.** Written information used to raise or secure funds can reflect upon Franchisor and the System. Franchisee agrees to submit any written information intended to be used for that purpose to Franchisor before inclusion in any registration statement, prospectus or similar offering memorandum. Should Franchisor object to any reference to Franchisor or its affiliates or any of Franchisor's business in the offering literature or prospectus, the literature or prospectus shall not be used until Franchisor's objections are withdrawn. Franchisee may not engage in a public offering of securities without Franchisor's prior written consent.

F. **FRANCHISEE'S DEATH OR DISABILITY.**

(i) **Transfer Upon Death or Disability.** Upon Franchisee's death or Permanent Disability (as such term is hereinafter defined), this Agreement or the ownership interest of any deceased or disabled shareholder, partner, member or other equity holder of Franchisee or an Equity Holder must be transferred to a third party approved by Franchisor, within ninety (90) days after the death or permanent disability. Such transfers shall be subject to the same conditions set out in 11.C hereof except if Franchisee's interest in the Agreement is transferred to a surviving spouse and/or adult child who are, in the reasonable opinion of Franchisor, capable of carrying on the LÀ LÁ Bakeshop Business. In the event the heirs or beneficiaries of any such person are unable to meet the conditions set out in this Section 11.F hereof, Franchisor may terminate this Agreement.

(ii) **Deemed Permanently Disabled.** For the purposes of this Section 11, Franchisee shall be deemed to have a "Permanent Disability" if the usual participation of Franchisee in the LÀ LÁ Bakeshop Business is for any reason curtailed for a cumulative period of 90 days in any 12-month period during the term of this Agreement, including renewals. As used in this Section 11.F, "Franchisee" may include a disabled or deceased controlling shareholder, partner or member where the context so requires.

G. **FRANCHISOR'S RIGHT OF FIRST REFUSAL.** If Franchisee (or any of its owners) at any time determine to sell or transfer for consideration an interest in this Agreement and the LÀ LÁ Bakeshop Business, or a direct or indirect ownership interest in Franchisee (except to or among Franchisee's current owners, which is not subject to this Section 11.G.), in a transaction that otherwise would be allowed under Sections 11.B. and 11.C. above, Franchisee (or its owners) agree to obtain from a responsible and fully disclosed buyer, and send Franchisor, a true and complete copy of a bona fide, executed written offer (which may include a letter of intent) relating exclusively to an interest in Franchisee or in this Agreement and the LÀ LÁ Bakeshop Business. The offer must include details of the payment terms of the proposed sale and the sources and terms of any financing for the proposed purchase price. To be a valid, bona fide offer, the proposed purchase price must be in US dollar amount, the proposed buyer must submit with its offer an earnest money deposit equal to five percent (5%) or more of the offering price, and Franchisee must represent to Franchisor that the purchase price represents the purchase price for only the LÀ LÁ Bakeshop Business and not a consideration for any other asset or obligation. The right of first refusal process will not be triggered by a proposed transfer that would not be allowed under Sections 11.B. and 11.C. above. Franchisor may require Franchisee (or its owners) to send Franchisor copies of any materials or information sent to the proposed buyer or transferee regarding the possible transaction.

Franchisor may, by written notice delivered to Franchisee or Franchisee's selling owner(s) within forty five (45) days after Franchisor receives both an exact copy of the offer and all other information that Franchisor requests, elect to purchase the interest offered for the price and on the terms and conditions contained in the offer, provided that:

- (i) Franchisor may substitute cash for any form of payment proposed in the offer (such as ownership interests in a privately-held entity);
- (ii) Franchisor's credit will be deemed equal to the credit of any proposed buyer (meaning that, if the proposed consideration includes promissory notes, Franchisor or its designee may provide promissory notes with the same terms as those offered by the proposed buyer);
- (iii) Franchisor will have an additional forty-five (45) days to prepare for closing after notifying Franchisee of Franchisor's election to purchase; and
- (iv) Franchisor must receive, and Franchisee and its owners agree to make, all customary representations and warranties given by the seller of the assets of a business or the ownership interests in a legal entity, as applicable, including representations and warranties regarding:
 - (v) ownership and condition of and title to ownership interests or assets;
 - (vi) liens and encumbrances relating to ownership interests or assets; and
 - (vii) validity of contracts and the liabilities, contingent or otherwise, of the entity whose assets or ownership interests are being purchased.

If Franchisor exercises its right of first refusal, Franchisee and its selling owner(s) (and Franchisee's and their immediate family members) agree that, for two (2) years beginning on the closing date, Franchisee and they will be bound by the non-competition covenant contained in Section 15.B. below. Franchisor has the unrestricted right to assign this right of first refusal to a third party, who then will have the rights described in this Section 11.G.

If Franchisor does not exercise its right of first refusal, Franchisee or its owners may complete the sale to the proposed buyer on the original offer's terms, but only if Franchisor otherwise approves the transfer in accordance with, and Franchisee (and its owners) and the transferee comply with the conditions in, Sections 11.B. and 11.C. above. This means that, even if Franchisor does not exercise its right of first refusal (whether or not it is properly triggered as provided above) and, if the proposed transfer otherwise would not be allowed under Sections 11.B. and 11.C. above, Franchisee (or its owners) may not move forward with the transfer at all.

If Franchisee does not complete the sale to the proposed buyer within sixty (60) days after Franchisor notifies Franchisee that Franchisor does not intend to exercise Franchisor's right of first refusal, or if there is a material change in the terms of the sale (which Franchisee agree to tell Franchisor promptly), Franchisor or its designee will have an additional right of first refusal during the forty five (45) day period following either the expiration of the sixty (60) days' period or Franchisor's receipt of notice of the material change(s) in the sale's terms, either on the terms originally offered or the modified terms, at Franchisor's or its designee's option

12. EXPIRATION OF THIS AGREEMENT.

A. **FRANCHISEE'S RIGHT TO ACQUIRE A SUCCESSOR FRANCHISE.** When this Agreement expires:

(i) if Franchisee (and each of its owners) have fully complied with this Agreement during the Term;

(ii) if Franchisee (and each of its owners) are, both on the date Franchisee gives Franchisor written notice of Franchisee's desire to acquire a successor franchise (as provided in Section 12.B. below) and on the date on which the term of the successor franchise would commence, in full compliance with this Agreement and all System Standards; and

(iii) provided that (a) Franchisee maintains possession of and agrees (regardless of cost) to remodel or expand the LÀ LÁ Bakeshop Business, add or replace improvements and Operating Assets, and otherwise modify the LÀ LÁ Bakeshop Business as Franchisor requires to comply with System Standards then applicable for new LÀ LÁ Bakeshop Businesses, or (b) at Franchisee's option, Franchisee secures a substitute premises that Franchisor approves and Franchisee develops those premises according to System Standards then applicable for LÀ LÁ Bakeshop Businesses,

then Franchisee may acquire a successor franchise to operate the LÀ LÁ Bakeshop Business as a LÀ LÁ Bakeshop Business for one successive term comprising of five (5) years (a "**Successor Franchise Term**"). For a Successor Franchise Term, Franchisee agrees to sign a general release and the franchise agreement that Franchisor then-uses to grant franchises for LÀ LÁ Bakeshop Businesses (modified as necessary to reflect the fact that it is for a successor franchise), which may contain provisions that differ materially from any and all of those contained in this Agreement; provided that Franchisor will waive the Initial Franchise Fee. However, Franchisee must pay a successor fee in an amount equal to Ten Thousand Dollars (\$10,000) for a Successor Franchise Term. If Franchisee (and each of its owners) are not, both on the date that Franchisee gives Franchisor written notice of Franchisee's election to acquire a successor franchise and on the date on which the term of the successor franchise commences, in full compliance with this Agreement and all System Standards, Franchisee acknowledges that Franchisor needs not grant Franchisee a successor franchise, whether or not Franchisor had, or chose to exercise, the right to terminate this Agreement during the Term under Section 12.B.

B. **GRANT OF A SUCCESSOR FRANCHISE.** Franchisee agrees to give Franchisor written notice of Franchisee's election to acquire a successor franchise no more than two hundred and seventy (270) days and no less than one hundred and eight (180) days before this Agreement expires. Franchisor agrees to give Franchisee written notice ("**Franchisor Notice**"), not more than ninety (90) days after Franchisor receives Franchisee's notice, of Franchisor's decision:

(i) to grant Franchisee a successor franchise;

(ii) to grant Franchisee a successor franchise on the condition that Franchisee corrects existing deficiencies of Franchisee's LÀ LÁ Bakeshop Business or in the operation of Franchisee's LÀ LÁ Bakeshop Business;

(iii) not to grant Franchisee a successor franchise based on Franchisor's determination that Franchisee and Franchisee's owners have not substantially complied with this Agreement during the Term or were not in full compliance with this Agreement and all System Standards on the date Franchisee gave Franchisor written notice of Franchisee's election to acquire a successor franchise; or

(iv) not to grant Franchisee a successor franchise because Franchisor is no longer granting franchises for LÀ LÁ Bakeshop Businesses.

If applicable, Franchisor Notice will:

(i) describe the remodeling, expansion, improvements, or modifications required to bring Franchisee's LÀ LÁ Bakeshop Business into compliance with then-applicable System Standards for new LÀ LÁ Bakeshop Businesses; and

(ii) state the actions Franchisee must take to correct operating deficiencies and the time period in which Franchisee must correct these deficiencies.

If Franchisor elects not to grant Franchisee a successor franchise, Franchisor Notice will describe the reasons for the decision. If Franchisor elects to grant Franchisee a successor franchise, Franchisee's right to acquire a successor franchise is subject to Franchisee's full compliance with all of the terms and conditions of this Agreement through the date of its expiration, in addition to Franchisee's compliance with the obligations described in Franchisor Notice.

C. **AGREEMENTS/RELEASES.** In order to acquire a successor franchise, Franchisee must satisfy all of the other conditions for a successor franchise and Franchisee and Franchisee's owners agree to execute the form of franchise agreement and any ancillary agreements Franchisor then customarily uses in granting franchises for LÀ LÁ Bakeshop Businesses (modified as necessary to reflect the fact that it is for a successor franchise), which may contain provisions that differ materially from any and all of those contained in this Agreement. Franchisee and Franchisee's owners further agree to sign general releases, in a form satisfactory to Franchisor, of any and all claims against Franchisor and Franchisor's affiliates and Franchisor's and their owners, officers, directors, employees, agents, successors, and assigns. Franchisor will consider Franchisee's or Franchisee's owners' failure to sign these agreements and releases and to deliver them to Franchisor for acceptance and execution (together with the successor franchise fee) within thirty (30) days after their delivery to Franchisee to be an election not to acquire a successor franchise.

13. **TERMINATION OF AGREEMENT.**

A. **TERMINATION BY FRANCHISEE.** If Franchisee and Franchisee's owners are fully compliant with this Agreement and Franchisor materially fails to comply with this Agreement and does not correct the failure within thirty (30) days after Franchisee delivers written notice of the material failure to Franchisor or if Franchisor cannot correct the failure within thirty (30) days and Franchisor fails to give Franchisee within thirty (30) days after Franchisee's notice reasonable evidence of Franchisor's effort to correct the failure within a reasonable time, Franchisee may terminate this Agreement effective an additional thirty (30) days after Franchisee delivers to Franchisor written notice of termination. Franchisee's termination of this Agreement other than according to this Section 13.A will be deemed a termination without cause and a breach of this Agreement.

B. **TERMINATION BY FRANCHISOR.** Franchisor may terminate this Agreement, effective upon written notice to Franchisee, if:

(i) Franchisee (or any of its owners) have made or make any material misrepresentation or omission in acquiring the Franchise or operating the LÀ LÁ Bakeshop Business;

(ii) Franchisee does not locate, and sign a Lease or purchase document for, an acceptable site for the Accepted Site within ninety (90) days after the Effective Date;

- (iii) Franchisee does not commence operation and open the LÀ LÁ Bakeshop Business for business to the public by the Opening Deadline;
- (iv) Franchisor determines that the Mandatory Trainees did not complete the initial training to Franchisor's satisfaction;
- (v) Franchisee abandons or fails to actively operate the LÀ LÁ Bakeshop Business for three (3) or more consecutive days, unless Franchisee closes the LÀ LÁ Bakeshop Business for a purpose that Franchisor approves;
- (vi) Franchisee (or any of its owners) are or have been convicted by a trial court of, or plead or have pleaded no contest or guilty to, a felony;
- (vii) Franchisee fails to maintain the insurance that Franchisor requires and does not correct the failure within ten (10) days after Franchisor delivers written notice of that failure to Franchisee;
- (viii) Franchisee (or any of its owners) engages in any conduct which, in Franchisor's opinion, adversely affects the reputation of the LÀ LÁ Bakeshop Business or the goodwill associated with the Marks;
- (ix) Franchisee uses the Marks in any way prohibited by Section 5.B., or otherwise misuses the Marks;
- (x) Franchisee (or any of its owners) makes or attempts to make an unauthorized transfer (as described in Section 11.B.);
- (xi) Franchisee loses the right to occupy the Accepted Site;
- (xii) Franchisee (or any of its owners) knowingly make any unauthorized use or disclosure of any part of the Brand Manual or any other Confidential Information;
- (xiii) Franchisee violates any law, ordinance, rule or regulation of a governmental agency in connection with the operation of the LÀ LÁ Bakeshop Business and fails to correct such violation within seventy-two (72) hours after Franchisee receives notice from Franchisor or any other party;
- (xiv) Franchisee fails to pay Franchisor or its affiliates any amounts due and do not correct the failure within ten (10) days after written notice of that failure has been delivered or fails to pay any third-party obligations, including Franchisee's landlord and third-party vendors and suppliers, owed in connection with Franchisee's ownership or operation of the LÀ LÁ Bakeshop Business and does not correct such failure within any cure periods permitted by the person or Entity to whom such obligations are owed;
- (xv) Franchisee fails to pay when due any federal or state income, service, sales, use, employment or other taxes due on or in connection with the operation of the LÀ LÁ Bakeshop Business, unless Franchisee is in good faith contesting Franchisee's liability for these taxes;
- (xvi) Franchisee understates the Gross Revenue three (3) times or more during the Term;

(xvii) Franchisee (or any of its owners) (a) fails on three (3) or more separate occasions within any twelve (12) consecutive month period to comply with this Agreement, whether or not Franchisor notifies Franchisee of the failures, and, if Franchisor does notify Franchisee of the failures, whether or not Franchisee corrects the failures after Franchisor's delivery of notice to Franchisee; or (b) fails on two (2) or more separate occasions within any six (6) consecutive month period to comply with the same obligation under this Agreement, whether or not Franchisor notifies Franchisee of the failures, and, if Franchisor does notify Franchisee of the failures, whether or not Franchisee corrects the failures after Franchisor's delivery of notice to Franchisee;

(xviii) Franchisee makes an assignment for the benefit of creditors or admit in writing Franchisee's insolvency or inability to pay Franchisee's debts generally as they become due; Franchisee consents to the appointment of a receiver, trustee, or liquidator of all or the substantial part of its property; the LÀ LA Bakeshop Business is attached, seized, subjected to a writ or distress warrant, or levied upon, unless the attachment, seizure, writ, warrant, or levy is vacated within thirty (30) days; or any order appointing a receiver, trustee, or liquidator of Franchisee or the LÀ LA Bakeshop Business is not vacated within thirty (30) days following the order's entry;

(xix) Franchisee (or any of its owners) files a petition in bankruptcy or a petition in bankruptcy is filed against Franchisee;

(xx) Franchisee (or any of its owners) fails to comply with anti-terrorism laws, ordinances, regulations and Executive Orders;

(xxi) Franchisee creates or allows to exist any condition in or at the Accepted Site which Franchisor reasonably determines to present a health or safety concern for customers or employees of the LÀ LA Bakeshop Business;

(xxii) Franchisee fails to pass quality assurance audits, and does not cure such failure within fifteen (15) days after Franchisor delivers written notice of failure to Franchisee;

(xxiii) Franchisee (or any of its owners) fails to comply with any other provision of this Agreement or any System Standard, and does not correct the failure within thirty (30) days after Franchisor delivers written notice of the failure to Franchisee; or

(xxiv) Franchisee or a Guarantor or an affiliate fails to comply with any other agreement with Franchisor or Franchisor's affiliate, unless the failure is timely and completely cured within any cure period provided under the applicable agreement.

C. **INTERIM OPERATIONS BY FRANCHISOR.** In addition to Franchisor's right to terminate this Agreement, and not in lieu thereof, Franchisor may enter into the LÀ LA Bakeshop Business and exercise complete authority with respect to the management thereof until such time as Franchisor shall determine that the default of Franchisee has been cured and that Franchisee is complying with the requirements of this Agreement. Franchisee specifically agrees that a designated representative of Franchisor may take control and manage the LÀ LA Bakeshop Business in the event of any such default. If Franchisor assumes the management of the LÀ LA Bakeshop Business, Franchisee must pay Franchisor (in addition to the Royalty Fee) a Management Fee equal to ten percent (10%) of the LÀ LA Bakeshop Business' monthly Gross Revenue (the "**Management Fee**") plus reimburse Franchisor for the full compensation paid to such representative, including the cost of all fringe benefits plus any and all expenses reasonably incurred by such representative so long as such representative shall be necessary and in any event until the default has been cured and Franchisee is complying with the terms of this Agreement. Franchisee acknowledges that the Management Fee shall be in addition to any other fees required under

this Agreement and shall be paid in accordance with the methods of payment set forth in Section 3 of this Franchise Agreement. Payment of the Management Fee shall be made on or before the 5th day of each month, in respect of the Gross Revenue of the LÀ LÁ Bakeshop Business for the preceding calendar month. If Franchisor assumes the LÀ LÁ Bakeshop Business' management, Franchisee acknowledges that Franchisor will have a duty to utilize only reasonable efforts and will not be liable to Franchisee or its owners for any debts, losses, or obligations the LÀ LÁ Bakeshop Business incurs, or to any of Franchisee's creditors for any supplies or services the LÀ LÁ Bakeshop Business purchases, while Franchisor manages it.

14. EFFECT OF AND OBLIGATIONS UPON TERMINATION OR EXPIRATION OF THIS AGREEMENT.

A. **OBLIGATIONS UPON TERMINATION OR EXPIRATION.** Upon the termination or expiration of this Agreement for any reason, Franchisee and its owners:

(i) pay Franchisor within fifteen (15) days after this Agreement expires or is terminated, or on any later date that Franchisor determines the amounts due to Franchisor, the Royalty Fee, Marketing Fund contributions, interest, and all other amounts owed to Franchisor (and its affiliates) which then are unpaid;

(ii) will immediately close the LÀ LÁ Bakeshop Business for business to customers and cease to directly or indirectly sell any products and services of any kind and in any manner from the LÀ LÁ Bakeshop Business and/or using the Marks, unless Franchisor directs Franchisee otherwise in connection with Franchisor's exercise of its option to purchase pursuant to Section 14.C.;

(iii) will cease to directly or indirectly use any Mark, any colorable imitation of a Mark, any other indicia of a LÀ LÁ Bakeshop Business, any trade name, trade or service mark, or other commercial symbol that indicates or suggests a connection or association with Franchisor, in any manner or for any purpose;

(iv) cease to directly or indirectly identify Franchisee or its business as a current or former LÀ LÁ Bakeshop Business or as one of Franchisor's current or former franchise owners (except in connection with other LÀ LÁ Bakeshop Businesses that Franchisee operates in compliance with the terms of a valid Franchise Agreement with Franchisor) and take the action required to cancel or assign all fictitious or assumed name or equivalent registrations relating to Franchisee's use of any Mark;

(v) if Franchisor does not exercise its option to purchase the LÀ LÁ Bakeshop Business, promptly and at Franchisee's own expense, remove all materials bearing the Marks and remove from both the interior and exterior of the Accepted Site all materials and components of Franchisor's trade dress as Franchisor determines to be necessary to avoid any association between the Accepted Site and the System or that would, in any way, indicate that the Accepted Site is or was associated with the LÀ LÁ Bakeshop brand or the System;

(vi) cease using and, at Franchisor's direction, either disable or instruct the registrar of any Contact Information or Digital Presence to transfer exclusive control and access of such Contact Information or Digital Presence to Franchisor or its designee in accordance with Franchisor's instructions;

(vii) return to Franchisor or destroy (as Franchisor requires) all items, forms and materials containing any Mark or otherwise identifying or relating to a LÀ LÁ Bakeshop Business, copies of any and all Confidential Information, including the Brand Manual; computer software, similar technologies, passwords, and identifications licensed by Franchisor to Franchisee; any and all customer data or other information from Franchisee's POS System; and any other information and material that is proprietary to Franchisor or the System; and

(viii) comply with all other System Standards that Franchisor establishes from time-to-time (and all applicable laws) in connection with the closure and de-identification of the LÀ LÁ Bakeshop Business, including as it relates to disposing of Personal Information, in any form, in Franchisee's possession or the possession of any of Franchisee's employees.

