FRANCHISE DISCLOSURE DOCUMENT

Little Kitchen Academy USA, Inc.
a Delaware corporation
2218 54th St Ct NE
Tacoma, Washington 98422
(604) 928-0629
https://littlekitchenacademy.com/

The franchise is for the establishment and operation of Montessori-inspired self-improvement/instructional academies for children and teenagers (the "Little Kitchen Academy Franchised Business" or "Franchised Business").

The total investment necessary to begin operation of a Little Kitchen Academy Franchised Business ranges from $274,453 to $631,124 including $40,000 to $49,500 that must be paid to the franchisor.

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 governmental 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 Brian Curin at 2218 54th St Ct NE, Tacoma, Washington 98422 and (604) 928-0629.

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

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

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

Date of Issuance: April 12, 2021

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 and D.
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 A 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 Little Kitchen Academy business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be Little Kitchen Academy franchisee?	Item 20 or Exhibits C and D list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution**. The franchise agreement requires you to resolve disputes with the franchisor by mediation only in Vancouver, British Columbia, Canada or by litigation only in Delaware. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to mediate with franchisor in Vancouver, British Columbia, Canada or litigate with franchisor in Delaware than in your home state.

2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

3. **Supplier Control.** You must purchase all or nearly all of the inventory and supplies necessary to operate your business from Franchisor, its affiliates, or from suppliers that Franchisor designates at prices that the Franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchised business.

4. **Unregistered Trademark.** The primary trademark that you will use in your business is not federally-registered. If the Franchisor's ability to use this trademark in your area is challenged, you may have to identify your business and its products/services by a different name. This change can be expensive and may reduce brand recognition of the products and services you offer.

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

6. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

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.

DISCLOSURES REQUIRED BY NORTH CAROLINA LAW

The State of North Carolina has not reviewed and does not approve, recommend, endorse or sponsor any business opportunity. The information contained in this disclosure has not been verified by the State. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

LITTLE KITCHEN ACADEMY USA, INC.
FRANCHISE DISCLOSURE DOCUMENT

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ITEM 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

The Franchisor, Its Parent, Predecessors, and Affiliates

The Franchisor is Little Kitchen Academy USA, Inc., referred to in this disclosure document as "we," "us" or "our." We refer to the person interested in buying a franchise as "you" or "your." If you are a corporation, partnership, limited liability company or other entity, certain provisions of the Franchise Agreement will apply to your owners. These will be addressed in this disclosure document where appropriate.

We were organized as a Delaware corporation on January 29, 2020. Our principal business address is 2218 54th St Ct NE, Tacoma, Washington 98422. Our parent is Little Kitchen Academy Ltd. ("LKA"). LKA is a private corporation founded and developed in British Columbia on February 17, 2016, and its principal place of business is 3744 W. 10th Ave., Vancouver, B.C. V6R 2G4.

We do business under our corporate name and under the name the "Little Kitchen Academy." Our agents for service of process in the states which require franchise registration are listed in Attachment B.

We sell franchises for Montessori-inspired school-arts/self-improvement academies for children and teenagers (the "Little Kitchen Academy Franchised Business" or "Franchised Business"). Little Kitchen Academy Franchised Businesses do business under the name "Little Kitchen Academy" and other trademarks identified in Item 13 (the "Marks").

We began to offer franchises on May 4, 2020. LKA began offering franchises in Canada on August 27, 2019. LKA operates one Little Kitchen Academy Franchised Business in Vancouver, British Columbia. As of December 31, 2020, LKA had entered into 4 franchise agreements for Little Kitchen Academy Franchised Businesses in British Columbia, Canada; 1 franchise agreement for a Little Kitchen Academy Franchised Business in Ontario, Canada; and an area development agreement for portions of British Columbia, Canada.

Other than the above, we are not engaged in any other businesses and have never offered franchises in any other lines of business. Except as described above, we have no predecessors or affiliates that have offered franchises for this business or any other lines of business or sells products or services to Franchisees.

The Franchise

We offer qualified applicants franchises for Little Kitchen Academy Franchised Businesses that operate under the Little Kitchen Academy System (the "System"). The System includes distinctive exterior and interior design, decor, and color scheme; furnishings; uniform standards, specifications, policies and procedures for operations; quality and uniformity of the products and services offered; procedures for inventory, management and financial control; training and assistance; record keeping and reporting; and advertising and promotional programs, all of which may be changed, improved, and further developed by us periodically. You must operate your Little

Kitchen Academy Franchised Business under the Marks and use other trade names, service marks, trademarks, logos, and other symbols we designate (or may later designate) in writing for use in the System.

The Franchise Agreement (Exhibit B to this disclosure document) gives you the right to establish and operate one Franchised Business at a specified location. The location of the Franchised Business will be in the non-exclusive Designated Area described in the Franchise Agreement. The size of the Designated Area will vary depending on local market conditions and other factors. The Designated Area will be determined before you sign the Franchise Agreement.

We may require your current and future Principals (as defined in the Franchise Agreement) to sign a Guaranty and Assumption Agreement ("Guaranty"), guaranteeing your performance and binding themselves individually to certain provisions of the Franchise Agreement, including the covenants against competition and disclosure of confidential information, restrictions on transfer and dispute resolution procedures. Those of your Principals who are not required to sign the Guaranty will each sign a Confidentiality Agreement and Ancillary Covenants Not to Compete, with Principal's undertakings, in the form attached to the Franchise Agreement.

You must designate an "Operating Principal" under the Franchise Agreement. Your Operating Principal is the main individual responsible for your business. If you are an individual, you will be the Operating Principal. If you are not an individual, you must designate someone who meets our requirements and whom we approve to be your Operating Principal. Your Operating Principal must have and maintain at least 10% ownership interest in you. Your Operating Principal will sign the Guaranty.

The person or entity signing the Franchise Agreement is the "Franchisee." In this disclosure document, the terms "Principals" and "Operating Principal" and "you" and "your" include the Franchisee under the Franchise Agreement unless we have noted otherwise.

Competition

The market for afterschool and summer programs is well-established and highly competitive. There is active price competition among general and specialty programs that offer educational and recreational programs to children as well as competition for management personnel and for premier commercial real estate sites suitable for the Franchised Business. You must expect to compete with other Little Kitchen Academy Franchised Businesses, educational programs, summer programs, summer camps, and tutoring programs. Sales can fluctuate depending on the season but generally not in a material way.

Industry Specific Regulation

Your Franchised Business will be subject to other laws or regulations that are not specific to the industry, but apply to businesses generally. You should investigate the application of these laws further. In addition to the laws and regulations that apply to businesses generally, including the Americans with Disabilities Amendments Act, Federal Wage and Hour Laws, and the Occupation, Health, and Safety Act, you must also comply with all local, state and federal laws applicable to establishments handling food, including zoning, licensing, health, sanitation, safety,

fire, insecticides, and use, storage and disposal of waste (including laws requiring recycling and regulating the use of certain types of containers and other materials potentially harmful to the environment).

Various federal and state agencies, including the U.S. Food and Drug Administration and the U.S. Department of Agriculture and state and local health and sanitation agencies have regulations related to the preparation of food. The operation of your Franchised Business may require a license for preparing and serving food on-premises.

You or your Operating Principal (if you are an entity) and General Manager (and other employees as we may designate) must be ServSafe Manager Training (or similar at our discretion) certified and adult-child-infant CPR & First Aid Certified from an accredited institution following American Heart Association guidelines and must maintain current certifications at all times. You must also conduct employee background checks as classes will be offered to children.

You should consider these laws and regulations when evaluating your purchase of a franchise.

ITEM 2

BUSINESS EXPERIENCE

Brian Curin - Co-Founder, Chief Executive Officer and Director

Mr. Curin has served as our Chief Executive Officer and has been a member of our board of directors since January 2020. Mr. Curin has held the same positions with LKA since November 2018. Mr. Curin is based in Vancouver, British Columbia. From October 2015 until March 2018, Mr. Curin served as President of Flip Flop Shops Franchise Company, LLC a wholly-owned subsidiary of Cherokee Global Brands, Inc., which was based in Sherman Oaks, California. From August 2007 until October 2015, Mr. Curin served as President of FFS Holdings and Flip Flop Shops Franchise Company, LLC, which was based in Atlanta, Georgia.

Felicity Curin - Co-Founder, Chief Operating Officer, President, and Director

Mrs. Curin has served as our Chief Operating Officer and President and has been a member of our board of directors since January 2020. Mrs. Curin has held the same positions with LKA since November 2018. She is based in Vancouver, British Columbia. She has not otherwise been employed during the 5 years prior to the issuance date of this disclosure document.

Praveen K. Varshney - Co-Founder, Advisor, and Director

Mr. Varshney has been a member of our board of directors since January 2020 and a member of LKA's board of directors since November 2018. Mr. Varshney has also been a member of the board of directors of Varshney Capital Corp. since December 1999. Mr. Varshney is based in Vancouver, British Columbia.

Randall Sehn - Chief Financial Officer

Mr. Sehn has served as our Chief Financial Officer since September 2019. Mr. Sehn was previously Chief Financial Officer of Crystal Springs in Hamburg, New Jersey from November 2015 until March 2019. Mr. Sehn is based in Morristown, NJ.

John M. Martarano – Vice President, Operations & Support

Mr. Martarano has served as our Vice President, Operations & Support since January 2019. Mr. Martarano is based in Naples, FL. From March 2012 until April 2019, Mr. Martarano served as Franchise Training & Support Manager for Flip Flop Shops Franchise Company, LLC.

ITEM 3

LITIGATION

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

When you sign the Franchise Agreement, you must pay us an initial franchise fee of $49,500 ($40,000 if the Franchise Agreement is the second or subsequent Little Kitchen Academy Franchise Agreement to be signed at the same time as at least 1 other Little Kitchen Academy Franchise Agreement). The initial franchise fee is not refundable and is imposed uniformly on all franchisees. We may reduce or waive the initial franchise fee under certain circumstances in our sole discretion.

On-Site Evaluations

If we provide more than 2 on-site evaluations for your first Franchised Business or any on-site evaluations for your second and subsequent Franchised Business, we may require you to reimburse us for our costs and expenses and charge a reasonable fee for those on-site evaluations.

ITEM 6

OTHER FEES

Column 1 Type of Fee[(1)]	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Royalty Fee	6% of Gross Sales.	Wednesday of each week for the preceding week.	See Note 2 for the definition of Gross Sales. We require you to pay the royalty fee by electronic funds transfer. If you are in default of our operational standards, we may, as an alternative remedy to termination, increase the royalty fee to 10% of Gross Sales and charge you an additional $250 per week until you rectify the deficiencies.
Technology Fee	$2,100 per year	As invoiced.	We require you to pay a Technology Fee to cover some of our costs in creating, implementing and supporting new and existing software and technology platforms. We can increase this fee upon 60 days' prior written notice, but we may not increase by more than 25% in a single calendar year.

Column 1 Type of Fee[(1)]	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Brand Building Fund contribution	Up to 3% of Gross Sales.	Same as royalty fee.	See Note 2 for the definition of Gross Sales. Currently, 3% of your Gross Sales must be contributed to the Brand Building Fund. We require you to pay contributions to the Brand Building Fund by electronic funds transfer. We recommend that you spend at least 5% of Gross Sales on local marketing, but we do not require you to do so.
Merchandise for Resale	Reasonable cost.	On demand.	We may provide to you at a reasonable cost certain collateral merchandise for resale that identifies the system (for example, caps and t-shirts). If we make such merchandise available, we may require you to purchase quantities sufficient to meet customer demand. (See Item 8)
Interest	18% per year or the maximum lawful rate.	On demand.	We may charge interest on all overdue amounts.
Late Fee	$100 for each late payment.	On demand.	We may charge you a late fee for each late payment in addition to any interest that accrues.
Intranet	Reasonable fee.	When billed.	If we develop an intranet network, we may charge you a reasonable fee for using the intranet network.

Column 1 Type of Fee[(1)]	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Conferences	Reasonable fee (currently, $500), plus your costs and expenses to attend.	When billed.	We may require you to attend our annual franchisee conference and pay a reasonable fee. You must also pay for the costs and expenses (including travel and lodging costs) for your representatives to attend our franchisee conferences.
Additional Training	At our option, a reasonable fee.	Before additional training.	You must also pay the expenses of your personnel attending training. Training will also be required for a replacement or successor Operating Principal or Director
On-site Remedial Training	The then-current per diem fee for remedial training, plus costs.	When billed.	If you ask or if we believe it is appropriate, we will (subject to availability) provide trained representatives to conduct on-site remedial training at your Franchised Business.
Transfer Fee	$15,000	With transfer application.	There is no fee if an individual or partnership transfers rights to a corporation controlled by the same interest holders, however you must reimburse us for all costs (including attorneys' fees) associated reviewing and processing the transfer documents.
Renewal Fee	$15,000	Signing of renewal franchise agreement.	You must give us at least 6 months' and not more than 9 months' notice to renew and meet other renewal conditions.

Column 1 Type of Fee[(1)]	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Inspection and Testing	Cost of inspection, if applicable, and cost of test.	When billed.	Before approving a supplier, we may require you to pay the cost of testing the supplier's products and inspecting its facilities.
Indemnification	Varies according to loss.	On demand.	You must indemnify us when certain of your actions result in loss to us.
Audit Fee	Cost of audit.	When billed.	Payable if an audit shows you have understated any amount owed to us by 3% or more.
Insurance Fee	A reasonable amount based on our expenses.	On demand.	If you fail to maintain the required insurance, we may (but need not) obtain it for you. If we do, we will charge you a fee, plus our expenses.
Enforcement Costs	Will vary.	As incurred.	You must pay our costs of enforcement (including attorney's fees and costs) if you do not comply with the Franchise Agreement.

Notes:

(1) All fees and expenses described above are non-refundable and, unless otherwise indicated, are imposed uniformly by, and are payable to, us. Unless we have noted differently, we may increase these amounts based on changes in market conditions, our cost of providing services and future policy changes, but we have no present plans to increase any fees.

(2) Gross Sales is the total selling price of all services and products and all income of every other kind and nature related to your Little Kitchen Academy Franchised Business, including, the amount of all registration and services income, income from products and goods sold from the Facility and all other sales transactions that occur at or in connection with the Franchised Business. Gross Sales excludes (i) promotional allowances or rebates paid to you in connection with your purchase of products or supplies and (ii) sales, use, merchants' or other taxes measured on the basis of the Gross Sales of your Franchised Business imposed by governmental authorities directly on sales or use and collected from customers, provided that the taxes are added to the selling price of your goods and services and are in fact paid by you to the appropriate governmental authorities. Cash refunded and credits given to customers will be deducted in computing Gross Sales if the

amounts of such cash, credit or receivables represent sums previously included in Gross Sales on which royalties or Brand Building Fund contributions were paid. We may periodically authorize certain other items to be excluded from Gross Sales, but we may revoke this authorization at any time. The following are included within the definition of "Gross Sales" except as described below: all proceeds from the sale of coupons, gift cards, gift certificates or vouchers, including amounts paid directly to Franchisee by third-party marketing companies (e.g., Groupon) for similar payment devices; provided, that at the time such coupons, gift cards, gift certificates or vouchers are redeemed the retail price for the services provided in exchange for such coupons, gift cards, gift certificates or vouchers shall not be included in Gross Sales. If sales proceeds are not recorded and reported for royalty purposes at the time the coupon, gift card, gift certificate or voucher is sold, or if such coupons, gift cards, gift certificates or vouchers are distributed free of charge, the retail price for the services provided in exchange for such coupons, gift cards, gift certificates or vouchers shall be included in Gross Sales.

ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Column 1 Type of Expenditure	Column 2 Amount Low - High	Column 3 Method of Payment	Column 4 When Due	Column 5 To Whom Payment is to be Made
Initial Franchise Fee (1)	$40,000 to $49,500	Lump Sum	On signing of Franchise Agreement	Us
Rent for First 3 Months (2)	$9,000 to $30,000	As Arranged	As Arranged	Landlord
Security Deposit (2)	$0 to $10,000	As Arranged	As Arranged	Landlord
Leasehold Improvements (2)	$147,000 to $403,000	As Arranged	As Arranged	Landlord or Contractor
Signage (3)	$500 to $5,000	As Arranged	As Arranged	Landlord or Contractor
Furniture, Fixtures, and Equipment (3)	$36,663 to $47,574	As Arranged	As Invoiced	Suppliers/Designated Suppliers
Initial Training Expenses (4)	$0 to $5,000, plus employee wages (if any).	As Arranged	As Invoiced	Employees and Suppliers
Point of Sale and Computer Hardware and Software (5)	$150 to $12,088	As Arranged	As Arranged	Designated Suppliers

Column 1 Type of Expenditure	Column 2 Amount Low - High	Column 3 Method of Payment	Column 4 When Due	Column 5 To Whom Payment is to be Made
Initial Inventory/Supplies (6)	$9,640 to $12,962	As Arranged	Before Opening	Vendors/Designated Suppliers
Professional Services (7)	$6,000 to $14,500	As Arranged	As Arranged	Accountants, Lawyers, Real Estate Brokers, Construction Management etc.
Promotional Expenses (8)	$10,000	As Arranged	As Arranged	Suppliers
Insurance (9)	$500 to $1,500	As Arranged	As Arranged	Insurance Broker
Additional Funds – For Initial 3-Month Period (10)	$15,000 to $30,000			
TOTAL	$274,453 to $631,124			

(1) If you are signing more than one Franchise Agreement at the same time, the initial franchise fee for the second and subsequent Franchise Agreements signed at the same time will be $40,000.

(2) Little Kitchen Academy Franchised Businesses are typically located in commercially zoned areas, including street locations, retail centers, schools, and undeveloped but commercially zoned property. Due to the cost of land acquisition and new construction, the premises for Little Kitchen Academy Franchised Businesses are normally leased. These amounts assume that you will lease the premises for the Franchised Business and do not include costs of land acquisition and construction of a building. The leasehold improvements estimate is based on the cost of adapting our prototypical architectural and design plans to a facility containing approximately 1,200 to 2,000 square feet. The leasehold improvement ranges will be affected by various factors like the location of the Franchised Business and local market conditions. The estimates assume that the landlord will provide connections to adequate electrical, gas, water and sewage service. Your actual costs may or may not include site preparation and finish out costs, depending on the arrangements you negotiate with your landlord. If your landlord contributes to the cost of finish out, total leasehold improvement costs could be reduced. These costs are our best estimate based on our experience. These estimates may vary substantially based on your ability to negotiate with your landlord and your financial strength, as well as on local commercial leasing and labor rates and other local conditions.

(3) These amounts include the cost of the furniture, fixtures, equipment, décor items, and exterior signage required for your Little Kitchen Academy Franchised Business, including the

interior décor system/modules, which you must purchase and have installed in your Little Kitchen Academy Franchised Business. (See Item 8)

(4) We provide initial training to your initial Operating Principal and Director (if applicable) at no additional charge. You must pay all expenses you or your employees incur in the initial training program, like travel, lodging, meals and wages. Your costs will vary depending upon the number of employees trained and your selection of salary levels, lodging and dining facilities, and the mode and distance of transportation. Your cost for wages will vary substantially depending on whether your Operating Principal receives wages and whether your Operating Principal serves as a Director or you hire separate individuals to fill those positions. We may at our discretion provide training entirely through video conferencing, and other virtual platforms, in accordance with the local municipality's health and safety protocols. (See Item 11)

(5) This amount includes the estimated costs of scheduling software license and fees, payment processing, and computer hardware and software for 3 months, including the estimated cost of a computer and tablet, which you must use in the operation of your Little Kitchen Academy Franchised Business. Your actual costs of scheduling software license and fees, and payment processing will vary depending on the performance of your Franchised Business. (See Item 11)

(6) We estimate that this range will cover the cost of your initial inventory of supplies and merchandise. Your costs will vary depending on various factors, including the size of your Franchised Business, the time of the year in which your Franchised Business opens, your initial sales projections, and the population density in the area of your Franchised Business.

(7) This estimate is for the cost to establish an entity to hold the franchise and review the franchise documentation and for professional services related to acquiring and reviewing a lease for the premises. Some real estate brokers may require you to pay a fee for assistance in locating a site for the Franchised Business in lieu of, or in addition to, the standard commission the real estate brokers receive. The high end of the estimate also includes the estimated fee to engage a real estate broker assist you in locating a site for the Franchised Business. The cost of professional services can vary widely.

(8) You must carry out a grand opening promotion for the Franchised Business in compliance with our written specifications. We must approve all advertising items, methods and media.

(9) This amount represents an estimate of the down payment on your annual insurance premiums. You must obtain the insurance coverage described in the Franchise Agreement. You must name Little Kitchen Academy USA, Inc. as an additional insured and provide an initial and continuing annual certificate of insurance evidencing this coverage and that we are named as an additional insured. Your cost of insurance may vary depending on the insurer, the location of your Franchised Business, your claims history, and other factors.

(10) You will need additional funds during the start-up phase of your business to pay employees, purchase supplies and pay other expenses. We estimate the start-up phase to be 3 months from the date you open for business. These amounts do not include any estimates for debt service. You must also pay the royalty and other related fees described in Item 6 of this disclosure document. These figures are estimates, and we cannot assure you that you will not have additional expenses.

Your actual costs will depend on factors like your management skills, experience and business acumen. You should base your estimated start-up expenses on the anticipated costs in your market and consider whether you will need additional cash reserves. We relied on our previous experience to compile these estimates. You should review these figures carefully with your business advisor.

Unless otherwise stated above, these estimates are subject to increases based on changes in market conditions, our cost of providing services and future policy changes. At the present time, we have no plans to increase payments we control.

We do not offer any financing for your initial franchise fee or any portion of your initial investment. Unless otherwise stated, the amounts described above are not refundable.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases

You generally have no obligation to purchase or lease from us, our affiliates, or other designated third party suppliers any of the products, services, supplies, fixtures, equipment (including computer hardware and software and electronic cash register systems), inventory or real estate used in establishing or operating the Franchised Business. However, there are some exceptions, as follows:

System Merchandise

We have the right to make available to you for resale merchandise identifying the System. This may include Little Kitchen Academy memorabilia, like caps and T-shirts. If we make this type of merchandise available, we may require you to purchase it from a supplier we designate in amounts necessary to meet customer demand.

Scheduling System and Payment Processing

You must purchase the scheduling and point of sale system software and related hardware and services and payment processing services from a source we designate.

Interior Décor System

You must purchase from our designated supplier an interior décor system/modules (which includes a proprietary community table, a proprietary live food wall, chairs and other interior décor components we require) meeting our requirements that is customized for your Little Kitchen Academy Franchised Business, and you must engage our designated supplier to install such interior décor system/modules.

Approved Suppliers

In addition to the above, if we have approved suppliers (including manufacturers, distributors and other sources) for any inventory, fixtures, furnishings, equipment, you must obtain these items from those suppliers. Approved suppliers are those who demonstrate the ability to meet our then-current standards and specifications for inventory, fixtures, furnishings, equipment and other items used or offered for sale at the Franchised Business and who possess adequate quality controls and the capacity to supply your needs promptly and reliably, whom we have approved in writing and whom we have not later disapproved. Currently, neither we nor our affiliates are approved suppliers of inventory items for our franchisees, but we may designate ourselves or our affiliates as sole approved suppliers of any item. We may derive revenue based on your purchases and leases (including from charging you for products and services that we or our affiliates provide to you and from payments made to us or our affiliates by suppliers that we designate or approve).

If you wish to purchase, lease or use any products, services, inventory or other items from an unapproved supplier, you or your supplier must submit to us a written request for approval. You must not purchase or lease the item from the supplier until and unless we have approved the supplier in writing. We have the right to require you to submit information, specifications and samples to us to enable us to determine whether the item complies with our standards and specifications and that the supplier meets our criteria. We also have the right to inspect the supplier's facilities, and to have samples from the supplier delivered to us or to an independent laboratory we designate for testing. We may condition our approval of a supplier on requirements relating to product quality, prices, consistency, reliability, financial compatibility, labor relations, client relations, frequency of delivery, concentration of purchases, standards of service (including prompt attention to complaints) or other criteria. We may re-inspect the facilities and products of any approved supplier, and may revoke our approval upon the supplier's failure to continue to meet any of our then-current criteria. If we revoke our approval of any supplier, you must promptly discontinue use of that supplier. You must reimburse us for the costs that we incur in the supplier approval process. We are not required to approve any particular supplier, and we are not required to notify you of our approval or disapproval within any specified period of time. Our specifications for products and criteria for supplier approval are generally issued through written communications and are available to franchisees and approved suppliers.

Our CEO, Brian Curin, serves on the board of directors of ChopValue Manufacturing Ltd. ("ChopValue"), a manufacturer of furniture, décor, and accessories. ChopValue is a designated supplier of our proprietary community table and bench that must be installed at all Little Kitchen Academy Franchised Businesses. Mr. Curin does not hold any ownership interest in ChopValue. Other than as described above, none of our officers owns an interest in any privately-held suppliers, or a material interest in any publicly-held suppliers, of the Little Kitchen Academy franchise system. From time to time, our officers may own non-material interests in publicly-held companies that may be suppliers to our franchise system.

Purchases According to Specifications

You must comply with all of our standards and specifications relating to the purchase of all inventory, fixtures, furnishings, equipment (including computer hardware and software) and other products used or offered for sale at the Franchised Business. We formulate our standards and specifications based on a variety of factors, including our experience. In addition, the following must comply with our specifications:

Site Selection and Construction

You must locate a site for the Franchised Business that satisfies our site selection requirements. You must hire, at your expense, an architect or engineer to adapt our prototypical architectural and design plans as needed for the construction or remodeling of your Franchised Business and provide them to us before you provide them to the landlord and any applicable government authorities. You must obtain our consent to your initial plans and any deviation from the approved plans will require our further consent. You must certify to us in writing that all necessary approvals, clearances, permits, licenses and certifications have been obtained. At our request, you must provide us with copies of all such approvals, clearances, permits, licenses, and certifications.

Advertising and Promotional Materials

All of your advertising and promotions must conform to our standards and requirements. We must approve all advertising and promotional plans and materials before you use them if we have not prepared them or previously approved them during the 12 months preceding the date of their proposed use. You must submit any unapproved plans and materials to us, and we will approve or disapprove them within 20 days after we receive them. You must not use the plans or materials until we have approved them, and must promptly discontinue using any advertising or promotional plans or materials, whether or not we have previously approved them, if we notify you to do so.

Insurance

You must obtain and maintain insurance policies protecting you and us and various related parties against any demand or claim with respect to personal injury, death or property damage, or any loss, liability or expense related to or connected with the operation of the Little Kitchen Academy Franchised Business. These policies must be written by a responsible insurance carrier or carriers rated "A" or better by the A.M. Best Company, Inc. and that are acceptable to us. You must name Little Kitchen Academy USA, Inc. as an additional insured and provide an initial and continuing annual certificate of insurance evidencing this coverage and that we are named as an additional insured. Failure to provide annual documentation of coverage, as well as naming Little Kitchen Academy USA, Inc. as an additional insured will result in your requirement to cease operations of your Franchised Business and the Franchised Agreement being terminated.

At a minimum, you must carry (i) comprehensive general liability insurance, including broad form contractual liability, broad form property damage, personal injury, advertising injury,

completed operations, products liability and fire damage coverage in the amount of $1,000,000, combined single limit per occurrence, $2,000,000 general aggregate, or any greater amounts as your lessor may require; (ii) property coverage for the full cost of replacement of the Franchised Business premises and all other property in which we may have an interest with agreed amount endorsement for the premises naming us as loss payee; (iii) automobile liability coverage, including coverage of owned, non-owned and hired vehicles, with coverage in amounts not less than $1,000,000 combined single limit; (iv) an "umbrella" policy providing excess coverage with limits of not less than $3,000,000 which must be excess of the general liability and automobile coverages; (v) business interruption insurance covering not less than 12 months (vi) worker's compensation insurance in amounts provided by applicable law or, if permissible under applicable law, any legally appropriate alternative providing substantially similar compensation for injured workers satisfactory to us, provided that you (a) maintain an excess indemnity or "umbrella" policy covering employer's liability coverage of $1,000,000 per claim, accident, or disease which policy or policies shall be written by a responsible carrier meeting the requirements set forth above and (b) conduct and maintain a risk management and safety program for your employees as you and we mutually agree is appropriate; (vii) abuse liability coverage of $1,000,000 (viii) teachers's liability coverage of $1,000,000, and (ix) any other insurance required by your landlord or the state or locality in which your Franchised Business is situated. Coverage for the following is recommended, but not required (i) employment practices liability (ii) crime coverage (iii) cyber security.

Vehicles

Any vehicle you use in the operation of the Franchised Business must meet our image and standards. You must place the signs and other decor items we require on the vehicle and keep it clean and in good working order at all times. You cannot permit anyone to operate the vehicle who is under 18 years old or who does not have a valid driver's license in the state in which the Franchised Business is located. You must require each vehicle operator to comply with all laws, regulations and rules of the road and use due care and caution in operating and maintaining the vehicle.

Purchasing Arrangements

Neither we nor our affiliates had any revenue from the sale of products or services to franchisees in the United States in our last fiscal year ending December 31, 2020. Neither we nor our affiliates receive payments from any designated sources because of transactions with franchisees.

We intend to negotiate certain purchase arrangements (including price terms) for the purchase of certain items with suppliers for the benefit of franchisees. In doing so, we will seek to promote the overall interests of our franchise system and our interests as the franchisor. We or our affiliates may receive rebates from approved or designated sources. If we receive rebates based on franchisee purchases, we intend to always contribute those rebates to the Brand Building Fund or otherwise use those rebates for the benefit of franchisees or the Little Kitchen Academy franchise system as a whole. We do not provide material benefits to franchisees based upon their use of designated or approved suppliers. There are currently no purchasing or distribution cooperatives for the System.

Your obligations to purchase or lease goods, services, supplies, fixtures, equipment, inventory, and computer hardware and software from us or our designee, from suppliers we approve, or under our specifications are all considered "required purchases." We describe these obligations in detail in the preceding sections of this Item 8. The magnitude of required purchases in relation to all purchases you make to establish and operate the Franchised Business is difficult to determine due to the highly variable nature of expenditures necessary to establish and operate the Franchised Business as described in Item 7. We estimate that your total initial required purchases will be about 95% of the cost of your initial purchases or leases. We estimate your required purchases for the operation of the Franchised Business will be 95% or more of your annual purchases or leases. The majority of these required purchases will be from third parties under our specifications.

ITEM 9

FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise agreement and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.

Obligation	Section in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Section 2 of the Franchise Agreement	Items 8 and 11
b. Pre-opening purchases/leases	Sections 2, 7, 8 and 12 of Franchise Agreement	Items 5, 6, 7, 8 and 11
c. Site development and other pre-opening requirements	Section 2 of Franchise Agreement	Items 7, 8 and 11
d. Initial and ongoing training	Section 7.L. of Franchise Agreement	Items 6, 7 and 11
e. Opening	Sections 2, 8.D. and Attachment C of Franchise Agreement	Items 7 and 11
f. Fees	Sections 4 and 8 of Franchise Agreement	Items 5, 6 and 7
g. Compliance with standards and policies/Manuals	Sections 2, 3, 6, 7, 8, 9, 10, 11 and 12 of Franchise Agreement	Items 8, 11, 14 and 16
h. Trademarks and proprietary information	Sections 9 and 10 and Attachment B of Franchise Agreement	Items 13 and 14

Obligation	Section in Agreement	Disclosure Document Item
i. Restrictions on products/services offered	Section 7 of Franchise Agreement	Items 8 and 16
j. Warranty and customer service requirements	Section 7 of Franchise Agreement	Item 16
k. Territorial development and sales quotas	N/A	N/A
l. Ongoing product/service purchases	Sections 7 and 8 of Franchise Agreement	Items 8, 11 and 16
m. Maintenance, appearance and remodeling requirements	Sections 2 and 7 of Franchise Agreement	Item 8
n. Insurance	Section 12 of Franchise Agreement	Items 7 and 8
o. Advertising	Section 8 of Franchise Agreement	Items 6, 8 and 11
p. Indemnification	Section 15 of Franchise Agreement	Item 6
q. Owner's participation/ management/staffing	Sections 6 and 7 of Franchise Agreement	Items 1, 11 and 15
r. Records and reports	Sections 4, 8 and 11 of Franchise Agreement	Item 6 and 11
s. Inspections and audits	Sections 2, 9 and 11 of Franchise Agreement	Items 6 and 11
t. Transfer	Section 14 of Franchise Agreement	Items 6 and 17
u. Renewal or extension of rights	Section 3 of Franchise Agreement	Items 6, 12 and 17
v. Post-termination obligations	Section 18 of Franchise Agreement	Item 17
w. Noncompetition covenants	Section 10 and Attachment B of Franchise Agreement	Item 17
x. Dispute resolution	Section 19.G. of Franchise Agreement	Item 17

ITEM 10

FINANCING

Neither we nor any agent or affiliate of ours offers direct or indirect financing to you, guarantees any note, lease or obligation of yours.

ITEM 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

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

Pre-Opening Obligations. Before you open your Franchised Business, we will:

1. Provide you a copy of our written site selection guidelines and give you the site selection assistance we believe to be necessary (Franchise Agreement, Section 5.A.).

2. Review your proposed site for compliance with our site selection guidelines and accept or not accept the site and your proposed lease or contract of sale within 30 days after receiving your site information (Franchise Agreement, Section 2.B.).

You must identify and secure a site for your Little Kitchen Academy Franchised Business in the Designated Area (Franchise Agreement, Section 2). You must obtain our approval of the site as meeting our standards. You cannot place a Little Kitchen Academy Franchised Business at a site we have not first accepted in writing. Your failure to obtain a site that we approve within the time periods required by the Franchise Agreement is a default under the Franchise Agreement for which we may terminate (Franchise Agreement, Section 17.C.).

When you identify a proposed site, you must submit to us in writing a description of the site, evidence that the site satisfies our site selection guidelines, a copy of the proposed lease (which incorporates a rider in substantially the form of Attachment G to the Franchise Agreement) or contract of sale for the site, and any other information we may require. We have 30 days after we receive this information to review and accept or not accept the proposed site and lease or contract of sale. In reviewing your proposed site, we consider various factors, including the condition of the site, the location of the site, population, and other demographic factors. If we accept multiple sites, you must provide us with written notice of the specific site that you intend to acquire for the Franchised Business within 10 days of our acceptance of the site. Our acceptance of a site does not guarantee that a Little Kitchen Academy Franchised Business will be profitable or successful at that site (Franchise Agreement, Section 2.B.). The site selection factors considered by us in deciding whether or not to object to the proposed site may include the following: (a) demographics; (b) traffic patterns; (c) visibility; (d) business mix; (e) ability to reflect image to be portrayed by Little Kitchen Academy Franchised Business; and (f) adequacy of signs and image.

Promptly following our acceptance of the site for the Franchised Business, but in no event more than 6 months after the Franchise Agreement is signed, you must acquire the site by purchase

or lease, at your expense. You must provide us with a copy of the signed lease or contract of sale within 10 days of signing (Franchise Agreement, Section 2.C.).

3. Provide you with access to our prototypical design plans and specifications for a Little Kitchen Academy Franchised Business (Franchise Agreement, Section 5.C.).3.

4. Review your proposed grand opening promotion plan for compliance with our grand opening promotion guidelines and accept or not accept the marketing plan (Franchise Agreement, Section 8.D.).

5. Provide you with access to one set of our Manuals, either in paper or electronic form (Franchise Agreement, Section 5.D.).

6. Provide you with a list of approved suppliers (Franchise Agreement, Sections 5.I.).

7. Conduct an initial training program (Franchise Agreement, Sections 5.K. and 7.L.). Initial management training for Franchisee's Operating Principal and, if applicable, Director is mandatory, and is provided at no additional charge; however, Franchisor reserves the right to charge a reasonable fee for training successor or replacement personnel and for any additional training programs. Franchisee shall be responsible for any and all expenses incurred in connection with any initial or additional training, including, without limitation , the costs of travel, lodging, meals and wages incurred by Franchisee, it Operating Principal or Director.

8. Give you a least 2 days of on-site opening assistance, subject (as to scheduling) to the availability of our personnel (Franchise Agreement, Section 5.L.).

Typical Length of Time Before You Open Your Franchised Business.

The typical length of time between the signing of the Franchise Agreement and the opening of your business is approximately six to nine months. Factors that may affect this period may include whether you have a site selected when you sign the Franchise Agreement, your ability to obtain a site, prepare a site survey, arrange leasing and financing, make leasehold improvements, install fixtures, equipment, and signs, decorate the Franchised Business, meet local requirements, obtain inventory, and similar factors.

You must open your Franchised Business and commence business within nine months after signing the Franchise Agreement. If you fail to begin operations within the stated time, we may terminate the Franchise Agreement. In addition, you must provide us periodic construction reports in the form we designate from the date you begin construction until the date you open the Franchised Business.

Continuing Obligations. During the operation of your Franchised Business, we will:

1. Conduct periodic evaluations of your operations (Franchise Agreement, Section 5.F.).

2. Give you any advice and written materials we may develop on the techniques of managing and operating Little Kitchen Academy Franchised Business (Franchise Agreement, Section 5.H.).

3. At our discretion, make available to you at a reasonable cost any merchandise we develop or approve for resale (Franchise Agreement, Section 5.J).

4. Give you an updated list of approved suppliers as we deem appropriate (Franchise Agreement, Section, 5.I.).

5. Provide additional training programs and seminars at our option and remedial training upon request if we deem it to be necessary (Franchise Agreement, Section 5.M., and 7.L.).

6. Provide you with access to our proprietary software programs (if any) as may be developed by us or on our behalf for use in the System. We reserve the right to charge a reasonable license fee (Franchise Agreement, Section 5.E.).

7. Establish and administer a brand building fund and provide any advertising and promotional materials we develop for use by franchisees (Franchise Agreement, Sections 5.G. and Section 8.).

Advertising

You must participate in all advertising and sales promotion programs that we may authorize or develop for Little Kitchen Academy Franchised Business (Franchise Agreement, Section 8.A(2)).

You must participate in, and comply with the requirements of, any gift card, gift certificate, customer loyalty or retention programs that we implement for all or part of the Little Kitchen Academy franchise system and sign the forms and take the other action we require for you to participate in these programs. (Franchise Agreement, Section 8.A(1)).

Currently, we recommend that you invest at least 5% of your Gross Sales on local marketing, but we do not require you to do so. We have established a system-wide brand building fund ("Brand Building Fund") to which all franchisees will be required to contribute a percentage of their Gross Sales on a weekly basis. Currently, we require you to contribute 3% of your Gross Sales to the Brand Building Fund. We may, from time to time, increase or decrease the amount you must contribute to the Brand Building Fund (Franchise Agreement, Section 8.C.). However, we will not require you to contribute more than 3% of your Gross Sales to the Brand Building Fund during the term of your Agreement. We will use the Brand Building Fund to develop, prepare, produce and administer advertising for the System on a regional and/or national basis.

All advertising and promotions you place in any medium must be conducted professionally and must conform to our standards and requirements, as described in Section 9. (Franchise Agreement, Section 8.E.).

We will administer the Brand Building Fund. We will direct all advertising programs, including the creative concepts, materials and media used in the programs. We may use the Brand Building Fund to satisfy the costs of maintaining, administering, directing, preparing and producing advertising. This includes the cost associated with developing, maintaining and updating our Website, of preparing and producing television, radio, digital, magazine and newspaper advertising campaigns; direct mail and outdoor billboard advertising; public relations activities; endorsement costs; employing advertising agencies, including external marketing consultants; and costs of our personnel and other departmental costs for advertising that we administer or prepare internally. We are not required to make expenditures for you that are equivalent or proportionate to your Brand Building Fund contribution or to ensure that any particular franchisee benefits directly or pro rata from the placement of advertising. As of the issuance date of this disclosure document, our company-owned locations contribute to the Brand Building Fund on the same basis as franchisees. At this time we do not currently use the Brand Building Fund contributions for advertising that is principally a solicitation for the sale of franchises, however we reserve the right to use the Brand Building Fund contributions for that purpose in the future. A portion of the Brand Building Fund may be spent on the development and maintenance of our Website and Social Media, which may contain information relating to franchise opportunities for Little Kitchen Academy Franchise Business. As of the date of this disclosure document, we have not established a Brand Building Fund in the United States.

We anticipate that Brand Building Fund advertising will be conducted primarily through electronic or print media on a regional or national basis. We intend to have the majority of our advertising for the Brand Building Fund prepared by an outside advertising firm. We presently do not have an advertising council.

We will not use your Brand Building Fund contributions to defray any of our operating expenses, except for any reasonable administrative costs and overhead that we may incur in administering or directing the Brand Building Fund. We will prepare an annual statement of the Brand Building Fund's operations and will make it available to you if you request it from us in writing. We are not required to, and presently do not, have the Brand Building Fund statements audited.

Although the Brand Building Fund is intended to be perpetual, we may terminate it at any time. We will not terminate the Brand Building Fund, however, until all money in the Brand Building Fund has been spent for advertising or promotional purposes or returned to the contributors on the basis of their respective contributions (Franchise Agreement, Section 8.C.). Brand Building Fund contributions that are not spent in the year in which they are collected will be carried over to succeeding years.

You are not required to participate in any local or regional advertising cooperatives.

Computer System and Scheduling Systems.

You must install and maintain a computer and tablet at the premises of the Franchised Business that are capable of running the software that we require and that operate the current version of Microsoft Office 365 Business. The computer must have a high-speed modem that permits you to connect to the Internet and to transmit and receive e-mail. You must maintain a

high-speed Internet connection (with e-mail capability). We estimate that the cost of the computer system will be approximately $500 to $2,000 depending on the size of your Franchised Business.

You must install and run the scheduling software that we approve which can be operated from a desktop or tablet. You must enter into a license agreement with and pay our current scheduling software provider directly for this software license. We estimate that the current fees for the software license will range from $4,100 to $7,600 annually, but will vary based on the performance of your Franchised Business, and is subject to increase by our current scheduling software provider. You must also use approved payment processing vendors for both credit card and gift card sales that are compatible with the software. We estimate that the cost for your payment processing vendor will be 2.75% of your sales.

Neither we, our affiliates, nor any third parties are required to provide ongoing maintenance, repairs, upgrades, or updates to your computer system.

You must install any other hardware or software for the operation of the Franchised Business that we may require in the future, including any enhancements, additions, substitutions, modifications, and upgrades. Specifically, we may require that you install and maintain systems that permit us to access and retrieve electronically any information stored in your computer systems, including information concerning your Franchised Business's Gross Sales, at the times and in the manner that we may specify periodically. There is no contractual limitation on the frequency or cost of these obligations. We may also require you to license from us, or others we designate, any computer software we develop or acquire for use by Little Kitchen Academy franchisees.

Confidential Operations Manuals

After you sign the Franchise Agreement and when you are being initially trained, we will provide you with access to a copy of our Manuals either in electronic or paper form. A copy of the table of contents of the Manuals is attached as Exhibit E. We consider the contents of the Manuals to be proprietary, and you must treat them as confidential. Our Manuals contain 317 pages.

Training

Before the opening date of your Franchised Business, your Operating Principal and Director (if applicable) must have attended and completed to our satisfaction our initial management training program (Franchise Agreement, Section 7.L.).

Currently, the initial training is conducted in Vancouver, British Columbia. We provide instructors and training materials at no charge, but you must pay all expenses you and your personnel incur in initial training, including costs of travel, lodging, meals and wages. We may charge a reasonable training fee for training all successor or replacement personnel (Franchise Agreement, Section 7.L.).

The initial training program is administered and directed by Felicity Curin. Mrs. Curin has been involved in training for Little Kitchen Academy Franchised Businesses since November

2018.

The initial training program is offered as needed during the year depending on the number of new franchisees entering the System, the number of other personnel needing training, and the scheduled opening of new Little Kitchen Academy Franchised Business. Initial training generally lasts approximately 7 days. The subjects covered and other information relevant to our initial training program are described below.

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-job Training	Location
Fundamentals of Education	3	3	Vancouver, British Columbia
Kitchen Safety/Crisis Management	2	1	Vancouver, British Columbia
Curriculum & Recipe Planning	6	2	Vancouver, British Columbia
Marketing & Opportunities	4	0	Vancouver, British Columbia
Classroom Experience	0	11	Vancouver, British Columbia
Employee Management	2	0	Vancouver, British Columbia
General Business & Financials	4	0	Vancouver, British Columbia
Scheduling Software & POS	6	0	Vancouver, British Columbia
TOTAL	27	17	

The materials used in training include the Manuals as well as other presentation materials, including PowerPoint presentations and handouts. Our initial training program is subject to change without notice to reflect updates in the materials, methods and manuals and changes in personnel. The subjects taught and the time periods allocated for each subject may vary based on the experience of the trainees.

We may require your Operating Principal and Director (if applicable) to attend additional training programs and seminars. We have the right to charge a reasonable fee for these additional training programs and seminars. You must pay all expenses you or your personnel incur in any training program or seminar, including the cost of travel, lodging, meals and wages (Franchise Agreement, Section 7.L.).

ITEM 12

TERRITORY

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.

The Franchise Agreement gives you the right to operate a Little Kitchen Academy Franchised Business at a site we accept as meeting our site selection guidelines (the "Location"). You must select the site for your Franchised Business from within the non-exclusive Designated Area identified in the Franchise Agreement.

There is no minimum area that will comprise your Designated Area. however, we will determine the Designated Area and insert it in the Franchise Agreement before you sign the Franchise Agreement. The Designated Area will exclude any existing Protected Area of another Little Kitchen Academy franchisee within the Designated Area and any Protected Area of another Little Kitchen Academy Franchisee which may be designated after you execute the Franchise Agreement which is within the Designated Area.

If you are in compliance with the Franchise Agreement and any other agreement you have with us or our affiliates, we and our affiliates will not establish or authorize anyone except you to establish a Little Kitchen Academy Franchised Business in the geographic area identified in Attachment C (which will be inserted by us upon approval of the site) of the Franchise Agreement (the "Protected Area") during the term of the Franchise Agreement. The determination of the actual shape and size of your Protected Area is based on an analysis of various factors, including, population density, income level and the number of households and businesses in the area.

Continuation of your Protected Area does not depend on the achievement of a certain sales volume, market penetration or other contingency. There are no circumstances that would permit us to modify your territorial rights during the term of the Franchise Agreement, but we may modify your Protected Area upon renewal. You do not receive the right to acquire additional franchises within or outside of your Protected Area unless you sign another Franchise Agreement with us.

You must operate the Franchised Business only at the "Location" set forth in Attachment C to the Franchise Agreement. You cannot relocate the Franchised Business without our consent, which we may grant or withhold in our sole discretion. Our decision to grant or withhold our consent to your relocation will be influenced by various factors, including the demographics, traffic patterns, visibility, economic conditions, and business mix of the proposed new location. If you lose possession of the Location through no fault of your own, you must apply to us within 30 days for our approval to relocate your Franchised Business. You must relocate to another site in the Protected Area. You may not actively solicit or accept business from consumers located outside your Protected Area through any method of distribution, including alternative channels such as the Internet, catalog sales, telemarketing, or other direct marketing.

We retain all other rights. Among other things, this means we can:

(i) Develop and establish other business systems using the Marks, or other names or marks, and grant licenses to use those systems without providing any rights to you;

(ii) Advertise and promote the System in the Protected Area;

(iii) Operate, and license others to operate, Little Kitchen Academy Franchised Business at any location outside the Protected Area and in any Reserved Area. A "Reserved Area" includes any amusement park, theme park, sports stadium or arena, airport, train station, hospital, school, hotel, office building or military base; and

(iv) Within and outside the Protected Area, offer and sell, and authorize others to offer and sell, any similar or dissimilar products and services, (under the Marks or under other names or marks) through any channel or by any method of distribution (including the Internet, catalog sales, telemarketing, or other direct marketing) other than a Little Kitchen Academy Franchised Business, on any terms and conditions we deem appropriate, without compensation to you.

You may only use the Internet to advertise on our Website in compliance with the Franchise Agreement.

ITEM 13

TRADEMARKS

The Franchise Agreement gives you a license to operate a Little Kitchen Academy Franchised Business under the mark "Little Kitchen Academy" and to use any future Marks we authorize.

LKA has applied for trademark registration for the following Marks with the U. S. Patent and Trademark Office (PTO) and are owned by LKA. LKA intends to obtain registration, maintain registrations and to file all appropriate affidavits at the appropriate times required by law.

MARK	REGISTER	APPLICATION NUMBER	APPLICATION DATE
LITTLE KITCHEN ACADEMY (Standard Character Mark)	Principal	88140215 (Intent to Use)	October 2, 2018
CHANGING LIVES FROM SCRATCH (Word Mark)	Principal	88277226 (Intent to Use)	January 25, 2019
	Principal	88211015 (Intent to Use)	November 29, 2018
	Principal	90/553,637 (Intent to Use)	March 1, 2021

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

There is no presently effective determination of the PTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, nor any pending infringement, opposition, or cancellation proceeding, nor any pending material litigation involving any of the Marks which are relevant to their ownership, use or licensing.

We know of no superior prior rights or infringing use that could materially affect your use of the Mark. We know of no agreements currently in effect which significantly limit our rights to use or license the use of the Mark in any manner material to the franchise.

Our rights to the Marks and the proprietary System know-how are derived from a nonexclusive perpetual license (the "Intercompany License") between us and LKA. The Intercompany License grants us the right to use the Marks and the proprietary information related to the System, such as the know-how and the Manuals, for the purpose of licensing them to our franchisees and fulfilling our obligations under the Franchise Agreement. The Intercompany License is terminable only for material breach of the Intercompany License agreement and only if we do not cure or begin to cure the breach within 90 days after notice. We know of no other agreements currently in effect which significantly limit our rights to use or license the use of the Marks in any manner material to you.

We are not obligated to protect your rights to use the Marks or to protect you against claims of infringement or unfair competition. We are not obligated to participate in your defense and/or indemnify you for expenses or damages if you are party to an administrative or judicial proceeding involving the Marks if the proceeding is resolved unfavorable to you.

You must immediately notify us of any infringement of the Marks or of any challenge to the use of any of the Marks or claim by any person of any rights in any of the Marks. You and your Principals must agree not to communicate with any person other than us, any designated affiliate and our or their counsel about any infringement, challenge or claim. We or our affiliates have sole discretion to take any action we deem appropriate and the right to exclusively control any litigation, or PTO (or other) proceeding, from any infringement, challenge or claim concerning any of the Marks. You must sign all instruments and documents and give us any assistance that, in our counsel's opinion, may be necessary or advisable to protect and maintain our interests or those of our affiliates in any litigation or proceeding or to otherwise protect and maintain our or their interest in the Marks.

You may not use any of the Marks as part of your corporate or other name. You must also follow our instructions for identifying yourself as a franchisee and for filing and maintaining the requisite trade name or fictitious name registrations. You must sign any documents we or our counsel determine are necessary to obtain protection for the Marks or to maintain their continued validity and enforceability. Neither you nor your Principals may take any action that would prejudice or interfere with the validity of our rights with respect to the Marks and may not contest the validity of our interest in the Marks or assist others to do so.

We have the right to substitute different trade names, service marks, trademarks and indicia of origin for the Marks if the Marks can no longer be used, or if we determine, in our sole discretion, that the substitution will be beneficial to the System. If we do, we may require you to discontinue or modify your use of any Mark or use one or more additional or substitute Marks at your expense.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any patents, and do not have any pending patent applications, that are material to the franchise. We do claim copyright protection and proprietary rights in the original materials used in the System, including our Manuals, bulletins, correspondence and communications with our franchisees, training, advertising and promotional materials, and other written materials relating to the operation of Little Kitchen Academy Franchised Business and the System.

There is no presently effective determination of the U.S. Copyright Office (Library of Congress) or any court affecting our copyrights. There is no currently effective agreement that limits our right to use and/or license our copyrights. We are not obligated by the Franchise Agreement, or otherwise, to protect any rights you have to use the copyrights. We have no actual knowledge of any infringements that could materially affect the ownership, use or licensing of the copyrights.

We treat all of this information as trade secrets and you must treat any of this information we communicate to you confidentially. You and your Principals must agree not to communicate or use our confidential information for the benefit of anyone else during and after the term of the Franchise Agreement. You and your Principals must also agree not to use our confidential information at all after the Franchise Agreement terminates or expires. You and your Principals can give this confidential information only to your employees who need it to operate your Little Kitchen Academy Franchised Business. You must have your Director and Franchised Business Managers and any of your other personnel who have received or will have access to our confidential information, sign similar covenants.