If Franchisee fails to take any of the actions or refrain from taking any of the actions described above, Franchisor may take whatever action and sign whatever documents that Franchisor deems appropriate on Franchisee's behalf to cure the deficiencies, including, without liability to Franchisee or third parties for trespass or any other claim, to enter the Accepted Site and remove any signs or other materials containing any Marks from the LÀ LÁ Bakeshop Business. Franchisee must reimburse Franchisor for all costs and expenses that Franchisee incurs in correcting any such deficiencies.

B. **LOST REVENUE DAMAGES.** If Franchisor terminates this Agreement because of Franchisee's breach or if Franchisee terminates this Agreement without cause, Franchisor and Franchisee agree that it would be difficult, if not impossible, to determine the amount of damages that Franchisor would suffer due to the loss or interruption of the revenue stream that Franchisor otherwise would have derived from Franchisee's continued payment of Royalty Fees, and that the Marketing Fund would have otherwise derived from Franchisee's continued contributions, through the remainder of the Term. Therefore, Franchisee and Franchisor agree that a reasonable estimate of such damages, less any cost savings that Franchisor might have experienced (the "**Lost Revenue Damages**"), is an amount equal to the net present value of the Royalty Fees and contributions to the Marketing Fund that would have become due had this Agreement not been terminated. For the purposes of this Section, Lost Revenue Damages shall be calculated as follows: (1) the number of calendar months in the Measurement Period (defined below), multiplied by (2) the aggregate of the Royalty Fee and Marketing Fund contribution percentages, multiplied by (3) the average monthly Gross Revenue of the during the twelve (12) full calendar months immediately preceding the last date on which the LÀ LÁ Bakeshop Business operated; provided, that if as of the last date on which the LÀ LÁ Bakeshop Business operated, the LÀ LÁ Bakeshop Business was not in operation for at least twelve (12) months, the average monthly Gross Revenue of all LÀ LÁ Bakeshop Businesses (whether franchised or company-owned) operating under the Marks during the entirety of Franchisor's fiscal year immediately preceding the termination date. The "**Measurement Period**" means the time period beginning on the date of termination to the earlier of: (a) 24 months following the date of termination, or (b) the originally scheduled expiration of the Term.

C. **FRANCHISOR'S RIGHT TO PURCHASE THE LÀ LÁ BAKESHOP BUSINESS.**

(i) **Purchase Option.** In addition to any other rights to purchase that Franchisor has under this Agreement, Franchisor has the right to purchase the LÀ LÁ Bakeshop Business, as described in this Section 14.C (the "**Purchase Option**"), upon the occurrence of a "Termination Event." Franchisor has the unrestricted right to assign the Purchase Option in its discretion. A "**Termination Event**" is either the expiration of this Agreement and any successor franchise granted pursuant to Section 12 (except for any expiration under the circumstances described in Section 12.B.(iv) hereof) or the termination of this Agreement by Franchisee without cause or by Franchisor as permitted under Section 13.B.

(ii) Purchase Price. Franchisor may exercise the Purchase Option based on a Termination Event by giving Franchisee written notice of Franchisor's election by not later than forty-five (45) days after the occurrence of the Termination Event (the "**Election Period**"). The purchase price for the LÀ LÁ Bakeshop Business will be its fair market value, provided that the fair market value will not include any value for (i) the Franchise or any rights granted by this Agreement, or (ii) goodwill attributable to Franchisor's Marks, brand image and other intellectual property. The closing (the "**Closing**") of the purchase will take place, as described in paragraph (4) below, on a date that Franchisor selects which is within ninety (90) days after the purchase price is determined by Franchisor or, if Franchisee disputes the calculation of the purchase price, as determined pursuant to paragraph (3) below.

(iii) Disputes Regarding Purchase Price Calculation. If Franchisee disputes the calculation of the purchase price, the purchase price will be determined by one independent accredited appraiser designated by Franchisor who will calculate the purchase price applying the criteria specified above. Franchisor agrees to select the appraiser within fifteen (15) days after Franchisor receives the financial and other information necessary to calculate the purchase price (if Franchisee and Franchisor have not agreed on the purchase price before then). Franchisor and Franchisee will share equally the appraiser's fees and expenses. The appraiser must complete its calculation within thirty (30) days after its appointment. The purchase price will be the appraiser's determination of the value, applying the appropriate mechanism as described above.

(iv) Real Property. If Franchisee or any of its affiliates owns the Accepted Site, Franchisee agrees to (or cause its affiliate to) lease the Accepted Site to Franchisor or its designated affiliate on terms and conditions that are commercially reasonable in light of the location and condition of the Accepted Site and other relevant circumstances.

(v) Closing; Operations. During the Election Period and (if Franchisor elects to exercise the Purchase Option) through the Closing, Franchisor shall have the right to (i) assume (or to designate a third party to assume) operations of the LÀ LÁ Bakeshop Business, or (ii) require Franchisee to close the LÀ LÁ Bakeshop Business. In either case, Franchisee shall maintain in force all insurance policies and business licenses required pursuant to this Agreement through the Closing Date, unless Franchisor does not exercise the Purchase Option prior to the expiration of the Election Period. If Franchisor elects to assume operations (or to designate a third party to do so), Franchisee acknowledges and agrees that any and all revenue of the LÀ LÁ Bakeshop Business during such period will belong to Franchisor. Prior to closing, Franchisee agrees to cooperate with Franchisor in conducting due diligence, including providing Franchisor with access to Franchisee's business and financial records, relevant contracts and all other information relevant to the LÀ LÁ Bakeshop Business. At the closing, Franchisor (or its assignee) will pay the purchase price in cash. Franchisee agrees to execute and deliver to Franchisor (or its assignee):

1. an asset purchase agreement and all related agreements, in form and substance acceptable to Franchisor and in which Franchisee provides all customary warranties and representations, including representations and warranties as to ownership and condition of and title to assets, liens and encumbrances on assets, validity of contracts and agreements, and liabilities affecting the assets, contingent or otherwise;

2. a transfer of good and merchantable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to Franchisor), with all sales and other transfer taxes paid by Franchisee;

3. an assignment of all of the licenses and permits for the LÀ LÁ Bakeshop Business which may be assigned or transferred;

4. an assignment of the Lease;

5. general releases, in form and substance satisfactory to Franchisor, of any and all claims Franchisee and its owners have against Franchisor and its shareholders, officers, directors, employees, agents, successors, and assigns; and

6. an agreement, in form and substance satisfactory to Franchisor, voluntarily terminating this Agreement under which Franchisee and its owners agree to comply with all post-term obligations set forth in Sections 14 and 15 intended to survive termination or expiration of this Agreement.

15. RESTRICTIVE COVENANTS

A. **COMPETITION DURING TERM OF AGREEMENT.** Franchisee acknowledges that Franchisor has granted Franchisee the Franchise in consideration of and reliance upon Franchisee's agreement to deal exclusively with Franchisor. Franchisee therefore agrees that, during the Term, neither Franchisee nor any of its owners, Franchisee's or its owners' affiliates, or the officers, directors, managers or immediate family members of any of the foregoing will:

(i) have any direct or indirect interest as an owner – whether of record, beneficially, or otherwise – in a Competitive Business (defined below), wherever located or operating (except that equity ownership of less than five percent (5%) of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this subparagraph);

(ii) perform services as a director, officer, manager, employee, consultant, representative, lessor, or agent for a Competitive Business, wherever located or operating;

(iii) divert or attempt to divert any actual or potential business or customer of any LÀ LÁ Bakeshop Business to a Competitive Business; or

(iv) directly or indirectly, appropriate, use or duplicate the System or System Standards, or any portion thereof, for use in any other business or endeavor.

For purposes of this Agreement, the term “**Competitive Business**” means any business operating, or granting franchises or licenses to others to operate, a bakery or other food service business (a) engaged in the retail or wholesale production or sale of baked goods and beverages (including, but not limited to, Vietnamese baked goods and beverages including coffee and tea, as well as other baked goods), and (b) that derives more than 50% of its revenue from sales of baked goods and beverages (other than another LÀ LÁ Bakeshop Business operated by Franchisee under license from Franchisor).

B. **COMPETITION AFTER TERM OF AGREEMENT.** Franchisee agrees that for two (2) years beginning on the effective date of the termination or expiration of this Agreement, neither Franchisee nor any of its owners, Franchisee's or its owners' affiliates, or the officers, directors, managers or immediate family members of any of the foregoing will:

(i) divert or attempt to divert any present or prospective customer of any LÀ LÁ Bakeshop Business to any Competitive Business, by direct or indirect inducement or otherwise; or

(ii) have any direct or indirect interest as an owner (whether of record, beneficially, or otherwise), investor, partner, director, officer, employee, consultant, representative, lessor, or agent in any Competitive Business located or operating (x) within a ten (10) mile radius of the LÀ LÁ Bakeshop Business and (y) within a five (5) mile radius of any other LÀ LÁ Bakeshop Business in operation on the later of the effective date of the termination or expiration of this Agreement or the date on which all persons restricted by this Section 15.B. begin to comply with this Section 15.B.

These restrictions also apply after transfers, as provided in Section 11.C above. If any person restricted by this Section 15.C. refuses voluntarily to comply with these obligations, the two (2) year period for that person will commence with the entry of a court order enforcing this provision. Franchisee and its owners expressly acknowledge that Franchisee possesses skills and abilities of a general nature and have other opportunities for exploiting these skills. Consequently, Franchisor's enforcement of the covenants made in this Section 15.B. will not deprive Franchisee of its personal goodwill or ability to earn a living.

C. **NON-INTERFERENCE.** Franchisee further agrees that, either during or for two (2) years after the Term, neither Franchisee nor any of its owners, Franchisee's or its owners' affiliates, or the officers, directors, managers or immediate family members of any of the foregoing, will: (i) interfere or attempt to interfere with Franchisor or its affiliates' relationships with any vendors or consultants; or (ii) engage in any other activity which might injure the goodwill of the Marks or the System.

D. **NON-DISPARAGEMENT.** Franchisee agrees not to (and to use its best efforts to cause Franchisee's current and former shareholders, members, officers, directors, principals, agents, partners, employees, representatives, attorneys, spouses, heirs, affiliates, successors and assigns not to) disparage or otherwise speak or write negatively, directly or indirectly, of Franchisor, its affiliates, any of Franchisee's or its affiliates' directors, officers, employees, representatives or affiliates, current and former franchisees or developers of Franchisor or its affiliates, the LÀ LÁ Bakeshop™ brand, the System, any LÀ LÁ Bakeshop Business, any business using the Marks, any other brand or service-marked or trademarked concept of Franchisor or its affiliates, or which would subject the LÀ LÁ Bakeshop™ brand or such other brands to ridicule, scandal, reproach, scorn, or indignity, or which would negatively impact the goodwill of Franchisor, the LÀ LÁ Bakeshop™ brand or such other brands. The obligations of this Section 15.D shall survive any expiration or termination of this Agreement,

16. **RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.**

A. **INDEPENDENT CONTRACTORS.** This Agreement does not create a fiduciary relationship between Franchisee and Franchisor. Franchisee and Franchisor are and will be independent contractors, and nothing in this Agreement is intended to make either Franchisee or Franchisor a general or special agent, joint venturer, partner, or employee of the other for any purpose. Franchisee agrees to identify itself conspicuously in all dealings with customers, vendors, public officials, Franchisee's personnel, and others as the owner of Franchisee's business under a franchise Franchisor has granted and to place notices of independent ownership on the business cards, advertising, and other materials Franchisor periodically require.

Franchisee also acknowledges that Franchisee will have a contractual relationship only with Franchisor and may look only to Franchisor to perform under this Agreement. None of Franchisor's affiliates is a party to this Agreement and has no obligations under it. However, Franchisor's affiliate who is the owner of the Marks, Franchisee and Franchisor agree that such affiliate will be a third-party beneficiary of those provisions in this Agreement relating to use of the Marks, with the independent right to enforce such provisions against Franchisee and to seek damages from Franchisee for Franchisee's failure to comply with those provisions.

B. **EMPLOYEES, AGENTS, AND INDEPENDENT CONTRACTORS.** Franchisee acknowledges and agrees that Franchisee is solely responsible for all decisions relating to employees, agents, and independent contractors that Franchisee may hire to assist in Franchisee's operation of the LÁ LÁ Bakeshop Business. Franchisee agrees that any employee, agent or independent contractor that Franchisee hire will be Franchisee's employee, agent or independent contractor, and not Franchisor's employee, agent or independent contractor. Franchisee also agrees that Franchisee is exclusively responsible for the terms and conditions of employment of Franchisee's employees, including recruiting, hiring, firing, training, compensation, work hours and schedules, work assignments, safety and security, discipline, and supervision. Franchisee agrees to manage the employment functions in relation with Franchisee's operation of the LÁ LÁ Bakeshop Business in compliance with federal, state, and local employment laws.

C. **INDEMNIFICATION.** Franchisee agrees to indemnify, defend, and hold harmless Franchisor, Franchisor's current and former affiliates, and each of the foregoing Entity's respective owners, managers, directors, officers, employees, agents, successors, and assignees (the "**Indemnified Parties**") against, and to reimburse any one or more of the Indemnified Parties for, all claims, obligations, and damages directly or indirectly arising out of the operation of the LÁ LÁ Bakeshop Business, or Franchisee's breach of this Agreement, including, without limitation, those alleged to be caused by the Indemnified Party's negligence, unless (and then only to the extent that) the claims, obligations, or damages are determined to be caused solely by the Indemnified Party's intentional misconduct in a final, unappealable ruling issued by a court with competent jurisdiction. For purposes of this indemnification, "**claims**" include all obligations, damages (actual, consequential, or otherwise), and costs that any Indemnified Party reasonably incurs in defending any claim against it, including, without limitation, reasonable accountants', arbitrators', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation or alternative dispute resolution, regardless of whether litigation or alternative dispute resolution is commenced. Each Indemnified Party may defend any claim against it at Franchisee's expense (including choosing and retaining its own legal counsel) and agree to settlements or take any other remedial, corrective, or other actions. This indemnity will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a claim against Franchisee under this subparagraph. Franchisee agrees that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover from Franchisee under this Section 16.C.

17. **ENFORCEMENT.**

A. **ARBITRATION.** Franchisor and Franchisee agree that all controversies, disputes, or claims between Franchisor or any of Franchisor's affiliates, and Franchisor's and their respective owners, officers, directors, agents, and employees, on the one hand, and Franchisee (and Franchisee's owners, guarantors, affiliates, and employees), on the other hand, arising out of or related to: (1) this Agreement or any other agreement between Franchisee (or any of Franchisee's owners) and Franchisor (or any of Franchisor's affiliates); (2) Franchisor's relationship with Franchisee; (3) the scope or validity of this Agreement or any other agreement between Franchisee (or any of Franchisee's owners) and Franchisor (or any of Franchisor's affiliates) or any provision of any of such agreements (including the validity and scope of the arbitration provision under this Section, which Franchisor and Franchisee acknowledge is to be determined by an arbitrator, not a court); or (4) any System Standards, must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association (the "**AAA**"). The arbitration proceedings will be conducted by one arbitrator and, except as this Section otherwise provides, according to the AAA's then-current Commercial Arbitration Rules. All proceedings will be conducted at a suitable location chosen by the arbitrator that is within fifty (50) miles of Franchisor's (or, as applicable, Franchisor's successor's or assign's) then current principal place of business (currently, Scarborough,

Ontario, Canada). All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). The interim and final awards of the arbitrator shall be final and binding upon each party, and judgment upon the arbitrator's awards may be entered in any court of competent jurisdiction.

The arbitrator has the right to award or include in his or her awards any relief which he or she deems proper, including, without limitation, money damages, pre- and post-award interest, interim costs and attorneys' fees, specific performance, and injunctive relief, provided that the arbitrator may not declare any of the trademarks owned by Franchisor or Franchisor's affiliates generic or otherwise invalid, or award any punitive or exemplary damages against any party to the arbitration proceeding (Franchisor and Franchisee hereby waiving to the fullest extent permitted by law any such right to or claim for any punitive or exemplary damages against any party to the arbitration proceeding). In any arbitration brought pursuant to this arbitration provision, and in any action in which a party seeks to enforce compliance with this arbitration provision, the prevailing party shall be awarded its costs and expenses, including attorneys' fees, incurred in connection therewith.

Franchisor and Franchisee agrees to be bound by the provisions of any applicable contractual or statutory limitations provision, whichever expires earlier. Franchisor and Franchisee further agree that, in any arbitration proceeding, each party must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding. Any claim which is not submitted or filed as required will be forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either Franchisee or Franchisor.

FRANCHISOR AND FRANCHISEE AGREES THAT ARBITRATION WILL BE CONDUCTED ON AN INDIVIDUAL BASIS AND THAT AN ARBITRATION PROCEEDING BETWEEN FRANCHISOR AND ANY OF FRANCHISOR'S AFFILIATES, OR FRANCHISOR'S AND THEIR RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES, ON THE ONE HAND, AND FRANCHISEE (OR FRANCHISEE'S OWNERS, GUARANTORS, AFFILIATES, AND EMPLOYEES), ON THE OTHER HAND, MAY NOT BE: (I) CONDUCTED ON A CLASS-WIDE BASIS; (II) COMMENCED, CONDUCTED OR CONSOLIDATED WITH ANY OTHER ARBITRATION PROCEEDING; (III) JOINED WITH ANY SEPARATE CLAIM OF AN UNAFFILIATED THIRD PARTY; OR (IV) BROUGHT ON FRANCHISEE'S BEHALF BY ANY ASSOCIATION OR AGENT. Notwithstanding the foregoing, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute, controversy or claim that otherwise would be subject to arbitration under this Section, then all parties agree that this arbitration clause shall not apply to that dispute, controversy or claim and that such dispute, controversy or claim shall be resolved in a judicial proceeding in accordance with the dispute resolution provisions of this Agreement.

Franchisor and Franchisee agree that, in any arbitration arising as described herein, the arbitrator shall have full authority to manage any necessary exchange of information among the parties with a view to achieving an efficient and economical resolution of the dispute.

The provisions of this Section are intended to benefit and bind certain third-party non-signatories. The provisions of this Section will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

Any provisions of this Agreement below that pertain to judicial proceedings shall be subject to the agreement to arbitrate contained in this Section.

B. GOVERNING LAW. 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 United States federal law, this Agreement,

the franchise and all claims arising from the relationship between Franchisor and Franchisee will be governed by the laws of the State of Delaware, without regard to its conflict of laws rules, except that (1) any state law regulating the offer or sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this section, and (2) the enforceability of those provisions of this Agreement which relate to restrictions on Franchisee and Franchisee's owners' competitive activities will be governed by the laws of the state in which Franchisee's LÀ LÁ Bakeshop Business is located.

C. **CONSENT TO JURISDICTION.** Subject to the obligation to arbitrate under Section 17.A above and the provisions below, Franchisee and Franchisee's owners agree that all actions arising under this Agreement or otherwise as a result of the relationship between Franchisee and Franchisor must be commenced in the court nearest to Franchisor's (or, as applicable, Franchisor's successor's or assign's) then current principal place of business (currently, Scarborough, Ontario, Canada), and Franchisee (and each owner) irrevocably submit to the jurisdiction of that court and waive any objection Franchisee (or the owner) might have to either the jurisdiction of or venue in that court.

D. **WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL.** Except for Franchisee's obligation to indemnify Franchisor for third party claims under Section 16.C, Franchisor and Franchisee (and Franchisee's owners) 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 between Franchisor and Franchisee, the party making a claim will be limited to equitable relief and to recovery of any actual damages it sustains. Franchisor and Franchisee irrevocably waive trial by jury in any action or proceeding brought by either of Franchisor.

E. **INJUNCTIVE RELIEF.** Nothing in this Agreement bars Franchisor's right to obtain specific performance of the provisions of this Agreement and injunctive relief against any threatened or actual conduct that will cause Franchisor, the Marks, or the System loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and temporary or preliminary injunctions. Franchisee agrees that Franchisor may seek such relief from any court of competent jurisdiction in addition to such further or other relief as may be available to Franchisor at law or in equity. Franchisee agrees that Franchisor will not be required to post a bond to obtain injunctive relief and that Franchisee's only remedy if an injunction is entered against Franchisee will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by injunction being expressly waived hereby).

F. **COSTS AND ATTORNEYS' FEES.** The prevailing party in any judicial or arbitration proceeding shall be entitled to recover from the other party all damages, costs and expenses, including arbitration and court costs and reasonable attorneys' fees, incurred by the prevailing party in connection with such proceeding.

G. **LIMITATIONS OF CLAIMS.** EXCEPT FOR CLAIMS ARISING FROM FRANCHISEE'S NON-PAYMENT OR UNDERPAYMENT OF AMOUNTS FRANCHISEE OWE FRANCHISOR, ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR FRANCHISOR'S RELATIONSHIP WITH FRANCHISEE WILL BE BARRED UNLESS A JUDICIAL OR ARBITRATION PROCEEDING IS COMMENCED IN ACCORDANCE WITH THIS AGREEMENT WITHIN ONE (1) YEAR FROM THE DATE ON WHICH THE PARTY ASSERTING THE CLAIM KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THE CLAIMS. The parties understand that such time limit might be shorter than otherwise allowed by law. Franchisee and Franchisee's owners agree that Franchisee's and their sole recourse for claims arising between the parties shall be against Franchisor or Franchisor's successors and assigns. Franchisee and Franchisee's owners agree that Franchisor's and Franchisor's affiliates' members, managers, shareholders, directors,

officers, employees, and agents shall not be personally liable nor named as a party in any action between Franchisor or Franchisor's affiliates and Franchisee or Franchisee's owners.