If you or your Principals develop any new concept, process or improvement in the operation or promotion of your Little Kitchen Academy Franchised Business, you must promptly notify us and give us all necessary information about the new process or improvement, without compensation. You and your Principals agree that any of these concepts, processes or improvements will become our property, and we may use or disclose them to other franchisees, as we determine appropriate.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

When you sign the Franchise Agreement, you must designate an individual to serve as your "Operating Principal." If you are an individual, you will be the Operating Principal. The Operating Principal must be the same person for all Franchised Businesses that you or your affiliate operates. If you are not an individual, your Operating Principal must maintain a direct or indirect ownership interest in you of not less than 10%, unless we consent otherwise. This interest may not be pledged, mortgaged, hypothecated, or be subjected to any lien, charge, or encumbrance, voting agreement, proxy, security interest or purchase right or option, without our consent.

Unless a Director is appointed, as discussed below, your Operating Principal must devote his or her full time and best efforts to the supervision of your operations under the Franchise Agreement and may not engage in any other business. He or she must satisfy our training requirements and our other standards and must guaranty your performance under the Franchise Agreement. Your Operating Principal will be individually, jointly and severally bound by all of your obligations and the obligations of the Operating Principal and a Principal under the Franchise Agreement.

You may, at your option and subject to our written consent, designate a Director to supervise your operations under the Franchise Agreement. The Director must be the same person for all Franchised Business that you or your affiliate operates. Even if we permit you to designate a Director to supervise your operations under the Franchise Agreement, your Operating Principal remains ultimately responsible for the Director's performance. The Director must devote his or her full time and best efforts to the supervision of your operations under the Franchise Agreement.

You must notify us promptly if your Operating Principal or Director cannot continue to serve or no longer qualifies as an Operating Principal or a Director. You will have 30 days from

the date of the notice (or from any date that we independently determine the Operating Principal or Director no longer meets our standards) to take corrective action. During that 30 day period, you must provide for interim management of your operations in compliance with the Franchise Agreement.

At least 45 days before the Franchised Business opens for business, you must designate at least 1 Manager. Your Franchised Business Managers must satisfy our educational and business criteria and must be acceptable to us. The Franchised Business Managers are responsible for the daily operation and management of the Franchised Business, and must devote their full time and best efforts to the business. One of the Franchise Business Managers may, but need not be, the Operating Principal or Director.

At our request, you must have your Director, Franchised Business Managers and any other personnel who will have access to our training, sign covenants not to compete and must maintain the confidentiality of information they have access to through their relationship with you. These covenants will be in substantially the form of Attachment B to the Franchise Agreement. Those of your Principals who are not signing the Guaranty also must sign these covenants. If you are an individual, your spouse must sign a personal guaranty, making your spouse jointly and severally liable for your obligations. We have the right, in our sole discretion, to decrease the period of time or geographic scope of the noncompetition covenants or eliminate the noncompetition covenant altogether for any person who must sign an agreement described in this paragraph.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

All products and services you use or sell at the Little Kitchen Academy Franchised Business must conform to our standards and specifications. These are described in our Manuals and other writings. You must not deviate from our standards and specifications unless we first give you our written consent. You must also comply with all applicable laws and regulations and secure all appropriate governmental approvals for the Franchised Business.

You must offer and sell all products and services we require. You must sell only the items, products and services that we have expressly approved in writing. You must stop offering any products or services that we disapprove in writing. We may change the types of products and services we require franchisees to offer and sell at any time in our discretion. You must display all items in the manner described in our Manuals or other written instructions. You must not use or offer nonconforming items, unless we first give you our written consent. You must not sell products or services outside of the premises of your Franchised Business unless we consent in writing. The inventory and services to be offered at your Franchised Business may be supplemented, improved or otherwise modified by us periodically. You must open and operate the Franchised Business during the hours we specify in the Manual or otherwise in writing.

We reserve the right, to the fullest extent allowed by applicable law, to establish maximum, minimum or other pricing requirements with respect to the prices you may charge for products or services.

We may make available to you and may require you to purchase from us for resale to your customers certain merchandise, like Little Kitchen Academy memorabilia, in amounts necessary to meet customer demand.

You may not advertise, promote, post or list information relating to the Franchised Business on the Internet (through the creation of a Website or otherwise), unless we decide to include information about your Franchised Business on our Website. You will not use the Marks as part of any domain name, web address or e-mail address.

We do not impose any other restrictions in the Franchise Agreement or otherwise on the goods or services that you may offer or sell or the customers to whom you may offer or sell.

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in franchise or other agreement	Summary
a. Length of the franchise term	Section 3.A.	10-year initial term.
b. Renewal or extension of the term	Section 3.B.	2 consecutive 5-year periods.

Provision	Section in franchise or other agreement	Summary
c. Requirements for franchisee to renew or extend	Section 3.B.	Your renewal right permits you to remain as a franchisee after the initial term of your franchise agreement expires. However, to remain a franchisee, you must meet all required conditions to renewal, including signing our then-current form of franchise agreement, which may be materially different than the form attached to this disclosure document. Other conditions include: you must give written notice; you must update required items; you are not be in default; you must pay all money owed; you must retain right to Location; you must pay us a renewal fee; you must sign general release (See Exhibit F); you must comply with then-current qualifications and training requirements.
d. Termination by franchisee	Not Applicable	Not Applicable
e. Termination by franchisor without cause	Not Applicable	Not Applicable
f. Termination by franchisor with "cause"	Section 17.	We may terminate on your default.

Provision	Section in franchise or other agreement	Summary
g. "Cause" defined – curable defaults	Section 17.D.	You have 5 days to cure for failure to submit a required report or pay monies; 24 hours to cure for misuse of the Marks; 7 days to cure if you fail to obtain the required insurance coverages; 10 days to cure if you fail to comply with the noncompetition covenants; 10 days to cure if you fail to pay any amount due and owing any creditor. For any other default capable of being cured, except those specified as noncurable, you have 30 days to cure.

Provision	Section in franchise or other agreement	Summary
h. "Cause" defined – non-curable defaults	Sections 17.B. and 17.C.	Insolvency; general assignment for benefit of creditors; bankruptcy; receivership; final judgment remains unsatisfied for 30 days or more; dissolution; execution of levy or sale after levy; foreclosure proceedings not dismissed within 30 days; operation of Franchised Business at location that we have not accepted; failure to obtain acceptance of proposed site or acquire Location, to construct or remodel in accordance with prototypical plans, to begin business within the required time period; abandonment or forfeiture of right to do business; conviction of certain crimes; threat to public health or safety; unauthorized transfer; failure to comply with certain confidentiality covenants; false records or submission of false reports; breach of any covenants or false representations or material misstatements or omissions; failure to comply with quality assurance program; understatement of Gross Sales or other amounts by more than 5% or understatement by more than 3% 2 times within any 12 month period; default of any other franchise agreement; repeated defaults whether or not cured. A provision in the Franchise Agreement which terminates the Franchise Agreement upon your bankruptcy may not be enforceable under Title 11, United States Code Section 101.

Provision	Section in franchise or other agreement	Summary
i. Franchisee's obligations on termination/nonrenewal	Section 18.	Stop operating your Franchised Business and using the System's confidential methods, procedures, techniques and marks; cancel any registration containing the Marks; pay amounts due and our damages and enforcement costs; comply with confidentiality and non-competition covenants; return all Manuals and other proprietary materials; at our option, sell or assign us your rights in business telephone numbers, advertising and promotional materials, furnishings equipment, and the premises.
j. Assignment of contract by franchisor	Section 14.A.	We may transfer our rights without restriction.
k. "Transfer" by franchisee – defined	Sections 14.B.	You must not transfer any direct or indirect interest in you, the Franchise Agreement or the assets of the franchised business without our consent.
l. Franchisor's approval of transfer by franchisee	Section 14.B.	We must consent and you must meet conditions before transferring.
m. Conditions for franchisor's approval of transfer	Section 14.B.	Pay all amounts due; not be in default; sign a general release (See Exhibit F); pay transfer fee; have the Franchised Business open for business and operating; and remain liable for pre-transfer obligations. Transferee must meet our criteria, complete required training, guaranty obligations; enter into then-current franchise agreement and upgrade the Franchised Business.

Provision	Section in franchise or other agreement	Summary
n. Franchisor's right of first refusal to acquire franchisee's business	Section 14.D.	On 30 days written notice, we have the option to purchase an interest being transferred on the same terms and conditions offered by a third party.
o. Franchisor's option to purchase franchisee's business	Sections 18.A.(8) (9) and (10) and 18.B.	Upon termination or expiration we have the option to purchase your advertising materials bearing the Marks at your cost. We have the option to purchase the furnishings, equipment, signs, fixtures, supplies, materials, inventory and other assets, at fair market value (except for products manufactured by us or our affiliates, which may be purchased for the amount paid by you, excluding delivery and late fees), and, if you own the land were the Franchised Business is located, we have the option to lease the land (and any building on the land used for the operation of the Franchised Business), for fair market value. We have the option to have the lease for the premises of the Franchised Business assigned to us.
p. Death or disability of franchisee	Section 14.E.	On death or permanent disability of you or a Principal the person's interest must be transferred to someone we approve within 6 months.
q. Non-competition covenants during the term of the franchise	Section 10.C.(1).	You may not operate or have an interest in a business which is similar to the franchised business.

Provision	Section in franchise or other agreement	Summary
r. Non-competition covenants after the franchise is terminated or expires	Section 10.C.(2).	For 2 years you may not divert any of your business or customers to a competitor or have an interest in any business that is similar to the franchised business at the Location, within the Protected Area, or within a 15-mile radius of the location of any Little Kitchen Academy Franchised Business then in existence or under construction.
s. Modification of the agreement	Sections 10.A. and 19.B.	Except for changes we can make unilaterally, changes require mutual agreement. You must comply with the Manuals as amended.
t. Integration/merger clause	Section 19.B.	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to state law). Any representations or promises made outside the disclosure document and franchise agreement may not be enforceable. We may not disclaim representations made in the disclosure document.
u. Dispute resolution by arbitration or mediation	Section 19.G.	Claims, controversies or disputes from or relating to the Franchise Agreement must be mediated, except actions based on the Marks or confidential information.

Provision	Section in franchise or other agreement	Summary
v. Choice of forum	Sections 19.G. and 19.H.	Unless contrary to applicable state law: Mediation in Vancouver, British Columbia, Canada except actions based on the Marks or confidential information; venue for any other proceeding is New Castle county, Delaware or the federal district court for the District of Delaware (subject to state law). In addition to the provisions noted in this chart, the Franchise Agreement contains a number of provisions that may affect your legal rights, including a waiver of the right to a jury trial, a waiver of punitive or exemplary damages and limitations on when claims may be raised (See Franchise Agreement, Section 19). We recommend that you carefully review all of these provisions, and all of the contracts listed in Item 22, with a lawyer.
w. Choice of law	Section 19.I.	Subject to applicable state law, the Franchise Agreement will be interpreted and construed under Delaware law, except for Delaware choice of law rules (subject to state law) and except for the provisions respecting non-competition, which are governed by local law where the breach occurs.

ITEM 18

PUBLIC FIGURES

In May 2019, Catherine Cora (a/k/a Cat Cora), a celebrity chef and entrepreneur, entered into an agreement with LKA under which Ms. Cora has agreed to, among other things, participate in marketing and promotional opportunities for the Little Kitchen Academy brand and promote the sale of Little Kitchen Academy franchises in the United States and in other countries. As

compensation for these services, Ms. Cora was granted stock in LKA and is entitled to certain referral fees (ranging from 10% to 20% of initial franchise fees) for franchise sales generated by Ms. Cora or through certain of her media channels and bonuses based on the total number of franchises sold by LKA. Ms. Cora is not involved in the management or control of the franchisor.

Except as described above, we do not use any public figure to promote our franchise.

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 the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about performance at a particular location or under particular circumstances.

Little Kitchen Academy USA, Inc. does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Brian Curin at 2218 54th St Ct NE, Tacoma, Washington 98422, and (604) 928-0629, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

Systemwide Outlet Summary
For years 2018 to 2020[(1)]

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2018	0	0	0
	2019	0	0	0
	2020	0	0	0

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Company-Owned	2018	0	1	+1
	2019	1	1	0
	2020	1	1[(2)]	0
Total Outlets	2018	0	1	+1
	2019	1	1	0
	2020	1	1	0

Notes:

1. All numbers are as of our fiscal year end, which is December 31.
2. Our one company outlet is operated in Vancouver, British Columbia, Canada

Table No. 2

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor) For years For years 2018 to 2020[(1)]

Column 1 State	Column 2 Year	Column 3 Number of Transfers
All States	2018	0
	2019	0
	2020	0
Total	2018	0
	2019	0
	2020	0

Notes:

1. All numbers are as of our fiscal year end, which is December 31.

Table No. 3

Status of Franchised Outlets
For years For years 2018 to 2020[(1)]

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Termina-tions	Col. 6 Non-Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Opera-tions-Other Reasons	Col. 9 Outlets at End of the Year
All States	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
Totals	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0

Notes:

1. All numbers are as of our fiscal year end, which is December 31.

Table No. 4

Status of Company-Owned Outlets
For years For years 2018 to 2020[(1)]

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Outlets Reacquired From Franchisee	Col. 6 Outlets Closed	Col. 7 Outlets Sold to Franchisee	Col. 8 Outlets at End of Year
British Columbia, Canada[(2)]	2018	0	1	0	0	0	1
	2019	1	0	0	0	0	1
	2020	1	0	0	0	0	1

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Outlets Reacquired From Franchisee	Col. 6 Outlets Closed	Col. 7 Outlets Sold to Franchisee	Col. 8 Outlets at End of Year
TOTALS	2018	0	1	0	0	0	1
	2019	1	0	0	0	0	1
	2020	1	0	0	0	0	1

Notes:

1. All numbers are as of our fiscal year end, which is December 31.
2. Our one company outlet is operated in Vancouver, British Columbia, Canada

Table No. 5

Projected Openings As December 31, 2020

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlet In The Next Fiscal Year	Column 4 Projected New Company-Owned Outlet In the Next Fiscal Year
California	0	0	1
Oregon	0	1	0
Washington	0	2	0
British Columbia, Canada[(1)]	4	4	0
Ontario, Canada[(1)]	1	1	0
TOTAL	5	8	1

Notes:

1. We signed an area development agreement for portions of British Columbia.

The name, business address, and business telephone number of each current franchisee as of December 31, 2020 are listed on Exhibit C.

The name, city and state, and current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who has had a Franchised Business

terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year or has not communicated with us within 10 weeks of the date of issuance of this disclosure document are listed on Exhibit D.

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

As of the date of this disclosure document, we are not offering outlets we control that were previously owned by a franchisee. If we begin to offer any such outlet, specific information about the outlet will be provided to you in a supplement to this disclosure document.

As of the date of this disclosure document, no independent trademark-specific franchisee organizations have asked to be included in this disclosure document and there are no franchisee organizations sponsored or endorsed by us.

ITEM 21

FINANCIAL STATEMENTS

As we have not been in business for three years or more, we do not currently have three years of audited financials. As such, attached as Exhibit A are our audited financial statements as of December 31, 2020, for the period from our inception (January 29, 2020) through December 31, 2020. Our fiscal year ends on December 31.

ITEM 22

CONTRACTS

Attached to this disclosure document are the following contracts and their attachments:

1. Franchise Agreement. (Exhibit B).

2. Form of General Release (Exhibit F).

ITEM 23

RECEIPTS

Attached as the last 2 pages of this disclosure document are duplicate Receipts to be signed by you. Keep one for your records and return the other one to us.

EXHIBIT A

FINANCIAL STATEMENTS

Little Kitchen Academy USA, Inc.

Consolidated Financial Statements

As of December 31, 2020 and for the period from inception (January 29, 2020) through December 31, 2020

Little Kitchen Academy USA, Inc.

Consolidated Financial Statements

As of December 31, 2020 and for the period from inception
(January 29, 2020) through December 31, 2020

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Independent Auditor's Report

To the Stockholder
Little Kitchen Academy USA, Inc.
Tacoma, Washington

Report on the Financial Statement
We have audited the accompanying consolidated financial statements of Little Kitchen Academy USA, Inc. and its subsidiary (the "Company"), which comprise the consolidated balance sheet as of December 31, 2020, and the related consolidated statements of operations, changes in stockholder's equity and cash flows for the period from inception (January 29, 2020) through December 31, 2020, and related notes to the consolidated financial statements.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion
In our opinion, the consolidated financial statements referred to above presents fairly, in all material respects, the financial position of the Company as of December 31, 2020, and the results of its operations, changes in stockholder's equity and cash flows for the period from inception (January 29, 2020) through December 31, 2020 in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the consolidated financial statements, the Company is dependent upon financial support from Little Kitchen Academy Ltd, the parent of the Company, to fund its operations for at least twelve months. Our opinion is not modified with respect to this matter.

A+G LLP

Dallas, Texas
April 9, 2021

Consolidated Balance Sheet

As of December 31,		2020
Assets		
Current assets:		
Cash and cash equivalents	**$**	**115,522**
Total current assets		**115,522**
Intangible assets		**19,354**
Total assets	**$**	**134,876**
Liabilities and Stockholder's Equity		
Current liabilities:		
Accounts payable and accrued expenses	**$**	**27,997**
Due to parent		**3,237**
Total current liabilities		**31,234**
Stockholder's equity		
Common stock, no par value; 200 shares authorized, issued and outstanding		**-**
Additional paid-in capital		**127,100**
Retained deficit		**(23,458)**
Total stockholder's equity		**103,642**
Total liabilities and stockholder's equity	**$**	**134,876**

Consolidated Statement of Operations
For the period from inception (January 29, 2020)
through December 31, **2020**

Revenue:		
Total revenue	**$**	**-**
General and administrative expenses:		
Professional fees		**20,805**
Other general and administrative		**2,653**
Total general and administrative expenses		**23,458**
Loss before provision for income taxes		**(23,458)**
Provision for income taxes		**-**
Net loss	**$**	**(23,458)**

Consolidated Statement of Changes in Stockholder's Equity

	Common Stock		Additional Paid-In	Retained	
	Shares	Amount	Capital	Deficit	Total
Balance at January 29, 2020 (inception)	-	$ -	$ -	$ -	$ -
Net loss	-	-	-	(23,458)	(23,458)
Issuance of common stock	200	-	127,100	-	127,100
Balance at December 31, 2020	200	$ -	$ 127,100	$ (23,458)	$ 103,642

Consolidated Statement of Cash Flows
For the period from inception (January 29, 2020)
through December 31,

		2020
Operating Activities		
Net loss	**$**	**(23,458)**
Changes in operating assets and liabilities:		
Accounts payable and accrued expenses		**27,997**
Net cash used by operating activities		**4,539**
Investing Activities		
Purchases of intangible assets		**(19,354)**
Net cash provided by investing activities		**(19,354)**
Financing Activities		
Borrowings from parent		**3,237**
Issuance of common stock		**127,100**
Net cash provided by financing activities		**130,337**
Net increase in cash and cash equivalents		**115,522**
Cash and cash equivalents, beginning of period		**-**
Cash and cash equivalents, end of period	**$**	**115,522**

1. Organization and Operations

Description of Business

The consolidated financial statements include the accounts of Little Kitchen Academy USA, Inc. ("LKA USA" or "Parent") and its subsidiary (collectively, "we", "us", "our" and the "Company").

Little Kitchen Academy USA, Inc. was incorporated on January 29, 2020 ("inception") in the State of Delaware. LKA USA is a wholly owned subsidiary of the Company's ultimate parent Little Kitchen Academy, Ltd. ("LKA" or "Parent"), a Canadian limited partnership.

LKA USA is in the business of granting franchises for Montessori-inspired school-arts/self-improvement academies for children and teenagers (the "Little Kitchen Academy Franchised Business"). LKA licensed the trademarks and other intellectual property relating to the Little Kitchen Academy system to the Company under a nonexclusive, royalty-free and perpetual license agreement (the "License"). The License grants the Company the right to use this trademark and other intellectual property for licensing them to franchisees of the Company in the United States.

Little Kitchen Academy Century City LLC ("LKA CC") is a wholly owned subsidiary of LKA USA. LKA CC was formed on December 11, 2020 in the State of California. LKA CC was formed to operate a company owned Little Kitchen Academy Business.

Going Concern

The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company is in the start-up phase of its business plan and has sustained losses from operations for the period from inception to December 31, 2020 and is projecting continued losses from operations and net cash outflows from operating activities for the year ending December 31, 2021 and is dependent on additional funding from LKA. These factors raise substantial doubt about the Company's ability to continue as a going concern.

LKA has committed to providing the necessary funding to ensure the Company has sufficient liquidity to satisfy its obligations for at least twelve months following the issuance of the consolidated financial statements.

After considering the financial wherewithal of LKA to provide financial support to the Company to ensure the continued financial viability of the Company for at least twelve months following the issuance of the consolidated financial statements, management concluded that substantial doubt about the Company's ability to continue as a going concern has been alleviated. Accordingly, these consolidated financial statements do not include any adjustments that would be required were the Company not be able to continue as a going concern.

COVID-19

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption. While the disruption is expected to be temporary, there is considerable uncertainty around the duration. Though some of the restrictions were lifted in some states in March 2021, the extent to which the pandemic will impact our business remains highly uncertain if it continues for an extended period. Accordingly, the Company cannot reasonably determine the ultimate impact the COVID-19 pandemic will have on its future results of operations due to the continuing uncertainty surrounding the pandemic's magnitude and duration.

2. Significant Accounting Policies

Basis of Presentation
The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). All significant intercompany accounts and transactions have been eliminated.

Use of Estimates
The preparation of financial statement in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statement. Actual results could differ from those estimates.

Fair Value
Fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company's financial instruments consist of cash and cash equivalents. The carrying values of cash and cash equivalents are considered to be representative of their respective fair values due to the short-term nature of these instruments.

Assets and liabilities that are carried at fair value are classified and disclosed in one of the following three categories:

Level 1: Quoted market prices in active markets for identical assets and liabilities.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data

Cash and Cash Equivalents
For purposes of reporting cash flows, all highly liquid investments with a maturity of three months or less are considered cash equivalents.

Intangible assets
Intangible assets are recorded at the lower of cost or net realizable value. Intangible assets with indefinite lives are not amortized, but are assessed for impairment on at least an annual basis. Intangible assets with definite lives are amortized over the expected useful lives of the assets and are assessed for impairment whenever events or changes in circumstances indicate that their carry values may not be recoverable. The Company capitalized certain costs related to the development of its franchise program. At December 31, 2020, the Company had $19,354 of indefinite lived franchise development costs.

Revenue Recognition
The Company will recognize revenue in accordance with FASB ASC 606-10-25, *Revenue from Contracts with Customers*.

The Company will generate revenues and earns fees from Little Kitchen Academy Franchised Businesses. The Company will provide the use of trademarks, system, training, opening assistance and center operating assistance in exchange for initial franchise fee and royalties based on a Little Kitchen Academy Franchised Business revenues.

A franchise agreement establishes a Little Kitchen Academy Franchised Business developed in one or multiple defined geographic area and provides for a 10-year initial term with renewal of 5-year terms.

2. Significant Accounting Policies (continued)

Revenue Recognition (continued)
Initial franchise fees will be recorded as deferred revenue when received and will be recognized as revenue over the contractual term of the franchise agreement, when a Little Kitchen Franchised Business is opened. Transfer and renewal fees will be recognized as revenue over the contractual term of the franchise agreement. Royalties from Little Kitchen Franchised Businesses will be based on a percentage of gross revenues of the Little Kitchen Franchised Businesses and will be recognized as earned.

Advertising
All costs associated with advertising and marketing are expensed in the period incurred.

Income Taxes Status
The Company is taxed as a C-Corporation. Income taxes are provided for the tax effects of transactions reported in the financial statement and consist of taxes currently due plus deferred taxes. Deferred income taxes are provided for the temporary differences in basis of the Company's assets and liabilities and their reported amounts. The deferred tax assets and liabilities represent the future tax consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled. Deferred tax assets and liabilities are determined based on the enacted rates that are expected to be in effect when these differences are expected to reverse. Deferred tax expense or benefit is the result of the changes in the deferred tax assets and liabilities. The Company records a valuation allowance to reduce deferred tax assets if it is more likely than not that some portion or all of the deferred tax assets will not be realized. The Company recognizes income tax related interest and penalties in interest expense and general and administrative expenses, respectively.

Recent Accounting Pronouncements
In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)" as amended by multiple updates to the standard. This update requires lessees to recognize a lease liability and a lease asset for all leases, including operating leases, with a term greater than 12 months on its balance sheet and requires lessors to classify leases as a sales-type, direct financing or operating lease. The update also expands the required quantitative and qualitative disclosures surrounding leases. In June 2020, the FASB issued ASU 2020-05, "Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities." ASU 2020-05 defers the effective date of ASU 2016-02 for private companies and private not-for-profit entities for one year. The updated guidance is effective for fiscal years beginning after December 15, 2021 with early adoption permitted. The Company is currently evaluating the impact of adopting ASU 2016-02 on its financial statements.

In January 2021, the FASB issued ASU 2021-02, "Franchisors – Revenue from Contracts with Customers (Subtopic 952-606): Practical Expedient." ASU 2021-02 provides a practical expedient that simplifies the application of ASC 606 about identifying performance obligations and permits franchisors that are not public entities to account for pre-opening services listed within the guidance as distinct from the franchise license. The updated guidance is effective for annual reporting periods beginning after December 15, 2020 with early adoption permitted. This guidance should be applied retrospectively to the date ASU 606 was adopted. The Company is currently evaluating the impact of adopting ASU 2021-02 on its financial statements.

We reviewed all other significant newly-issued accounting pronouncements and concluded that they either are not applicable to our operations or that no material effect is expected on our financial statements as a result of future adoption.

3. Certain Significant Risks and Uncertainties

The Company maintains its cash in a bank deposit account that at times may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant risk on cash or cash equivalents. The Company maintains its deposits in one financial institution.

4. Related Party Transactions

Transactions with Parent

During the period from inception (January 29, 2020) through December 31, 2020, LKA advanced funds to the Company for operating and other expenses. At December 31, 2020, the Company had a payable due to its Parent in the amount of $27,997. The amount due to its Parent bears no interest and is payable upon demand.

5. Income Taxes

The provision for income taxes for the period from inception through December 31, 2020 was $0.

The following is a reconciliation of the expected federal income tax benefit at the statutory rate of 21% to the actual provision for income taxes for the period from inception through December 31, 2020:

	2020
Expected tax benefit at statutory rates:	$ (4,926)
Permanent	(1,234)
Valuation allowance	6,160
Provision for income taxes	$ -

The significant components of deferred tax asset at April 30, 2020, consists of the following:

	2020
Deferred tax asset:	
Net operating loss	$ 6,160
Valuation allowance	(6,160)
Deferred tax asset, net	$ -

The Company's management periodically assess the likelihood that it will be able to recover its deferred tax asset. Management considers all available evidence, both positive and negative, including historical levels of income, expectations and risks associated with estimates of future taxable income and ongoing prudent and feasible profits.

As of December 31, 2020, the Company recorded a valuation allowance of $6,160, which is equal to the full amount of the net deferred tax asset due to the uncertainty of the utilization of the deferred tax asset in future periods.

The Company files income tax returns in the U.S. federal and state jurisdictions. The Company is subject to routine audits by taxing jurisdictions, however, there are currently no audits for any tax periods in progress.

5. Income Taxes (continued)

In accordance with FASB ASC 740-10, Income Taxes, the Company is required to disclose uncertain tax positions. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. We are currently subject to the general three-year statute of limitation for federal tax. Under this general rule, the Company is subject to examination by taxing jurisdictions for all periods from inception.

The Company has analyzed tax positions taken for filing with the jurisdictions where it operates. The Company believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Company's financial condition, results of operations or cash flows. Accordingly, the Company has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at December 31, 2020.

6. Subsequent Events

In March 2021 LKA CC entered into a non-cancelable operating lease that expires in January 2032.

The future minimum lease payments under this operating lease is as follows:

Year ending December 31, 2021	$	52,333
Year ending December 31, 2022		157,000
Year ending December 31, 2023		157,000
Year ending December 31, 2024		157,000
Year ending December 31, 2025		157,000
Thereafter		955,083
Total	$	1,635,416

The Company has evaluated subsequent events through April 9, 2021, the date the financial statements were available to be issued.

EXHIBIT B

FRANCHISE AGREEMENT

(INCLUDING STATE-SPECIFIC AMENDMENTS)

LITTLE KITCHEN ACADEMY USA, INC.

FRANCHISE AGREEMENT

FOR

_____

Name of Franchisee

_____

Street Address

_____

City State Zip

_____

Telephone

FRANCHISED LOCATION:

_____

Street Address

_____

City State Zip

_____

Telephone

FACILITY NO.: _____

CONTRACT DATE: _____

OPEN DATE: _____

Form dated April 12, 2021
FDD dated April 12, 2021

LITTLE KITCHEN ACADEMY USA, INC.
FRANCHISE AGREEMENT

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ATTACHMENTS

Attachment A	Principals' Guaranty and Assumption Agreement
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LITTLE KITCHEN ACADEMY USA, INC.

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT ("**Agreement**") is made and entered into by and between Little Kitchen Academy USA, Inc., a Delaware corporation ("**Franchisor**") and _____ ("**Franchisee**") to be effective on the date Franchisor executes this Agreement ("**Effective Date**"). Certain initially capitalized terms used frequently in this Agreement are defined in Attachment F hereto.

RECITALS:

Franchisor has the right to use and license the use of a system ("**System**") for the establishment and operation of a Montessori-inspired school-arts/self-improvement academy for children and teenagers under the Marks (defined below) ("**Little Kitchen Academy Facility**" or "**Facility**").

The distinguishing characteristics of the System include, without limitation, the curriculum, technical support, and advice; distinctive exterior and interior design, decor, color scheme, and proprietary furnishings; uniform standards, proprietary products and ingredients, proprietary recipes, specifications, policies and procedures for operations; quality and uniformity of the services offered; training and assistance; and advertising and promotional programs, all of which may be changed, improved, and further developed by Franchisor from time to time.

The System is identified by certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including, but not limited to, the mark "LITTLE KITCHEN ACADEMY" and such other trade names, service marks, trademarks, logos, emblems and indicia of origin as are now designated, and may hereafter be designated by Franchisor in writing, for use in connection with the System ("**Marks**").

Franchisee wishes to obtain a franchise to establish and operate a Little Kitchen Academy Facility using the Marks and the System at the Location identified on Attachment C.

Franchisor is willing to grant Franchisee a franchise to do so upon the terms and conditions set forth in this Agreement in reliance on Franchisee's application and Franchisee's representations made in this Agreement.

NOW, THEREFORE, the parties, in consideration of the mutual undertakings and commitments set forth herein, the receipt and sufficiency of which are hereby acknowledged, agree as follows:

1. **GRANT**

A. Grant of Rights. Franchisor hereby grants Franchisee the right and license, and Franchisee hereby accepts the right and obligation, to establish and operate a Facility in accordance with this Agreement under the Marks and the System at the Location described in Attachment C to this Agreement.

B. Protected Area. Upon Franchisee's acquisition of the Location for the Facility, Franchisor will insert the address of the Location and a description of a Protected Area surrounding the Location in Attachment C. As long as Franchisee is in full compliance with this Agreement and any other agreement between Franchisee and Franchisor or its affiliates, then except as otherwise expressly provided in this Agreement (including Section 1.C. of this Agreement), neither Franchisor nor any affiliate of Franchisor will establish, or authorize any person or entity other than Franchisee to establish, a Little Kitchen Academy Facility in the Protected Area during the term of this Agreement.

C. Reserved Rights. The rights granted to Franchisee under this Agreement are nonexclusive, and Franchisor and its affiliates have and retain all rights within and outside the Protected Area except those expressly granted to Franchisee. Accordingly, Franchisor, its affiliates, and any other authorized person or entity have the right, among others, (i) within and outside the Protected Area to develop and establish other business systems (including systems that distribute products or services similar to those offered at Little Kitchen Academy Facilities) using the Marks, or other names or marks, and to grant licenses to use those systems without providing any rights to Franchisee, (ii) to advertise and promote the System and the Facilities in the Protected Area, (iii) to operate, and license others to operate, Little Kitchen Academy Facilities at any location outside the Protected Area and in any Reserved Area, including locations that are

adjacent to or surrounded by the Protected Area, and (iv) except for the restriction set forth in Section 1.B. against the establishment of another Little Kitchen Facility in the Protected Area during the term hereof, to engage, directly or indirectly, at wholesale, retail or otherwise, in the production, distribution, license, and sale of any and all merchandise, including cookbooks, cookware, utensils, apparel, and related items or other services and products, under the Marks, or under other names or marks, within and outside the Protected Area, through any method of distribution, including, but not limited to, mail order catalogs and the Internet, regardless of the proximity to, or the competitive impact on, Franchisee's Little Kitchen Academy Facility.

D. Relocation. Franchisee will not relocate the Little Kitchen Academy Facility without Franchisor's express prior written consent. If Franchisee is unable to continue the operation of the Little Kitchen Academy Facility at the Location because of the occurrence of an event of Force Majeure (or for other reasons not constituting an event of default under this Agreement), Franchisee may request Franchisor's consent to relocate the Facility to another location in the Protected Area. If Franchisor grants Franchisee the right to relocate the Facility, then Franchisee will comply with such reasonable site selection and construction procedures as Franchisor may require.

2. SITE SELECTION, PLANS, CONSTRUCTION AND OPENING DATE

A. Designated Area. Franchisee assumes all cost, liability, expense, and responsibility for locating, obtaining and developing a site for the Facility within the geographic area described in Attachment C ("**Designated Area**"). Franchisee acquires no rights in and to the Designated Area, other than the right to select a site for the Facility from within its boundaries, and, without limitation of the foregoing, Franchisee has no exclusivity rights in the Designated Area. The Designated Area excludes any existing Protected Area of another Little Kitchen Academy franchisee within the Designated Area and any Protected Area of another Little Kitchen Academy franchisee which may be designated after the execution of the Franchise Agreement and is within the Designated Area.

B. Site Approval. Before acquiring a site for the Facility, Franchisee must submit to Franchisor, in the form specified by Franchisor, a description of the site, evidence satisfactory to Franchisor demonstrating that the site satisfies Franchisor's site selection guidelines, and such other information and materials as Franchisor may reasonably require, including, but not limited to, copies of a proposed lease (which incorporates a rider in substantially the form attached hereto as Attachment G) or a contract of sale for the site. Franchisor will have thirty (30) days after receiving Franchisee's site information to accept or not accept, in Franchisor's sole discretion, the proposed site as the location for the Facility. No site may be used for a Little Kitchen Academy Facility unless it is first approved in writing by Franchisor, and Franchisee will not make any binding commitment with respect to a site for the Facility unless the site is first approved in writing by Franchisor. If Franchisor approves multiple sites for the Facility, Franchisee will notify Franchisor in writing within ten (10) days of the date of such approval of the site which site Franchisee intends to acquire for the Facility. Franchisee acknowledges that Franchisor's acceptance of a prospective site and the rendering of assistance in the selection of a site does not constitute a representation, promise, warranty, or guarantee, express or implied, by Franchisor that the Facility operated at that site will be profitable or otherwise successful. Additionally, Franchisor's approval of a lease does not mean that the economic terms of the lease are favorable; it means only that the lease contains the lease terms that Franchisor requires.

C. Site Acquisition. Promptly following Franchisor's acceptance of the site for the Facility, but in no event no later than six (6) months after the execution of the Franchise Agreement, Franchisee will acquire the site by purchase or lease, at Franchisee's expense. Franchisee will furnish to Franchisor a copy of the executed lease or contract of sale within ten (10) days after execution.

D. Contractual Designation of Site. After Franchisor accepts the site and Franchisee acquires the site pursuant to this Agreement, the address of the site will be entered on Attachment C to the Franchise Agreement as the Location and the Designated Area will be of no further force or effect.

E. Licenses; Permits. Franchisee is responsible for obtaining all zoning classifications and clearances which may be required by any laws, ordinances, regulations, or restrictive covenants relating to the construction and operation of the Facility at the Location. Before beginning construction of the Facility, Franchisee must (i) obtain all approvals, clearances, permits, licenses and certifications required for the lawful construction or remodeling and operation of the Facility, and (ii) certify in writing to Franchisor that all such approvals, clearances, permits, licenses and certifications have been obtained. At Franchisor's request, Franchisee must provide to Franchisor copies of all such approvals, clearances, permits, licenses, and certifications. Franchisee must further certify in writing to Franchisor that the insurance coverage specified in Section 12 of this Agreement is in full force and effect.

F. Construction and Finish Out. Franchisee must obtain, at its expense, any architectural, engineering, design, construction and other services it deems necessary for the construction of the Little Kitchen Academy Facility.

(1) Franchisee will adapt Franchisor's prototypical architectural and design plans and specifications for a Little Kitchen Academy Facility as necessary for the completion of the Site-Work for the Facility licensed under this Agreement and must submit such adapted plans to Franchisor for review prior to submission of such plans to the landlord for its review and prior to submission of the plans to governmental authorities for permitting purposes. Franchisor will notify Franchisee of any objections to the plans within fifteen (15) days of receiving such plans. If Franchisor fails to notify Franchisee of an objection to the plans within such fifteen (15) day period, Franchisee may use the plans. If Franchisor objects to the plans, it will provide Franchisee with a reasonably detailed list of the changes needed to make the plans consistent with System standards. Franchisor will notify Franchisee within fifteen (15) days of receiving revised plans incorporating such changes, whether the revised plans are acceptable. If Franchisor fails to notify Franchisee of any objection within such fifteen (15) day period, Franchisee may use the revised plans. Franchisee acknowledges that Franchisor's review of such plans is only for purposes of determining compliance with System standards, and that acceptance of such plans by Franchisor does not constitute a representation, warranty, or guarantee, express or implied, by Franchisor that such plans are accurate or free of error concerning their structural application. Franchisor will not be responsible for architecture or engineering, or for code, zoning, or other requirements of the laws, ordinances, or regulations of any federal, national, state, regional, local, or municipal governmental body, including, without limitation, any requirement relating to accessibility by disabled persons or others, nor will Franchisor be responsible for any errors, omissions, or discrepancies of any nature in the plans.

(2) Franchisee will promptly commence and diligently pursue construction of the Facility. Commencement of construction is defined as the time at which any Site Work is initiated. During construction, Franchisee will complete all exterior and interior preparations for the Facility, including installation of equipment, fixtures, furnishings and signs, pursuant to the plans and specifications approved by Franchisor. During construction, Franchisee will provide Franchisor with such periodic progress reports as Franchisor may reasonably request, including, but not limited to, digital photographs of the Facility premises and the surrounding area. In addition, Franchisor may make such on-site inspections as it may deem reasonably necessary to evaluate such progress. Franchisee will notify Franchisor of the scheduled date for completion of construction no later than twenty-one (21) days prior to such date, which inspection may be via video call, in which case, Franchisee must participate and provide Franchisor images and video as required by Franchisor. Within a reasonable time after the date construction is completed, Franchisor will, at its option, conduct an inspection of the completed Facility, which inspection may be via video call, in which case, Franchisee must provide Franchisor images and video as required by Franchisor. Additionally, within a reasonable time after the date construction is completed, Franchisee will provide to Franchisor copies of the final bills and invoices for architectural, construction, and signage costs incurred by Franchisee in connection with the build-out of the Facility.

G. Opening Date. Franchisee must open the Facility and commence business within nine (9) months after the execution of this Agreement, unless Franchisee obtains a written extension of such time period from Franchisor. Notwithstanding the foregoing, Franchisee must not open the Facility for business

without the written authorization of Franchisor, which authorization will be conditioned upon Franchisee's strict compliance with this Agreement, including, but not limited to, those obligations described in Section 6 of this Agreement. If Franchisee fails to comply with any of its obligations under this Agreement, Franchisor will have the right to prohibit Franchisee from opening the Facility. Franchisee's failure to open the Facility in compliance with these provisions will be deemed a material event of default under this Agreement.

3. **TERM AND RENEWAL**

A. Term. Unless sooner terminated as provided in this Agreement, the term of this Agreement will begin on the Effective Date and will continue until ten (10) years from the Opening Date.

B. Renewal. Franchisee may, at its option, renew its rights under this Agreement for two (2) additional consecutive terms of five (5) years each, subject to any or all of the following conditions which must, at Franchisor's option, be met prior to and at the time of renewal:

(1) Franchisee must give Franchisor written notice of Franchisee's election to renew not less than six (6) months nor more than nine (9) months before the end of the initial term and any renewal term, as applicable;

(2) Franchisee must refurbish, repair, or replace, at Franchisee's cost and expense, all equipment, payment processing systems, computer systems, signs, interior and exterior decor items, fixtures, furnishings, supplies, and other products and materials required for the operation of the Facility as Franchisor may reasonably require and must otherwise upgrade the Facility to reflect the then-current standards and image of the System;

(3) Franchisee must not be in default of any provision of this Agreement or any amendment hereof or successor agreement hereto; neither Franchisee nor its affiliates will be in default of any other agreement with Franchisor or any of its affiliates; and Franchisee and its affiliates must have substantially and timely complied with the terms and conditions of all such agreements during the respective terms thereof;

(4) Franchisee must have timely satisfied all monetary obligations owed to Franchisor and its affiliates under this Agreement and any other agreement between Franchisee or any of its affiliates and Franchisor or any of its affiliates;

(5) Franchisee must present evidence satisfactory to Franchisor that Franchisee has the right to remain in possession of the premises of the Facility during the renewal term or obtain Franchisor's consent to a new site for the Facility;

(6) Franchisee must execute Franchisor's then-current form of renewal franchise agreement, which agreement will supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement, including, without limitation, a higher royalty fee and advertising contribution or expenditure requirement;

(7) Franchisee must pay to Franchisor a renewal fee in an amount equal to $15,000;

(8) Franchisee and its Principals must execute a general release of any and all claims against Franchisor, its affiliates, and their respective officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees, past and present, in their corporate and individual capacities, including, without limitation, claims arising under this Agreement or under federal, national, state, regional, or municipal laws, rules, regulations or orders; and

(9) Franchisee must comply with Franchisor's then-current qualification and training requirements.

4. FEES

A. Initial Franchise Fee. Franchisee must pay Franchisor an initial franchise fee, which will be deemed fully earned and nonrefundable upon receipt by Franchisor, according to the following:.

(1) If this Agreement is not executed contemporaneously with at least one (1) additional Little Kitchen Academy Franchise Agreement, or if this Agreement is the first of at least two (2) or more Little Kitchen Academy Franchise Agreements to be executed contemporaneously, Franchisee must pay Franchisor an initial franchise fee of $49,500 upon execution of this Agreement.

(2) If this Agreement is the second (2nd) or subsequent Little Kitchen Academy Franchise Agreement to be executed contemporaneously with at least one (1) additional Little Kitchen Academy Franchise Agreement, Franchisee must pay Franchisor an initial franchise fee of $40,000 upon execution of this Agreement.

B. Royalty Fee. During the term of this Agreement, Franchisee must pay to Franchisor a continuing weekly royalty fee in an amount equal to six percent (6%) of the Facility's Gross Sales. Such royalty fee will be due and payable each week based on the Facility's Gross Sales for the immediately preceding week and must be paid by Franchisee to Franchisor via electronic funds transfer, or any other means reasonably specified by Franchisor, so that it is received by Franchisor on or before Wednesday of the following week, provided such day is a Business Day. If the date on which a royalty payment would otherwise be due is not a Business Day, then payment will be due on the next Business Day. For purposes of this Section 4.B., the Facility's first week of operation will begin on the Opening Date and will end on the following Sunday and each subsequent week will begin on Monday and conclude on the following Sunday. On or before Tuesday or each week, Franchisee must provide a Gross Sales Report to Franchisor for Gross Sales accruing during the immediately preceding week. Notwithstanding the foregoing, if Franchisee is in default of this Agreement for failure to meet operational standards, Franchisor may, as an alternative remedy to termination, increase the royalty fee to ten percent 10% of Gross Sales and charge Franchisee an additional Two Hundred Fifty Dollars $250 each week until Franchisee rectifies the deficiencies.

C. Technology Fee. Franchisee agrees to pay Franchisor the then-current "Technology Fee." The Technology Fee defrays the indirect costs of creating, implementing and supporting new and existing software and technology platforms such as hosting, integration development, server infrastructure and support that are often not included in direct costs of those software and technology platforms. The Technology Fee may be adjusted at any time with 60 days' prior written notice to Franchisee; provided that Franchisor will not increase the Technology Fee by more than 25% in any single calendar year.

D. Past Due Amounts; Acceptance and Application of Payments.

(1) In addition to the initial franchise fee, weekly royalty and Technology Fee, Franchisee must pay when due all other fees or amounts described in this Agreement. Time is of the essence for all payments to be made by Franchisee to Franchisor. Any payment not actually received by Franchisor on or before the due date will be deemed overdue. All unpaid obligations under this Agreement will bear interest from the date due until paid at the lesser of eighteen (18%) percent per annum, or the maximum rate allowed by applicable law. No provision of this Agreement will require the payment or permit the collection of interest in excess of the maximum rate allowed by applicable law. If for any reason interest in excess of the maximum rate allowed by applicable law will be deemed charged, required or permitted, any such excess will be applied as a payment to reduce any other amounts which may be due and owing hereunder, and if no such amounts are due and owing hereunder, then such excess will be repaid to Franchisee. Franchisor may also charge Franchisee a late fee in the amount of One Hundred Dollars ($100) for each late payment in addition to the interest payable pursuant to this Section 4.D(1).

(2) Acceptance by Franchisor of any payments due subsequent to the due date will not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee or the Principals of any terms, provisions, covenants or conditions of this Agreement.

(3) Franchisor will have the right to apply any payment it receives from Franchisee to any amounts Franchisee owes Franchisor or its affiliates under this Agreement or any other agreement between them, even if Franchisee has designated the payment for another purpose or account. Franchisor may accept any check or payment in any amount from Franchisee without prejudice to Franchisor's right to recover the balance of the amount due or to pursue any other right or remedy. No endorsement or statement on any check or payment or in any letter accompanying any check or payment or elsewhere will constitute or be considered as an accord or satisfaction.

(4) Franchisee may not withhold any payments due Franchisor on account of Franchisor's breach or alleged breach of this Agreement, and no right to offset any amount due Franchisor against any obligation that Franchisor may owe to Franchisee.

E. Electronic Funds Transfer. At Franchisor's request, Franchisee must execute Attachment E to this Agreement and all other documents necessary to permit Franchisor to withdraw funds from Franchisee's designated bank account by electronic funds transfer ("**EFT**") in the amount of the royalty fee in Section 4.B., the Technology Fee in Section 4.C., the advertising contribution described in Section 8.C., and any other amounts due under this Agreement at the time such amounts become due and payable under the terms of this Agreement. Any fee calculated by reference to Gross Sales will be based on the information obtained by Franchisor pursuant to Section 11.B. of this Agreement or the Gross Sales Report. If the Gross Sales Report has not been received within the time period required by this Agreement, then Franchisor may process an EFT for the subject month based on the most recent Gross Sales Report provided to Franchisor by Franchisee; provided, that if a Gross Sales Report for the subject month is subsequently received and reflects (i) that the actual amount of the fee due was more than the amount of the EFT, then Franchisor will be entitled to withdraw additional funds through EFT from Franchisee's designated bank account for the difference; or (ii) that the actual amount of the fee due was less than the amount of the EFT, then Franchisor will credit the excess amount to the payment of Franchisee's future obligations. Should any EFT not be honored by Franchisee's bank for any reason, Franchisee agrees that it will be responsible for that payment and any service charge. If any payments are not received when due, interest may be charged in accordance with Section 4.D. Upon written notice to Franchisee, Franchisor may designate another method of payment.

F. United States Dollars. Unless otherwise stated in this Agreement, all references to dollars or currency are to United States Dollars.

5. FRANCHISOR'S OBLIGATIONS

Franchisor will provide, or cause the following services to be provided to Franchisee:

A. Site Selection Assistance. Franchisor's written site selection guidelines and such site selection assistance as Franchisor deems advisable.

B. On-Site Selection Evaluation. Such on-site evaluation as Franchisor may deem necessary on its own initiative or in response to Franchisee's reasonable request for site selection assistance; provided, that Franchisor will not provide an on-site evaluation for any proposed site prior to receiving all required information and materials prepared and submitted pursuant to Section 2.B., above and, in Franchisor's discretion, prior to receiving such information for multiple proposed sites. Franchisor will provide up to two (2) on-site evaluations for the Facility if this is the first (1st) Little Kitchen Academy Facility developed by Franchisee or its affiliate at no additional charge to Franchisee. If more than two (2) on-site evaluations are deemed appropriate by Franchisor, or are requested by Franchisee, for selecting a site for the first (1st) Little Kitchen Academy Facility developed by Franchisee or its affiliates, then Franchisor may require Franchisee to pay Franchisor a reasonable fee for performing each such additional site evaluation and to pay or reimburse Franchisor for the amount of the reasonable expenses, including, without limitation, the cost of travel, lodging, and meals, incurred by Franchisor in conducting such on-site evaluation(s). If this is the second (2nd) or any subsequent Little Kitchen Academy Facility developed by Franchisee or its affiliates, Franchisor may require Franchisee to pay Franchisor a reasonable fee for any on-site evaluation and to pay or reimburse Franchisor's reasonable expenses incurred in conducting any on-site evaluation(s).

C. Prototype Plans. Access to a set of prototypical architectural and design plans and specifications for a Little Kitchen Academy Facility.

D. Manuals. Beginning during the initial training program, access to one (1) set of the Manuals, either in paper or electronic form.

E. Software Programs. For a reasonable fee, any Software Programs that Franchisor acquires or develops for use in the System; provided, that Franchisor is under no obligation to develop or acquire such Software Programs.

F. Inspections. Inspections of the Facility and evaluations of the products sold and services rendered therein from time to time as reasonably deemed appropriate by Franchisor.

G. Advertising. Administration of a brand building fund in accordance with Section 8, as well as the provision of certain advertising and promotional materials developed by Franchisor from time to time for use in marketing and conducting advertising for System Facilities.

H. Operational Advice. Advice and written materials concerning techniques for managing and operating Little Kitchen Academy Facilities, including new developments and improvements in System equipment and System products.

I. Approved Suppliers. From time to time as Franchisor deems appropriate a list of approved suppliers.

J. Collateral Merchandise; Equipment. From time to time in Franchisor's discretion and at reasonable cost, certain merchandise identifying the System, such as caps, aprons, t-shirts, and other System memorabilia, in sufficient amounts to meet customer demand.

K. Training. An initial training program for Franchisee's Operating Principal and Director (if applicable), and additional training programs in accordance with Section 7.M. With Franchisor's prior written consent and subject to its then-current certification procedures, Franchisor may authorize Franchisee to implement a training program for the employees of the Facilities developed pursuant to this Agreement in accordance with Franchisor's then-current standards.

L. Opening Assistance. Such on-site pre-opening and opening assistance as Franchisor reasonably deems necessary but in no event less than two (2) days of such assistance.

M. Remedial Training. Upon Franchisee's reasonable request or if Franchisor determines it to be necessary during the term of this Agreement, on-site remedial training; provided, that remedial training will be conducted subject to the availability of Franchisor's personnel, and provided further, that Franchisor may require Franchisee to pay the per diem fee then being charged for on-site remedial training, and pay or reimburse Franchisor for the expenses incurred by its representatives, including the costs of travel, lodging, meals, and wages.

N. Franchisor's Obligations. Franchisee acknowledges that it is relying solely on Little Kitchen Academy USA, Inc., and not on any affiliated entities or parent companies related to Little Kitchen Academy USA, Inc., with regard to Franchisor's financial and other obligations under this Agreement, and no employee or other person speaking on behalf of, or otherwise representing, Little Kitchen Academy USA, Inc., has made any statement or promise to the effect that any affiliated entities or parent companies guarantee Franchisor's performance or financially back Franchisor.