FRANCHISOR AND FRANCHISEE AGREES THAT ANY PROCEEDING WILL BE CONDUCTED ON AN INDIVIDUAL BASIS AND THAT ANY PROCEEDING BETWEEN FRANCHISOR AND ANY OF FRANCHISOR'S AFFILIATES, OR FRANCHISOR'S AND THEIR RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES, ON THE ONE HAND, AND FRANCHISEE OR FRANCHISEE'S OWNERS, GUARANTORS, AFFILIATES, AND EMPLOYEES, ON THE OTHER HAND, MAY NOT BE: (I) CONDUCTED ON A CLASS-WIDE BASIS; (II) COMMENCED, CONDUCTED OR CONSOLIDATED WITH ANY OTHER PROCEEDING; (III) JOINED WITH ANY CLAIM OF AN UNAFFILIATED THIRD PARTY; OR (IV) BROUGHT ON FRANCHISEE'S BEHALF BY ANY ASSOCIATION OR AGENT.

No previous course of dealing shall be admissible to explain, modify, or contradict the terms of this Agreement. No implied covenant of good faith and fair dealing shall be used to alter the express terms of this Agreement.

H. **SECURITY INTEREST.** As security for the performance of Franchisee's obligations under this Agreement, including payments owed to Franchisor for Franchisee's purchases, Franchisee hereby collaterally assigns to Franchisor the Lease and grants Franchisor a security interest in all of the Operating Assets and all other assets of the LÀ LÁ Bakeshop Business, including but not limited to inventory, accounts, supplies, contracts, cash derived from the operation of the LÀ LÁ Bakeshop Business and sale of other assets, and proceeds and products of all those assets. Franchisee agrees to execute such other documents as Franchisor may reasonably request in order to further document, perfect and record Franchisor's security interest. If Franchisee defaults in any of its obligations under this Agreement, Franchisor may exercise all rights of a secured creditor granted to Franchisor by law, in addition to Franchisor's other rights under this Agreement and at law. If a third-party lender requires that Franchisor subordinate its security interest in the assets of the LÀ LÁ Bakeshop Business as a condition to lending Franchisee working capital for the construction or operation of the LÀ LÁ Bakeshop Business, Franchisor will agree to subordinate pursuant to terms and conditions determined by Franchisor. This Agreement shall be deemed to be a Security Agreement and Financing Statement and may be filed for record as such in the records of any county and state that Franchisor deems appropriate to protect its interests.

18. MISCELLANEOUS.

A. **BINDING EFFECT.** This Agreement is binding upon Franchisor and Franchisee and Franchisor's and Franchisee's respective executors, administrators, heirs, beneficiaries, permitted assigns, and successors in interest. Subject to Franchisor's right to modify the System Standards, this Agreement may not be modified except by a written agreement signed by Franchisor's and Franchisee's duly-authorized officers.

B. **RIGHTS OF PARTIES ARE CUMULATIVE.** Franchisor's and Franchisee's rights under this Agreement are cumulative, and Franchisor's or Franchisee's exercise or enforcement of any right or remedy under this Agreement will not preclude Franchisor's or Franchisee's exercise or enforcement of any other right or remedy which Franchisor or Franchisee is entitled by law to enforce.

C. **SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS.** Except as expressly provided to the contrary in this Agreement, each section, paragraph, term, and provision of this Agreement is severable, and if, for any reason, any part is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency, or tribunal with competent jurisdiction, that ruling will not impair the operation of, or otherwise

affect, any other portions of this Agreement, which will continue to have full force and effect and bind the parties.

If any applicable and binding law or rule of any jurisdiction requires more notice than this Agreement requires of this Agreement's termination or of Franchisor's refusal to enter into a successor franchise agreement, or some other action that this Agreement does not require, or if, under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any System Standard is invalid, unenforceable, or unlawful, the notice or other action required by the law or rule will be substituted for the comparable provisions of this Agreement, and Franchisor may modify the invalid or unenforceable provision or System Standard to the extent required to be valid and enforceable or delete the unlawful provision in its entirety. Franchisee agrees to be bound by any promise or covenant imposing the maximum duty the law permits which is subsumed within any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement.

D. WAIVER OF OBLIGATIONS. Franchisor and Franchisee may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice to the other or another effective date stated in the notice of waiver. Any waiver granted will be without prejudice to any other rights Franchisor or Franchisee has, will be subject to continuing review, and may be revoked at any time and for any reason effective upon delivery of ten (10) days' prior written notice.

Franchisor and Franchisee will not waive or impair any right, power, or option this Agreement reserves (including Franchisor's right to demand exact compliance with every term, condition, and covenant or to declare any breach to be a default and to terminate this Agreement before its term expires) because of any custom or practice at variance with this Agreement's terms; Franchisor's or Franchisee's failure, refusal, or neglect to exercise any right under this Agreement or to insist upon the other's compliance with this Agreement. No special or restrictive legend or endorsement on any check or similar item given to Franchisor will be a waiver, compromise, settlement, or accord and satisfaction. Franchisor is authorized to remove any legend or endorsement, which then will have no effect.

E. CONSTRUCTION. All terms and words used in this Agreement, regardless of the number and gender in which they are used, shall be deemed and construed to include any other number, and any other gender, as the context or sense of this Agreement or any provision hereof may require, as if such words had been fully and properly written in the appropriate number and gender. All covenants, agreements and obligations assumed herein by Franchisee shall be deemed to be joint and several covenants, agreements and obligations of each of the persons named as Franchisee, if more than one person is so named.

The parties agree that this Agreement should be interpreted according to its fair meaning. Franchisee waives to the fullest extent possible the application of any rule which would construe ambiguous language against Franchisor as the drafter of this Agreement. The words "include," "includes" and "including" when used in this Agreement will be interpreted as if they were followed by the words "without limitation." References to section numbers and headings will refer to sections of this Agreement unless the context indicates otherwise. Captions and section headings are used herein for convenience only. They are not part of this Agreement and shall not be used in construing it.

This Agreement may be executed in multiple copies, each of which will be deemed an original. An electronic signature shall have the same force and effect as a physical signature.

The following provision applies if Franchisee or the franchise granted hereby are subject to the franchise registration or disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan,

Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin: No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

F. **SUCCESSORS AND THIRD-PARTY BENEFICIARIES.** This Agreement and the covenants, restrictions and limitations contained herein shall be binding upon and shall inure to the benefit of Franchisor and its successors and assigns and shall be binding upon and shall inure to the benefit of Franchisee and its permitted heirs, successors and assigns. Unless otherwise stated, nothing in this Agreement is intended, nor is deemed, to confer any rights or remedies upon any person or legal entity not a party hereto.

G. **NOTICES AND PAYMENTS.** Whenever notice is required or permitted to be given under the terms of this Agreement, it shall be given in writing, and be delivered personally, by certified, express or registered mail, or by an overnight delivery service (e.g., Federal Express), postage prepaid, addressed to the party to be notified at the respective address first above written, or at such other address or addresses as the parties may from time to time designate in writing. Notices shall be deemed delivered on the date shown on the return receipt or in the delivery service's records as the date of delivery or on the date of first attempted delivery, if actual delivery cannot for any reason be made.

H. **PROHIBITED PARTIES.** Franchisee hereby represent and warrant to Franchisor, as an express consideration for the franchise granted hereby, that neither Franchisee nor any of Franchisee's employees, agents, or representatives, nor any other person or entity associated with Franchisee, is now, or has been:

1. Listed on: (a) the U.S. Treasury Department's List of Specially Designated Nationals, (b) the U.S. Commerce Department's Denied Persons List, Unverified List, Entity List, or General Orders, (c) the U.S. State Department's Debarred List or Nonproliferation Sanctions, or (d) the Annex to U.S. Executive Order 13224.

2. A person or entity who assists, sponsors, or supports terrorists or acts of terrorism, or is owned or controlled by terrorists or sponsors of terrorism.

Franchisee further represent and warrant to Franchisor that Franchisee is now, and have been, in compliance with U.S. anti-money laundering and counter-terrorism financing laws and regulations, and that any funds provided by Franchisee to Franchisor or Franchisor's affiliates are and will be legally obtained in compliance with these laws. Franchisee agrees not to, and to cause all employees, agents, representatives, and any other person or entity associated with Franchisee not to, during the Term, take any action or refrain from taking any action that would cause such person or entity to become a target of any such laws and regulations.

I. **COUNTERPARTS.** This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Faxed, scanned or electronic signatures shall have the same effect and validity, and may be relied upon in the same manner, as original signatures.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement on the dates noted below, to be effective as of the Effective Date.

LLB GROUP LLC, a Delaware limited liability company

By: _____

DATED: _____
(Effective Date of the Franchise Agreement)

FRANCHISE OWNER

**(IF FRANCHISEE IS A CORPORATION,
LIMITED LIABILITY COMPANY, OR
PARTNERSHIP):**

[Name]

By: _____

Title: _____

DATED
:

FRANCHISE OWNER

**(IF FRANCHISEE IS AN INDIVIDUAL
AND NOT A LEGAL ENTITY):**

[Signature]

[Print Name]

[Signature]

[Print Name]

[Signature]

[Print Name]

[Signature]

[Print Name]

DATED: _____

EXHIBIT A
TO FRANCHISE AGREEMENT

FRANCHISEE INFORMATION SUMMARY

**Effective Date: This Exhibit A is current and complete
as of _____, 20__**

1. Form of Owner.

(a) **Individual Proprietorship.** Franchisee's owner(s) (is) (are) as follows: _____

(b) **Corporation, Limited Liability Company, or Partnership.** Franchisee was incorporated or formed on _____, under the laws of the State of _____. Franchisee has not conducted business under any name other than Franchisee's corporate, limited liability company, or partnership name unless indicated in the following: _____. Franchisee's federal tax identification number is _____. The following is a list of Franchisee's directors, if applicable, and officers as of the effective date shown above:

<u>Name of Each Director/Officer</u>	<u>Position(s) Held</u>
_____	_____
_____	_____
_____	_____

2. **Owners.** The following identifies the owner that Franchisee has designated as, and that Franchisor approves to be, the Managing Owner and lists the full name of each person who is one of Franchisee's owners (as defined in the Franchise Agreement), or an owner of one of Franchisee's owners, and fully describes the nature of each owner's interest (attach additional pages if necessary).

	<u>Name & Email Address</u>	<u>Type / Percentage of Interest</u>
Managing Owner:	_____	_____ %
Other Owners:	_____	_____ %
	_____	_____ %

3. **Accepted Site Address:** _____

4. **Initial Franchise Fee** (Section 3.A of the Franchise Agreement): \$ _____

5. **Royalty Fee** (Section 3.B of the Franchise Agreement): _____ % of Gross Revenue per month

Signature Page Follows

LLB GROUP LLC

By: _____
Name: _____
Title: _____
Date: _____

[Franchisee]

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT B
TO FRANCHISE AGREEMENT

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given this ____ day of _____, 20 __, by _____.

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement (as amended, modified, restated or supplemented from time-to-time, the “**Agreement**”) on this date by _____ (“**Franchisor**”), each of the undersigned personally and unconditionally (a) guarantees to Franchisor and Franchisor’s successors and assigns, for the term of the Agreement and afterward as provided in the Agreement, that _____ (“**Franchisee**”) will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including the non-competition, confidentiality, and transfer requirements.

Each of the undersigned consents and agrees that: (1) his or her direct and immediate liability under this Guaranty will be joint and several, both with Franchisee and among other guarantors; (2) he or she will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon Franchisor’s pursuit of any remedies against Franchisee or any other person; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which Franchisor may from time-to-time grant to Franchisee or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement; (5) this liability will not be diminished, relieved, or otherwise affected by any amendment, addendum, renewal agreement, transfer, assignment, or any other document which purports to revise the terms of the Franchise Agreement, and (6) at Franchisor’s request, the undersigned shall present updated financial information to Franchisor as reasonably necessary to demonstrate his or her ability to satisfy the financial obligations of Franchisee under this Agreement.

Each of the undersigned waives: (i) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchisee arising as a result of the undersigned’s execution of and performance under this Guaranty; and (ii) acceptance and notice of acceptance by Franchisor of his or her undertakings under this Guaranty, notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices to which he or she may be entitled.

Each of the undersigned represents and warrants that, if no signature appears below for such undersigned’s spouse, such undersigned is either not married or, if married, is a resident of a state which does not require the consent of both spouses to encumber the assets of a marital estate.

The provisions contained in Section 17 (Enforcement) of the Agreement, including, without limitation, Section 17.A. (Arbitration), Section 17.B (Governing Law), Section 17.C. (Consent to Jurisdiction) and Section 17.F. (Costs and Attorneys’ Fees) of the Agreement are incorporated into this

Guaranty by reference and shall govern this Guaranty and any disputes between the undersigned and Franchisor. The Guarantors shall reimburse Franchisor for all costs and expenses Franchisor incurs in connection with enforcing the terms of this Guaranty.

By signing below, the undersigned spouse of the Guarantor indicated below (if the spouse is not himself/herself an owner of Franchisee), acknowledges and consents to the guaranty given herein by his/her spouse. Such consent also serves to bind the assets of the marital estate to Guarantor's performance of this Guaranty. Franchisor confirms that a spouse who signs this Guaranty solely in his or her capacity as a spouse (and not as an owner) is signing merely to acknowledge and consent to the execution of the Guaranty by his or her spouse and to bind the assets of the marital estate as described therein and for no other purpose (including, without limitation, to bind the spouse's own separate property).

Each Guarantor that is a business entity, retirement or investment account, or trust acknowledges and agrees that if Franchisee (or any of its affiliates) is delinquent in payment of any amounts guaranteed hereunder, that no dividends or distributions may be made by such Guarantor (or on such Guarantor's account) to its owners, accountholders or beneficiaries or otherwise, for so long as such delinquency exists, subject to applicable law.

This Guaranty is binding upon each Guarantor and its respective executors, administrators, heirs, beneficiaries, and successors in interest.

[Signature page follows]

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

GUARANTORS:

GUARANTOR(S)	SPOUSE(S)
#1: Signature: _____ Name: _____ Address: _____ _____ Email: _____	#1: Signature: _____ Name: _____ Address: _____ _____ Email: _____
#2: Signature: _____ Name: _____ Address: _____ _____ Email: _____	#2: Signature: _____ Name: _____ Address: _____ _____ Email: _____
#3: Signature: _____ Name: _____ Address: _____ _____ Email: _____	#3: Signature: _____ Name: _____ Address: _____ _____ Email: _____
#4: Signature: _____ Name: _____ Address: _____ _____ Email: _____	#4: Signature: _____ Name: _____ Address: _____ _____ Email: _____

EXHIBIT C
TO FRANCHISE AGREEMENT

COLLATERAL ASSIGNMENT OF CONTACT INFORMATION AND DIGITAL PRESENCES

THIS COLLATERAL ASSIGNMENT is entered into as of _____, 20____, in accordance with the terms of the Franchise Agreement (“**Franchise Agreement**”) between **LLB GROUP LLC** (“**Franchisor**”), and _____ (“**Franchisee**”), executed concurrently with this Assignment, under which Franchisor granted Franchisee the right to own and operate a LÀ LÁ Bakeshop™ bakery (“**Franchised Business**”) located at _____.

FOR VALUE RECEIVED, Franchisee hereby assigns to Franchisor (1) those certain telephone numbers and regular, classified or other telephone directory listings (collectively, the “**Contact Information**”) and (2) those certain Internet website addresses (“**URLs**”) associated with Franchisor’s trade and service marks and used from time-to-time in connection with the operation of the Franchised Business at the address provided above. This Assignment is for collateral purposes only and, except as specified herein, Franchisor shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment, unless Franchisor shall notify the telephone company and the listing agencies with which Franchisee has placed telephone directory listings (all such entities are collectively referred to herein as “**Telephone Company**”) and Franchisee’s Internet service provider (“**ISP**”) to effectuate the assignment pursuant to the terms hereof.

Upon termination or expiration of the Franchise Agreement (without extension), Franchisor shall have the right and is hereby empowered to effectuate the assignment of the Contact Information and the URLs, and, in such event, Franchisee shall have no further right, title or interest in the Contact Information and the URLs, and shall remain liable to the Telephone Company and the ISP for all past due fees owing to the Telephone Company and the ISP on or before the effective date of the assignment hereunder.

Franchisee agrees and acknowledges that as between Franchisor and Franchisee, upon termination or expiration of the Franchise Agreement, Franchisor shall have the sole right to and interest in the Contact Information and the URLs, and Franchisee irrevocably appoints Franchisor as Franchisee’s true and lawful attorney-in-fact, which appointment is coupled with an interest, to direct the Telephone Company and the ISP to assign same to Franchisor, and execute such documents and take such actions as may be necessary to effectuate the assignment. Upon such event, Franchisee shall immediately notify the Telephone Company and the ISP to assign the Contact Information and the URLs to Franchisor. If Franchisee fails to promptly direct the Telephone Company and the ISP to assign the Contact Information and the URLs to Franchisor, Franchisor shall direct the Telephone Company and the ISP to effectuate the assignment contemplated hereunder to Franchisor. The parties agree that the Telephone Company and the ISP may accept Franchisor’s written direction, the Franchise Agreement or this Assignment as conclusive proof of Franchisor’s exclusive rights in and to the Contact Information and the URLs upon such termination or expiration and that such assignment shall be made automatically and effective immediately upon Telephone Company’s and ISP’s receipt of such notice from Franchisor or Franchisee. The parties further agree that if the Telephone Company or the ISP requires that the parties execute the Telephone Company’s or the ISP’s assignment forms or other documentation at the time of termination or expiration of the Franchise Agreement, Franchisor’s execution of such forms or documentation on behalf of Franchisee shall effectuate Franchisee’s consent and agreement to the assignment. The parties agree that at any time after the date hereof they will perform such acts and execute and deliver such documents as may be necessary to assist

in or accomplish the assignment described herein upon termination or expiration of the Franchise Agreement.

THUS, SIGNED this as of the day and date shown on the first page hereof.

LLB GROUP LLC

[Franchisee]

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT D
TO FRANCHISE AGREEMENT

PROTECTED TERRITORY ADDENDUM

This **PROTECTED TERRITORY ADDENDUM** (the “**Addendum**”) is being entered into as of the Effective Date below and is made between by **LLB GROUP LLC**, a Delaware limited liability company (“**Franchisor**”), and _____ (“**Franchisee**”). This Addendum is made part of and subject to that certain Franchise Agreement dated _____ (the “**Franchise Agreement**”) by and between Franchisor and Franchisee. Capitalized terms used but not defined in this Addendum will have the meanings ascribed to them in the Franchise Agreement. The parties hereby agree as follows:

1. Subject to Franchisor’s reservation of rights in Section 1.C of the Franchise Agreement and subject to Franchisee’s continued compliance with the Franchise Agreement, Franchisor will not operate, or grant a franchise to a third-party to operate, during the Term, a LÀ LÁ Bakeshop Business that is or will be located at a physical premises of which is located within the Protected Territory described below.

2. The Protected Territory is:

- ☐ a three (3)-mile radius surrounding the LÀ LÁ Bakeshop Business with a center point of the radius set at the front door of the Accepted Site; or
- ☐ a five (5)-mile radius surrounding the LÀ LÁ Bakeshop Business with a center point of the radius set at the front door of the Accepted Site.

3. In consideration of Franchisor’s grant of the Protected Territory, Franchisee shall pay, upon its execution of this Addendum, a protected territory fee in an amount of \$ _____ (the “**Protected Territory Fee**”). Franchisee acknowledges and agrees that the Protected Territory Fee is fully earned by Franchisor at the time this Addendum is executed and that the Protected Territory Fee shall not be refundable for any reason.

Except as expressly amended hereby, each term, provision and exhibit of the Franchise Agreement is hereby ratified and confirmed and remains in full force and effect. This Addendum may not be amended except by an instrument in writing signed by the parties hereto. In the event of inconsistencies between the Franchise Agreement and this Addendum, the terms and conditions of this Addendum shall control. This Addendum constitutes the entire agreement between the parties hereto regarding the subject matter hereof and supersedes all prior negotiations, discussions, understandings, and agreements, whether oral or written, between the parties hereto with respect to such subject matter. This Addendum may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Addendum. This Addendum may be executed and delivered electronically.

LLB GROUP LLC

[Franchisee]

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT B-2
REPRESENTATIONS STATEMENT

REPRESENTATIONS STATEMENT

DO NOT SIGN THIS QUESTIONNAIRE IF YOU ARE LOCATED, OR YOUR FRANCHISED BUSINESS WILL BE LOCATED IN: CALIFORNIA OR VIRGINIA.

The purpose of this Statement is to demonstrate to **LLB Group LLC** (“Franchisor”) that the person(s) signing below (“I,” “me” or “my”), whether acting individually or on behalf of any legal entity established to acquire the area development and/or franchise rights (“Franchisee”), (a) fully understands that the purchase of a LÀ LÁ Bakeshop franchise is a significant long-term commitment, complete with its associated risks, and (b) is not relying on any statements, representations, promises or assurances that are not specifically set forth in Franchisor’s Franchise Disclosure Document and Exhibits (collectively, the “FDD”) in deciding to purchase the franchise.

In that regard, I represent to Franchisor and acknowledge that:

I understand that buying a franchise is not a guarantee of success. Purchasing or establishing any business is risky, and the success or failure of the franchise is subject to many variables such as my skills and abilities (and those of my partners, officers, employees), the time my associates and I devote to the business, competition, interest rates, the economy, inflation, operation costs, location, lease terms, the market place generally and other economic and business factors. I am aware of and am willing to undertake these business risks. I understand that the success or failure of my business will depend primarily upon my efforts and not those of Franchisor.	INITIAL:
I received a copy of the FDD, including the Franchise Agreement and Area Development Agreement, at least 14 calendar days before I executed the Franchise Agreement and/or the Area Development Agreement, as applicable. I understand that all of my rights and responsibilities and those of Franchisor in connection with the franchise are set forth in these documents and only in these documents. I acknowledge that I have had the opportunity to personally and carefully review these documents and have, in fact, done so. I have been advised to have professionals (such as lawyers and accountants) review the documents for me and to have them help me understand these documents. I have also been advised to consult with other franchisees regarding the risks associated with the purchase of the franchise.	INITIAL:
Neither the Franchisor nor any of its officers, employees or agents (including any franchise broker) has made a statement, promise or assurance to me concerning any matter related to the franchise (including those regarding advertising, marketing, training, support service or assistance provided by Franchisor) that is contrary to, or different from, the information contained in the FDD.	INITIAL:
My decision to purchase the franchise has not been influenced by any oral representations, assurances, warranties, guarantees or promises whatsoever made by the Franchisor or any of its officers, employees or agents (including any franchise broker), including as to the likelihood of success of the franchise.	INITIAL:

I have made my own independent determination as to whether I have the capital necessary to fund the business and my living expenses, particularly during the start-up phase.	INITIAL:
PLEASE READ THE FOLLOWING QUESTION CAREFULLY. THEN SELECT YES OR NO AND PLACE YOUR INITIALS WHERE INDICATED. Have you received any information from the Franchisor or any of its officers, employees or agents (including any franchise broker) concerning actual, average, projected or forecasted sales, revenues, income, profits or earnings of the franchise business (including any statement, promise or assurance concerning the likelihood of success)? ☐ Yes ☐ No (Initial Here: ____) If you selected “Yes,” please describe the information you received on the lines below: _____.	INITIAL:

Prohibited Parties Clause. I acknowledge that Franchisor, its employees and its agents are subject to U.S. laws that prohibit or restrict (a) transactions with certain parties, and (b) the conduct of transactions involving certain foreign parties. These laws include, without limitation, U.S. Executive Order 13224, the U.S. Foreign Corrupt Practices Act, the Bank Secrecy Act, the International Money Laundering Abatement and Anti-terrorism Financing Act, the Export Administration Act, the Arms Export Control Act, the U.S. Patriot Act, and the International Economic Emergency Powers Act, and the regulations issued pursuant to these and other U.S. laws. As part of the express consideration for the purchase of the franchise, I represent that neither I nor any of my employees, agents, or representatives, nor any other person or entity associated with me, is now, or has been listed on:

1. the U.S. Treasury Department’s List of Specially Designated Nationals;
2. the U.S. Commerce Department’s Denied Persons List, Unverified List, Entity List, or General Orders;
3. the U.S. State Department’s Debarred List or Nonproliferation Sanctions; or
4. the Annex to U.S. Executive Order 13224.

I warrant that neither I nor any of my employees, agents, or representatives, nor any other person or entity associated with me, is now, or has been: (i) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or (ii) is owned or controlled by terrorists or sponsors of terrorism. I warrant that I am now, and have been, in compliance with U.S. anti-money laundering and counter-terrorism financing laws and regulations, and that any funds provided by me to Franchisor were legally obtained in compliance with these laws.

I further covenant that neither I nor any of my employees, agents, or representatives, nor any other person or entity associated with me, will, during the term of the Franchise Agreement, become a person or entity described above or otherwise become a target of any anti-terrorism law.

[Signature page follows]

FRANCHISEE:

Sign here if you are taking the franchise as an
INDIVIDUAL(S)

(Note: use these blocks if you are an
individual or a partnership but the
partnership is not a separate legal entity)

Signature
Print Name: _____
Date: _____

Signature
Print Name: _____
Date: _____

Signature
Print Name: _____
Date: _____

Signature
Print Name: _____
Date: _____

Sign here if you are taking the franchise as a
**CORPORATION, LIMITED LIABILITY
COMPANY OR PARTNERSHIP**

Print Name of Legal Entity

By: _____
Signature

Print Name: _____
Title: _____
Date: _____

EXHIBIT B-3
SAMPLE GENERAL RELEASE

LLB GROUP LLC

GENERAL RELEASE AGREEMENT

LLB GROUP LLC (“we,” “us,” or “our”) and _____
 (“you” or “your”) are currently are parties to a certain franchise agreement dated _____
 _____, 20____ (the “**Agreement**”). You have asked us to take the following action or to agree to the
 following request: _____

_____ We have the right under the Agreement to obtain a
 general release from you and your owners as a condition of taking this action or agreeing to this
 request. Therefore, we are willing to take the action or agree to the request specified above if you
 and your owners give us the release and covenant not to sue provided below in this document. You
 and your owners are willing to give us the release and covenant not to sue provided below as partial
 consideration for our willingness to take the action or agree to the request described above.

You and your owners, jointly and severally, on behalf of themselves and their spouses and
 immediate family members, and each such foregoing person’s or entity’s respective affiliates,
 employees, owners, officers, directors, successors, assigns, spouses and immediate family members
 (the “**Releasing Parties**”) hereby fully and forever unconditionally release and discharge us and our
 current and former affiliates, parents, subsidiaries, franchisees, area developers, owners, agents,
 insurers and our and their respective affiliates, employees, officers, directors, successors, assigns,
 owners, guarantors and other representatives (the “**Franchisor Parties**”), of and from any and all
 claims, obligations, debts, proceedings, demands, causes of action, rights to terminate and rescind,
 liabilities, losses, damages, and rights of every kind and nature whatsoever, and known or unknown,
 suspected or unsuspected, whether at law or in equity, which any of them has, had, or may have
 against any of the Franchisor Parties, from the beginning of time to the date of this document
 (together, **Claims**”), including any and all Claims in any way arising out of or relating to the
 Agreement or the relationship of the Releasing Parties with any of the Franchisor Parties. You and
 your owners, on your own behalf and the other Releasing Parties, further covenant not to sue any of
 the Franchisor Parties on any of the Claims released by this paragraph and represent that you have
 not assigned any of the Claims released by this paragraph to any individual or entity.

IF THE FRANCHISED BUSINESS YOU OPERATE UNDER THE FRANCHISE
 AGREEMENT IS LOCATED IN CALIFORNIA OR IF ANY OF THE RELEASING PARTIES
 ARE RESIDENTS OF CALIFORNIA, THE FOLLOWING SHALL APPLY:

SECTION 1542 ACKNOWLEDGMENT. IT IS YOUR INTENTION, ON YOUR
 OWN BEHALF AND ON BEHALF OF THE RELEASING PARTIES, IN EXECUTING THIS
 RELEASE THAT THIS INSTRUMENT BE AND IS A GENERAL RELEASE WHICH
 SHALL BE EFFECTIVE AS A BAR TO EACH AND EVERY CLAIM, DEMAND, OR
 CAUSE OF ACTION RELEASED BY YOU OR THE RELEASING PARTIES. YOU
 RECOGNIZE THAT YOU OR THE RELEASING PARTIES MAY HAVE SOME CLAIM,
 DEMAND, OR CAUSE OF ACTION AGAINST THE COCO FRESH PARTIES OF WHICH
 YOU, HE, SHE, OR IT IS TOTALLY UNAWARE AND UNSUSPECTING, WHICH YOU,
 HE, SHE, OR IT IS GIVING UP BY EXECUTING THIS RELEASE. IT IS YOUR

INTENTION, ON YOUR OWN BEHALF AND ON BEHALF OF THE RELEASING PARTIES, IN EXECUTING THIS INSTRUMENT THAT IT WILL DEPRIVE YOU, HIM, HER, OR IT OF EACH SUCH CLAIM, DEMAND, OR CAUSE OF ACTION AND PREVENT YOU, HIM, HER, OR IT FROM ASSERTING IT AGAINST THE COCO FRESH PARTIES. IN FURTHERANCE OF THIS INTENTION, YOU, ON YOUR OWN BEHALF AND ON BEHALF OF THE RELEASING PARTIES, EXPRESSLY WAIVE ANY RIGHTS OR BENEFITS CONFERRED BY THE PROVISIONS OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, WHICH PROVIDES AS FOLLOWS:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.”

YOU ACKNOWLEDGE AND REPRESENT THAT YOU HAVE CONSULTED WITH LEGAL COUNSEL BEFORE EXECUTING THIS RELEASE AND THAT YOU UNDERSTAND ITS MEANING, INCLUDING THE EFFECT OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, AND EXPRESSLY CONSENT THAT THIS RELEASE SHALL BE GIVEN FULL FORCE AND EFFECT ACCORDING TO EACH AND ALL OF ITS EXPRESS TERMS AND PROVISIONS, INCLUDING, WITHOUT LIMITATION, THOSE RELATING TO THE RELEASE OF UNKNOWN AND UNSUSPECTED CLAIMS, DEMANDS, AND CAUSES OF ACTION.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed and delivered this document on the date stated below.

LLB GROUP LLC

a Delaware limited liability company

Sign: _____

Name: _____

Title: _____

DATED: _____

FRANCHISE OWNER

**(IF YOU ARE A CORPORATION,
LIMITED LIABILITY COMPANY, OR
PARTNERSHIP):**

Entity Name

Sign: _____

Name: _____

Title: _____

DATED: _____

FRANCHISE OWNER

(IF YOU ARE AN INDIVIDUAL):

Individual Name

Sign: _____

DATED: _____

EXHIBIT B-4

AREA DEVELOPMENT AGREEMENT

LLB GROUP LLC
AREA DEVELOPMENT AGREEMENT

Developer: _____

Development Area: _____

TABLE OF CONTENTS

	<u>Page</u>
1. Preambles.....	1
A. Background.....	1
B. Entity.....	1
C. Developer's Liquidity.....	2
2. The Development Rights.....	2
A. Grant.....	2
B. Development Area and Reservation of Rights.....	2
C. Development Schedule.....	3
D. Locating Premises for LÁ LÁ Bakeshop Businesses.....	4
E. Execution of Franchise Agreements.....	4
F. Approved Affiliates.....	4
3. Development Fee.....	5
4. Recordkeeping and Bookkeeping Requirements.....	5
5. Transfer.....	5
A. By Franchisor.....	5
B. By Developer or Developer's Owners.....	5
C. Conditions for Approval of Transfer.....	6
D. Effect of Consent to Transfer.....	7
E. Public or Private Offerings.....	7
F. Franchisor's Right of First Refusal.....	7
6. Termination of Agreement.....	9
A. By Developer.....	9
B. By Franchisor.....	9
7. Exclusive Relationship During Term.....	10
A. Covenants Against Competition.....	10
B. Non-Interference.....	11
C. Non-Disparagement.....	11
8. Rights and Obligations on Termination or Expiration of this Agreement.....	11
A. Developer's Obligations.....	11
B. Covenant Not to Compete/Non-Interference.....	12
C. Continuing Obligations.....	12
9. Relationship of Parties, Indemnification; Confidential Information.....	13
A. Independent Contractors.....	13
B. Employees, Agents and Independent Contractors.....	13
C. Indemnification.....	13
D. Confidential Information.....	14

10.	Enforcement.....	15
A.	Arbitration.....	15
B.	Governing Law.	17
C.	Consent to Jurisdiction.....	17
D.	Waiver of Punitive Damages and Jury Trial.....	17
E.	Injunctive Relief.....	17
F.	Costs and Attorneys' Fees.	17
G.	Limitations of Claims.	18
11.	Miscellaneous.	18
A.	Binding Effect.....	18
B.	Rights of Parties Are Cumulative.	18
C.	Severability and Substitution of Valid Provisions.....	18
D.	Waiver of Obligations.....	19
E.	The Exercise of Franchisor's Judgment.....	19
F.	Construction.....	19
G.	No Warranty or Representation.	20
H.	Lawful Attorney.....	21
I.	Notices.	21
J.	Prohibited Parties.....	21
K.	Counterparts.....	22

ATTACHMENTS

ATTACHMENT A	Information Regarding Ownership, Development Area, Development Schedule, and Other Agreement Terms
ATTACHMENT B	Guaranty and Assumption of Obligations

AREA DEVELOPMENT AGREEMENT

LÀ LÁ BAKESHOP

THIS AREA DEVELOPMENT AGREEMENT (this “**Agreement**”) is made and entered into on the Effective Date by and between **LLB GROUP LLC**, a Delaware limited liability company with its principal business address at 144 Briarscross Blvd, Scarborough, Ontario M1S 3K5 Canada (“**Franchisor**”), and the party signing this Agreement as the “**Developer**” on the signature page hereto (“**Developer**”). The “**Effective Date**” is the date that Franchisor signs this Agreement, as shown beneath its signature.

1. PREAMBLES.

A. BACKGROUND.

Franchisor is the franchisor of bakeries that are currently identified by the trademark *LÀ LÁ Bakeshop*TM (together, with such other trademarks, service marks and commercial symbols Franchisor periodically designate, the “**Marks**”) featuring Vietnamese baked goods, drinks, other food products and related bakery services authorized by Franchisor from time-to-time (each a “**LÀ LÁ Bakeshop Business**”). LÀ LÁ Bakeshop Businesses operate using certain specified business formats, methods, procedures, designs, layouts, standards, and specifications, all of which Franchisor may replace, improve, further develop, or otherwise modify from time-to-time (collectively, the “**System**”).

Based on Developer’s own investigation and diligence, Developer has requested that Franchisor grant Developer the right to acquire multiple franchises (each a “**Franchise**”) for the development and operation of LÀ LÁ Bakeshop Businesses (the “**Development Rights**”) within a defined area (the “**Development Area**”) pursuant to an agreed upon schedule (the “**Development Schedule**”) and, to support Developer’s request, Developer and, if applicable, Developer’s owners have provided Franchisor with certain information about Developer’s and their background, experience, skills, financial condition and resources (collectively, the “**Application Materials**”). In reliance on, among other things, the Application Materials, Franchisor is willing to grant Developer the Development Rights on the terms and conditions contained in this Agreement.

B. ENTITY.

If Developer is a business organization such as a corporation, limited liability company or partnership (each an “**Entity**”), Developer agrees, represents, and warrants to Franchisor that: (1) Developer was validly formed and is and will maintain, throughout this Agreement’s Term (defined below), Developer’s existence and good standing under the laws of the state of Developer’s formation and qualified to do business in the state in which LÀ LÁ Bakeshop Businesses are or will be located; (2) Attachment A to this Agreement describes all of Developer’s direct and indirect owners and their interests in Developer as of the Effective Date; (3) Attachment A to this Agreement identifies one of Developer’s owners who is a natural person with at least ten percent (10%) direct ownership interest and voting power in Developer and who will have the authority of a chief executive officer (the “**Managing Owner**”); (4) each of Developer’s direct and indirect owners will sign Franchisor’s then-standard form of Guaranty and Assumption of Obligations (the “**Guaranty**”) and deliver to Franchisor; (5) the only business that Developer will own or operate during the Term will be the business granted hereunder and any LÀ LÁ Bakeshop Businesses that Developer operates pursuant to other franchise agreements with Franchisor; and (6) at Franchisor’s request, Developer will furnish Franchisor with true and correct copies of all documents regarding Developer’s formation, existence, standing, and governance. Franchisor’s current form of

Guaranty is attached hereto as Attachment B hereto. The non-owner spouse of each guarantor must also sign the Guaranty in the capacity and for the purposes reflected in the Guaranty.

C. DEVELOPER'S LIQUIDITY.

Franchisor has granted the Development Rights to Developer based, in part, on Developer's representations to Franchisor regarding, and Franchisor's assessment of, Developer's liquidity as of the Effective Date. Developer will ensure that, throughout the Term, Developer will maintain sufficient liquidity to meet Developer's obligations under this Agreement. Franchisor reserves the right to establish and modify specific liquidity thresholds from time to time, and Developer agrees to comply with such minimum liquidity requirements that Franchisor reasonably imposes.

2. THE DEVELOPMENT RIGHTS.

A. GRANT.

Franchisor hereby grants Developer the Development Rights, which must be exercised in strict compliance with this Agreement. The Development Rights may be exercised from the Effective Date and, unless sooner terminated as provided herein, continuing through the earlier of (1) the date on which the last LÀ LÁ Bakeshop Business which is required to be opened in order to satisfy the Development Schedule opens for regular business or (2) the last day of the last Development Period (defined in Section 2.C) (collectively, the "**Term**"). Developer accepts the grant of the Development Rights and agrees to, at all times, faithfully, honestly and diligently perform Developer's obligations under this Agreement and fully exploit the Development Rights during the Term and throughout the entire Development Area. Developer must perform all of Developer's obligations under this Agreement, and Developer may not subcontract or delegate any of those obligations to any third parties. This Agreement does not grant Developer the right to any succession, renewal, and/or successor term.

B. DEVELOPMENT AREA AND RESERVATION OF RIGHTS.

The Development Rights may only be exercised for LÀ LÁ Bakeshop Businesses to be located in the Development Area identified on Attachment A hereto. So long as Developer is in strict compliance of this Agreement, Franchisor and Franchisor's affiliates will not operate or grant a franchise for the operation of another LÀ LÁ Bakeshop Business, the physical premises of which is located within the Development Area. Developer acknowledges and agrees that other LÀ LÁ Bakeshop Businesses, food aggregators, and/or third-party delivery service providers may deliver to customers located in Developer's Development Area. Developer further acknowledges and agrees that other LÀ LÁ Bakeshop Businesses, including those owned by Franchisor or Franchisor's affiliates, may market and solicit customers in Developer's Development Area. Except as expressly limited above, Developer acknowledges that Franchisor (and Franchisor's affiliates) retain the right at all times during and after the Term to engage in any and all activities that Franchisor (and they) deem appropriate and that have not been expressly granted to Developer in this Agreement, wherever and whenever Franchisor (and they) desire, and whether or not such activities compete with Developer's Development Right, to do any of the following:

(1) establish and operate, and allow others to establish and operate, LÀ LÁ Bakeshop Businesses using the Marks and the System, at any location outside the Development Area, on such terms and conditions that Franchisor deems appropriate;

(2) establish and operate, and allow others to establish and operate, any other type of restaurant or business, including any bakery business that may offer products and services which are identical to, similar to, or competitive with products and services offered by LÀ LÁ Bakeshop

Businesses, under trade names, trademarks, service marks and commercial symbols other than the Marks, including under trade names, trademarks, service marks and commercial symbols that are similar to or competitive with the Marks, anywhere in the world (including in the Development Area);

(3) establish and operate, and allow others to establish and operate, other lines of business and to distribute any and all products and services and/or their components or ingredients identified by the Marks, including those used in or sold at LÀ LÁ Bakeshop Businesses and/or any proprietary merchandise and pre-packaged products (such as frozen and ready-to-eat food items, spices and sauces, etc.), through alternate distribution channels (including, the Internet, supermarkets, convenience stores, grocery stores), at any location in the world (including in the Development Area), regardless of the nature or location of the customers with whom such other businesses and distribution channels do business;

(4) establish and operate, and allow others to establish and operate, any LÀ LÁ Bakeshop Business, or other business using the Marks and/or the System, and/or offering and selling any of the products or services that are similar to, the same, or competitive with those products or services offered by LÀ LÁ Bakeshop Businesses, at or through any nontraditional venues, including, permanent, temporary, or seasonal food service facilities in any stadium, entertainment or amusement park, airport, highway travel plaza, museum, shopping mall, university, elementary or secondary school, office or commercial building, hospital, military facility, special events, or other closed or limited markets, at any location in the world (including in the Development Area);

(5) be acquired by or acquire (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), any other business, including businesses that operate or allow others to establish and operate businesses similar to, the same, or competitive with LÀ LÁ Bakeshop Businesses, at any location in the world (including in the Development Area); and in the event of such an acquisition, the acquirer and its affiliates will have the right to continue to establish and operate, and authorize others to establish and operate, such businesses, at any location in the world (including in the Development Area); and

(6) engage in all other activities not expressly prohibited by the Development Agreement, at any location in the world (including in the Development Area).