6. FRANCHISEE'S AGREEMENTS, REPRESENTATIONS, WARRANTIES AND COVENANTS

A. Franchisee's Investigation of this Franchise.

(1) Franchisee acknowledges having received a complete copy of this Agreement and all related attachments and exhibits and a complete copy of Franchisor's franchise disclosure document contemplating the offer of this franchise required by the Federal Trade Commission's Franchise Trade

Regulation Rule (16 C.F.R. Part 436) within the time period required thereby before Franchisee executed this Agreement or paid any consideration to Franchisor. Franchisee acknowledges that it did not rely on any promises, representations or agreements about the Little Kitchen Academy System or the franchise not expressly contained in this Agreement or Franchisor's disclosure document in making its decision to sign this Agreement. Franchisee acknowledges that Franchisor and its representatives have not made any promises, representations, or agreements, oral or written, except as expressly contained in this Agreement or Franchisor's disclosure document. Franchisee further acknowledges that Franchisee has read this Agreement and Franchisor's disclosure document and that Franchisee understands the terms of this Agreement and accepts them as being reasonably necessary for Franchisor to maintain the uniformity of Little Kitchen Academy Facility.

(2) Franchisee has conducted an independent investigation of the business contemplated by this Agreement and recognizes that an investment in a Little Kitchen Academy Facility involves business risks; that Franchisee's success is largely dependent on Franchisee's abilities and efforts; and that the nature of Little Kitchen Academy Facilities may change over time. **Franchisee has not received or relied on any guaranty or assurance, express or implied, as to the revenues, profits, or success of the business contemplated by this Agreement.**

(3) Franchisee understands and agrees that Franchisor may operate and change the System and Franchisor's business in any manner that is not expressly and specifically prohibited by this Agreement. Without limitation of the foregoing, Franchisee acknowledges that the lesson plans, products, and services to be offered by Franchisee at the Facility may be supplemented, improved or otherwise modified from time to time by Franchisor.

(4) Whenever Franchisor has expressly reserved in this Agreement, or is deemed to have, a right and/or discretion to take or withhold an action, or to grant or decline to grant Franchisee a right to take or withhold an action, then except as otherwise expressly and specifically provided in this Agreement, Franchisor may make its decision or exercise its right and/or discretion on the basis of Franchisor's judgment of what is in Franchisor's best interests, including, without limitation, Franchisor's judgment of what is in the best interests of Franchisor's franchise network, at the time Franchisor's decision is made or Franchisor's right or discretion is exercised, without regard to whether: (i) other reasonable alternative decisions or actions could have been made by Franchisor; (ii) Franchisor's decision or the action Franchisor takes promotes its financial or other individual interest; (iii) Franchisor's decision or the action Franchisor takes applies differently to Franchisee and one or more other franchisees or Franchisor's company-owed operations; or (iv) Franchisor's decision or the exercise of Franchisor's right or discretion is adverse to Franchisee's interests. In the absence of an applicable statute, Franchisor will have no liability to Franchisee for any such decision or action. Franchisor and Franchisee intend that the exercise of Franchisor's right or discretion will not be subject to limitation or review. If applicable law implies a covenant of good faith and fair dealing in this Agreement, Franchisor and Franchisee agree that such covenant will not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement and that this Agreement grants Franchisor the right to make decisions, take actions and/or refrain from taking actions not inconsistent with Franchisee's rights and obligations hereunder.

B. Organization. If Franchisee is a corporation, partnership, limited liability company, or other legal entity:

(1) Franchisee is duly organized and validly existing under the laws of the jurisdiction of its formation;

(2) Franchisee is duly qualified and is authorized to do business in each jurisdiction in which its business activities or the nature of the properties owned by it require such qualification;

(3) Franchisee's corporate charter or written partnership or limited liability company agreement must at all times provide that the activities of Franchisee are confined exclusively to the operation of Little Kitchen Academy Facilities;

(4) The execution of this Agreement and the performance of the transactions contemplated hereby are within Franchisee's corporate power, if Franchisee is a corporation, or if Franchisee is a partnership or a limited liability company, are permitted under Franchisee's written partnership or limited liability company agreement and have been duly authorized by Franchisee; and

(5) Franchisee has provided to Franchisor prior to the execution of this Agreement, and will from time to time during the term of this Agreement at Franchisor's request provide to Franchisor, copies of Franchisee's articles of incorporation and bylaws or, as applicable, Franchisee's written partnership or limited liability company agreement, other governing documents, any amendments to them, resolutions authorizing Franchisee's entry into and performance of this Agreement, and any certificates, buy-sell agreements or other documents restricting the sale or transfer of Franchisee's stock or other ownership interests and any other documents that Franchisor may reasonably request.

C. Ownership.

(1) If Franchisee is a corporation, partnership, limited liability company, or other legal entity, the ownership interests in Franchisee are accurately and completely described in Attachment D. If Franchisee is a corporation, Franchisee will maintain at all times a current list of all owners of record and all beneficial owners of any class of voting securities in Franchisee or, if Franchisee is a partnership, limited liability company, or other form of legal entity, Franchisee will maintain at all times a current list of all owners of an interest in the partnership, limited liability company, or other entity. Franchisee will make its list of owners available to Franchisor upon request.

(2) If Franchisee is a corporation, Franchisee will maintain stop-transfer instructions against the transfer on its records of any of its equity securities and each stock certificate representing stock of the corporation will have conspicuously endorsed upon it a statement in a form satisfactory to Franchisor that it is held subject to all restrictions imposed upon assignments by this Agreement. If Franchisee is a partnership or limited liability company, its written partnership or limited liability company agreement will provide that ownership of an interest in the partnership or limited liability company is held subject to all restrictions imposed upon assignments by this Agreement.

D. Financial Matters.

(1) Franchisee has provided Franchisor with the most recent financial statements of Franchisee. Such financial statements present fairly the financial position of Franchisee as of the dates indicated therein and the results of its operations and its cash flow for the years then ended. Each of the financial statements are certified as true and correct and have been prepared in conformity with generally accepted accounting principles and, except as expressly described in the applicable notes, applied on a consistent basis. There are no material liabilities, adverse claims, commitments or obligations of any nature, whether accrued, unliquidated, absolute, contingent or otherwise, which are not reflected as liabilities on the financial statements.

(2) The Principals that Franchisor designates will jointly and severally guarantee the performance of Franchisee's obligations under this Agreement pursuant to the terms and conditions of the Principal's Guaranty and Assumption Agreement at Attachment A hereto, and will otherwise bind themselves to the terms of this Agreement as stated herein.

(3) Franchisee will provide Franchisor with any and all loan or other documents regarding the financing of its Facility that Franchisor may request.

(4) Franchisee will maintain at all times during the term of this Agreement sufficient working capital to fulfill its obligations under this Agreement.

E. Legal Compliance. In addition to complying with Franchisee's obligations under this Agreement, Franchisee must comply with all applicable federal, state, regional, or municipal laws, rules, regulations, ordinances and orders. Such laws, rules, regulations, ordinances, and orders vary from jurisdiction to jurisdiction and may be amended or implemented or interpreted in a different manner from

time to time. It is Franchisee's sole responsibility to apprise itself of the existence and requirements of all such laws, rules, regulations, ordinances, and orders and to adhere to them at all times during the term of this Agreement. Without limiting the foregoing, Franchisee certifies that neither Franchisee nor any of Franchisee's Principals, employees, or anyone associated with Franchisee is listed in connection with any Anti-Terrorism Law (including, but not limited to, the Annex to Executive Order 13224 (The Annex is available at (http://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx)), and Franchisee will not to hire or have any dealings with a person so listed. Franchisee further certifies that Franchisee has no knowledge or information that, if generally known, would result in Franchisee, Franchisee's Principals, employees, or anyone associated with Franchisee being so listed. Franchisee will comply with and/or assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with the Anti-Terrorism Laws and, in connection with such compliance, Franchisee and Franchisee's Principals represent, covenant and warrant to Franchisor that, to the best of their knowledge, neither Franchisee nor any of Franchisee Principals or managerial employees thereof is identified, either by name or an alias, pseudonym or nickname, on the lists of "Specially Designated Nationals" or "Blocked Persons" maintained by the U.S. Treasury Department's Office of Foreign Assets Control (texts currently available at www.treas.gov/offices/enforcement/ofac/). Further, Franchisee and Franchisee's Principals represent, covenant and warrant that, to the best of their knowledge, they have not violated and agree that they will not violate any law (in effect now or which may become effective in the future) prohibiting corrupt business practices, money laundering or the aid or support of persons or entities who conspire to commit acts of terror against any person or government, including acts prohibited by the laws of Canada or the U.S. Patriot Act, Public Law No. 107-56 (text currently available at http://www.epic.org/privacy/terrorism/hr3162.html), U.S. Executive Order 13244, or similar law. The foregoing constitute continuing representations and warranties, and Franchisee shall notify Franchisor immediately in writing of the occurrence of any event or the development of any circumstance that might render the foregoing representation and warranty false, inaccurate or misleading. Franchisee is solely responsible for ascertaining what actions it must take to comply with all Anti-Terrorism Laws, and Franchisee specifically acknowledges and agrees that its indemnification responsibilities as provided in this Agreement pertain to its obligations under this Section 6.E. Any misrepresentation by Franchisee under this Section or any violation of the Anti-Terrorism Laws by Franchisee, its owners, or employees will constitute grounds for immediate terminate of this Agreement and any other agreement Franchisee has entered into with Franchisor or one of its affiliates.

F. Powers of Attorney. Franchisee hereby appoints Franchisor its true and lawful attorney-in-fact, with full power and authority to (i) assign to Franchisor upon the termination or expiration of this Agreement (a) all rights to the telephone numbers of the Facility, any related business director trademark listings, and all rights to any Website listings or services, search engines or systems, and any other business listings related to the Facility and (b) at Franchisor's option, Franchisee's interest in any lease for the premises of the Facility and any equipment used in the operation of the Facility; and (ii) obtain any and all returns and reports related to the Facility that Franchisee files with any federal, state, regional, or municipal taxing authority. Such powers of attorney will survive the expiration or termination of this Agreement, and Franchisee will execute such forms and documents as Franchisor deems necessary to appoint Franchisor its true and lawful attorney-in-fact with full power and authority for the foregoing purposes.

G. No Competing Interests. Franchisee warrants and represents that neither Franchisee nor any of its affiliates or Principals own, operate or have any financial or beneficial interest in any business that is the same as or similar to a Little Kitchen Academy Facility (including, without limitation, any institute, facility, or other venue that at offers cooking classes, seminars, or food or nutrition education to children or teens).

H. Continuing Obligations. Franchisee and Franchisee's Principals make the foregoing representations, warranties, and covenants understanding that such representations, warranties, and covenants are continuing obligations. Franchisee will cooperate with Franchisor to verify Franchisee's and Franchisee's Principals' continuing compliance with such representations, warranties, and covenants at all

times during the term of this Agreement. Any failure to comply with these representations, warranties and covenants will constitute a material event of default under this Agreement.

7. FACILITY OPERATIONS

A. Standards Compliance. Franchisee acknowledges the importance of maintaining uniformity among all of the Little Kitchen Academy Facilities and the importance of complying with all of Franchisor's standards and specifications relating to the operation of the Little Kitchen Academy Facilities. Franchisee further acknowledges and agrees that local conditions or other special circumstances may warrant a deviation from such Standards, specifications, policies, or procedures and Franchisor may, in its sole discretion, allow or deny such deviation. To protect the reputation and goodwill of Franchisor and to maintain the high standards of operation under the Marks, Franchisee will conduct its business in strict compliance with the Manuals, other written directives which Franchisor may issue to Franchisee from time to time, and any other manuals and materials created or approved for use in the operation of Little Kitchen Academy Facilities.

B. Maintenance of Little Kitchen Academy Facility. Franchisee will maintain the Little Kitchen Academy Facility in a high degree of sanitation and repair and will make such additions, alterations, repairs, and replacements as may be required for that purpose, including, without limitation, such periodic repainting or replacement of signs, furnishings, decor, and equipment (including, but not limited to, point of sale or computer systems) as Franchisor may reasonably direct. Franchisee also will obtain, at Franchisee's cost and expense, any new or additional equipment, fixtures, supplies, and other products and materials which Franchisor may reasonably require for Franchisee to offer and sell new services or products from the Little Kitchen Academy Facility or to provide such services or products by alternative means. Except as may be expressly provided in the Manuals, no alterations, improvements, or changes of any kind in design, equipment, signs, interior or exterior decor items, fixtures, or furnishings will be made in or about the Facility without Franchisor's prior written approval.

C. Upgrade of Facility. Upon Franchisor's request, Franchisee will make such improvements to the Facility to conform it to Franchisor's then-current standards and specifications. Without limitation of the foregoing, Franchisee agrees that it will make any capital improvements required by this Section 7.C. if requested by Franchisor on or after the second (2nd) anniversary of the Opening Date, or at such other time during the term of this Agreement that a majority of the Little Kitchen Academy Facilities then operated by Franchisor or its affiliates have made or are utilizing best efforts to make such improvements.

D. Sourcing. Franchisee must comply with all of Franchisor's standards and specifications relating to the purchase of all food, cooking utensils, inventory, fixtures, furnishings, equipment (including computer hardware and software), uniforms, and other products and services used or offered for sale at each Facility ("**Required Purchases**"). Franchisor may designate in the Manuals or otherwise in writing which Required Purchases must be purchased exclusively from suppliers (including manufacturers, distributors, and other sources) which have been approved by Franchisor, in which case, Franchisee must obtain such Required Purchases from such approved suppliers. In approving suppliers, Franchisor may require that suppliers demonstrate to Franchisor's satisfaction the ability to meet Franchisor's then-current standards and specifications for food, cooking utensils, inventory, fixtures, furnishings, equipment, and other products or services used or offered for sale at Little Kitchen Academy Facilities and who possess adequate quality controls and capacity to supply Franchisee's needs and distribute promptly and reliably over an extended period of time; and who have been approved in writing by Franchisor prior to any purchases by Franchisee from any such supplier and who have not thereafter been disapproved by Franchisor. Franchisor's approval of a supplier indicates only that Franchisor has determined that such supplier meets Franchisor's then-current minimum standards, but Franchisee acknowledges that Franchisor's approval of any supplier does not constitute an express or implied representation, promise, warranty, or guarantee by Franchisor with respect to the products sold or services rendered by such supplier or that the supplier has obtained or maintained all necessary licenses, permits, or other qualifications required by applicable law or met all, or any other particular, legal or other requirement that may be applicable to such supplier. Franchisor may change the number of approved suppliers or distributors at any time and may designate itself, an affiliate,

or a third party as the exclusive source for any particular product or service; and Franchisor may profit from Franchisee's purchases from approved suppliers, or distributors, and Franchisor and/or its affiliates may receive payments, fees, commissions, or reimbursements from such suppliers or distributors in respect of Franchisee's purchases. If Franchisee desires to purchase, lease, or use any products, services, or other items from an unapproved supplier, Franchisee must submit to Franchisor a written request for such approval, or must request the supplier itself to do so together with such information as may be requested by Franchisor or required to be provided pursuant to the Manuals (which may include reasonable financial, operational, and economic information regarding its business, services, and its product). Franchisee must not purchase or lease from any supplier until and unless, and only for so long as, such supplier has been approved in writing by Franchisor. Franchisor has the right to require that such supplier (i) demonstrate that, in Franchisor's sole determination, that such supplier meets Franchisor's then-current standards and specifications, (ii) permit Franchisor or its representatives to inspect the supplier's facilities, and (iii) deliver samples at no charge, either to Franchisor or to an independent laboratory designated by Franchisor for testing. A charge, not to exceed the cost of the inspections and of the testing (including Franchisor's administrative costs attributable to both), will be paid to Franchisor by Franchisee or the supplier. Franchisor reserves the right, at its option, to re-inspect from time to time the facilities and products of any such approved supplier and to revoke its approval upon the supplier's failure to continue to meet any of Franchisor's then-current standards and specifications. Nothing in the foregoing will be construed to require Franchisor to approve any particular supplier. Franchisee's failure to comply with the provisions of this Section 7.D. will be deemed a material breach under this Agreement. Franchisee may purchase from any supplier products and services for which Franchisor has not identified approved suppliers, if such items and services meet Franchisor's specifications. These specifications may include brand requirements. If brand requirements have been identified, Franchisee must purchase and use only approved brands, which may change from time to time.

E. Operational Requirements. Franchisee must operate the Facility in full conformity with Franchisor's methods, standards, and specifications as set forth in the Manuals and as from time to time otherwise prescribed in writing. Without limitation of the foregoing, Franchisee will:

(1) Sell and offer cooking classes, products, and services required by Franchisor utilizing the method, manner, and style prescribed by Franchisor and to refrain from selling or offering any cooking classes, products, and services and from using any method, manner, or style of when providing such classes or services which Franchisor may, in its sole discretion, disapprove in writing at any time; and refrain from deviating from Franchisor's standards and specifications without Franchisor's prior written consent.

(2) Purchase or lease and install, at Franchisee's expense, all fixtures, furnishings, equipment (including the Computer Systems), decor items, signs, and related items that Franchisor may reasonably direct from time to time in the Manuals or otherwise in writing; and to refrain from installing or permitting to be installed on or about the Facility premises, without Franchisor's prior written consent, any fixtures, furnishings, equipment, decor items, signs, video or other games, vending machines, or other items not previously approved as meeting Franchisor's standards and specifications, as set forth in the Manuals.

(3) Grant Franchisor and its agents the right to enter the Facility at any time for the purpose of conducting inspections; to cooperate with Franchisor's representatives in such inspections by rendering such assistance as they may reasonably request; and, upon notice from Franchisor or its agents and without limiting Franchisor's other rights under this Agreement, to take such steps as may be necessary to correct promptly any deficiencies detected during an inspection. Should Franchisee, for any reason, fail to correct such deficiencies within a reasonable time, as determined by Franchisor, Franchisor will have the right and authority (without, however, any obligation to do so) to correct such deficiencies and charge Franchisee a reasonable fee for Franchisor's expenses in so taking the corrective action (including, without limitation, any necessary reinspection). Any such fee is payable by Franchisee immediately upon demand.

(4) Maintain a competent and courteous staff, trained as required in the Manuals, and take any and all steps as are necessary to ensure that its employees preserve good customer relations and comply with any dress code Franchisor may prescribe.

F. Computer Systems. Franchisee must use the Computer System that Franchisor specifies from time to time for use in the operation of the Facility. Franchisee acknowledges that Franchisor may modify the specifications, components, accessories, and peripheral equipment of any such Computer System from time to time. As part of the Computer System, Franchisor may require Franchisee to participate in the use or administration of a web-based app or to obtain specified computer hardware and/or software, including, without limitation, a license to use Software Programs developed by Franchisor or others. Changes to the Computer System specifications may require Franchisee to incur costs to purchase, lease, and/or license new or modified computer hardware and/or software and to obtain service and support for the Computer System during the term of this Agreement. Franchisee acknowledges that Franchisor cannot estimate the future costs of the Computer System (or additions or modifications thereto) and that the cost to Franchisee of obtaining the Computer System (including software licenses and/or support services) or additions or modification thereto may not be fully amortizable over the remaining term of this Agreement. Nonetheless, Franchisee will incur such costs. Within sixty (60) days after Franchisee receives notice from Franchisor, Franchisee must obtain the components of the Computer System that Franchisor requires. Franchisor has the right to charge a reasonable systems fee for any software or systems modifications and enhancements that are licensed to Franchisee. In addition to the foregoing, Franchisor may also require Franchisee to pay other technology set-up, support, and/or maintenance fees, which may change from time to time.

Franchisee acknowledges and agrees that protection of customer privacy and credit card information is necessary to protect the goodwill of businesses operating under the Marks and System. Accordingly, Franchisee will cause its Little Kitchen Academy business to meet or exceed, at all times, all applicable security standards developed by the Payment Card Industry Data Security Standards (PCI DSS) council, or its successor, and other regulations and industry standards applicable to the protection of customer privacy and credit card information, including but not limited to the Fair and Accurate Credit Transaction Act (FACTA) and all other successor or additional laws, and all other data security requirements Franchisor prescribes. Franchisee is solely responsible for educating itself as to these regulations and standards and for achieving and maintaining applicable compliance certifications.

G. Internet Website. Franchisee must install and maintain all hardware and software needed to access the Internet at the bit speed and bandwidth specifications Franchisor requires from time to time. **Franchisee will not establish any website or other listing on the Internet except as provided herein and will not use any of the Marks as part of any domain name, web address, or e-mail address.**

(1) Without Franchisor's prior written approval, which Franchisor may give or withhold in Franchisor's sole discretion, Franchisee may not develop, create, generate, own, or otherwise use any computer and/or electronic media (including but not limited to the Internet, bulletin boards, social networking sites (e.g., Facebook), and news groups) in connection with the Facility. If Franchisor grants approval for Franchisee's use of an Internet website, Franchisee acknowledges that the form, content, and appearance of any Internet website Franchisee uses must comply with the System standards and must be approved by Franchisor in writing before being used. Accordingly, Franchisee has no authority to, and Franchisee will not, establish any website that creates any association with the Marks or the System, or post any advertisements or material on the Internet that depict or display the Marks or suggest an association with the System, without Franchisor's express prior written consent. Without limitation of the foregoing, if Franchisor requires, any Internet website created by or for Franchisee must contain a hypertext link to Franchisor's Internet website in the form Franchisor requires, and no other hypertext links to third party Internet websites unless previously approved in writing by Franchisor. Notwithstanding Franchisor's approval of a website, Franchisor reserves the right to revoke Franchisor's approval at any time that the website fails to continue to meet Franchisor's standards, and Franchisee agrees that upon such revocation, Franchisee will immediately discontinue use of the website.

(2) Franchisee agrees that Franchisee has no authority to, and Franchisee will not, register any domain name in any class or category that uses or creates any association with the Marks (including any abbreviation, acronym, phonetic variation or visual variation of the Marks) or the System without Franchisor's express prior written consent. Franchisee must obtain Franchisor's written approval for Franchisee's domain name prior to use. Franchisee's domain name must be registered in Franchisor's name and licensed to Franchisee by Franchisor on a royalty-free, irrevocable, worldwide basis. On termination or expiration of this Agreement, the license of the domain name to Franchisee will automatically terminate and Franchisee must undertake all such actions that Franchisor requires to disassociate itself with the domain name.

(3) Franchisor may establish an Internet website that provides information about the System and the products and services offered by Little Kitchen Academy Facilities. If Franchisor establishes an Internet website, Franchisor will have sole discretion and control over the website, including timing, design, contents, and continuation. Franchisor may include at the website interior pages containing information about Franchisor's franchisees' Little Kitchen Academy Facilities and may require Franchisee to prepare all or a portion of the page for Franchisee's Facility, at Franchisee's expense, using a template that Franchisor provides, with all such information subject to Franchisor's approval prior to posting. Franchisor may use Brand Building Fund monies to establish and maintain the website.

(4) Franchisor also has the sole right (but no obligation) to develop an Intranet through which Franchisor and Franchisor's franchisees can communicate by e-mail or similar electronic means. If Franchisor develops an Intranet, Franchisee will participate in strict compliance with Franchisor's standards, protocols, and restrictions, including, without limitation, standards, protocols, and restrictions relating to the encryption of confidential information and prohibitions against the transmission of libelous, derogatory or defamatory statements. Franchisor may, in Franchisor's sole discretion, charge a reasonable fee for Intranet usage, which Franchisee will pay in accordance with Franchisor's invoice.

H. Customer Complaints; Other Incidents. Franchisee must process and handle all consumer complaints connected with or relating to the Facility and must promptly notify Franchisor of all: (i) claims exceeding $1,000, (ii) any other material claims against or losses suffered by Franchisee, and (iii) all Crisis Management Events. Upon the occurrence of a Crisis Management Event, Franchisee must immediately inform Franchisor's authorized representative (as identified in the Manuals) of such event and to cooperate fully with Franchisor and with the appropriate authorities with respect to the investigation of the Crisis Management Event. In an effort to mitigate possible damages to the Marks and System, Franchisee must cooperate fully with Franchisor with respect to managing statements and other responses to the Crisis Management Event. "**Crisis Management Event**" means any event that occurs at or about the Facility premises or in connection with the operation of Franchisee's Little Kitchen Academy that has or may cause harm or injury to customers or employees, such as, food contamination, food spoilage/poisoning, food tampering/sabotage, contagious diseases, natural disasters, terrorist acts, shootings or other acts of violence, data breaches, real or threatened, or any other circumstance which may materially and adversely affect the System or the goodwill symbolized by the Marks. Franchisee must retain any communications with governmental authorities affecting the Facility during the term of this Agreement and for one (1) year after the expiration or earlier termination hereof.

I. Vehicles. Any vehicle used by Franchisee in connection with the operation of the Facility must meet Franchisor's image and other standards. Franchisee will place such signs and decor items on the vehicle as Franchisor requires and will at all times keep the vehicle clean and in good working order. Franchisee will not permit anyone to operate a vehicle used in connection with the Facility who is under the age of eighteen (18) years or who does not possess a valid driver's license issued by state in which the Facility is located. Franchisee will require each person who operates a vehicle used in connection with Facility operations to comply with all applicable laws, regulations, and rules of the road and to use due care and caution in the operation and maintenance of the vehicles. Except as stated herein, Franchisor does not exercise any control over any motor vehicle used by Franchisee.

J. Operating Principal; Director. Upon the execution of this Agreement, Franchisee will designate, and will retain at all times during the term of this Agreement, an individual to serve as Franchisee's Operating Principal. If Franchisee is an individual, Franchisee will perform all obligations of the Operating Principal. The Operating Principal for all Little Kitchen Academy Facilities operated by Franchisee and, if applicable, Franchisee's affiliates, will be the same person.

(1) The Operating Principal must maintain a direct or indirect ownership interest of not less than ten percent (10%) in Franchisee. Except as may otherwise be provided in this Agreement, the Operating Principal's interest in Franchisee must be and remain free of any pledge, mortgage, hypothecation, lien, charge, encumbrance, voting agreement, proxy, security interest, or purchase right or options. The Operating Principal must execute this Agreement as a Principal and will be individually, jointly and severally, bound by all obligations of Franchisee, the Operating Principal, and a Principal hereunder.

(2) Notwithstanding Section 7.J.(1), Franchisee may, at its option and subject to Franchisor's written consent, designate a Director to supervise the operation of Franchisee's Little Kitchen Academy Facility; provided, that (i) the Director for all Little Kitchen Academy Facilities operated by Franchisee and, if applicable, Franchisee's affiliates, must be the same person, and (ii) Franchisee and its Operating Principal will remain fully responsible for the Director's performance. The Director must execute the Confidentiality Agreement and Ancillary Covenants Not to Compete attached as Attachment B to this Agreement.

(3) Unless a Director is designated pursuant to Section 7.J.(2), Franchisee's Operating Principal must devote full time and best efforts to the supervision of the Little Kitchen Academy Facilities operated by Franchisee and, if applicable, Franchisee's affiliates, and, without Franchisor's written consent, must not engage in any other business. The foregoing provision will not apply if a Director is designated, provided, the Director will devote his or her full time and best efforts to the supervision and operation of the Little Kitchen Academy Facility business conducted by Franchisee and, if applicable, Franchisee's affiliates.

(4) The Operating Principal and any Director must meet Franchisor's qualifications, as set forth in this Agreement, the Manuals, or otherwise in writing and, without limitation, must be empowered with full authority to act for and on behalf of Franchisee.

Franchisee must promptly notify Franchisor if the Operating Principal cannot continue to serve in that capacity or no longer qualifies as such, and must take corrective action within thirty (30) days thereafter. During such thirty (30) day period, Franchisee must provide for interim management of its operations in accordance with this Agreement. Any failure to comply with this Section 7.J. will be a material breach of this Agreement.

K. Facility Managers. Not later than sixty (60) days before the Opening Date, Franchisee must designate, and must retain at all times during the term of this Agreement the number of Facility Managers necessary to direct the day-to-day operation and management of the Facility. One (1) of the Facility Managers may, but need not, be the Operating Principal or Director; provided that any Operating Principal or Director that also serves as a Facility Manager, may only serve as a Facility Manager for one (1) Little Kitchen Academy Facility. The Facility Managers must:

(1) Meet Franchisor's qualifications, as set forth in this Agreement, the Manuals, or otherwise in writing; and

(2) Devote full time and best efforts to the day-to-day operation and management of the Facility.

L. Training. Franchisee's Operating Principal and, if applicable, Director must successfully complete Franchisor's management training program prior to the Opening Date. Any successor or replacement Operating Principal or Director must successfully complete Franchisor's management training program within a reasonable time after such persons are designated. Such persons, and any other personnel

of Franchisee whom Franchisor may designate, must attend and complete any additional training that Franchisor may from time to time require. Training will be conducted at locations designated by Franchisor.

(1) Initial management training for Franchisee's Operating Principal and Director is provided at no additional charge; however, Franchisor reserves the right to charge a reasonable fee for training successor or replacement personnel and for any additional training programs. Franchisee will be responsible for any and all expenses incurred in connection with any initial or additional training, including, without limitation, the costs of travel, lodging, meals, and wages incurred by Franchisee, its Operating Principal or Director.

(2) If any Operating Principal or Director fails, in Franchisor's sole judgment, to satisfactorily complete Franchisor's management training program, and Franchisee fails to cure such default within forty-five (45) days following written notice from Franchisor, Franchisor may terminate this Agreement.

M. Days and Hours of Operation. Franchisee must open and operate the Facility during the days and hours Franchisor specifies in the Manual or otherwise in writing.

N. Pricing. To the fullest extent permitted by applicable law, Franchisor reserves the right to establish maximum, minimum or other pricing requirements with respect to the prices Franchisee may charge for tuition and other products and services.

8. ADVERTISING AND RELATED FEES

A. Promotional Programs.

(1) Franchisee will participate in, and comply with the requirements of, any gift card, gift certificate, customer loyalty or retention programs that Franchisor implements for all or part of the Little Kitchen Academy franchise system and will sign the forms and take the other action that Franchisor requires in order for Franchisee to participate in such programs.

(2) Franchisor may, from time to time, in its sole discretion, develop and administer advertising and sales promotion programs designed to promote all Little Kitchen Academy Facilities operating under the System or those Little Kitchen Academy Facilities operating in a certain region. Franchisee will participate in all such advertising and sales promotion programs in accordance with the terms and conditions established by Franchisor. The standards and specifications established by Franchisor for such programs, including, without limitation, the type, quantity, timing, placement and choice of media, market areas and advertising agencies, will be final and binding upon Franchisee.

B. Local Advertising. Franchisor recommends, but does not require, Franchisee to spend at least five percent (5%) of the Facility's Gross Sales on local advertising throughout the term of this Agreement.

C. Brand Building Fund. Franchisor has established a Brand Building Fund for the System. Throughout the term of this Agreement, Franchisee must contribute up to three percent (3%) of the Facility's Gross Sales to the Brand Building Fund. Initially, Franchisee will contribute three percent (3%) of the Facility's Gross Sales to the Brand Building Fund. Franchisor may increase Franchisee's required contribution amount from time to time in its sole discretion upon 30 days' prior notice to Franchisee; provided, however, that Franchisee will not be required to contribute more than three percent (3%) of the Facility's Gross Sales to the Brand Building Fund. Such contributions must be paid via EFT at the time and in the manner that royalty payments are due under Sections 4.B. and 4.D. Franchisor or its designee will administer the Fund as follows:

(1) Franchisor will direct all programs financed by the Fund, with sole discretion over the creative concepts, materials and endorsements, and the geographic, market and media placement and allocation thereof. Franchisee agrees that the Fund may be used to pay the costs of preparing and producing video, audio and written advertising materials; administering national, regional and multi-regional advertising programs, including, without limitation, purchasing direct mail and other media advertising and

employing advertising, promotion and marketing agencies; the cost of developing and maintaining an internet website; and supporting public relations, endorsement arrangements, market research and other advertising, promotion and marketing activities.

(2) The Fund will be accounted for separately from Franchisor's other funds and will not be used to defray any of Franchisor's general operating expenses, except for such reasonable salaries, administrative costs, travel expenses and overhead as Franchisor may incur in activities related to the administration of the Fund and its programs, including, without limitation, conducting market research; preparing advertising, promotion and marketing materials; and collecting and accounting for contributions to the Fund. Franchisor may spend, on behalf of the Fund, in any fiscal year an amount greater or less than the aggregate contribution of all Little Kitchen Academy Facilities to the Fund in that year, and the Fund may borrow from Franchisor or others to cover deficits or invest any surplus for future use. All interest earned on monies contributed to the Fund will be used to pay advertising costs before other assets of the Fund are expended. Franchisor will prepare an annual statement of monies collected and costs incurred by the Fund and furnish the statement to Franchisee upon written request. Franchisor have the right to cause the Fund to be incorporated or operated through a separate entity at such time as Franchisor deems appropriate, and such successor entity will have all of the rights and duties specified herein.

(3) Franchisee acknowledges that the Fund is intended to maximize recognition of the Marks and patronage of Little Kitchen Academy Facilities. Although Franchisor will endeavor to utilize the Fund to develop advertising and marketing materials and programs and to place advertising that will benefit all Little Kitchen Academy Facilities, Franchisor undertakes no obligation to ensure that expenditures by the Fund in or affecting any geographic area are proportionate or equivalent to the contributions to the Fund by Little Kitchen Academy Facilities operating in that geographic area or that any Little Kitchen Academy Facility will benefit directly or in proportion to its contribution to the Fund from the development of advertising and marketing materials or the placement of advertising. Franchisor may use a portion of the monies contained in the Fund to establish regional marketing funds and/or to establish and maintain a website for Little Kitchen Academy Facilities. Except as expressly provided in this Section, Franchisor assumes no direct or indirect liability or obligation to Franchisee with respect to collecting amounts due to, or maintaining, directing or administering, the Fund.

(4) Franchisor reserves the right, upon thirty (30) days' prior written notice to Franchisee, to defer, reduce or suspend contributions to (and, if suspended, deferred or reduced, to reinstate such contributions) and to suspend operations of, the Fund for one or more periods of any length and to terminate (and, if terminated, to reinstate) the Fund. If the Fund is terminated, all unspent monies on the date of termination will be distributed to the contributors to the Fund in proportion to their respective contributions to the Fund during the preceding twelve (12) month period.

D. Grand Opening. Franchisee must carry out a grand opening promotion for the Facility in accordance with Franchisor's standards, including, without limitation, those related to the type and size of the grand opening promotion. Franchisee must submit a grand opening marketing plan and budget to Franchisor at least ninety (90) days before the opening date for Franchisor's approval. Franchisor must approve all advertising items, methods and media Franchisee uses in connection with such grand opening promotion in accordance with Section 8.E. Franchisee must spend at least $10,000 on the grand opening promotion, and Franchisee must submit one or more expenditure reports to Franchisor, accurately reflecting Franchisee's grand opening expenditures. Amounts paid for the initial grand opening promotion will not be credited toward any other obligation of Franchisee under this Section 8.

E. Advertising Approvals. All advertising and promotion by Franchisee in any medium must be conducted in a dignified manner and will conform to Franchisor's standards and specifications. Franchisee must obtain Franchisor's approval of all advertising and promotional plans and materials, including, without limitation, those placed on the Internet pursuant to Section 7.H., prior to use if such plans and materials have not been prepared or previously approved by Franchisor during the twelve (12) month period immediately preceding their proposed use. Franchisee will submit any unapproved plans and

materials to Franchisor, and Franchisor must approve or disapprove such plans and materials within ten (10) days after receiving them. If Franchisor does not respond to Franchisee's request for approval within such ten (10)-day period, the materials or plans will be deemed approved by Franchisor. Franchisee will not use any unapproved plans or materials until they have been approved or deemed approved by Franchisor, and will promptly discontinue use of any advertising or promotional plans or materials, whether or not previously approved or deemed approved, upon notice from Franchisor.

9. MARKS

A. Right to Use the Marks. Franchisor grants Franchisee the right to use the Marks during the term of this Agreement in accordance with this Agreement and Franchisor's standards and specifications.

B. Agreements Regarding the Marks. Franchisee expressly acknowledges that:

(1) As between Franchisor and Franchisee, Franchisor is the owner of all right, title, and interest in and to the Marks and the goodwill associated with and symbolized by them.

(2) Neither Franchisee nor any Principal will take any action that would prejudice or interfere with the rights of Franchisor or its affiliates in and to the Marks. Nothing in this Agreement will give Franchisee any right, title, or interest in or to any of the Marks, except the right to use the Marks in accordance with the terms and conditions of this Agreement.

(3) Any and all goodwill arising from Franchisee's use of the Marks will inure solely and exclusively to the benefit of Franchisor or its affiliates, and upon expiration or termination of this Agreement and the license granted herein, no monetary amount will be attributable to any goodwill associated with Franchisee's use of the Marks.

(4) Franchisee will not contest, or assist others to contest, the validity, or the interest, of Franchisor or its affiliates in the Marks.

(5) Any unauthorized use of the Marks will constitute an infringement of Franchisor's or its affiliates' rights in the Marks and a material event of default under this Agreement. Franchisee will provide Franchisor with all assignments, affidavits, documents, information and assistance related to the Marks that Franchisor or its affiliates reasonably request, including all such instruments necessary to register, maintain, enforce and fully vest the rights of Franchisor or its affiliates in the Marks.

(6) Franchisor will have the right to substitute different trade names, trademarks, service marks, logos and commercial symbols for the current Marks to use in identifying the System and the Little Kitchen Academy Facilities operating under the System if the current Marks no longer can be used, or if Franchisor, in its sole discretion, determines that substitution of different marks will be beneficial to the System. In such event, Franchisor may require Franchisee, at Franchisee's expense, to discontinue or modify Franchisee's use of any of the Marks or to use one or more additional or substitute marks.

(7) Franchisee will, in its business cards, use the Marks only in obvious conjunction with the words, "An Independent Little Kitchen Academy Facility Franchisee."

C. Use of the Marks. Franchisee further agrees that Franchisee will:

(1) Operate and advertise the Facility only under the name "Little Kitchen Academy," without prefix or suffix, unless otherwise authorized or required by Franchisor. Franchisee will not use the Marks as part of its corporate or other legal name.

(2) Identify itself as the owner of the Facility in conjunction with any use of the Marks, including, but not limited to, uses on invoices, order forms, receipts and contracts, and will display a notice in such content and form and at such conspicuous locations on the premises of the Facility or on any vehicle used in the operation of the Facility as Franchisor may designate in writing.

(3) Not use the Marks to incur any obligation or indebtedness on behalf of Franchisor.

(4) Comply with Franchisor's instructions in filing and maintaining the requisite trade name or fictitious name registrations, and execute any documents deemed necessary by Franchisor or its counsel to obtain protection of the Marks or to maintain their continued validity and enforceability.

D. In addition to the foregoing, Franchisee must not use the Marks or any abbreviation or other name associated with Franchisor or the System as part of any e-mail address, domain name, or other identification of Franchisee in any electronic medium. Franchisee agrees not to transmit or cause any other party to transmit advertisements or solicitations by e-mail or other electronic media without first obtaining Franchisor's written consent as to the content of such e-mail advertisements or solicitations as well as Franchisee's plan for transmitting such advertisements. In addition, Franchisee will be solely responsible for compliance with any laws pertaining to sending e-mails, including but not limited to the Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 (the "CAN SPAM Act of 2003").

E. Infringement. Franchisee must notify Franchisor immediately of any apparent infringement of or challenge to Franchisee's use of any Mark and of any claim by any person of any rights in any Mark. Franchisee and the Principals will not communicate with any person other than Franchisor, its affiliates, their counsel, and Franchisee's counsel in connection with any such apparent infringement, challenge or claim. Franchisor will have complete discretion to take any action it deems appropriate in connection with any infringement of, or challenge or claim to, any Mark and the right to control exclusively, or to delegate control of, any settlement, litigation, Patent and Trademark Office or other proceeding arising out of any such alleged infringement, challenge or claim or otherwise relating to any Mark. Franchisee will execute all such instruments and documents, render such assistance, and do such acts or things as may, in the opinion of Franchisor, reasonably be necessary or advisable to protect and maintain the interests of Franchisor or any affiliate in the Marks.

10. CONFIDENTIALITY AND NONCOMPETITION COVENANTS

A. Manuals. The Manuals will be provided to Franchisee in either paper or electronic form. The Manuals are Franchisor's property and any print copies (if permitted or made available by Franchisor) must be returned to Franchisor when this Agreement expires or is terminated for any reason. Franchisee and the Principals will at all times treat the Manuals, and the information contained therein, as confidential and must maintain such information as secret and confidential in accordance with this Section 10. Franchisee and the Principals will not at any time copy, duplicate, record or otherwise reproduce the Manuals, in whole or in part, or otherwise make the same available to any unauthorized person. Franchisee will make the Manuals available only to those of Franchisee's employees who must have access to them in order to operate the Facility. Franchisee will, at all times, keep and maintain any print copies of the Manuals (permitted or made available by Franchisor) in a secure place at the Facility. Franchisor has the right to add to or modify the Manuals from time to time to, among other reasons, change operating procedures, maintain the goodwill associated with the Marks, and enable the System to remain competitive. Franchisee must comply with the terms of all additions and modifications to the Manuals and will keep the Manuals current. If there is a dispute about the contents of the Manuals, the terms of the master copy at Franchisor's offices will control. The entire contents of the Manuals, and Franchisor's mandatory specifications, procedures and rules prescribed from time to time, will constitute provisions of this Agreement as if they were set forth herein.

B. Nondisclosure of Confidential Information. Franchisor will disclose to Franchisee those parts of Franchisor's Confidential Information Franchisor deems necessary or advisable from time to time for the establishment and operation of the Facility. Franchisee agrees that Franchisee and Franchisee's Principals will not acquire any interest in the Confidential Information, other than the right to use the Confidential Information disclosed to Franchisee in operating the Facility during the term of this Agreement, and that the use or duplication of any Confidential Information in any other business would constitute an unfair method of competition. Franchisee will only disclose the Confidential Information to Franchisee's Principals and employees to the extent reasonably necessary for the operation of the Facility pursuant to this Agreement. Franchisor's Confidential Information is proprietary, includes trade secrets

owned by Franchisor and its affiliates, and is disclosed to Franchisee solely on the condition that Franchisee agrees, and Franchisee does hereby agree, that Franchisee: (i) will not use the Confidential Information in any other business or capacity; (ii) will maintain the confidentiality of the Confidential Information during and after the term of this Agreement; (iii) will not make unauthorized copies of any portion of the Confidential Information; and (iv) will adopt and implement all reasonable procedures that Franchisor prescribes from time to time to prevent the unauthorized use or disclosure of the Confidential Information, including, without limitation, restrictions on disclosure of the Confidential Information to Facility personnel and others. These covenants will survive the expiration, termination or transfer of this Agreement or any interest herein and will be perpetually binding upon Franchisee and each of the Principals.

C. Noncompetition Covenants. Franchisee and the Principals specifically acknowledge that, pursuant to this Agreement, they will receive access to valuable training, trade secrets and Confidential Information which are beyond their present skills and experience, including, without limitation, information regarding operational, sales, promotional and marketing methods and techniques of the System. Franchisee and the Principals further acknowledge that such specialized training, trade secrets and confidential information provide a competitive advantage, and that gaining access thereto is a primary reason for entering into this Agreement. In consideration therefor, Franchisee and the Principals covenant as follows:

(1) With respect to Franchisee, during the term of this Agreement (or with respect to each of the Principals, for so long as such person satisfies the definition of "Principal" under this Agreement), except as otherwise approved in writing by Franchisor, neither Franchisee nor any of the Principals will, directly or indirectly, for themselves or through, on behalf of or in conjunction with any other person, persons, partnership, corporation, limited liability company, or other entity or association:

(a) Directly or indirectly divert, or attempt to divert, any business or customer of the franchised business to any competitor, or do or perform any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

(b) Except with respect to Little Kitchen Academy Facilities operated under valid agreements with Franchisor, own, maintain, operate, engage in, or have any financial or beneficial interest in, advise, assist or make loans to, any business that is the same as or similar to a Little Kitchen Academy Facility (including, without limitation, any institute, facility or other venue that at offers cooking classes, seminars, or food or nutrition education to children or teens) and which is located within Canada or the United States, its territories or commonwealths, or any other country, state or geographic area in which Franchisor has used, sought registration of or registered the Marks or similar marks or operates or licenses others to operate a business under the Marks or similar marks.

(2) With respect to Franchisee, for a continuous uninterrupted period commencing upon the expiration, termination, or transfer of all of Franchisee's interest in, this Agreement (or, with respect to each of the Principals, commencing upon the earlier of (i) the expiration or termination of, or transfer of all of Franchisee's interest in, this Agreement or (ii) the time such individual or entity ceases to satisfy the definition of "Principal" under this Agreement) and continuing for two (2) years thereafter, except as otherwise approved in writing by Franchisor, neither Franchisee, nor any of the Principals will, directly or indirectly, for themselves, or through, on behalf of or in conjunction with any other person, persons, partnership, corporation, limited liability company or other entity or association:

(a) Directly or indirectly divert, or attempt to divert, any business or customer of the franchised business to any competitor, or do or perform any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

(b) Except with respect to Little Kitchen Academy Facilities operated under valid agreements with Franchisor, own, maintain, operate, engage in, or have any financial or beneficial interest in, advise, assist or make loans to, any business that is the same as or similar to a Little Kitchen Academy Facility (including, without limitation, an institute, facility or other venue that at offers cooking classes, seminars, or food or nutrition education to children or teens) and which is, or is intended to be,

located (i) at the Location, (ii) within the Protected Area, or (iii) within a fifteen (15)-mile radius of the location of any Little Kitchen Academy Facility then in existence or under construction.

(3) Franchisee agrees that each of the foregoing covenants contain reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or Franchisor's other business interests. Each covenant will be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section 10.C. is held unreasonable or unenforceable by a court having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Franchisee and Franchisee's Principals expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 10.C. The obligations set forth in this Section 10. will be tolled for any period of non-compliance.

(a) Franchisee and Franchisee's Principals acknowledge that Franchisor will have the right, in Franchisor's sole discretion, to reduce the scope of any covenant set forth in this Section 10.C. without Franchisee's or Franchisee's Principals' consent, effective immediately upon notice to Franchisee; and Franchisee and Franchisee's Principals agree to promptly comply with any covenant as modified.

(b) Franchisee and Franchisee's Principals expressly agree that the existence of any claims Franchisee or they may have against Franchisor, whether arising under this Agreement or otherwise, will not constitute a defense to the enforcement by Franchisor of the covenants in this Section 10.C.

D. Improvements. If Franchisee, Franchisee's employees, or Franchisee's Principals develop any new concept, process or improvement in the operation or promotion of a Little Kitchen Academy Facility (an "**Improvement**"), Franchisee must promptly notify Franchisor and provide Franchisor with all necessary related information, without compensation. Any such Improvement will become Franchisor's sole property and Franchisor will be the sole owner of all related patents, patent applications, and other intellectual property rights. Franchisee and Franchisee's Principals hereby assign to Franchisor any rights Franchisee or they may have or acquire in the Improvements, including the right to modify the Improvement, and waive and/or release all rights of restraint and moral rights therein and thereto. Franchisee and Franchisee's Principals agree to assist Franchisor in obtaining and enforcing the intellectual property rights to any such Improvement in any and all countries and further agree to execute and provide Franchisor with all necessary documentation for obtaining and enforcing such rights. Franchisee and Franchisee's Principals hereby irrevocably designate and appoint Franchisor as Franchisee's and their agent and attorney-in-fact to execute and file any such documentation and to do all other lawful acts to further the prosecution and issuance of patents or other intellectual property right related to any such Improvement. In the event that the foregoing provisions of this Section 10.D. are found to be invalid or otherwise unenforceable, Franchisee and Franchisee's Principals hereby grant to Franchisor a worldwide, perpetual, non-exclusive, fully-paid license to use and sublicense the use of the Improvement to the extent such use or sublicense would, absent this Agreement, directly or indirectly infringe Franchisee's or their rights therein.

E. Injunctive Relief. Franchisee and Franchisee's Principals acknowledge that any failure to comply with the requirements of this Article 10. will constitute a material event of default under this Agreement and further acknowledge that such a violation would result in irreparable injury to Franchisor for which no adequate remedy at law may be available. Franchisee and Franchisee's Principals accordingly consent to the issuance of an injunction prohibiting any conduct by Franchisee or Franchisee's Principals in violation of the terms of this Article 10., without the requirement that Franchisor post a bond. Franchisee and Franchisee's Principals agree to pay all court costs and reasonable attorneys' fees and costs that Franchisor incurs in connection with the enforcement of this Article 10., including all costs and expenses for obtaining specific performance, or an injunction against the violation, of the requirements of this Article, or any part of it.

F. Execution of Covenants by Franchisee's Principals and Management. Franchisee must require and obtain the execution of covenants similar to those set forth in Sections 10.B. and C. from all of Franchisee's Principals not signing the Principals' Guaranty and Assumption Agreement, from all Directors, and, at Franchisor's request, any Facility Managers or other of Franchisee's personnel. These covenants must be substantially in the form set forth in Attachment B; however, Franchisor reserves the right, in Franchisor's sole discretion, to decrease the scope of the noncompetition covenant set forth in Attachment B or eliminate such noncompetition covenant altogether for any person that is required to execute such agreement.

11. BOOKS AND RECORDS

A. Maintenance Requirement. Franchisee must maintain during the term of this Agreement, in accordance with generally accepted accounting principles and in the form and manner prescribed by Franchisor from time to time in the Manuals, and must preserve for at least five (5) years from the date of preparation, full, complete and accurate books, records and accounts of the Facility, including, but not limited to, sales slips, coupons, purchase orders, payroll records, check stubs, bank statements, sales tax records and returns, cash receipts and disbursements, journals and ledgers.

B. Reporting. In addition to the remittance reports required by Sections 4 and 8 hereof, Franchisee will comply with the following reporting obligations:

(1) Franchisee must, at Franchisee's expense, submit to Franchisor, in the form prescribed by Franchisor, Franchisee's monthly and quarterly balance sheets and profit and loss statements (which may be unaudited) within ten (10) days after the end of each month and quarter, as applicable, during the term hereof. Each such statement must be signed by Franchisee's treasurer, chief financial officer or comparable officer attesting that it is true, complete and correct.

(2) Franchisee must, at its expense, submit to Franchisor, within ninety (90) days after the end of each fiscal year, Franchisee's complete annual financial statement (which may be unaudited), including a balance sheet, profit and loss statement, and statement of cash flows, prepared in accordance with generally accepted accounting principles by an independent chartered accountant satisfactory to Franchisor and showing the results of Franchisee's operations of Franchisee during such fiscal year. All such unaudited annual financial statements must be signed by Franchisee's treasurer, chief financial officer or comparable officer attesting that they are true, complete and correct. Franchisor has the right to request, for any reason, financial statements that have been audited by an independent chartered accountant.

(3) Franchisee must, at its expense, submit to Franchisor (i) copies of Franchisee's federal income tax returns (including any extension requests) not later than five (5) days after filing and (ii) copies of Franchisee's state sales tax returns within five (5) days after the end of each calendar quarter. If the Facility is in a state which does not impose a sales tax, Franchisee must submit a copy of its state income tax return (including any extension requests) not later than five (5) days after filing.

(4) Franchisee also must submit to Franchisor such other forms, reports, records, information and data as Franchisor may reasonably designate, in the form and at the times and places reasonably required by Franchisor.

C. Audits. Franchisor or its designees will have the right at all reasonable times to review, audit, examine and copy the books and records of Franchisee at the Facility. If any required royalty or other required payments to Franchisor are delinquent, or if an audit should reveal that such payments have been understated in any report to Franchisor, then Franchisee must immediately pay to Franchisor the amount overdue or understated upon demand with interest determined in accordance with Section 4.D. If an audit discloses an understatement in any report of three percent (3%) or more, Franchisee must, in addition, reimburse Franchisor for all costs and expenses connected with the audit (including, without limitation, reasonable accounting and attorneys' fees and costs). These remedies will be in addition to any other remedies Franchisor may have at law or in equity.

D. No Waiver. Franchisor's receipt or acceptance of any of the statements furnished or amounts paid to Franchisor (or the cashing of any check or processing of any electronic fund transfer) will not preclude Franchisor from questioning the correctness thereof at any time, and, in the event that any errors are discovered in such statements or payments, Franchisee must immediately correct the error and make the appropriate payment to Franchisor.

E. Authorization to Release Information. Franchisee hereby authorizes (and must execute any other documents deemed necessary to effect such authorization) all banks, financial institutions, businesses, suppliers, manufacturers, contractors, vendors and other persons or entities with whom Franchisee does business to disclose to Franchisor any financial information in their possession relating to Franchisee or the Facility which Franchisor may request. Franchisee authorizes Franchisor to disclose data from Franchisee's reports if Franchisor determines, in its sole discretion, that such disclosure is necessary or advisable, which disclosure may include disclosure to prospective or existing franchisees or other third parties.