C. **DEVELOPMENT SCHEDULE.**

Developer's Development Schedule is set forth on Attachment A hereto. Each period described in the Development Schedule is a "**Development Period.**" Developer must deliver to Franchisor a fully executed lease for the Premises (as defined below) or provide documents to evidence Developer's ownership and possession of the Premises, and open and operate LÀ LÁ Bakeshop Businesses in the Development Area pursuant to a written franchise agreement and related agreements signed by Franchisor and a franchisee (each a "**Franchise Agreement**"), each as necessary to satisfy the requirements of each Development Period, but Developer shall not be required to open, in total, more than the cumulative number of LÀ LÁ Bakeshop Businesses shown for the last Development Period. The Development Schedule is not Franchisor's representation, express or implied, that the Development Area can support, or that there are or will be sufficient Premises for, the number of LÀ LÁ Bakeshop Businesses specified in the Development Schedule or during any particular Development Period. Franchisor is relying on Developer's knowledge and expertise of the Development Area and Developer's representation that Developer has conducted Developer's own independent investigation and have determined that Developer can satisfy the development obligations under each Development Period of the Development Schedule.

D. LOCATING PREMISES FOR LÀ LÁ BAKESHOP BUSINESSES.

Developer is entirely responsible for locating and presenting to Franchisor for Franchisor's approval proposed premises in the Development Area as necessary to comply with the Development Schedule (the "**Premises**"). Developer agrees to give Franchisor all information and materials that Franchisor requests to assess each proposed Premises as well as Developer's financial and operational ability to develop and operate a LÀ LÁ Bakeshop Business at the proposed Premises. Franchisor has the absolute right to reject if (a) the proposed premises does not meet Franchisor's then-current criteria; (b) Developer is not then in compliance with any existing Franchise Agreements executed pursuant to this Agreement; or (c) Developer is not operating Developer's LÀ LÁ Bakeshop Businesses in compliance with the mandatory specifications, standards, operating procedures and rules that Franchisor periodically prescribes for operating LÀ LÁ Bakeshop Businesses, including any new developments and improvements to the System (the "**System Standards**"). Franchisor agrees to use Franchisor's reasonable efforts to review and evaluate Developer's proposed Premises within fourteen (14) business days after Franchisor receives all requested information and materials. If Franchisor accepts a proposed Premises, Developer must sign a separate Franchise Agreement for the Premises within seven (7) days after Franchisor provides Developer with an execution copy of the Franchise Agreement (subject to state law). Failure to comply with these deadlines may result in Franchisor's withdrawing acceptance of the Premises.

E. EXECUTION OF FRANCHISE AGREEMENTS.

For each LÀ LÁ Bakeshop Business that Developer develops pursuant to this Agreement, Developer must sign Franchisor's then-current form of Franchise Agreement, by the earlier of: (i) the date that Developer (or its approved affiliates) signs a lease or other acquisition agreement that Franchisor has approved for a site that Franchisor has approved for a new LÀ LÁ Bakeshop Business, or (ii) the deadline for execution of the lease and Franchise Agreement in the Development Schedule. Each respective Franchise Agreement will govern the development and operation of LÀ LÁ Bakeshop Business identified therein. The terms of each Franchise Agreement may differ substantially from one another based on the form of Franchisor's then-current agreements.

F. APPROVED AFFILIATES.

Developer may exercise its Development Rights for each LÀ LÁ Bakeshop Business that Developer is required to develop under the Development Schedule either through Franchisor or an affiliate that Franchisor has approved. If Franchisor approves one of Developer's affiliates to undertake Developer's development obligation for any LÀ LÁ Bakeshop Business, that affiliate must sign the Franchise Agreement for that LÀ LÁ Bakeshop Business and take any and all other actions otherwise required of Developer for that LÀ LÁ Bakeshop Business under this Agreement and/or that Franchise Agreement. Franchisor's approval of Developer's affiliate to develop a LÀ LÁ Bakeshop Business will not relieve Developer of any of Developer's obligations under this Agreement. Franchisor may require Developer to guarantee the obligations of any approved affiliate under its Franchise Agreement using Franchisor's then-current form of personal guaranty of Franchise Agreement. Other than as contemplated in this Section 2.F, Developer may not delegate or assign any of Developer's obligations under this Agreement other than in accordance with Section 5 of this Agreement.

3. **DEVELOPMENT FEE.**

Developer must pay Franchisor, on Developer's execution of this Agreement and in consideration of the grant of the Development Rights, a nonrecurring and nonrefundable development fee in an amount set forth on Attachment A (the "**Development Fee**"). The Development Fee is fully earned by Franchisor when Developer and Franchisor sign this Agreement and is non-refundable.

4. **RECORDKEEPING AND BOOKKEEPING REQUIREMENTS.**

Developer agrees, during the Term, to maintain records regarding Developer's activities in connection with the exercise of the Development Rights and to provide Franchisor with the following records and reports:

(1) within ten (10) days after the end of each month during the Term, Developer must send Franchisor a report of Developer's business activities during that month, including information about Developer's efforts to find the Premises for LÀ LÁ Bakeshop Businesses in the Development Area and the status of development and projected opening for each LÀ LÁ Bakeshop Business under development in the Development Area;

(2) within thirty (30) days after the end of each calendar quarter, Developer must provide Franchisor with a balance sheet and profit and loss statement for Developer covering that quarter and the year-to-date, and an updated balance sheet for each person or entity signing the Guaranty; and

(3) such other data, reports, information, financial statements, and supporting records as Franchisor request from time-to-time.

5. **TRANSFER.**

A. **BY FRANCHISOR.**

Franchisor has the right to delegate the performance of any portion or all of Franchisor's rights and obligations under this Agreement to third-party designees. Developer represents that Developer has not signed this Agreement in reliance on any particular person or entity remaining with Franchisor in any capacity. Franchisor may change Franchisor's ownership or form or assign this Agreement and any other agreement to a third party without restriction.

B. **BY DEVELOPER OR DEVELOPER'S OWNERS.**

Developer shall not sell, assign, transfer, pledge, merge, convey or encumber (each, a "**Transfer**"), LÀ LÁ Bakeshop Businesses, this Agreement or any of Developer's rights or obligations hereunder, or suffer or permit any such Transfer of LÀ LÁ Bakeshop Businesses, this Agreement or Developer's rights or obligations hereunder to occur by operation of law or otherwise without Franchisor's prior express written consent. In addition, if Developer is a corporation, partnership, business trust, or similar association or entity, the shareholders, members, partners, beneficiaries, investors or other equity holders, as the case may be, may not Transfer their equity interests in such corporation, partnership, business trust, or similar association or entity, without Franchisor's prior written consent. Furthermore, in the event that any of Developer's shareholders, members, partners, investors or other equity holders (each, an "**Equity Holder**") is a corporation, partnership, business trust, or similar association or entity, the interests of the shareholders, members, partners, beneficiaries, investors or other equity holders, as the case may be, in such Equity Holder, may not be Transferred, without Franchisor's prior written consent. Any Transfer in violation of

this Section shall be void and of no force and effect. In the event Developer or an Equity Holder is a corporation, partnership, business trust, or similar association or entity with certificated equity interests, all stock or equity certificates of Developer or Equity Holder, as the case may be, shall have conspicuously endorsed upon them a legend in substantially the following form:

“A transfer of this stock is subject to the terms and conditions of LLB GROUP LLC DEVELOPMENT AGREEMENT dated the _____ day of _____, 20__.”

If Developer intends to list Developer’s Development Rights for sale with any broker or agent, Developer shall do so only after obtaining Franchisor’s written approval of the broker or agent and of the listing agreement and any advertising materials. Developer may not use any Mark in advertising the transfer or sale of Developer’s Development Rights or of any ownership in Developer without Franchisor’s prior written consent.

C. CONDITIONS FOR APPROVAL OF TRANSFER.

Franchisor may consider, and Developer will provide or assist Franchisor in compiling, any information Franchisor deems necessary or appropriate in connection with Franchisor’s assessment of a proposed Transfer. If Franchisor elects to approve a proposed Transfer, Franchisor may, in Franchisor’s sole discretion, condition Franchisor’s approval in any manner Franchisor deems necessary and appropriate to protect the LÀ LÁ Bakeshop™ brand and Franchisor’s interests in the System and this Agreement, including any of the following (each of which Developer agrees is reasonable):

(1) the transferee and/or the controlling persons of the transferee have a satisfactory credit rating, are of good moral character, has business qualifications satisfactory to Franchisor, are willing to comply with Franchisor’s training requirements and are willing to enter into an agreement in writing to assume and perform all of Developer’s duties and obligations hereunder and/or enter into a new Development Agreement, if Franchisor so requests, and agrees to enter into any and all agreements with Franchisor that are being required of all new developers, including a Guaranty, or any other agreement which may require payment of different or increased fees from those paid under this Agreement;

(2) Developer and any person or Entity obligated under this Agreement or the Guaranty must be in compliance with Developer’s or its obligations;

(3) Developer and the proposed transferee and its owners (if the transferee is an Entity) must provide all information and documents Franchisor requests regarding the Transfer and the proposed transferee and its owners;

(4) if Developer, the transferor or any third party offers the transferee financing for any part of the purchase price, all of the transferee’s obligations under promissory notes, agreements, or security interests reserved in Developer’s Development Rights must be subordinate to the transferee’s obligation to pay all amounts due to Franchisor, Franchisor’s affiliates, and third party vendors and otherwise agree to comply with this Agreement (or any applicable Franchise Agreement with Franchisor);

(5) Developer (and Developer’s owner(s)) must sign a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and Franchisor’s affiliates, subsidiaries, members, managers, officers, directors, employees and agents;

(6) each transferee and all its direct and indirect owners and their respective spouses must execute and deliver to Franchisor a copy of Franchisor's then current form of Guaranty undertaking personally to be bound, jointly and severally, by all provisions of this Agreement (or Franchisor's then-current form of area development agreement if the Transfer involves transfer of a controlling interest) and any other ancillary agreements;

(7) all monetary obligations (whether hereunder or not) of Developer to Franchisor or Franchisor's affiliates or subsidiaries are paid in full;

(8) Developer and Developer's owners must not have violated any provision of this Agreement or any other agreement with Franchisor or Franchisor's affiliates during both the sixty (60) day period before Developer requested Franchisor's consent to the Transfer and the period between Developer's request and the effective date of the Transfer;

(9) if the Transfer involves a transfer of the Development Rights or a transfer of a controlling interest in Developer, the transferee, at Franchisor's request, must sign Franchisor's then-current form of area development agreement and related documents, any and all of the provisions of which may differ materially from any and all of those contained in this Agreement;

(10) the Marks not being used in any advertising for any Transfer prohibited by this Agreement;

(11) Developer and Developer's transferring owners (and Developer's and their immediate family members) will not, for two (2) years beginning on the transfer's effective date, engage in any of the activities proscribed in Section 8.B. below; and

(12) the Transfer of this Agreement must not be made separate and apart from the Transfer to the transferee of all Franchise Agreements that were signed pursuant to this Agreement.

D. EFFECT OF CONSENT TO TRANSFER.

Franchisor's consent to any Transfer is not a representation of the fairness of the terms of any contract between Developer and the transferee or transferee's prospects of success, or a waiver of any claims Franchisor has against Developer (or Developer's owners) or of Franchisor's right to demand full compliance by Developer and the transferee with this Agreement.

E. PUBLIC OR PRIVATE OFFERINGS.

Written information used to raise or secure funds can reflect upon Franchisor and the System. Developer agrees to submit any written information intended to be used for that purpose to Franchisor before inclusion in any registration statement, prospectus or similar offering memorandum. Should Franchisor object to any reference to Franchisor or its affiliates or any of Franchisor's business in the offering literature or prospectus, the literature or prospectus shall not be used until Franchisor's objections are withdrawn. Developer may not engage in a public offering of securities without Franchisor's prior written consent.

F. FRANCHISOR'S RIGHT OF FIRST REFUSAL.

If Developer (or any of its owners) desire to engage in a Transfer (except to or among Developer's current owners, which is not subject to this Section 5.F.), Developer (or its owners) agree to obtain from a responsible and fully disclosed buyer, and send Franchisor, a true and complete copy of a bona fide,

executed written offer (which may include a letter of intent) relating exclusively to an interest in Developer or in this Agreement and the Development Rights. The offer must include details of the payment terms of the proposed sale and the sources and terms of any financing for the proposed purchase price. To be a valid, bona fide offer, the entire proposed purchase price must be in a dollar amount, and the proposed buyer must submit with its offer an earnest money deposit equal to five percent (5%) or more of the offering price. The right of first refusal process will not be triggered by a proposed Transfer that would not be allowed under Sections 5.B. and 5.C. above. Franchisor may require Developer (or its owners) to send Franchisor copies of any materials or information sent to the proposed buyer or transferee regarding the possible transaction.

Within forty five (45) days after Franchisor receives an exact copy of the bona fide offer and all relevant information that Franchisor requests, Franchisor may, by written notice delivered to Developer or its selling owner(s), elect to purchase the interest offered for the price and on the terms and conditions contained in the offer; provided that:

- (1) Franchisor may substitute cash for any form of payment proposed in the offer (such as ownership interests in a privately-held entity);
- (2) Franchisor's credit will be deemed equal to the credit of any proposed buyer (meaning that, if the proposed consideration includes promissory notes, Franchisor or its designee may provide promissory notes with the same terms as those offered by the proposed buyer);
- (3) Franchisor will have an additional thirty (30) days to prepare for closing after notifying Developer of Franchisor's election to purchase; and
- (4) Franchisor must receive, and Developer and its owners agree to make, all customary representations and warranties given by the seller of the assets of a business or the ownership interests in a legal entity, as applicable, including representations and warranties regarding:
 - (a) ownership and condition of and title to ownership interests or assets;
 - (b) liens and encumbrances relating to ownership interests or assets; and
 - (c) validity of contracts and the liabilities, contingent or otherwise, of the entity whose assets or ownership interests are being purchased.

If Franchisor exercises its right of first refusal, Developer and its selling owners (and its and their immediate family members) agree that, for two (2) years beginning on the closing date, Developer and they will be bound by the restrictive covenants as described in Section 8.B. below. Franchisor has the unrestricted right to assign this right of first refusal to a third party, who then will have the rights described in this Section 5.F.

If Franchisor does not exercise its right of first refusal, Developer or its owners may complete the sale to the proposed buyer on the original offer's terms, but only if Franchisor otherwise approves the Transfer in accordance with, and Developer (and its owners) and the transferee comply with the conditions in, Sections 5.B. and 5.C. above. This means that, even if Franchisor does not exercise its right of first refusal (whether or not it is properly triggered as provided above) and, if the proposed transfer otherwise would not be allowed under Sections 5.B. and 5.C. above, Developer (or its owners) may not move forward with the transfer at all.

If Developer does not complete the sale to the proposed buyer within sixty (60) days after either Franchisor notifies Developer that we do not intend to exercise Franchisor's right of first refusal or the time Franchisor's exercise expires, or if there is a material change in the terms of the sale (which Developer agrees to tell Franchisor promptly), Franchisor or its designee will have an additional right of first refusal during the forty five (45) day period following either the expiration of the sixty (60) day period or Franchisor's receipt of notice of the material change(s) in the sale's terms, either on the terms originally offered or the modified terms, at Franchisor's or its designee's option.

6. TERMINATION OF AGREEMENT.

A. BY DEVELOPER.

If Developer and Developer's owners are fully compliant with this Agreement and Franchisor materially fails to comply with this Agreement and does not correct the failure within thirty (30) days after Developer delivers written notice of the material failure to Franchisor or if Franchisor cannot correct the failure within thirty (30) days and Franchisor fails to give Developer within thirty (30) days after Developer's notice reasonable evidence of Franchisor's effort to correct the failure within a reasonable time, Developer may terminate this Agreement effective an additional thirty (30) days after Developer delivers to Franchisor written notice of termination. Developer's termination of this Agreement other than according to this Section 6.A will be deemed a termination without cause and a breach of this Agreement.

B. BY FRANCHISOR.

Franchisor may terminate this Agreement, effective upon delivery of written notice to Developer, if:

(1) Developer (or any of Developer's owners) has made or makes any material misrepresentation or omission in the Application Materials;

(2) Developer fails to comply with the Development Schedule or fails to make progress in the development of LA LA Bakeshop Businesses to indicate, in Franchisor's sole determination, that Developer will not be able to satisfy Developer's development obligations under this Agreement for the then-current Development Period;

(3) Developer (or any of Developer's owners) makes or attempts to make a Transfer without complying with the requirements of Section 5;

(4) Developer (or any of Developer's owners) (a) fails on three (3) or more separate occasions within any twelve (12) consecutive month period to comply with any provision of this Agreement or (b) fails on two (2) or more separate occasions within any six (6) consecutive month period to comply with the same obligation under this Agreement, in either case, whether or not Franchisor notifies Developer of the failures, and, if Franchisor does notify Developer of the failures, whether or not Developer corrects the failures after Franchisor's delivery of notice to Developer;

(5) Developer (or any of Developer's owners) files a petition in bankruptcy or a petition in bankruptcy is filed against Developer; Developer makes an assignment for the benefit of creditors or admit in writing Developer's insolvency or inability to pay Developer's debts generally as they become due; Developer consents to the appointment of a receiver, trustee, or liquidator of all or the substantial part of Developer's property; any of Developer's or Developer's affiliates' LA LA Bakeshop Businesses are attached, seized, subjected to a writ or distress warrant,

or levied upon, unless the attachment, seizure, writ, warrant, or levy is vacated within thirty (30) days; or any order appointing a receiver, trustee, or liquidator of Developer's or Developer's affiliates' LÄ LÄ Bakeshop Business(es) are not vacated within thirty (30) days following the order's entry;

(6) Developer (or any of Developer's owners) fails to comply with anti-terrorism laws, ordinances, regulations and Executive Orders;

(7) Developer or any of Developer's owners are convicted of an indictable offense, a crime involving moral turpitude or any other crime or offense that is likely to adversely affect the reputation of the System and the goodwill associated with the Marks;

(8) Developer (or any of Developer's owners) engages in any conduct which, in Franchisor's opinion, adversely affects the reputation of LÄ LÄ Bakeshop Businesses or the goodwill associated with the Marks;

(9) Developer (or any of Developer's owners) fails to comply with any other provision of this Agreement and does not correct the failure within thirty (30) days after Franchisor delivers written notice of the failure to Developer;

(10) Developer fails to pay when due any amount owed to any creditor, supplier or lessor of a LÄ LÄ Bakeshop Business or any taxing authority for federal, provincial or local taxes (other than amounts being bona fide disputed through appropriate proceedings) and Developer does not correct such failure within ten (10) calendar days after written notice is delivered thereof;

(11) Developer knowingly maintains false books or records or denies Franchisor's or authorized representatives immediate access to Developer's books and records during any audit or inspection;

(12) Developer or a Guarantor or an affiliate fails to comply with any other agreement with Franchisor or Franchisor's affiliate, including any Franchise Agreement, unless the failure is timely and completely cured within any cure period provided under the applicable agreement; or

(13) Franchisor or Franchisor's affiliates terminate, for cause, any Franchise Agreement or any other agreement executed pursuant to this Agreement between Franchisor and/or Franchisor's affiliates, on one hand, and Developer and/or Developer's affiliates, on the other hand.

7. EXCLUSIVE RELATIONSHIP DURING TERM.

A. COVENANTS AGAINST COMPETITION.

(1) Developer acknowledges that Franchisor has granted Developer the Development Rights in consideration of and reliance upon Developer's agreement to deal exclusively with Franchisor. Developer therefore agrees that, during the Term, neither Developer nor any of Developer's owners, Developer's or Developer's owners' affiliates, or the officers, directors, managers or immediate family members of any of the foregoing will:

(a) have any direct or indirect interest as an owner – whether of record, beneficially, or otherwise – in a Competitive Business (defined below), wherever located or operating (except that equity ownership of less than five percent (5%) of a Competitive Business whose stock or

other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this subparagraph);

(b) perform services as a director, officer, manager, employee, consultant, representative, lessor, or agent for a Competitive Business, wherever located or operating;

(c) divert or attempt to divert any actual or potential business or customer of any LÁ Bakeshop Business to a Competitive Business;

(d) directly or indirectly, appropriate, use or duplicate the System or System Standards, or any portion thereof, for use in any other business or endeavor.

(2) The term “**Competitive Business**” means any business operating, or granting franchises or licenses to others to operate, a bakery or other food service business (a) engaged in the retail or wholesale production or sale of baked goods and beverages (including, but not limited to, Vietnamese baked goods and beverages including coffee and tea, as well as other baked goods) and (b) that derives more than 50% of its revenue from sales of baked goods and beverages (other than another LÁ Bakeshop Business operated by Franchisor under license from Franchisor). Developer agrees to obtain similar covenants from the personnel Franchisor specifies, including officers, directors, managers, and other employees attending Franchisor’s training program or having access to Confidential Information. Franchisor has the right to regulate the form of agreement that Developer use and to be a third-party beneficiary of that agreement with independent enforcement rights.

B. **NON-INTERFERENCE.** Developer further agrees that, either during or after the Term, neither Developer nor any of Developer’s owners, Developer’s or Developer’s owners’ affiliates, or the officers, directors, managers or immediate family members of any of the foregoing, will: (i) interfere or attempt to interfere with Franchisor’s or Franchisor’s affiliates’ relationships with any vendors or consultants; or (ii) engage in any other activity which might injure the goodwill of the Marks or the System.

C. **NON-DISPARAGEMENT.** Developer agrees not to (and to use Developer’s best efforts to cause Developer’s current and former owners, members, officers, directors, principals, agents, partners, employees, representatives, attorneys, spouses, heirs, affiliates, successors and assigns not to) disparage or otherwise speak or write negatively, directly or indirectly, of Franchisor, Franchisor’s affiliates, any of Franchisor’s or Franchisor’s affiliates’ owners, directors, officers, employees, representatives or affiliates, current and former franchisees or developers of Franchisor or Franchisor’s affiliates, the LÁ Bakeshop® brand, the System, any LÁ Bakeshop Business, any business using the Marks, any other brand or service-marked or trademarked concept of Franchisor or Franchisor’s affiliates, or which would subject the LÁ Bakeshop® brand or such other brands to ridicule, scandal, reproach, scorn, or indignity, or which would negatively impact the goodwill of Franchisor, the LÁ Bakeshop® brand or such other brands. The obligations of this Section 7.C. shall survive any expiration or termination of this Agreement.

8. **RIGHTS AND OBLIGATIONS ON TERMINATION OR EXPIRATION OF THIS AGREEMENT.**

A. **DEVELOPER’S OBLIGATIONS.**

Developer and, as applicable, Developer’s owners and all such other persons or Entities who are bound under the terms of this Agreement must immediately upon the expiration or termination of this Agreement, cease to directly or indirectly exercise or attempt to exercise any of the rights granted to Developer under this Agreement, comply with all obligations that either expressly survive or by their nature

are intended to survive the expiration or termination of this Agreement, and refrain from interfering or attempting to interfere with Franchisor's or Franchisor's affiliates' relationships with any vendors, franchisees or consultants or engage in any other activity which might injure the goodwill of the Marks or the System.

B. COVENANT NOT TO COMPETE/NON-INTERFERENCE.

(1) **Non-Competition.** Developer agrees that for two (2) years beginning on the effective date of the termination or expiration of this Agreement, neither Developer nor any of Developer's owners, Developer's or Developer's owners' affiliates, or the officers, directors, managers or immediate family members of any of the foregoing will:

(a) divert or attempt to divert any present or prospective customer of any LÀ LÀ Bakeshop Business to any Competitive Business, by direct or indirect inducement or otherwise; or

(b) have any direct or indirect interest as an owner (whether of record, beneficially, or otherwise), investor, partner, director, officer, employee, consultant, representative, lessor, or agent in any Competitive Business located or operating (x) within the Development Area and (y) within a ten (10) mile radius of any other LÀ LÀ Bakeshop Business in operation on the later of the effective date of the termination or expiration of this Agreement or the date on which all persons restricted by this Section 8.B. begin to comply with this Section 8.B.

These restrictions also apply after Transfers, as provided in Section 5.C(12) above. If any person restricted by this Section 8.B(1) refuses voluntarily to comply with these obligations, the two (2)-year period for that person will commence with the entry of a court order enforcing this provision. Developer and Developer's owners expressly acknowledge that Developer possess skills and abilities of a general nature and have other opportunities for exploiting these skills. Consequently, Franchisor's enforcement of the covenants made in this Section 8.B(1) will not deprive Developer of Developer's personal goodwill or ability to earn a living.

(2) **Non-Interference.** Developer further agree that, for two (2) years beginning on the effective date of termination or expiration, neither Developer nor any of Developer's owners, Developer's or Developer's owners' affiliates, or the officers, directors, managers or immediate family members of any of the foregoing will

(a) interfere or attempt to interfere with Franchisor's or Franchisor's affiliates' relationships with any vendors or consultants; or

(b) engage in any other activity which might injure the goodwill of the Marks or the System.

C. CONTINUING OBLIGATIONS.

All of Franchisor's and Developer's (and Developer's owners') obligations which expressly or by their nature survive this Agreement's expiration or termination will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature expire, including, without limitation, all obligations relating to non-disparagement, non-competition, non-interference, confidentiality, and indemnification.

9. **RELATIONSHIP OF PARTIES, INDEMNIFICATION; CONFIDENTIAL INFORMATION.**

A. **INDEPENDENT CONTRACTORS.**

This Agreement does not create a fiduciary relationship between Developer and Franchisor. Developer and Franchisor are and will be independent contractors, and nothing in this Agreement is intended to make either Developer or Franchisor a general or special agent, joint venturer, partner, or employee of the other for any purpose. Developer agrees to identify itself conspicuously in all dealings with customers, vendors, public officials, Developer's personnel, and others as the owner of Developer's business under a franchise Franchisor has granted and to place notices of independent ownership on the business cards, advertising, and other materials Franchisor periodically requires.

Developer also acknowledges that Developer will have a contractual relationship only with Franchisor and may look only to Franchisor to perform under this Agreement. None of Franchisor's affiliates is a party to this Agreement and has no obligations under it. However, Franchisor's affiliate who is the owner of the Marks, Developer and Franchisor agree that such affiliate will be a third-party beneficiary of those provisions in this Agreement relating to use of the Marks, with the independent right to enforce such provisions against Developer and to seek damages from Developer for Developer's failure to comply with those provisions.

B. **EMPLOYEES, AGENTS AND INDEPENDENT CONTRACTORS.**

Developer acknowledges and agrees that Developer is solely responsible for all decisions relating to employees, agents, and independent contractors that Developer may hire to assist in Developer's exercise of the Development Rights. Developer agrees that any employee, agent or independent contractor that Developer hire will be Developer's employee, agent or independent contractor, and not Franchisor's employee, agent or independent contractor. Developer also agrees that Developer is exclusively responsible for the terms and conditions of employment of Developer's employees, including recruiting, hiring, firing, training, compensation, work hours and schedules, work assignments, safety and security, discipline, and supervision. Developer agrees to manage the employment functions in relation with Developer's exercise of the Development Rights in compliance with federal, state, and local employment laws.

C. **INDEMNIFICATION.**

Developer agrees to indemnify, defend, and hold harmless Franchisor, Franchisor's current and former affiliates, and each of the foregoing Entity's respective owners, managers, directors, officers, employees, agents, successors, and assignees (the "**Indemnified Parties**") against, and to reimburse any one or more of the Indemnified Parties for, all claims, obligations, and damages directly or indirectly arising out of the operation of the business Developer conduct under this Agreement, or Developer's breach of this Agreement, including, without limitation, those alleged to be caused by the Indemnified Party's negligence, unless (and then only to the extent that) the claims, obligations, or damages are determined to be caused solely by the Indemnified Party's intentional misconduct in a final, unappealable ruling issued by a court with competent jurisdiction. For purposes of this indemnification, "**claims**" include all obligations, damages (actual, consequential, or otherwise), and costs that any Indemnified Party reasonably incurs in defending any claim against it, including, without limitation, reasonable accountants', arbitrators', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation or alternative dispute resolution, regardless of whether litigation or alternative dispute resolution is commenced. Each Indemnified Party may defend any claim against it at Developer's expense (including choosing and retaining its own legal counsel) and agree to settlements or take any other remedial, corrective, or other actions. This indemnity will continue in full force and effect

subsequent to and notwithstanding this Agreement's expiration or termination. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a claim against Developer under this subparagraph. Developer agrees that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover from Developer under this Section 9.C.

D. CONFIDENTIAL INFORMATION.

In connection with Developer's rights under this Agreement, Developer and its owners and personnel may from time to time be provided and/or have access to non-public information about the System and the operation and development of other LÀ LÁ Bakeshop Businesses, including information arising from the other LÀ LÁ Bakeshop Businesses that Developer develops (the "**Confidential Information**"), including: (1) criteria for site selection; (2) training programs and operations materials; (3) the System; (4) market research and marketing strategies (including expansion strategies and targeted demographics); (5) specifications for, suppliers of, and methods of ordering, products and services; (6) any software or technology which is proprietary to Franchisor or the System, including digital passwords and identifications and any source code of, and data, reports, and other printed materials generated by, the software or similar technology; (7) knowledge of the operating results and financial performance of LÀ LÁ Bakeshop Businesses; (8) information generated by Developer or used or developed by Developer, including information relating to market research; and (9) any other information designated as confidential or proprietary by Franchisor.

All Confidential Information will be owned by Franchisor (other than personally identifiable information relating to the employees, officers, contractors, owners or other personnel of Developer, its affiliates, or its other LÀ LÁ Bakeshop Businesses, and/or such other personally identifiable information designated by Franchisor from time to time). Developer acknowledges and agrees that: (i) Developer will not acquire any interest in any of the Confidential Information, other than the right to use it as Franchisor specifies under this Agreement or the Franchise Agreements that Developer (or its affiliates) sign, in each case in accordance with the terms of such agreement; and (ii) Franchisor's Confidential Information is proprietary, includes Franchisor's trade secrets, and is disclosed to Developer only on the condition that Developer will protect it. Developer acknowledges that any unauthorized use or disclosure of Franchisor's Confidential Information would be an unfair method of competition and a breach of trust and confidence and will result in irreparable harm to Franchisor and its affiliates. Developer (and if it is conducting business as an Entity, each of its owners) therefore agree that during and after the Term, Developer will, and will cause each of its respective current and former spouses, immediate family members, owners, officers, directors, employees, representatives, affiliates, successors and assigns to:

(a) process, retain, use, collect, and disclose Franchisor's Confidential Information strictly to the limited extent, and in such a manner, as necessary for exercise of the Development Rights in accordance with this Agreement, and/or the operation of other LÀ LÁ Bakeshop Businesses under the respective Franchise Agreements, and not for any other purpose of any kind;

(b) process, retain, use, collect, and disclose Franchisor's Confidential Information strictly in accordance with the privacy policies and System Standards that Franchisor establishes from time to time, and Franchisor's and its representative's instructions;

(c) keep confidential and not disclose, sell, distribute, or trade Franchisor's Confidential Information to any person other than those of Developer's personnel and representatives who need to know such Confidential Information for the purpose of assisting Developer in exercising the Development Rights in accordance with this Agreement, and/or operating other LÀ LÁ Bakeshop Businesses in accordance with

Franchise Agreements with Franchisor; and Developer agrees that it will be responsible for any violation of this requirement by any of Developer's personnel and representatives;

(d) not make unauthorized copies of any of Franchisor's Confidential Information;

(e) adopt and maintain administrative, physical and technical safeguards to prevent unauthorized use or disclosure of any of Franchisor's Confidential Information, including by establishing reasonable security and access measures, restricting its disclosure to key personnel, and/or by requiring persons who have access to such Confidential Information to be bound by contractual obligations to protect such Confidential Information and preserve Franchisor's rights and controls in such Confidential Information, in each case that are no less protective or beneficial to Franchisor than the terms of this Agreement; and

(f) at Franchisor's request, destroy or return any of the Confidential Information.

Confidential Information does not include information, knowledge, or know how, which is lawfully known to the public without violation of applicable law or an obligation to Franchisor or its affiliates.

Franchisor is not making any representations or warranties, express or implied, with respect to the Confidential Information. Franchisor and its affiliates have no liability to Developer for any errors or omissions from the Confidential Information.

All ideas, concepts, techniques, or materials relating to this Agreement, the Development Rights, and/or the System created by Developer, its owners or its employees (or for Developer, its owners or its employees), whether or not protectable intellectual property, must be promptly disclosed to Franchisor and will be Franchisor's sole and exclusive property, part of the System, and works made-for-hire for Franchisor. To the extent that any item does not qualify as a "work made-for-hire" for Franchisor, Developer hereby waives all moral rights in that item, assign ownership of that item, and all related rights to that item, to Franchisor and agrees to take whatever action (including signing assignment or other documents) that Franchisor requests to evidence Franchisor's ownership or to help Franchisor obtain intellectual property rights in the item.

10. **ENFORCEMENT.**

A. **ARBITRATION.**

Franchisor and Developer agree that all controversies, disputes, or claims between Franchisor or any of Franchisor's affiliates, and Franchisor's and their respective owners, officers, directors, agents, and employees, on the one hand, and Developer (and Developer's owners, guarantors, affiliates, and employees), on the other hand, arising out of or related to: (1) this Agreement or any other agreement between Developer (or any of Developer's owners) and Franchisor (or any of Franchisor's affiliates); (2) Franchisor's relationship with Developer; (3) the scope or validity of this Agreement or any other agreement between Developer (or any of Developer's owners) and Franchisor (or any of Franchisor's affiliates) or any provision of any of such agreements (including the validity and scope of the arbitration provision under this Section, which Franchisor and Developer acknowledge is to be determined by an arbitrator, not a court); or (4) any System Standards, must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association (the "AAA"). The arbitration proceedings will be conducted by one arbitrator and, except as this Section otherwise provides, according to the AAA's then-current Commercial Arbitration Rules. All proceedings will be conducted at a suitable location chosen by the arbitrator that is within fifty (50) miles of Franchisor's (or, as applicable, Franchisor's successor's or assign's) then current principal place of business (currently, Scarborough, Ontario, Canada). All matters

relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). The interim and final awards of the arbitrator shall be final and binding upon each party, and judgment upon the arbitrator's awards may be entered in any court of competent jurisdiction.

The arbitrator has the right to award or include in his or her awards any relief which he or she deems proper, including, without limitation, money damages, pre- and post-award interest, interim costs and attorneys' fees, specific performance, and injunctive relief, provided that the arbitrator may not declare any of the trademarks owned by Franchisor or Franchisor's affiliates generic or otherwise invalid, or award any punitive or exemplary damages against any party to the arbitration proceeding (Franchisor and Developer hereby waiving to the fullest extent permitted by law any such right to or claim for any punitive or exemplary damages against any party to the arbitration proceeding). In any arbitration brought pursuant to this arbitration provision, and in any action in which a party seeks to enforce compliance with this arbitration provision, the prevailing party shall be awarded its costs and expenses, including attorneys' fees, incurred in connection therewith.

Franchisor and Developer agree to be bound by the provisions of any applicable contractual or statutory limitations provision, whichever expires earlier. Franchisor and Developer further agree that, in any arbitration proceeding, each party must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding. Any claim which is not submitted or filed as required will be forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either Developer or Franchisor.

FRANCHISOR AND DEVELOPER AGREE THAT ARBITRATION WILL BE CONDUCTED ON AN INDIVIDUAL BASIS AND THAT AN ARBITRATION PROCEEDING BETWEEN FRANCHISOR AND ANY OF FRANCHISOR'S AFFILIATES, OR FRANCHISOR'S AND THEIR RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES, ON THE ONE HAND, AND DEVELOPER (OR DEVELOPER'S OWNERS, GUARANTORS, AFFILIATES, AND EMPLOYEES), ON THE OTHER HAND, MAY NOT BE: (I) CONDUCTED ON A CLASS-WIDE BASIS; (II) COMMENCED, CONDUCTED OR CONSOLIDATED WITH ANY OTHER ARBITRATION PROCEEDING; (III) JOINED WITH ANY SEPARATE CLAIM OF AN UNAFFILIATED THIRD PARTY; OR (IV) BROUGHT ON DEVELOPER'S BEHALF BY ANY ASSOCIATION OR AGENT. Notwithstanding the foregoing, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute, controversy or claim that otherwise would be subject to arbitration under this Section, then all parties agree that this arbitration clause shall not apply to that dispute, controversy or claim and that such dispute, controversy or claim shall be resolved in a judicial proceeding in accordance with the dispute resolution provisions of this Agreement.

Franchisor and Developer agree that, in any arbitration arising as described herein, the arbitrator shall have full authority to manage any necessary exchange of information among the parties with a view to achieving an efficient and economical resolution of the dispute.

The provisions of this Section are intended to benefit and bind certain third-party non-signatories. The provisions of this Section will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

Any provisions of this Agreement below that pertain to judicial proceedings shall be subject to the agreement to arbitrate contained in this Section.

B. GOVERNING LAW.

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 United States federal law, this Agreement, the franchise and all claims arising from the relationship between Franchisor and Developer will be governed by the laws of the State of Delaware, without regard to its conflict of laws rules, except that (1) any state law regulating the offer or sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this section, and (2) the enforceability of those provisions of this Agreement which relate to restrictions on Developer and Developer's owners' competitive activities will be governed by the laws of the state in which Developer's Development Area is located.

C. CONSENT TO JURISDICTION.

Subject to the obligation to arbitrate under Section 10.A above and the provisions below, Developer and Developer's owners agree that all actions arising under this Agreement or otherwise as a result of the relationship between Developer and Franchisor must be commenced in the court nearest to Franchisor's (or, as applicable, Franchisor's successor's or assign's) then current principal place of business (currently, Scarborough, Ontario, Canada), and Developer (and each owner) irrevocably submit to the jurisdiction of that court and waive any objection Developer (or the owner) might have to either the jurisdiction of or venue in that court.

D. WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL.

Except for Developer's obligation to indemnify Franchisor for third party claims under Section 10.D, Franchisor and Developer (and Developer's owners) 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 between Franchisor and Developer, the party making a claim will be limited to equitable relief and to recovery of any actual damages it sustains. Franchisor and Developer irrevocably waive trial by jury in any action or proceeding brought by either of Franchisor.

E. INJUNCTIVE RELIEF.

Nothing in this Agreement, including the provisions of Section 10, bars Franchisor's right to obtain specific performance of the provisions of this Agreement and injunctive relief against any threatened or actual conduct that will cause Franchisor, the Marks, or the System loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and temporary or preliminary injunctions. Developer agrees that Franchisor may seek such relief from any court of competent jurisdiction in addition to such further or other relief as may be available to Franchisor at law or in equity. Developer agrees that Franchisor will not be required to post a bond to obtain injunctive relief and that Developer's only remedy if an injunction is entered against Developer will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by injunction being expressly waived hereby).

F. COSTS AND ATTORNEYS' FEES.

The prevailing party in any judicial or arbitration proceeding shall be entitled to recover from the other party all damages, costs and expenses, including arbitration and court costs and reasonable attorneys' fees, incurred by the prevailing party in connection with such proceeding.

G. LIMITATIONS OF CLAIMS.

EXCEPT FOR CLAIMS ARISING FROM DEVELOPER'S NON-PAYMENT OR UNDERPAYMENT OF AMOUNTS DEVELOPER OWE FRANCHISOR, ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR FRANCHISOR'S RELATIONSHIP WITH DEVELOPER WILL BE BARRED UNLESS A JUDICIAL OR ARBITRATION PROCEEDING IS COMMENCED IN ACCORDANCE WITH THIS AGREEMENT WITHIN ONE (1) YEAR FROM THE DATE ON WHICH THE PARTY ASSERTING THE CLAIM KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THE CLAIMS. The parties understand that such time limit might be shorter than otherwise allowed by law. Developer and Developer's owners agree that Developer's and their sole recourse for claims arising between the parties shall be against Franchisor or Franchisor's successors and assigns. Developer and Developer's owners agree that Franchisor's and Franchisor's affiliates' members, managers, shareholders, directors, officers, employees, and agents shall not be personally liable nor named as a party in any action between Franchisor or Franchisor's affiliates and Developer or Developer's owners.

FRANCHISOR AND DEVELOPER AGREE THAT ANY PROCEEDING WILL BE CONDUCTED ON AN INDIVIDUAL BASIS AND THAT ANY PROCEEDING BETWEEN FRANCHISOR AND ANY OF FRANCHISOR'S AFFILIATES, OR FRANCHISOR'S AND THEIR RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES, ON THE ONE HAND, AND DEVELOPER OR DEVELOPER'S OWNERS, GUARANTORS, AFFILIATES, AND EMPLOYEES, ON THE OTHER HAND, MAY NOT BE: (I) CONDUCTED ON A CLASS-WIDE BASIS; (II) COMMENCED, CONDUCTED OR CONSOLIDATED WITH ANY OTHER PROCEEDING; (III) JOINED WITH ANY CLAIM OF AN UNAFFILIATED THIRD PARTY; OR (IV) BROUGHT ON DEVELOPER'S BEHALF BY ANY ASSOCIATION OR AGENT.

No previous course of dealing shall be admissible to explain, modify, or contradict the terms of this Agreement. No implied covenant of good faith and fair dealing shall be used to alter the express terms of this Agreement.

11. MISCELLANEOUS.

A. BINDING EFFECT.

This Agreement is binding upon Franchisor and Developer and Franchisor's and Developer's respective executors, administrators, heirs, beneficiaries, permitted assigns, and successors in interest. Subject to Franchisor's right to modify the System Standards, this Agreement may not be modified except by a written agreement signed by Franchisor's and Developer's duly-authorized officers.

B. RIGHTS OF PARTIES ARE CUMULATIVE.

Franchisor's and Developer's rights under this Agreement are cumulative, and Franchisor's or Developer's exercise or enforcement of any right or remedy under this Agreement will not preclude Franchisor's or Developer's exercise or enforcement of any other right or remedy which Franchisor or Developer is entitled by law to enforce.

C. SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS.

Except as expressly provided to the contrary in this Agreement, each section, paragraph, term, and provision of this Agreement is severable, and if, for any reason, any part is held to be invalid or contrary to

or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency, or tribunal with competent jurisdiction, that ruling will not impair the operation of, or otherwise affect, any other portions of this Agreement, which will continue to have full force and effect and bind the parties.

If any applicable and binding law or rule of any jurisdiction requires more notice than this Agreement requires of this Agreement's termination or of Franchisor's refusal to enter into a successor franchise agreement, or some other action that this Agreement does not require, or if, under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any System Standard is invalid, unenforceable, or unlawful, the notice or other action required by the law or rule will be substituted for the comparable provisions of this Agreement, and Franchisor may modify the invalid or unenforceable provision or System Standard to the extent required to be valid and enforceable or delete the unlawful provision in its entirety. Developer agrees to be bound by any promise or covenant imposing the maximum duty the law permits which is subsumed within any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement.

D. WAIVER OF OBLIGATIONS.

Franchisor and Developer may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice to the other or another effective date stated in the notice of waiver. Any waiver granted will be without prejudice to any other rights Franchisor or Developer has, will be subject to continuing review, and may be revoked at any time and for any reason effective upon delivery of ten (10) days' prior written notice.

Franchisor and Developer will not waive or impair any right, power, or option this Agreement reserves (including Franchisor's right to demand exact compliance with every term, condition, and covenant or to declare any breach to be a default and to terminate this Agreement before its term expires) because of any custom or practice at variance with this Agreement's terms; Franchisor's or Developer's failure, refusal, or neglect to exercise any right under this Agreement or to insist upon the other's compliance with this Agreement. No special or restrictive legend or endorsement on any check or similar item given to Franchisor will be a waiver, compromise, settlement, or accord and satisfaction. Franchisor is authorized to remove any legend or endorsement, which then will have no effect.

E. THE EXERCISE OF FRANCHISOR'S JUDGMENT.

Franchisor has the right to operate, develop, and change the System in any manner that is not specifically prohibited by this Agreement. Whenever Franchisor has reserved in this Agreement a right to take or to withhold an action, to grant or decline to grant Developer a right to take or withhold an action, or to provide or withhold approval or consent, Franchisor may, except as otherwise specifically provided in this Agreement, make Franchisor's decision or exercise Franchisor's rights in Franchisor's sole discretion.

F. CONSTRUCTION.

The preambles and exhibits are a part of this Agreement, which together with this Agreement constitute Franchisor's and Developer's entire agreement, and there are no other oral or written understandings or agreements between Franchisor and Developer, or oral or written representations by Franchisor, relating to the subject matter of this Agreement, the franchise relationship, or Developer's Development Rights (any understandings or agreements reached, or any representations made, before this Agreement are superseded by this Agreement); but nothing in this Agreement or any related agreement is intended to disclaim the representations Franchisor made in the franchise disclosure document that Franchisor furnished to Developer. Any policies that Franchisor periodically adopt and implement to guide

Franchisor in Franchisor's decision-making are subject to change, are not a part of this Agreement, and are not binding on Franchisor. Except as provided in Section 9.C., nothing in this Agreement is intended or deemed to confer any rights or remedies upon any person or legal entity not a party to this Agreement.

Except where this Agreement expressly obligates Franchisor reasonably to approve or not unreasonably to withhold Franchisor's approval of any of Developer's actions or requests, Franchisor has the absolute right to refuse any request Developer makes or to withhold Franchisor's approval of any of Developer's proposed, initiated, or completed actions that require Franchisor's approval. The headings of the sections and paragraphs are for convenience only and do not define, limit, or construe the contents of these sections or paragraphs.

References in this Agreement to "Franchisor" with respect to all of Franchisor's rights and all of Developer's obligations to Franchisor under this Agreement, include any of Franchisor's affiliates with whom Developer deals. The term "affiliate" means any person or entity directly or indirectly owned or controlled by, under common control with, or owning or controlling Developer or Franchisor. "Controlling interest" in Developer or one of Developer's owners (if an Entity) means the percent of the voting shares or other voting rights that results from dividing one hundred percent (100%) of the ownership interests by the number of owners. In the case of a proposed Transfer of an ownership interest in Developer or one of Developer's owners, the determination of whether a "controlling interest" is involved must be made as of both immediately before and immediately after the proposed transfer to see if a "controlling interest" will be transferred (because of the number of owners before the proposed Transfer) or will be deemed to have been transferred (because of the number of owners after the proposed Transfer). If two (2) or more persons are at any time the owners of the Development Rights, whether as partners or joint venturers, their obligations and liabilities to Franchisor will be joint and several. References to "owner" mean any person holding a direct or indirect ownership interest (whether of record, beneficially, or otherwise) or voting rights in Developer (or a transferee of this Agreement and Developer's Development Rights or an ownership interest in Developer), including, without limitation, any person who has a direct or indirect interest in Developer (or a transferee), this Agreement, the Franchise, or Developer's Development Rights and any person who has any other legal or equitable interest, or the power to vest in himself or herself any legal or equitable interest, in their revenue, profits, rights, or assets. References to an "ownership interest" in Developer or one of Developer's owners (if an Entity) mean the percent of the voting shares or other voting rights that results from dividing one hundred percent (100%) of the ownership interests by the number of owners. "Person" means any natural person, corporation, limited liability company, general or limited partnership, unincorporated association, cooperative, or other legal or functional entity.

Unless otherwise specified, all references to a number of days shall mean calendar days and not business days.

The following provision applies if Developer or a franchise granted hereby are subject to the franchise registration or disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin: No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

G. NO WARRANTY OR REPRESENTATION.

Franchisor and Franchisor's agents, affiliates, officers, directors, managers, owners, employees and other representatives have not made or given to Developer any warranties, representations, undertakings,

commitments, covenants or guarantees respecting the subject matter of this Agreement except as expressly stated in this Agreement, and specifically without limiting the generality of the foregoing, Developer hereby acknowledge and agree that Franchisor and Franchisor's agents, affiliates, officers, directors, managers, owners, employees and other representatives have not made or given any warranty, representation, undertaking, commitment, covenant or guarantee in respect of sales or profit to be derived or costs or expenses to be incurred by Developer and that Developer is not relying upon any warranties, representations, undertakings, commitments, covenants or guarantees of Franchisor and Franchisor's officers, directors, shareholders, employees and other representatives except as provided in this Agreement.

H. LAWFUL ATTORNEY.

Notwithstanding anything otherwise contained in this Agreement, if Developer do not execute and deliver any documents or other assurances so required of Developer pursuant to this Agreement or if Franchisor takes over the management or operation of the business operated hereunder on Developer's behalf for any reason, Developer hereby irrevocably appoint Franchisor as Developer's lawful attorney with full power and authority, to execute and deliver in Developer's name any such documents and assurances, and to manage or operate the business on Developer's behalf, and to do all other acts and things, all in such discretion as Franchisor may desire, and Developer hereby agree to ratify and confirm all of Franchisor's acts as Developer's lawful attorney and to indemnify and save Franchisor harmless from all claims, liabilities, losses, or damages suffered in so doing. Developer also hereby appoint Franchisor as Developer's attorney-in-fact to receive and inspect Developer's confidential sales and other tax records and hereby authorize all tax authorities to provide such information to Franchisor for all tax periods during the Term.

I. NOTICES.

All notices, consents, approvals, statements, documents or other communications required or permitted to be given hereunder must be in writing, and will be deemed to be delivered on the earlier of the date of actual delivery or one of the following: (i) at the time delivered by hand, (ii) at the time delivered via computer transmission and, in the case of amounts due, at the time Franchisor actually receives electronic payment, (iii) one (1) business day after being placed in the hands of a nationally recognized commercial courier service for next business day delivery, or (iv) three (3) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid. Any notice must be sent to the party to be notified at its most current principal business address of which the notifying party has notice; except that, it will always be deemed acceptable to send notice to Developer at the address of any of the LÁ LÁ Bakeshop Businesses owned by Developer. Any required payment or report which Franchisor does not actually receive during regular business hours on the date due will be deemed delinquent.

J. PROHIBITED PARTIES.

Developer hereby represent and warrant to Franchisor, as an express consideration for the franchise granted hereby, that neither Developer nor any of Developer's employees, agents, or representatives, nor any other person or entity associated with Developer, is now, or has been:

1. Listed on: (a) the U.S. Treasury Department's List of Specially Designated Nationals, (b) the U.S. Commerce Department's Denied Persons List, Unverified List, Entity List, or General Orders, (c) the U.S. State Department's Debarred List or Nonproliferation Sanctions, or (d) the Annex to U.S. Executive Order 13224.
2. A person or entity who assists, sponsors, or supports terrorists or acts of terrorism, or is owned or controlled by terrorists or sponsors of terrorism.

Developer further represent and warrant to Franchisor that Developer is now, and have been, in compliance with U.S. anti-money laundering and counter-terrorism financing laws and regulations, and that any funds provided by Developer to Franchisor or Franchisor's affiliates are and will be legally obtained in compliance with these laws. Developer agrees not to, and to cause all employees, agents, representatives, and any other person or entity associated with Developer not to, during the Term, take any action or refrain from taking any action that would cause such person or entity to become a target of any such laws and regulations.

K. **COUNTERPARTS.**

This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Faxed, scanned or electronic signatures shall have the same effect and validity, and may be relied upon in the same manner, as original signatures.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement on the dates noted below, to be effective as of the Effective Date.

LLB GROUP LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____
EFFECTIVE DATE: _____

DEVELOPER:

[Name]

By: _____
Name: _____
Title: _____
Date: _____

**ATTACHMENT A
TO AREA DEVELOPMENT AGREEMENT**

**INFORMATION REGARDING OWNERSHIP, DEVELOPMENT AREA, DEVELOPMENT
SCHEDULE, AND OTHER AGREEMENT TERMS**

1. Developer.

Name: _____

Attention: _____

Address: _____

Email Address: _____

2. Form of Owner.

(a) **Individual Proprietorship.** Developer's owner(s) (is) (are) as follows: _____

(b) **Corporation, Limited Liability Company, or Partnership.** Developer was incorporated or formed on _____, under the laws of the State of _____. Developer has not conducted business under any name other than Developer's corporate, limited liability company, or partnership name unless indicated in the following: _____.

3. **Owners.** The following identifies the owner that Developer has designated as, and that Franchisor approve to be, the Managing Owner and lists the full name of each person who is one of Developer's owners (as defined in the Development Agreement), or an owner of one of Developer's owners, and fully describes the nature of each owner's interest (attach additional pages if necessary).

	<u>Owner's Name</u>	<u>Type / Percentage of Interest</u>
Managing Owner:	_____	_____ %
Other Owners:	_____	_____ %
	_____	_____ %

4. Development Fee: _____

5. The **Development Area** is comprised of: _____, as depicted below. If the Development Area is identified by counties or other political subdivisions, political boundaries will be considered fixed as of the date of this Agreement and will not change, notwithstanding a political reorganization or change to the boundaries or regions.

[Insert a map of the Development Area]

6. The **Development Schedule** is as follows:

Development Period	# of LÀ LÁ Bakeshop Businesses That Must be Opened During Development Period	Date by Which the Premises for Each LÀ LÁ Bakeshop Business Must be Approved by Franchisor	Date by which Premises for Each LÀ LÁ Bakeshop Business Must be Purchased or Leased	Date by Which Each LÀ LÁ Bakeshop Business Must Open	Cumulative # of LÀ LÁ Bakeshop Businesses Operating by End of Development Period
_____ to _____	_____	_____	_____	_____	_____
_____ to _____	_____	_____	_____	_____	_____
_____ to _____	_____	_____	_____	_____	_____
_____ to _____	_____	_____	_____	_____	_____

* To satisfy this requirement, Franchisor must have received, by the end of the Development Period, copies of either documents evidencing Developer’s ownership of the Premises or fully executed (by all parties) leases (together with all exhibits) for the Premises that Franchisor has accepted.

LLB GROUP LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____
Date: _____

DEVELOPER:

[Name]

By: _____
Name: _____
Title: _____
Date: _____

**ATTACHMENT B
TO AREA DEVELOPMENT AGREEMENT**

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given by each of the undersigned persons indicated below who have executed this Guaranty (each a “**Guarantor**”) to be effective as of the Effective Date of the Agreement (defined below).

In consideration of, and as an inducement to, the execution of that certain Area Development Agreement (as amended, modified, restated or supplemented from time-to-time, the “**Agreement**”) on this date by **LLB GROUP LLC** (“**we**” or “**our**”), each Guarantor personally and unconditionally (a) guarantees to Franchisor and Franchisor’s successors and assigns, for the term of the Agreement (including extensions) and afterward as provided in the Agreement, that _____ (“**Developer**”) will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement and (b) agrees to be personally bound by, and personally liable for each and every provision in the Agreement that sets out an obligation of the Developer, including both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities.

Each Guarantor consents and agrees that: (1) Guarantor’s direct and immediate liability under this Guaranty will be joint and several, both with Developer and among other guarantors; (2) Guarantor will render any payment or performance required under the Agreement upon demand if Developer fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon Franchisor’s pursuit of any remedies against Developer or any other person; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which Franchisor may from time-to-time grant to Developer or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement; and (5) at Franchisor’s request, each Guarantor shall present updated financial information to Franchisor as reasonably necessary to demonstrate such Guarantor’s ability to satisfy the financial obligations of Developer under the Agreement.

Each Guarantor waives: (i) all rights to payments and claims for reimbursement or subrogation which any Guarantor may have against Developer arising as a result of the Guarantor’s execution of and performance under this Guaranty; and (ii) acceptance and notice of acceptance by Franchisor of Guarantor’s undertakings under this Guaranty, notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices to which he or she may be entitled.

Each Guarantor represents and warrants that, if no signature appears below for such Guarantor’s spouse, such Guarantor is either not married or, if married, is a resident of a state which does not require the consent of both spouses to encumber the assets of a marital estate.

The provisions contained in Section 10 (Enforcement) of the Agreement, including Section 10.A. (Arbitration), Section 10.C. (Consent to Jurisdiction) and Section 10.F. (Costs and Attorneys’ Fees) of the Agreement are incorporated into this Guaranty by reference and shall govern this Guaranty and any disputes between the Guarantors and Franchisor. The Guarantors shall reimburse Franchisor for all costs and expenses Franchisor incur in connection with enforcing the terms of this Guaranty.

By signing below, the undersigned spouse of each Guarantor indicated below, acknowledges and consents to the guaranty given herein by his/her spouse. Such consent also serves to bind the assets of the marital estate to Guarantor's performance of this Guaranty. Franchisor confirm that a spouse who signs this Guaranty solely in his or her capacity as a spouse (and not as an owner) is signing merely to acknowledge and consent to the execution of the Guaranty by his or her spouse and to bind the assets of the marital estate as described therein and for no other purpose (including, without limitation, to bind the spouse's own separate property).

Each Guarantor that is an entity, retirement or investment account, or trust acknowledges and agrees that if Developer is delinquent in payment of any amounts guaranteed hereunder, that no dividends or distributions may be made by such Guarantor (or on such Guarantor's account) to its owners, accountholders or beneficiaries or otherwise, for so long as such delinquency exists, subject to applicable law

This Guaranty is binding upon each Guarantor and its respective executors, administrators, heirs, beneficiaries, and successors in interest.

[Signature page follows]

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature on the same day and year as this Guaranty and Assumption of Obligations was executed.

GUARANTOR(S)	SPOUSE(S)
#1: Signature: _____ Name: _____ Address: _____ _____ Email: _____	#1: Signature: _____ Name: _____ Address: _____ _____ Email: _____
#2: Signature: _____ Name: _____ Address: _____ _____ Email: _____	#2: Signature: _____ Name: _____ Address: _____ _____ Email: _____
#3: Signature: _____ Name: _____ Address: _____ _____ Email: _____	#3: Signature: _____ Name: _____ Address: _____ _____ Email: _____

EXHIBIT C-1
LIST OF CURRENT FRANCHISEES

**FRANCHISED OUTLETS
AS OF DECEMBER 31, 2024**

Name	Address	City	State	Zip Code	Phone number
LA LA Bakeshop NYC Inc.*	73 2 nd Avenue	New York City	NY	10003	646-705-2774

* We own some interest in this location.

**FRANCHISE AGREEMENTS SIGNED BUT OUTLETS NOT OPENED
AS OF DECEMBER 31, 2024**

NONE.

EXHIBIT C-2
LIST OF FORMER FRANCHISEES

**FRANCHISEES WHO HAVE LEFT THE SYSTEM
DURING THE FISCAL YEAR ENDED DECEMBER 31, 2024**

None.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

EXHIBIT D
FORM OF LEASE RIDER

EXHIBIT D TO THE DISCLOSURE DOCUMENT

FORM OF FRANCHISOR LEASE RIDER

THIS FRANCHISOR LEASE RIDER (this “**Rider**”) is effective as of _____ (the “**Effective Date**”), and is being signed simultaneously with the Lease (the “**Lease**”) dated _____ between _____ (the “**Franchisee**” or “**Tenant**”) and _____ (the “**Landlord**”) for the real property commonly known as _____ (the “**Premises**”).

1. **Incorporation and Precedence.** This Rider is incorporated into the Lease and supersedes any conflicting provisions in it. Capitalized terms not otherwise defined in this Rider have the meanings as defined in the Lease.

2. **Background.** The Tenant will operate a LÀ LÁ Bakeshop™ Business at the Premises under a Franchise Agreement dated _____ (the “**Franchise Agreement**”) with LLB Group LLC (the “**Franchisor**”). By entering into a franchise relationship with the Franchisor, the Tenant has agreed to grant the Franchisor a security interest in the Lease and all of the furniture, fixtures, inventory and supplies located in the Premises as collateral for the payment of any obligation, liability or other amount owed by the Tenant or its affiliates to the Franchisor under the Franchise Agreement. Under the Franchise Agreement, Tenant is required to secure Franchisor’s consent to the Lease prior to executing the Lease. As a condition to the grant of its consent, Franchisor requires that the Lease contain certain provisions that the Tenant is requesting the Landlord to include.

3. **Collateral Assignment.** Tenant hereby collaterally assigns the Lease to Franchisor, and Landlord consents to the collateral assignment of the Lease by Tenant to Franchisor, as security for Tenant’s obligations under the Franchise Agreement. Landlord agrees that, pursuant to the collateral assignment or as a result of Franchisor’s exercise of its rights and remedies under the Franchise Agreement, Franchisor or its affiliate may, upon a default by Tenant under the Lease or the Franchise Agreement and/or a termination of the Franchise Agreement, (a) succeed to Tenant’s interest in the Lease, or (b) assign its rights to succeed to its affiliate or another LÀ LÁ Bakeshop franchisee and have the affiliate or LÀ LÁ Bakeshop franchisee succeed to Tenant’s interest in the Lease. If Tenant’s interest in the Lease is assigned to Franchisor or Franchisor’s affiliate, Landlord’s consent to the assignment will not be required, but Franchisor will provide Landlord with prior written notice of the assignment and assumption. If, however, Tenant’s interest in the Lease is proposed to be assigned to another LÀ LÁ Bakeshop franchisee, Landlord’s prior written consent to the assignment will be required but will not be unreasonably withheld, conditioned or delayed, and Landlord agrees that it will not withhold its consent to the proposed assignment if all of the following criteria are met: (a) Franchisor has an established franchising program for LÀ LÁ Bakeshop Business; (b) the proposed franchisee has met all of Franchisor’s applicable program criteria and requirements and has executed Franchisor’s standard franchise agreement; (c) such assignee assumes all of the terms and conditions of the Lease; (d) such franchisee has submitted to Landlord its financial statements and has an equal or greater net worth than Tenant; and (e) franchisee has bakery experience that is at least comparable to the experience of the Tenant at the time of the execution of the Lease. Unless otherwise agreed by Landlord, Tenant shall remain liable and shall not be afforded any release in the event the Lease is assigned to Franchisor, its affiliate or another LÀ LÁ Bakeshop franchisee pursuant to the collateral assignment.

4. **Signage.** Subject to applicable zoning laws, Landlord consents to Tenant’s installation and use of such trademarks, service marks, signs, decor items, color schemes and related components which from time to time comprise the LÀ LÁ Bakeshop franchise system. The Landlord grants to the Tenant during the term of the Lease a non-exclusive right and easement over that portion of the property as may be required by the Tenant to improve, renovate, repair, replace and maintain the Premises or to install, replace, or remove its signage or its panel on the pylon and/or monument sign for the property.

5. **Access to Premises.** During the term of the Lease, the Landlord and Tenant acknowledge and agree that the Franchisor will have unrestricted access to the Premises to inspect the Premises and Tenant's business operations in accordance with the Franchise Agreement.

6. **Copies of Reports.** The Landlord agrees to provide copies of all Tenant's revenue and other information and data in Landlord's possession, if any, related to the operation of the Tenant's LÀ LÁ Bakeshop Business on a timely basis as the Franchisor may reasonably request, during the term of the Lease.