12. INSURANCE

A. Insurance Coverage Requirements. Not later than sixty (60) days prior to the Opening Date, Franchisee must procure and must maintain in full force and effect at all times during the term of this Agreement, at Franchisee's expense, an insurance policy or policies protecting Franchisee, Franchisor, its affiliates, successors and assigns, and the officers, directors, shareholders, partners, members, agents, representatives, independent contractors and employees of each of them against any demand or claim with respect to personal injury, death or property damage, or any loss, liability or expense whatsoever arising or occurring at or in connection with the operation of the Facility. Such policy or policies must be written by a responsible carrier or carriers rated "A" or better by the A.M. Best Company, Inc. and otherwise reasonably acceptable to Franchisor and will include, at a minimum (except as additional coverages and higher policy limits may reasonably be specified by Franchisor from time to time in writing), the following:

(1) Comprehensive General Liability Insurance, including broad form contractual liability, broad form property damage, personal injury, advertising injury, completed operations, products liability and fire damage coverage, in the amount of $1,000,000 combined single limit per occurrence, $2,000,000 general aggregate.

(2) property coverage for the full cost of replacement of the Facility premises and all other property in which Franchisor may have an interest with agreed amount endorsement for the premises naming Franchisor as a loss payee.

(3) Automobile liability coverage, including coverage of owned, non-owned and hired vehicles, with coverage in amounts not less than $1,000,000 combined single limit.

(4) An "umbrella" policy providing excess coverage with limits of not less than $3,000,000 which must be excess to the general liability and automobile liability coverage required herein.

(5) Business interruption insurance covering not less than twelve (12) months' loss of profits and necessary continuing expenses for interruptions caused by any occurrence covered by the insurance referred to in (1) and (2) above and Franchisee's royalty and Brand Building Fund contribution calculated on the basis of the Gross Sales used as the basis for calculation of the business interruption insurance award. Such business interruption insurance must be written on an all risks form, either as an endorsement to the policies described in (1) and (2) above or on a separate policy.

(6) Worker's compensation insurance in amounts provided by applicable law or, if permissible under applicable law, any legally appropriate alternative providing substantially similar compensation for injured workers satisfactory to Franchisor, provided that Franchisee (i) maintains an excess indemnity or "umbrella" policy covering employer's liability coverage of $1,000,000 per claim, accident or disease, which policy or policies will be written by a responsible carrier meeting the requirements set forth above and (ii) conducts and maintains a risk management and safety program for its

employees Such policies will also include a waiver of subrogation in favor of Franchisor and its affiliates, and the officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them.

(7) Abuse Liability coverage of $1,000,000 per occurrence and $2,000,000 aggregate.

(8) Teacher's Liability coverage of $1,000,000 per occurrence and $2,000,000 aggregate.

(9) Abuse Liability coverage of $1,000,000 per occurrence and $2,000,000 aggregate.

(10) Such other insurance as may be required by the landlord of the premises at, and by the state or locality in, which the Facility is located.

B. Deductibles; Waiver of Subrogation. Franchisee may elect to have reasonable deductibles in connection with the coverage required under Sections 12.A(1)-(8) hereof. Such policies must also include a waiver of subrogation in favor of Franchisor, its affiliates and the officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees of each of them.

C. Builder's Risk Insurance. In connection with any construction, renovation, refurbishment or remodeling of the Facility, Franchisee will maintain Builder's Risks/Installation insurance and performance and completion bonds in forms and amounts, and written by a carrier or carriers, reasonably satisfactory to Franchisor.

D. No Limitation of Other Obligations. Franchisee's obligation to obtain and maintain the foregoing policies in the amounts specified will not be limited in any way by reason of any insurance which may be maintained by Franchisor, nor will Franchisee's performance of that obligation relieve it of liability under the indemnity provisions set forth in Section 15 of this Agreement.

E. Additional Insured Designation. All insurance policies required hereunder, with the exception of workers' compensation, will name Franchisor and its affiliates, and the officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees of each of them, as additional insureds, and will expressly provide that their interest will not be affected by Franchisee's breach of any policy provisions. All public liability and property damage policies will contain a provision that Franchisor and its affiliates, and the officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees of each of them, although named as insureds, will nevertheless be entitled to recover under such policies on any loss occasioned to them by reason of the negligence of Franchisee or its affiliates, or the officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants or employees of each of them.

F. Certificates of Insurance. Upon execution of this Agreement, and thereafter 30 days prior to the expiration of any policy required hereunder, and annually or at Franchisor's request, Franchisee will deliver to Franchisor certificates of insurance evidencing the existence and continuation of proper coverage with limits not less than those required hereunder. In addition, if requested by Franchisor, Franchisee will deliver to Franchisor a copy of the insurance policy or policies required hereunder. All insurance policies required hereunder will expressly provide that no less than 30 days' prior written notice must be given to Franchisor in the event of a material alteration to or cancellation of the policies.

G. Remedies. Should Franchisee fail to procure or maintain the insurance required by this Agreement, Franchisor will have the right and authority (without, however, any obligation to do so) to procure such insurance and to charge the cost of such insurance to Franchisee, together with a reasonable fee for Franchisor's expenses in so acting. Such amounts will be payable by Franchisee immediately upon notice. The foregoing remedies will be in addition to any other remedies Franchisor may have at law or in equity.

13. DEBTS AND TAXES

A. Payment of Taxes and Other Obligations. Franchisee must promptly pay when due all Taxes, levied or assessed and all accounts and other indebtedness of every kind incurred by Franchisee in the conduct of the franchised business. Without limiting the provisions of Section 15, Franchisee is solely liable for the payment of all Taxes and will indemnify Franchisor for the full amount of all such Taxes and for any liability (including penalties, interest and expenses) arising from or concerning the payment of Taxes, whether or not correctly or legally assessed.

B. No Deduction. Each payment to be made to Franchisor hereunder is made free and clear and without deduction for any Taxes.

C. Disputed Liability. In the event of any bona fide dispute as to Franchisee's liability for Taxes or other indebtedness, Franchisee may contest the validity or the amount of the Tax or indebtedness in accordance with the procedures of the taxing authority or applicable law. However, in no event will Franchisee permit a tax sale or seizure by levy of execution or similar writ or warrant or attachment by a creditor, to occur against the assets of the franchised business or any improvements thereon.

D. Credit Standing. Franchisee recognizes that the failure to make payments or repeated delays in making prompt payments to suppliers will result in a loss of credit rating or standing which will be detrimental to the goodwill associated with the Marks and the System. Except for payments which are disputed by Franchisee in good faith, Franchisee must promptly pay when due all amounts owed by Franchisee to Franchisor, its affiliates, and other suppliers.

E. Notice of Adverse Orders. Franchisee must notify Franchisor in writing within five (5) days of the commencement of any action, suit or proceeding and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which may adversely affect the operation or financial condition of the franchised business.

14. TRANSFER

A. By Franchisor. Franchisor will have the right to transfer or assign this Agreement and all or any part of its rights or obligations herein to any person or legal entity without Franchisee's consent, and upon such transfer or assignment, the transferee or assignee will be solely responsible for all Franchisor's obligations arising hereunder subsequent to the transfer or assignment. Without limitation of the foregoing, Franchisor may sell its assets to a third party; may offer its securities privately or publicly; may merge with or, acquire other corporations, or may be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring.

B. By Franchisee and Principals. Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee, and that Franchisor has granted rights under this Agreement in reliance on the business skill, financial capacity and personal character of Franchisee and the Principals. Accordingly, neither Franchisee nor any Principal, nor any successor or assign of Franchisee or any Principal, will sell, assign, transfer, convey, give away, pledge, mortgage or otherwise dispose of or encumber any direct or indirect interest in this Agreement, in the Facility or in Franchisee without the prior written consent of Franchisor. Any purported assignment or transfer, by operation of law or otherwise, made in violation of this Agreement will be null and void and will constitute a material breach under this Agreement. If Franchisee wishes to transfer all or part of its interest in the Facility or this Agreement, or if Franchisee or a Principal wishes to transfer any ownership interest in Franchisee, transferor and the proposed transferee must apply to Franchisor for its consent. Franchisor will not unreasonably withhold its consent to a transfer of any interest in Franchisee, in the Facility or in this Agreement but may require any or all of the following as conditions of its consent:

(1) All accrued monetary obligations of Franchisee and its affiliates to Franchisor and its affiliates arising under this Agreement, or any other agreement, must be satisfied in a timely manner, and Franchisee must satisfy all trade accounts and other debts of whatever nature or kind;

(2) Franchisee and its affiliates will not be in default of this Agreement, or any other agreement with Franchisor or its affiliates, and will have substantially and timely complied with all the terms and conditions of such agreements during their respective terms;

(3) The transferor and its principals, if applicable, will have executed a general release, in a form satisfactory to Franchisor, of any and all claims, against Franchisor and its affiliates, their respective officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees, past and present, in their corporate and individual capacities, including, without limitation, claims arising under this Agreement and any other agreement with Franchisor or its affiliates, and under federal, state, regional, or municipal laws, rules, and regulations or orders;

(4) The transferee must demonstrate to Franchisor's satisfaction that it meets Franchisor's then-current qualifications, and, at the transferee's expense, its operating principal, director, and any other personnel required by Franchisor must complete any training programs then in effect for Little Kitchen Academy Facilities upon such terms and conditions as Franchisor may reasonably require;

(5) The transferee must, at its expense and within the time period reasonably required by Franchisor, renovate, modernize and otherwise upgrade the Facility and, if applicable, any Facility vehicles to conform to the then-current System image, standards and specifications;

(6) The transferee must enter into a written agreement, in a form satisfactory to Franchisor, assuming full, unconditional, joint and several, liability for, and agreeing to perform from the date of the transfer, all obligations, covenants and agreements of Franchisee under this Agreement. If the transferee is a corporation, partnership, limited liability company or other entity, those of transferee's principals who are designated as principals, also must execute such agreement and guarantee the performance thereof;

(7) The transferee must execute Franchisor's then-current form of franchise agreement for a term ending on the expiration date of this Agreement (including any renewal terms provided by this Agreement). The new franchise agreement will supersede this Agreement in all respects and its terms may differ from the terms of this Agreement, including higher fees, but the transferee will not be required to pay an initial franchise fee. If the transferee is a corporation, partnership, limited liability company or other entity, those of transferee's principals who are designated as principals, also must execute such agreement and guarantee the performance thereof;

(8) The transferor will remain liable for all of its obligations to Franchisor under this Agreement incurred prior to the effective date of the transfer and must execute any and all instruments reasonably requested by Franchisor to evidence such liability;

(9) Franchisee must pay Franchisor a transfer fee in an amount equal to $15,000;

(10) The Facility must be open for business and operating at the time of the transfer;

(11) If transferee is a corporation, partnership, limited liability company or other entity, the transferee must make all of the representations, warranties and covenants in Section 6 as Franchisor may request, and must provide evidence satisfactory to Franchisor that such representations, warranties and covenants are true and correct as of the date of the transfer; and

(12) If the transfer relates to the grant of a security interest in any of Franchisee's assets, Franchisor may require the secured party to agree that, in the event of any default by Franchisee under any documents related to the security interest, Franchisor will have the right and option (but no obligation) to be substituted as obligor to the secured party and to cure any default of Franchisee.

C. Transfer for Convenience of Ownership. If the proposed transfer is to a corporation or other entity formed solely for the convenience of ownership, Franchisor's consent may be conditioned upon any of the requirements in Section 14.B., except that Sections 14.B. (4), (5), and (7) will not apply and the transfer fee under Section 14.B.(9) will be an amount equal to the costs and expenses (including attorneys' fees) that Franchisor incurs in reviewing and documenting the transfer. In any transfer for the convenience of ownership, Franchisee must be the owner of all the voting stock or ownership interests in the new entity, or, if Franchisee is more than one individual, each individual must have the same proportionate ownership interest in the new entity as he or she had in Franchisee prior to the transfer.

D. Right of First Refusal. If Franchisee or a Principal wishes to transfer any interest in this Agreement, the Facility, or Franchisee, pursuant to any bona fide offer received from a third party to purchase such interest, then such proposed seller must promptly notify Franchisor in writing of the offer, and must provide such information and documentation relating to the offer as Franchisor may require. Franchisor will have the right and option, exercisable within thirty (30) days after receipt of such written notification and copies of all required documentation describing the terms of the offer, to send written notice to the seller that Franchisor intends to purchase the seller's interest on the terms and conditions offered by the third party. If Franchisor elects to purchase the seller's interest, closing will occur on or before sixty (60) days from the later of the date of Franchisor's notice to seller of its election to purchase and the date Franchisor receives all necessary permits and approvals, or any other date agreed by the parties in writing. If the third party offer provides for payment of consideration other than cash, Franchisor may elect to purchase seller's interest for the reasonable cash equivalent. If the parties cannot agree within a reasonable time on the reasonable cash equivalent, then that amount will be determined by two (2) appraisers. Each party will select one (1) appraiser and the average of the appraisers' determinations will be binding. Each party will bear its own legal and other costs and will share the appraisal fees equally. If Franchisor exercises its right of first refusal, it will have the right to set off all appraisal fees and other amounts due from Franchisee to Franchisor or any of its affiliates. A material change in the terms of any offer prior to closing with a third party will constitute a new offer subject to the same right of first refusal of the Franchisor as an initial offer. Franchisor's failure to exercise the option afforded by this Section 14.D. will not constitute a waiver of any other provision of this Agreement, including all of the requirements of Section 14.B. Failure to comply with this Section 14.D. will constitute a material event of default under this Agreement.

E. Death or Permanent Disability. Franchisee or its representative must promptly notify Franchisor of any death or claim of permanent disability subject to this Section 14.E. Any transfer upon death or permanent disability will be subject to the following conditions, as well as to the conditions described in Section 14.B. for any inter vivos transfer.

(1) Upon the death of Franchisee (if Franchisee is a natural person) or any Principal who is a natural person (the "**Deceased**"), the executor, administrator or other personal representative of the Deceased will transfer such interest to a third party approved by Franchisor within six (6) months after the date of death. If no personal representative is designated or appointed or no probate proceedings are instituted with respect to the estate of the Deceased, then the distributee of such interest must be approved by Franchisor. If the distributee is not approved by Franchisor, then the distributee will transfer such interest to a third party approved by Franchisor within six (6) months after the death of the Deceased.

(2) Upon the permanent disability of Franchisee (if Franchisee is a natural person) or any Principal who is a natural person, Franchisor may, in its sole discretion, require such interest to be transferred to a third party in accordance with the conditions described in this Section 14 within six (6) months after notice to Franchisee. "**Permanent disability**" will mean any physical, emotional or mental injury, illness or incapacity which would prevent a person from performing the obligations set forth in this Agreement or in the guaranty made part of this Agreement for at least ninety (90) consecutive days and from which condition recovery within ninety (90) days from the date of determination of disability is unlikely. Permanent disability will be determined by a licensed practicing physician selected by Franchisor, upon examination of the person; or if the person refuses to submit to an examination, then such person

automatically will be deemed permanently disabled as of the date of such refusal for the purpose of this Section 14.E. The costs of any examination required by this Section must be paid by Franchisor.

F. Securities Offerings. Interests in Franchisee shall not be offered to the public by private or public offering without Franchisor's prior written consent, which shall not be unreasonably withheld. As a condition of its consent, Franchisor may, in its sole discretion, require that, immediately after such offering, Franchisee and the Principals retain a Controlling Interest in Franchisee. Franchisee shall give Franchisor written notice at least thirty (30) days prior to the commencement of any offering covered by this Section 14.F. All offering materials must be submitted to Franchisor for review prior to being filed with any governmental agency or distributed for use. Franchisor's review of the offering materials will be limited solely to the subject of the relationship between Franchisee and Franchisor. No offering will imply that Franchisor is participating in an underwriting, issuance or offering of securities. Franchisor may require the offering materials to contain a written statement prescribed by Franchisor concerning the relationship of Franchisee and Franchisor. Franchisee, its Principals and the other participants in the offering must fully indemnify Franchisor, its affiliates, their respective officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees, past and present, in connection with the offering.

G. No Waiver. Franchisor's consent to the transfer of any interest described in this Section 14 will not constitute a waiver of any claims which Franchisor may have against the transferring party, nor will it be deemed a waiver of Franchisor's right to demand transferee's exact compliance with any of the terms of this Agreement.

H. New or Successor Principals. If, after the execution of this Agreement, any person ceases to qualify as one of the Franchisee's Principals or if any individual succeeds to or otherwise comes to occupy a position which, upon designation by Franchisor, would qualify him as one of Franchisee's Principals, Franchisee will comply with the provisions of this Article 14. with respect to any such change and will notify Franchisor within ten (10) days after any such change. In addition, Franchisee will cause such person to execute all documents and instruments (including, as applicable, the Principal's Guaranty and Assumption Agreement or the Confidentiality and Ancillary Covenants Not To Compete) as Franchisor may require others in such positions to execute.

15. INDEMNIFICATION

Franchisee will indemnify, defend and hold harmless Franchisor, Franchisor's affiliates, and their respective officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees (the "**Indemnified Parties**") against, and reimburse any one or more of the Indemnified Parties for, any and all claims, and liabilities directly or indirectly arising out of the operation of the Facility, Franchisee's employer/employee relationships, or Franchisee's breach of this Agreement, without limitation and without regard to the cause or causes thereof or the negligence (whether such negligence be sole, joint or concurrent, or active or passive) or strict liability of Franchisor or any other party or parties in connection therewith, including, without limitation, the other Indemnified Parties. Notwithstanding the foregoing, this indemnity will not apply to any liability arising from Franchisor's gross negligence or willful misconduct, except to the extent that joint liability is involved, in which event the indemnification provided herein will extend to any finding of comparative or contributory negligence attributable to Franchisee, Franchisee's Principals, officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants, employees or affiliates. For purposes of this indemnification, "**claims**" includes all obligations, damages (actual, consequential, exemplary or other) and costs reasonably incurred in the defense of any claim against any of the Indemnified Parties, including, without limitation, accountants', mediators', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other expenses of litigation, arbitration or alternative dispute resolution and travel and living expenses. Franchisor has the right to defend, at Franchisee's cost, any such claim against Franchisee, such right being exercisable in Franchisor's sole discretion. This indemnity will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. Under no circumstances will Franchisor or any other Indemnified Party be required to seek recovery from any

insurer or other third party, or otherwise to mitigate Franchisor's, their or Franchisee's losses and expenses, in order to maintain and recover fully a claim against Franchisee. Franchisee agrees that a failure to pursue such recovery or mitigate a loss will in no way reduce or alter the amounts Franchisor or another Indemnified Party may recover from Franchisee. The terms of this Article 15. will survive the termination, expiration or transfer of this Agreement or any interest herein.

16. RELATIONSHIP OF THE PARTIES

A. Independent Contractor Relationship. Franchisee agrees that the relationship created by this Agreement is not a fiduciary, special, or any other similar relationship, but rather is an arm's-length business relationship, and Franchisor owes Franchisee no duties except as expressly provided in this Agreement. Franchisee is an independent contractor, and nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, joint employer or servant of the other for any purpose. During the term of this Agreement, Franchisee must hold itself out to the public as an independent contractor conducting its Facility operations pursuant to the rights granted by Franchisor, including but not limited to posting a sign in the Facility that states that the Facility is "independently owned and operated by [entity name]." Additionally, all employees hired by or working for Franchisee will be Franchisee's or Franchisee's affiliate's employees and will not, for any purpose, be deemed employees of Franchisor or subject to Franchisor's control. Franchisor has no authority to hire, fire, promote, or demote any of Franchisee's employees or take any disciplinary action whatsoever against any of them. Franchisee must communicate to all employees that Franchisee, not Franchisor, is their employer; and Franchisee must ensure that no payroll checks or other employment-related documents (such as job applications) contain or reference the Marks or Franchisor's name. Each of the parties will file its own tax, regulatory, and payroll reports with respect to its respective employees and operations, saving and indemnifying the other party hereto of and from any liability of any nature whatsoever by virtue thereof.

B. No Authority. Nothing in this Agreement authorizes Franchisee or any of the Principals to make any contract, agreement, warranty or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name, and Franchisor will in no event assume liability for, or be deemed liable under this Agreement as a result of, any such action, or for any act or omission of Franchisee or any of the Principals or any claim or judgment arising therefrom.

17. TERMINATION

A. Default and Termination. Franchisee acknowledges that each of Franchisee's obligations described in this Agreement is a material and essential obligation; that nonperformance of such obligations will adversely and substantially affect the Franchisor and the System; and that the exercise by Franchisor of the rights and remedies set forth herein is appropriate and reasonable.

B. Automatic Termination. Franchisee will be deemed to be in default under this Agreement, and all rights granted herein will automatically terminate without notice to Franchisee, if Franchisee becomes insolvent or makes a general assignment for the benefit of creditors; or if Franchisee files a voluntary petition under any section or chapter of federal bankruptcy law or under any similar law or statute of the United States or any state thereof, or if an involuntary petition is filed with respect to Franchisee under any such laws and is not dismissed within 60 days after it is filed; or if Franchisee admits in writing its inability to pay its debts when due; or if Franchisee is adjudicated as bankrupt or insolvent in proceedings filed against Franchisee under any section or chapter of federal bankruptcy laws or under any similar law or statute of the United States or any state thereof; or if a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee; or if a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee; or if a final judgment remains unsatisfied or of record for 30 days or longer (unless supersedeas bond is filed); or if Franchisee is dissolved; or if execution is levied against Franchisee's business or property; or if a judicial or non-judicial action to foreclose any lien or mortgage against the Facility premises or

equipment is instituted against Franchisee and is not dismissed or settled by the earlier of (i) 30 days from commencement or (ii) consummation of such sale; or if the real or personal property of Franchisee's Facility will be sold after levy thereupon by any sheriff, marshal or constable.

C. Termination on Notice; No Cure. Franchisee will be deemed to be in material default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure the default, effective immediately upon notice to Franchisee, upon the occurrence of any of the following events:

(1) If Franchisee operates the Facility, or sells any products or services authorized by Franchisor for sale at the Facility, at a location which has not been approved by Franchisor;

(2) If Franchisee fails to obtain Franchisor's approval of a proposed site or fails to acquire a Location for the Facility within the time and manner specified in this Agreement.

(3) If Franchisee fails to construct or remodel the Facility in accordance with Franchisor's prototypical plans, as adapted in accordance with Section 2.

(4) If Franchisee fails to open the Facility for business within the period specified in Section 2.G. of this Agreement.

(5) If Franchisee at any time ceases to operate or otherwise abandons the Facility, or loses the right to possess the premises, or otherwise forfeits the right to do or transact business in the jurisdiction where the Facility is located; provided, that this provision will not apply in the event of a Force Majeure, if Franchisee applies within 30 days after such event for Franchisor's approval to relocate or reconstruct the Facility and Franchisee diligently pursues such reconstruction or relocation. Franchisor's approval may not be unreasonably withheld but may be conditioned upon the payment of an agreed minimum fee to Franchisor during the period in which the Facility is not in operation.

(6) If Franchisee or any of the Principals is convicted of, or has entered a plea of guilty or nolo contendere to, a felony, an indictable offense or a crime involving moral turpitude, or any other crime or offense that Franchisor believes is reasonably likely to have an adverse effect on the System, the Marks, the goodwill associated therewith, or Franchisor's interests therein.

(7) If a threat or danger to public health or safety results from the construction or operation of the Facility.

(8) If Franchisee or any of the Principals purports to transfer any rights or obligations under this Agreement or any interest in Franchisee or the Facility to any third party without Franchisor's prior written consent or without offering Franchisor a right of first refusal contrary to the terms of Section 14, or if a transfer upon death or permanent disability is not made in accordance with Section 14.

(9) If, contrary to the terms of Section 10.B., Franchisee or any of the Principals discloses or divulges any Confidential Information.

(10) If Franchisee knowingly maintains false books or records, or submits any false reports to Franchisor.

(11) If Franchisee breaches in any material respect any of the covenants, or has falsely made any of the representations or warranties, set forth in Section 6, or if Franchisee makes any material misstatement or omission in the application for this franchise or in any other information provided to Franchisor.

(12) If Franchisee fails to comply with Franchisor's quality assurance program and fails to cure any default thereunder within the applicable cure period.

(13) If Franchisee submits any report to Franchisor which understates Franchisee's Gross Sales or Royalty Fees by more than five percent (5%) or Franchisee under-reports such Gross Sales or Royalty Fees by more than three percent (3%) 2 times within any 12 month period.

(14) If Franchisee or any affiliate of Franchisee is in default of any other franchise agreement with Franchisor and fails to cure such default within the applicable cure period, if any.

(15) If Franchisee or any of the Principals repeatedly commits a material event of default under this Agreement, whether or not such defaults are of the same or different nature and whether or not such defaults have been cured by Franchisee after notice by Franchisor.

(16) If Franchisee or any affiliate of Franchisee fails to pay any vendor or supplier that supplies goods or services related to the Facility within the period required under the agreement and/or purchase order for such vendor.

(17) If Franchisee fails to comply with notification requirements set forth in Section 7.H. of this Agreement concerning Crisis Management Events.

D. Termination on Notice; Opportunity to Cure. Except as provided in Sections 17.B. and 17.C. of this Agreement, upon any default by Franchisee which is capable of being cured, Franchisor may terminate this Agreement by giving Franchisee written notice of termination stating the nature of the default and the time period within which the default must be cured. Franchisee may avoid termination by immediately initiating a remedy to cure such default and curing it to Franchisor's satisfaction within the time period set forth below or any longer period that applicable law may require ("**cure period**"). If any such default is not cured within the cure period, this Agreement will terminate without further notice to Franchisee effective immediately upon the expiration of the cure period. Defaults which are susceptible of cure hereunder may include, but are not limited to, the following:

(1) If Franchisee fails to procure and maintain the insurance policies required by Section 12 and fails to cure such default within 7 days following notice from Franchisor.

(2) If Franchisee misuses or makes any unauthorized use of the Marks or otherwise materially impairs the goodwill associated therewith or Franchisor's rights therein and fails to cure such default within twenty-four (24) hours following notice from Franchisor.

(3) If Franchisee fails to obtain the execution of the confidentiality and related covenants as required under Sections 10.B. or 10.C. of this Agreement within 10 days after being requested to do so by Franchisor and fails to cure such default within 30 days following notice from Franchisor.