7. **Notice of Default.** The Landlord will give written notice to the Franchisor (concurrently with the giving of such notice to the Tenant) of any defaults (a "**Default**") by the Tenant under the Lease by certified mail, return receipt requested, or by nationally recognized overnight courier service, at the following address or to such other address as the Franchisor may provide to Landlord from time to time:

LLB Group LLC
144 Briarscross Blvd,
Scarborough, Ontario M1S 3K5 (Canada)

Such notice will grant the Franchisor the right, but not the obligation, to cure any Default, if the Tenant fails to do so, within 15 days (or such longer period as may be reasonably required to cure such Default provided the Franchisor commences such cure within such fifteen (15) day period and diligently pursues such cure to completion) after the expiration of the period in which the Tenant may cure the Default under the Lease.

8. **Assignment and Assumption of Lease.** The Tenant shall have the right, at any time during the term of the Lease and any extensions or renewals thereof, to assign all of its right, title and interest in the Lease to the Franchisor, to an affiliate of Franchisor, or to another LÀ LÁ Bakeshop franchisee, subject to the terms and condition described in paragraph 3 above regarding Landlord's notice or consent. The assignment will be effective upon the assignee's providing Landlord written notice of its acceptance of the assignment (the "**Assignment Notice**"). The Landlord will recognize the assignee as the lessee of the Premises effective as of the date of the Assignment Notice. No assignment shall be, and nothing contained herein or in any other document shall make the Franchisor a party to the Lease, or a guarantor thereof, and shall not create any liability or obligation of the Franchisor unless and until the Lease is assigned to, and accepted in writing by, the Franchisor. Upon any assignment to Franchisor, the term "assignment" under the Lease shall specifically exclude any change of control, sale of substantially all assets or equity, or merger of the Franchisor.

9. **Amendment.** The Landlord and the Tenant will not cancel, terminate (including Tenant's voluntary surrender), modify or amend the Lease including, without limitation, the Franchisor's rights under this Rider, without the Franchisor's prior written consent, which will not be unreasonably withheld, conditioned, or delayed, and any such attempted cancellation, termination, modification, acceptance of surrender or amendment without the Franchisor's consent shall be null and void and have no effect as to the Franchisor's interest thereunder. The Franchisor will have fifteen (15) days from receipt to respond to such requests.

10. **Removal of Fixtures.** The Landlord agrees that, upon the earlier of the expiration or termination of the Franchise Agreement or the Lease or upon any Default under the Lease or any default under the Franchise Agreement, the Franchisor will have the right, but not the obligation, at the Franchisor's sole cost, to enter upon the Premises and to remove any or all furniture, fixtures, equipment and all trade names, trade dress and other trade indicia associated with the Franchisor, including, without limitation, Tenant's property, external and internal signage and all trade dress and architectural characteristics identifying the Premises as a LÀ LÁ Bakeshop franchise, provided that the Franchisor shall promptly repair any damage to the Premises caused by such removal or modifications. The Franchisor will have fifteen (15) days from receipt of such notice of expiration or termination to remove such items.

11. **Relationship of Tenant and Franchisor.** The Landlord acknowledges that the Tenant is not an agent or employee of the Franchisor and the Tenant has no authority or power to act for, or to create any liability

on behalf of, or to in any way bind the Franchisor or any affiliate of the Franchisor, and that the Landlord has entered into this Rider with the full understanding that it creates no duties, obligations or liabilities of or against the Franchisor or any of its affiliates.

12. **Estoppel Certificate.** The Landlord shall from time to time, within twenty (20) days after written request by the Franchisor, execute, acknowledge and deliver to the Franchisor a written certification, in a form reasonably satisfactory to the Franchisor: (i) that the Lease is unmodified and in full force and effect (or, if there has been any modification, stating the nature of such modification); (ii) as to the dates to which the rent and other charges arising under the Lease have been paid; (iii) as to the amount of any prepaid rent or any credit due to the Tenant under the Lease, (iv) the date on which the term of the Lease commenced; (v) as to whether, to the best of its knowledge, information and belief of the Landlord, the Landlord or the Tenant is then in default in performing any of its obligations under the Lease (and, if so, specifying the nature of each such default); and (vi) as to any other fact or condition reasonably requested by the Franchisor.

13. **Benefits and Successors.** The benefits of this Rider inure to the Franchisor and to its successor and assigns.

14. **Remaining Provisions Unaffected.** Those parts of the Lease that are not expressly modified by this Rider remain in full force and effect.

Intending to be bound, the Landlord and the Tenant sign and deliver this Rider effective on the Effective Date, regardless of the actual date of signature.

The “Landlord”:

Address: _____

Phone: _____

By: _____

Name: _____

Title: _____

The “Tenant”:

Address: _____

Phone: _____

By: _____

Name: _____

Title: _____

EXHIBIT E
FINANCIAL STATEMENTS

UNAUDITED FINANCIAL STATEMENTS

LLB Group LLC

Balance Sheet

August 31, 2025

ASSETS

Current assets:

Cash	\$ 46,513
Total current assets	<u>46,513</u>

Total assets	<u>\$ 46,513</u>
--------------	------------------

LIABILITIES AND MEMBERS' EQUITY

Current liabilities:

Accounts payable and accrued expenses	\$ 39,878
Total current liabilities	<u>39,878</u>

Total liabilities	<u>39,878</u>
-------------------	---------------

Members' equity	<u>6,635</u>
-----------------	--------------

Total liabilities and members' equity	<u>\$ 46,513</u>
---------------------------------------	------------------

THESE FINANCIAL STATEMENTS WERE PREPARED WITHOUT AN AUDIT. INVESTORS IN OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT AS AUDITED THESE FIGURES OR EXPRESSED HIS OPINION WITH REGARD TO THEIR CONTENTS OR FORM.

LLB Group LLC

Statement of Operations and Members' Equity For the period from inception (April 7, 2025) to August 31, 2025

Revenues	<u>\$ -</u>
Costs and expenses:	
Professional fees	43,377
Bank fees	<u>3</u>
Total costs and expenses	<u>43,380</u>
Loss from operations	<u>(43,380)</u>
Net loss	(43,380)
Members' equity - beginning of period	-
Members' contribution	<u>50,015</u>
Members' equity - end of period	<u><u>\$ 6,635</u></u>

THESE FINANCIAL STATEMENTS WERE PREPARED WITHOUT AN AUDIT. INVESTORS IN OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT AS AUDITED THESE FIGURES OR EXPRESSED HIS OPINION WITH REGARD TO THEIR CONTENTS OR FORM.

AUDITED FINANCIAL STATEMENTS

LLB GROUP LLC

FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT

FOR THE PERIOD FROM APRIL 7, 2025,
DATE OF INCEPTION TO MAY 31, 2025

LLB GROUP LLC
FINANCIAL STATEMENTS
FOR THE PERIOD FROM APRIL 7, 2025,
DATE OF INCEPTION TO MAY 31, 2025

CONTENTS	PAGE
INDEPENDENT AUDITOR'S REPORT	1-2
FINANCIAL STATEMENTS:	
Balance Sheet	3
Statement of Operations and Members' Equity	4
Statement of Cash Flows	5
Notes to Financial Statements	6-8

INDEPENDENT AUDITOR'S REPORT

To the Members
of LLB Group LLC

Opinion

We have audited the accompanying financial statements of LLB Group LLC (a DE corporation), which comprise the balance sheet as of May 31, 2025, and the related statements of operations and members' equity and cash flows for the period from inception, April 7, 2025 to May 31, 2025, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of LLB Group LLC as of May 31, 2025, the results of its operations and its cash flows for the initial period then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of LLB Group LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about LLB Group LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of LLB Group LLC's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about LLB Group LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

APEX CPAS & ADVISORS LLP

Fort Lee, New Jersey
June 12, 2025

LLB Group LLC

Balance Sheet

May 31, 2025

ASSETS

Current assets:

Cash	\$ 50,015
Total current assets	<u>50,015</u>

Total assets	<u>\$ 50,015</u>
--------------	------------------

LIABILITIES AND MEMBERS' EQUITY

Current liabilities:

Accounts payable and accrued expenses	\$ 6,177
Total current liabilities	<u>6,177</u>

Total liabilities	<u>6,177</u>
-------------------	--------------

Members' equity	<u>43,838</u>
-----------------	---------------

Total liabilities and members' equity	<u>\$ 50,015</u>
---------------------------------------	------------------

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

LLB Group LLC
Statement of Operations and Members' Equity
For the period from inception (April 7, 2025) to May 31, 2025

Revenues	\$ -
Costs and expenses:	
Professional fees	<u>6,177</u>
Total costs and expenses	<u>6,177</u>
Loss from operations	<u>(6,177)</u>
Net loss	(6,177)
Members' equity - beginning of period	-
Members' contribution	<u>50,015</u>
Members' equity - end of period	<u><u>\$ 43,838</u></u>

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

LLB Group LLC
Statement of Cash Flows
For the period from inception (April 7, 2025) to May 31, 2025

Cash flows from operating activities:	
Net loss	\$ (6,177)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:	
Changes in assets and liabilities:	
Accounts payable and accrued expenses	<u>6,177</u>
Net cash provided by (used in) operating activities	<u>-</u>
Cash flows from financing activities:	
Capital contributions	<u>50,015</u>
Net cash provided by (used in) financing activities	<u>50,015</u>
Net increase (decrease) in cash	50,015
Cash - beginning of period	<u>-</u>
Cash - end of period	<u><u>\$ 50,015</u></u>

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

LLB GROUP LLC

Notes to Financial Statements

For the period from inception (April 7, 2025) to May 31, 2025

1. Description and Nature of Business

LLB Group LLC (the “Company”) was formed under the laws of the State of Delaware on April 7, 2025. The Company is primarily engaged in the business of franchising LÀ LÁ Bakeshop, a modern Vietnamese bakery that offers innovative desserts and genuinely friendly service. The Company franchises the trademarks, trade names, service marks, logos, marketing concepts and marketing programs, which are the basic attributes of the franchised operations.

The Company has not commenced principal operations and has incurred expenditures for the design and development of the franchise program. The Company has raised equity capital to support the completion of its development activities and expects to begin franchising in the foreseeable future. However, the Company’s activities are subject to risks and uncertainties, including being unable to secure any additional funding or achieve its goals.

2. Summary of Significant Accounting Policies

This summary of significant accounting policies of the Company is a required disclosure and is an integral part of these financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America (“U.S. GAAP”) and have been consistently applied in the preparation of these financial statements.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. GAAP.

Use of Estimates

The preparation of financial statements and related disclosures in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value of Financial Instruments

Unless otherwise indicated, the fair values of all reported assets and liabilities that represent financial instruments approximate the carrying values of such assets and liabilities.

Cash

The Company considers all highly liquid investment instruments purchased with original maturities of three months or less when purchased to be cash equivalents. For purposes of the statement of cash flows, cash includes all amounts in the balance sheet captioned *Cash*.

LLB GROUP LLC

Notes to Financial Statements

For the period from inception (April 7, 2025) to May 31, 2025

2. Summary of Significant Accounting Policies (continued)

Accounts Receivable and Credit Policies

The Company carries its accounts receivable at cost less an allowance for credit losses. Management's policy is to evaluate receivables on a periodic basis and to establish an allowance for uncollectible accounts as deemed necessary.

Property and Equipment, net

Property and equipment are recorded at cost and are depreciated evenly over the assets' useful lives for financial reporting purposes. For tax purposes, accelerated depreciation methods are used as allowed by law. Significant additions and betterments are capitalized. Expenditures for maintenance, repairs and minor renewals are charged to operations as incurred.

The Company reviews long-lived assets for impairment whenever events or changes in business circumstances occur that indicate that the carrying value of the assets may not be recoverable.

Revenue Recognition

The Company derives revenue primarily through franchise operations, with three main components: (1) franchise and development fees, (2) advertising fees, and (3) royalty and continuing service fees. Franchise fees are one-time charges billed upon execution of a franchise agreement. In certain cases, franchisees may instead enter into a development agreement, under which a development fee is charged in lieu of an initial franchise fee. Under the franchise agreement, franchisees are also required to contribute to a promotional advertising fund. Advertising fees, equal to 1% of gross revenue and billed monthly, support both local and national marketing efforts. The Company may increase this fee by up to an additional 1% within any 12-month period. Royalty fees are billed monthly based on the gross revenue reported by each franchisee for the prior calendar month. Continuing service fees, including technology and support charges, are also billed monthly. Franchise agreements generally have an initial term of five years, with an option for franchisees to renew for one additional five-year term.

Income Taxes

The Company is a Limited Liability Company which has elected to be taxed as a partnership. Federal and state income taxes are not payable by, or provided for, the Company. Members are taxed individually on their share of the LLC earnings. The net earnings are allocated equally to the members in accordance with the Company's operating agreement.

Tax laws are complex and subject to different interpretations by the taxpayer and taxing authorities. Significant judgment is required when evaluating tax positions and related uncertainties. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Company's tax return will not be challenged by the taxing authorities and that the Company will not be subject to additional tax, penalties, and interest as a result of such challenge. Generally, the Company's tax returns remain open for three years for income tax examination.

LLB GROUP LLC

Notes to Financial Statements

For the period from inception (April 7, 2025) to May 31, 2025

3. Concentration of Credit Risk

The Company maintains its cash accounts at one financial institution. The Federal Deposit Insurance Corporation (FDIC) insures accounts held at each institution up to \$250,000. As of May 31, 2025, the Company had no uninsured cash balances.

4. Subsequent Events

The Company has evaluated subsequent events occurring after the statement of financial position date through June 12, 2025, the date the financial statements were available to be issued. Based upon this evaluation, the Company has determined that no subsequent events have occurred, which require adjustment to or disclosure in the financial statements.

EXHIBIT F
STATE SPECIFIC ADDENDA

**ADDITIONAL DISCLOSURES FOR THE
FRANCHISE DISCLOSURE DOCUMENT OF
LLB GROUP LLC**

The following are additional disclosures for the Franchise Disclosure Document of LLB Group LLC required by various state franchise laws. Each provision of these additional disclosures will only apply to you if the applicable state franchise registration and disclosure law applies to you.

FOR THE FOLLOWING STATE: CALIFORNIA OR VIRGINIA.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

CALIFORNIA

1. 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.

2. SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF FINANCIAL PROTECTION AND INNOVATION BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR AREA DEVELOPMENT AGREEMENT OR FRANCHISE AGREEMENT.

3. OUR WEBSITE, <https://www.lalabakeshop.com> HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THE WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

4. The following is added at the end of Item 3:

Neither we, our parent, predecessor or affiliates nor 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. Sections 78a *et seq.*, suspending or expelling such persons from membership in that association or exchange.

5. The following paragraphs are added at the end of Item 17:

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee and Area Development developers concerning termination, transfer or nonrenewal of a franchise. If the Area Development Agreement or Franchise Agreement contains a provision that is inconsistent with the law, and the law applies, the law will control.

The Area Development Agreement and Franchise Agreement contain a covenant not to compete that extends beyond termination of the franchise. These provisions might not be enforceable under California law.

The Area Development Agreement and Franchise Agreement provide for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C.A. Sections 101 et seq.).

The Area Development Agreement and Franchise Agreement require binding arbitration. The arbitration will be conducted at a suitable location chosen by the arbitrator which is in or within a 50 mile radius of our, or, as applicable, our successor's or assign's then-current principal place of business (currently, Scarborough, Ontario, Canada). The arbitrator shall award to the prevailing party its attorneys' fees and costs. 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.

The Franchise Agreement requires you to sign 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 thereunder is void. Section 31512 might void a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000 – 31516). Business and Professions Code Section 20010 might void a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

Under the Franchise Agreement, we reserve the right to require that franchisees comply with maximum and minimum prices we set for goods and services. The Antitrust Law Section of the Office of the California Attorney General views maximum price agreements as per se violations of the California's Cartwright Act (Cal. Bus. and Prof. Code §§ 16700 to 16770).

Section 31512.1 of the California Corporations Code requires that any provision of the Franchise Agreement, Disclosure Document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable: (a) representations made by the franchisor or its personnel or agents to a prospective franchisee; (b) reliance by a franchisee on any representations made by the franchisor or its personnel or agents; (c) reliance by a franchisee on the franchise disclosure document, including any exhibit thereto; or (d) violations of any provision of this division.

VIRGINIA

1. The following language is added to the end of the "Summary" section of Item 17(e), entitled **Termination by franchisor without cause**:

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 Area Development Agreement or 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.

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: Maryland and Virginia.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending
Hawaii	Not Registered
Illinois	Not Registered
Indiana	Not Registered
Maryland	Not Registered
Michigan	Not Registered
Minnesota	Not Registered
New York	Not Registered
North Dakota	Not Registered
Rhode Island	Not Registered
South Dakota	Not Registered
Virginia	Pending
Washington	Not Registered
Wisconsin	Not Registered

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

EXHIBIT G
RECEIPTS

ITEM 23 RECEIPT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If LLB Group LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. Under Iowa law, LLB Group LLC must give you this Disclosure Document at the earlier of the 1st personal meeting or 14 calendar days before you sign an agreement with, or make a payment to, franchisor or an affiliate in connection with the proposed franchise sale. Under Michigan law, we must 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. Under New York law, we must provide this disclosure document at the earlier of the 1st personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

If LLB Group LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

Issuance date: October 21, 2025

The Franchisor is LLB Group LLC, located at 144 Briarscross Blvd, Scarborough ON M1S 3K5, Canada. Its telephone number is +1 416-569-2234. The franchise seller who offered you a LA LA Bakeshop franchise is:

☐ Brian Tran LLB Group LLC 144 Briarscross Blvd, Scarborough ON M1S 3K5, Canada +1 416-569-2234	☐ Michelle Pham LLB Group LLC 144 Briarscross Blvd, Scarborough ON M1S 3K5, Canada +1 416-569-2234	☐ Harry Pham LLB Group LLC 144 Briarscross Blvd, Scarborough ON M1S 3K5, Canada +1 416-569-2234
--	---	--

LLB Group LLC 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 October 21, 2025, that included the following Exhibits:

Exhibit A – State Administrators/Agents for Service of Process	Exhibit C-1 – List of Current Franchisees
Exhibit B-1 – Franchise Agreement	Exhibit C-2 – List of Former Franchisees
Exhibit B-2 – Representations Statement	Exhibit D – Form of Lease Rider
Exhibit B-3 – Sample General Release	Exhibit E– Financial Statements
Exhibit B-4 – Area Development Agreement	Exhibit F – State Addenda
	Exhibit G – Receipts

PROSPECTIVE FRANCHISEE:

If a business entity:

Name of Business Entity
By: _____
Its: _____
(Print Name): _____

Dated: _____

If an individual:

(Print Name): _____

Dated: _____

Please sign this copy of the receipt, print the date on which you received this Disclosure Document, and return it, by mail or e-mail, to Michelle Pham, LLB Group LLC, 144 Briarscross Blvd, Scarborough ON M1S 3K5, Canada; franchising@lalabakeshop.com.

ITEM 23 RECEIPT

This Disclosure Document summarizes certain provisions of the Multi-Unit Development Agreement and Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If LLB Group LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. Under Iowa law, LLB Group LLC must give you this Disclosure Document at the earlier of the 1st personal meeting or 14 calendar days before you sign an agreement with, or make a payment to, franchisor or an affiliate in connection with the proposed franchise sale. Under Michigan law, we must 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. Under New York law, we must provide this disclosure document at the earlier of the 1st personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

If LLB Group LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

Issuance date: October 21, 2025

The Franchisor is LLB Group LLC, located at 144 Briarscross Blvd, Scarborough ON M1S 3K5, Canada. Its telephone number is +1 416-569-2234. The franchise seller who offered you a LA LA Bakeshop franchise is:

☐ Brian Tran
LLB Group LLC
144 Briarscross Blvd, Scarborough
ON M1S 3K5, Canada
+1 416-569-2234

☐ Michelle Pham
LLB Group LLC
144 Briarscross Blvd, Scarborough
ON M1S 3K5, Canada
+1 416-569-2234

☐ Harry Pham
LLB Group LLC
144 Briarscross Blvd, Scarborough
ON M1S 3K5, Canada
+1 416-569-2234

LLB Group LLC 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 October 21, 2025, that included the following Exhibits:

Exhibit A – State Administrators/Agents for Service of Process	Exhibit C-1 – List of Current Franchisees
Exhibit B-1 – Franchise Agreement	Exhibit C-2 – List of Former Franchisees
Exhibit B-2 – Representations Statement	Exhibit D – Form of Lease Rider
Exhibit B-3 – Sample General Release	Exhibit E – Financial Statements
Exhibit B-4 – Area Development Agreement	Exhibit F – State Addenda
	Exhibit G – Receipts

PROSPECTIVE FRANCHISEE:

If a business entity:

Name of Business Entity
By: _____
Its: _____
(Print Name): _____

Dated: _____

If an individual:

(Print Name): _____
Dated: _____

You may keep this copy of the receipt for your own records.