(4) If Franchisee or any of its affiliates fails, refuses, or neglects promptly to pay any monies owed to Franchisor or any of its affiliates, when due under this Agreement or any other agreement, or fails to submit the financial or other information required by Franchisor under this Agreement, and does not cure such default within five (5) days following notice from Franchisor.

(5) If Franchisee fails to pay when due any fee, expense, charge, or other amount due and owing to any creditor of Franchisee and does not cure within 10 days following notice from Franchisor.

(6) If Franchisee or any of the Principals fails to comply with the restrictions against competition set forth in Section 10.C. of this Agreement and fails to cure such default within 10 days following notice from Franchisor.

(7) If Franchisee fails to maintain or observe any of the standards, specifications, or procedures (which includes, without limitation, adherence to lesson plans, offering the minimum number of cooking classes, and maintaining the required minimum quantities of products approved by Franchisor for sale at the Facility), prescribed by Franchisor in this Agreement or otherwise in writing, and fails to cure such default within 30 days following notice from Franchisor.

(8) If Franchisee fails to comply with any other requirement imposed by this Agreement, or fails to carry out the terms of this Agreement in good faith and fails to cure such default within 30 days following notice from Franchisor.

(9) If Franchisee fails to designate a qualified replacement Operating Principal or Director within 30 days after any initial or successor Operating Principal or Director ceases to serve.

18. POST-TERMINATION

A. Franchisee's Obligations Upon Termination. Upon termination or expiration of this Agreement, all rights granted hereunder to Franchisee will terminate, and Franchisee will:

(1) Immediately cease to operate the Facility under this Agreement, and must not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of Franchisor.

(2) Immediately and permanently cease to use, in any manner whatsoever, any Confidential Information, methods, procedures, and techniques associated with the System and the Marks. Without limitation of the foregoing, Franchisee will cease to use all signs, advertising materials, displays, stationery, forms and any other items which display the Marks.

(3) Take such action as may be necessary to cancel any assumed name or equivalent registration which contains the mark "Little Kitchen Academy" or any other Mark, and furnish Franchisor with satisfactory evidence of compliance within 5 days after termination or expiration of this Agreement.

(4) Not use any reproduction, counterfeit, copy or colorable imitation of the Marks, in connection with any other business, which is likely to cause confusion, mistake, or deception, or which is likely to dilute Franchisor's rights in and to the Marks, nor will Franchisee use any designation of origin or description or representation which falsely suggests or represents an association or connection with Franchisor constituting unfair competition.

(5) Promptly pay (a) all sums owing to Franchisor and its affiliates, and all damages, costs and expenses, including attorneys' fees and costs, incurred by Franchisor as a result of any default by Franchisee or in connection with obtaining injunctive or other relief for the enforcement of any provisions of this Section 18, which obligation will give rise to and remain a lien in favor of Franchisor against any and all assets of Franchisee, until such obligations are paid in full (b) to Franchisor an amount equal to 50% of the total outstanding balance of all coupons, gift cards, gift certificates and vouchers issued by the Facility as of the date of termination or expiration, as applicable.

(6) Immediately deliver to Franchisor all Manuals, records, files, instructions, correspondence, Software Programs, and other materials related to the operation of the Facility in Franchisee's possession or control, and all copies thereof, all of which are acknowledged to be Franchisor's property, and retain no copy or record of any of the foregoing, except Franchisee's copy of this Agreement and of any correspondence between the parties and any other documents which Franchisee reasonably needs for compliance with any provision of law.

(7) Comply with the restrictions against the disclosure of Confidential Information and against competition contained in Section 10 of this Agreement and cause any other person required to execute similar covenants pursuant to Section 10 also to comply with such covenants.

(8) Promptly furnish to Franchisor an itemized list of all advertising and sales promotion materials bearing the Marks, whether located at the Facility or at any other location under Franchisee's control. Franchisor will have the right to inspect these materials and the option, exercisable within 30 days after such inspection, to purchase any or all of the materials for an amount equal to the amount paid by Franchisee for the purchase of such materials, excluding all delivery and late fees paid by Franchisee in connection with such purchase. Materials not purchased by Franchisor will not be utilized by Franchisee or any other party for any purpose unless authorized in writing by Franchisor.

(9) At Franchisor's option, assign to Franchisor any interest which Franchisee has in any lease or sublease for the premises of the Facility or for any equipment used in the operation of the franchised business. Franchisor may exercise such option at or within 30 days after the termination or expiration of this Agreement. Franchisee hereby appoints Franchisor its true and lawful agent and attorney-in-fact with full power and authority, for the sole purpose of taking such action as is necessary to complete the assignment of Franchisee's interest in any such lease or sublease upon the exercise of Franchisor's

option described herein. This power of attorney will survive the expiration or termination of this Agreement. In the event Franchisor does not elect to exercise its option to acquire the lease or sublease for the Facility premises, Franchisee will make such modifications or alterations to the premises as are necessary to distinguish the appearance of the Facility from that of other Little Kitchen Academy Facilities, and, if Franchisee fails or refuses to do so, Franchisor will have the right to enter upon the premises, without being guilty of trespass or any other crime or tort, to make or cause such changes to be made, at Franchisee's expense.

(10) At Franchisor's option, assign to Franchisor all rights to the telephone numbers of the Facility and any related Yellow Pages trademark or other business listings and execute all forms and documents required by Franchisor and any telephone company at any time to transfer such service and numbers to Franchisor. Franchisee will thereafter use different telephone numbers at or in connection with any subsequent business conducted by Franchisee.

B. Additional Franchisor Options. In addition to its options under Sections 18.A.(9) and (10), Franchisor will have the following options, to be exercised within 30 days after termination or expiration of this Agreement:

(1) Franchisor will have the option to purchase from Franchisee any or all of the furnishings, equipment, signs, fixtures, supplies, materials, inventory, and other assets related to the operation of the Facility, at fair market value. Notwithstanding the foregoing, if Franchisor exercises its option to purchase such assets, the purchase price for any products manufactured by Franchisor or any of its affiliates will be the amount paid by Franchisee for the purchase of such products, excluding all delivery and late fees paid by Franchisee in connection with such purchase. In addition, if Franchisee owns the land upon which the Facility is located, Franchisor will have the further option to purchase the land, including any building on the land used for the operation of the Facility, for the fair market value of the land and building. If Franchisee does not own the land, Franchisor may nevertheless exercise this option for the purpose of purchasing any building owned by Franchisee and used in the operation of the Facility.

(2) With respect to Franchisor's options under Section 18.B.(1), Franchisor will purchase assets only and will assume no liabilities, unless otherwise agreed in writing by the parties. If the parties cannot agree on the fair market value of the assets within 30 days of Franchisor's exercise of its option, fair market value will be determined by 2 appraisers. Each party will select 1 appraiser, and the average of their determinations will be binding. In the event of an appraisal, each party will bear its own legal and other costs and will divide the appraisal fees equally. The purchase price will be paid in cash; provided, that Franchisor will have the right to set off from the purchase price (i) all fees due from Franchisee for any appraisal conducted hereunder, (ii) all amounts due from Franchisee to Franchisor or any of its affiliates, and (iii) any costs incurred in connection with any escrow arrangement (including reasonable legal fees and costs).

(3) Closing of the purchase and sale of the properties described above will occur not later than 30 days after the purchase price is determined, unless the parties mutually agree to designate another date. At closing, Franchisee will deliver to Franchisor, in a form satisfactory to Franchisor, such warranties, deeds, releases of lien, bills of sale, assignments and such other documents and instruments which Franchisor deems necessary in order to perfect Franchisor's title and possession in and to the properties being purchased and to meet the requirements of all tax and government authorities. If, at the time of closing, Franchisee has not obtained all necessary documents, instruments, or third party consents, Franchisor may, in its sole discretion, place the purchase price in escrow pending issuance of any required certificates or documents. Closing will take place at Franchisor's corporate offices or at such other location as the parties may agree.

C. Assignment of Franchisor Rights. Franchisor will be entitled to assign any and all of its options in this Section 18 to any other party, without the consent of Franchisee.

19. MISCELLANEOUS

A. Notices.

(1) Except as expressly provided in subsection (2) below, any and all notices required or permitted under this Agreement will be in writing and will be delivered by electronic mail to the parties at the following e-mail addresses:

Notices to Franchisor:	admin@littlekitchenacademy.com
Notices to Franchisee and Controlling Principals:	[INSERT PERSONAL EMAIL ADDRESS]

All notices and other written communications will be sent through Franchisor's server and will be deemed delivered and received on the date the transmission is received in the e-mail box designated above, whether or not the party receiving such message opens and reads the message in a timely manner. Franchisor and Franchisee and Franchisee's Operating Principal have, and each of them hereby accept, the obligation to check, open and read the messages in the e-mail boxes designated above at least once each Business Day. Franchisee and Franchisee's Operating Principal further agree to forward any such message received to Franchisee's Principals.

(2) Upon the expiration or termination of this Agreement or if, for any reason, Franchisor no longer provides a littlekitchenacademy.com e-mail account to Franchisee, then all future notices must be in writing and must be personally delivered or mailed by expedited delivery service or certified or registered mail, return receipt requested, first-class postage prepaid, or sent by prepaid facsimile (provided that the sender confirms the facsimile by sending an original confirmation copy by expedited delivery service or certified or registered mail within three (3) Business Days after transmission) to the respective parties at the addresses set forth below unless and until a different address has been designated by written notice to the other party. Any notice will be deemed to have been given (whether or not delivery is accepted) at the time of personal delivery or, in the case of expedited delivery service on the next Business Day, or, in the case of registered or certified mail, three (3) Business Days after the date and time of mailing, or, in the case of facsimile, upon transmission (provided confirmation is sent by expedited delivery service or registered or certified mail as provided below).

Notices to Franchisor:

Little Kitchen Academy USA, Inc.
2214 54th St Ct NE
Tacoma, WA 98422
Attention: CEO
Telephone: (604) 928-0629

AND

Little Kitchen Academy USA, Inc.
3744 W. 10th Ave.
Vancouver, B.C. V6R2G4
Attention: CEO
Telephone: (604) 928-0629

Notices to Franchisee and

the Principals: _____

_____

_____

Attention: _____

Telephone: _____

B. Entire Agreement. This Agreement, the documents referred to herein, and the Attachments hereto, constitute the entire, full and complete agreement between Franchisor and Franchisee and the Principals concerning the subject matter hereof and will supersede all prior related agreements; provided, however, that nothing in this or any related agreement is intended to disclaim the representations Franchisor made in the franchise disclosure document that Franchisor furnished to Franchisee. Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change or variance from this Agreement will be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

C. No Waiver. No delay, waiver, omission or forbearance on the part of Franchisor to exercise any right, option, duty or power arising out of any breach or default by Franchisee or the Principals under this Agreement will constitute a waiver by Franchisor to enforce any such right, option, duty or power against Franchisee or the Principals, or as to a subsequent breach or default by Franchisee or the Principals.

D. Approval or Consent. Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee will make a timely written request to Franchisor, and such approval or consent will be obtained in writing. No waiver, approval, consent, advice or suggestion given to Franchisee, and no neglect, delay or denial of any request therefor, will constitute a warranty or guaranty by Franchisor, nor does Franchisor assume any liability or obligation to Franchisee or any third party as a result thereof.

E. Force Majeure. Upon the occurrence of an event of Force Majeure, the party affected thereby must give prompt notice thereof to the other party, together with a description of the event, the duration for which the party expects its ability to comply with the provisions of the Agreement to be affected, and a plan for resuming operation under the Agreement, which the party must promptly undertake and maintain with due diligence. Such affected party will be liable for failure to give timely notice only to the extent of damage actually caused. If an event of Force Majeure will occur, then, in addition to payments required under Section 17.C.(5), Franchisee will continue to be obligated to pay to Franchisor any and all amounts that it will have duly become obligated to pay in accordance with the terms of this Agreement prior to the occurrence of such event and the Indemnitees will continue to be indemnified and held harmless by Franchisee in accordance with Section 15. Except as provided in Section 17.C.(5) and the immediately preceding sentence, neither party will be held liable for a failure to comply with any terms and conditions of this Agreement when such failure is caused by an event of Force Majeure.

F. Severability. Except as expressly provided to the contrary herein, each portion, section, part, term and provision of this Agreement will be considered severable; and if, for any reason, any portion, section, part, term or provision is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, this will not impair the operation of, or have any other effect upon, the other portions, sections, parts, terms or provisions of this Agreement that may remain otherwise intelligible, and the latter will continue to be given full force and effect and bind the parties; the invalid portions, sections, parts, terms or provisions will be deemed not to be part of this Agreement; and there will be automatically added such portion, section, part, term or provision as similar

as possible to that which was severed which must be valid and not contrary to or in conflict with any law or regulation.

G. MEDIATION. FRANCHISOR AND FRANCHISEE ACKNOWLEDGE THAT DURING THE TERM OF THIS AGREEMENT CERTAIN DISPUTES MAY ARISE THAT FRANCHISOR AND FRANCHISEE ARE UNABLE TO RESOLVE, BUT THAT MAY BE RESOLVABLE THROUGH MEDIATION. TO FACILITATE SUCH RESOLUTION, FRANCHISOR AND FRANCHISEE AGREE TO SUBMIT ANY CLAIM, CONTROVERSY OR DISPUTE BETWEEN FRANCHISOR OR ANY OF FRANCHISOR AFFILIATES (AND THEIR RESPECTIVE OWNERS, OFFICERS, DIRECTORS, AGENTS, REPRESENTATIVES AND/OR EMPLOYEES) AND FRANCHISEE (AND FRANCHISEE'S OWNERS, AGENTS, REPRESENTATIVES AND/OR EMPLOYEES) ARISING OUT OF OR RELATED TO (a) THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN FRANCHISOR AND FRANCHISEE, (b) FRANCHISOR'S RELATIONSHIP WITH FRANCHISEE, OR (c) THE VALIDITY OF THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN FRANCHISOR AND FRANCHISEE, TO MEDIATION BEFORE BRINGING SUCH CLAIM, CONTROVERSY OR DISPUTE IN A COURT OR BEFORE ANY OTHER TRIBUNAL.

(1) THE MEDIATION SHALL BE CONDUCTED BY A MEDIATOR AGREED UPON BY FRANCHISOR AND FRANCHISEE AND, FAILING SUCH AGREEMENT WITHIN NOT MORE THAN 15 DAYS AFTER EITHER PARTY HAS NOTIFIED THE OTHER OF ITS DESIRE TO SEEK MEDIATION, BY THE AMERICAN ARBITRATION ASSOCIATION OR ANY SUCCESSOR ORGANIZATION ("AAA") IN ACCORDANCE WITH ITS RULES GOVERNING MEDIATION. MEDIATION SHALL BE HELD AT THE OFFICES OF THE AAA NEAREST TO FRANCHISOR'S THEN-CURRENT PRINCIPAL PLACE OF BUSINESS. THE COSTS AND EXPENSES OF MEDIATION, INCLUDING THE COMPENSATION AND EXPENSES OF THE MEDIATOR (BUT EXCLUDING ATTORNEYS' FEES INCURRED BY EITHER PARTY), SHALL BE BORNE BY THE PARTIES EQUALLY.

(2) IF THE PARTIES ARE UNABLE TO RESOLVE THE CLAIM, CONTROVERSY OR DISPUTE WITHIN 90 DAYS AFTER THE MEDIATOR HAS BEEN CHOSEN, THEN, UNLESS SUCH TIME PERIOD IS EXTENDED BY WRITTEN AGREEMENT OF THE PARTIES, EITHER PARTY MAY BRING A LEGAL PROCEEDING PURSUANT TO SECTION 19.H. FRANCHISOR AND FRANCHISEE AGREE THAT STATEMENTS MADE BY EITHER FRANCHISOR OR FRANCHISEE IN ANY SUCH MEDIATION PROCEEDING WILL NOT BE ADMISSIBLE FOR ANY PURPOSE IN ANY SUBSEQUENT LEGAL PROCEEDING.

(3) NOTWITHSTANDING THE FOREGOING PROVISIONS OF THIS SECTION 19.G., FRANCHISOR'S AND FRANCHISEE'S AGREEMENT TO MEDIATE SHALL NOT APPLY TO CONTROVERSIES, DISPUTES OR CLAIMS RELATED TO OR BASED ON THE MARKS, THE CONFIDENTIAL INFORMATION, OR MONIES OWED. MOREOVER, REGARDLESS OF FRANCHISOR'S AND FRANCHISEE'S AGREEMENT TO MEDIATE, FRANCHISOR AND FRANCHISEE EACH HAVE THE RIGHT IN A PROPER CASE TO SEEK TEMPORARY RESTRAINING ORDERS AND TEMPORARY OR PRELIMINARY INJUNCTIVE RELIEF.

H. LITIGATION. WITH RESPECT TO ANY CONTROVERSIES, DISPUTES OR CLAIMS WHICH ARE NOT FINALLY RESOLVED THROUGH MEDIATION AS PROVIDED IN SECTION 19.G. ABOVE, THE PARTIES IRREVOCABLY SUBMIT THEMSELVES TO THE JURISDICTION OF THE STATE COURTS OF THE JURISDICTION IN WHICH FRANCHISOR THEN MAINTAINS ITS PRINCIPAL PLACE OF BUSINESS AND THE FEDERAL DISTRICT COURT FOR SUCH JURISDICTION AND HEREBY WAIVE ALL QUESTIONS OF PERSONAL JURISDICTION FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. FRANCHISOR AND FRANCHISEE AGREE THAT SERVICE OF PROCESS MAY BE MADE UPON THEM IN ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT OR THE

RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY DELAWARE OR FEDERAL LAW. FRANCHISOR AND FRANCHISEE FURTHER AGREE THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE THE JURISDICTION IN WHICH FRANCHISOR THEN MAINTAINS ITS PRINCIPAL PLACE OF BUSINESS.

I. 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 FEDERAL LAW, THIS AGREEMENT, THE FRANCHISE AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN FRANCHISOR AND FRANCHISEE WILL BE GOVERNED BY AND INTERPRETED AND CONSTRUED UNDER DELAWARE LAW (EXCEPT FOR DELAWARE CONFLICT OF LAW RULES).

J. PARTIES' ACKNOWLEDGMENTS. FRANCHISOR AND FRANCHISEE ACKNOWLEDGE THAT THE AGREEMENTS REGARDING APPLICABLE STATE LAW AND FORUM SET FORTH ABOVE PROVIDE EACH OF THE PARTIES WITH THE MUTUAL BENEFIT OF UNIFORM INTERPRETATION OF THIS AGREEMENT AND ANY DISPUTE ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT. FRANCHISOR AND FRANCHISEE FURTHER ACKNOWLEDGE THE RECEIPT AND SUFFICIENCY OF MUTUAL CONSIDERATION FOR SUCH BENEFIT.

K. WAIVER OF PUNITIVE DAMAGES. EXCEPT WITH RESPECT TO FRANCHISEE'S OBLIGATION TO INDEMNIFY FRANCHISOR PURSUANT TO ARTICLE 15. AND CLAIMS FRANCHISOR BRINGS AGAINST FRANCHISEE FOR FRANCHISEE'S UNAUTHORIZED USE OF THE MARKS OR UNAUTHORIZED USE OR DISCLOSURE OF ANY CONFIDENTIAL INFORMATION, FRANCHISOR AND FRANCHISEE AND FRANCHISEE'S PRINCIPALS 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.

L. LIMITATIONS OF CLAIM. EXCEPT FOR CLAIMS FRANCHISOR BRINGS WITH REGARD TO FRANCHISEE'S OBLIGATIONS TO INDEMNIFY FRANCHISOR PURSUANT TO ARTICLE 15, ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE RELATIONSHIP BETWEEN FRANCHISOR AND FRANCHISEE PURSUANT TO THIS AGREEMENT WILL BE BARRED UNLESS AN ACTION IS COMMENCED WITHIN TWO (2) YEARS FROM THE DATE ON WHICH THE ACT OR EVENT GIVING RISE TO THE CLAIM OCCURRED, OR TWO (2) YEARS FROM THE DATE ON WHICH FRANCHISOR OR FRANCHISEE KNEW OR SHOULD HAVE KNOWN, IN THE EXERCISE OF REASONABLE DILIGENCE, OF THE FACTS GIVING RISE TO SUCH CLAIMS, WHICHEVER OCCURS FIRST.

M. JURY WAIVER. FRANCHISOR AND FRANCHISEE HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVE ANY RIGHT TO A JURY TRIAL IN ANY ACTION ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, THE RELATIONSHIP CREATED BY THIS AGREEMENT, OR ANY OTHER AGREEMENTS BETWEEN FRANCHISOR AND FRANCHISEE OR FRANCHISOR'S AND FRANCHISEE'S RESPECTIVE AFFILIATES. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS WRITTEN CONSENT TO A TRIAL BY THE COURT.

N. Counterpart Execution. This Agreement may be executed in multiple counterparts, each of which when so executed will be an original, and all of which will constitute one and the same instrument.

O. Headings. The captions used in connection with the sections and subsections of this Agreement are inserted only for purpose of reference. Such captions will not be deemed to govern, limit, modify or in any other manner affect the scope, meaning or intent of the provisions of this Agreement or any part thereof nor will such captions otherwise be given any legal effect.

P. Survival. Any obligation of Franchisee or the Principals that contemplates performance of such obligation after termination or expiration of this Agreement or the transfer of any interest of Franchisee or the Principals therein, will be deemed to survive such termination, expiration or transfer. Without limitation of the foregoing, the provisions of Sections 19.G., H. and I. are intended to benefit and bind certain third party non-signatories and will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination.

Q. Gender. All references herein to the masculine, neuter or singular will be construed to include the masculine, feminine, neuter or plural, where applicable. Without limiting the obligations individually undertaken by the Principals under this Agreement, all acknowledgments, promises, covenants, agreements and obligations made or undertaken by Franchisee in this Agreement will be deemed, jointly and severally, undertaken by all of the Principals.

R. Including. The word including, when following a general term or statement, is not to be construed as limiting the general term or statement to the specific items or matters set forth or to similar items or matters, but rather as permitting it to refer to all other items or matters that could reasonably fall within its broadest possible scope.

S. Remedies Cumulative. All rights and remedies of the parties to this Agreement will be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies which are provided for herein or which may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement or any other agreement between Franchisee or any of its affiliates, and Franchisor or any of its affiliates. The rights and remedies of the parties to this Agreement will be continuing and will not be exhausted by any one or more uses thereof, and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration, earlier termination or exercise of Franchisor's rights pursuant to Section 17 of this Agreement will not discharge or release Franchisee or any of the Principals from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration, the earlier termination or the exercise of such rights under this Agreement. Additionally, Franchisee and the Principals will pay all court costs and reasonable attorneys' fees and costs incurred by Franchisor in obtaining any remedy available to Franchisor for any violation of this Agreement.

T. No Third Party Beneficiary. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor will be deemed, to confer upon any person or legal entity other than Franchisee, Franchisor, Franchisor's officers, directors and personnel and such of Franchisee's and Franchisor's respective successors and assigns as may be contemplated (and, as to Franchisee, authorized by Section 14), any rights or remedies under or as a result of this Agreement.

U. Further Assurances. The parties will promptly execute and deliver such further documents and take such further action as may be necessary in order to effectively carry out the intent and purposes of this Agreement.

V. Independent Legal Advice. Each of the parties hereto acknowledges that it has received independent legal and tax advice in connection with this Agreement.

W. Agreement Effective Upon Execution by Franchisor. This Agreement will not become effective until signed by an authorized representative of Franchisor.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed by its duly authorized representative.

FRANCHISOR:

LITTLE KITCHEN ACADEMY USA, INC.,
a Delaware corporation

By: _____

Name: _____

Title: _____

FRANCHISEE:

_____

By: _____

x Name: _____

Title: _____

ATTACHMENT A

PRINCIPALS' GUARANTY AND ASSUMPTION AGREEMENT

This Guaranty and Assumption Agreement (the "**Guaranty**") is given this _____ day of _____, 20__, in consideration of, and as an inducement to Little Kitchen Academy USA, Inc. ("**Franchisor**") to enter into that certain Franchise Agreement dated _____, 20__ (the "**Agreement**") with _____ ("**Franchisee**"). Each of the undersigned and any other parties who sign counterparts of this Guaranty (each, a "**Guarantor**" and collectively, "**Guarantors**") are Principals (as defined in the Agreement) of Franchisee and will receive material benefit from the execution of the Agreement by Franchisor.

Each Guarantor hereby personally and unconditionally guarantees to Franchisor and its successors and assigns, that Franchisee will punctually perform its obligations and pay all amounts due under the Agreement, including, without limitation, amounts due for initial franchise fees, royalties, Brand Building Fund contributions and purchases of equipment, materials, and supplies.

Each Guarantor waives:

(i) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; and

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

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

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

(v) all rights to payments and claims for reimbursement or subrogation which he or she may have against Franchisee arising as a result of his or her execution of and performance under this Guaranty; and

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

Each Guarantor consents and agrees that:

(a) his or her direct and immediate liability under this Guaranty will be irrevocable and joint and several not only with Franchisee, but also among the Guarantors; and

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

(c) such liability will not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and

(d) such liability will not be diminished, relieved or otherwise affected by any subsequent rider or amendment to the Agreement or by any extension of time, credit or other indulgence that 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 throughout the term of the Agreement and for so long thereafter as there are any monies or obligations owing by Franchisee to Franchisor under the Agreement; and

(e) Franchisee's written acknowledgment, accepted in writing by Franchisor, or the judgment of any court or arbitration panel of competent jurisdiction establishing the amount due from Franchisee will be conclusive and binding on the undersigned as Guarantors.

Each Guarantor also makes all of the covenants, representations, warranties and agreements of the Principals set forth in the Franchise Agreement and is obligated to perform thereunder, including, without limitation, under Sections 6, 7, 10, 14., 15., 18, 19.G., H., I., K., L. and M.

If Franchisor is required to enforce this Guaranty in an administrative, judicial or arbitration proceeding, and prevail in such proceeding, Franchisor will be entitled to reimbursement of Franchisor's costs and expenses, including, but not limited to, legal and accounting fees and costs, administrative, arbitrators' and expert witness fees, costs of investigation and proof of facts, court costs, other expenses of an administrative, judicial or arbitration proceeding and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. If Franchisor is required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the Guarantors will reimburse Franchisor for any of the above-listed costs and expenses incurred by Franchisor.

[*Signature page is next page*.]

IN WITNESS WHEREOF, each Guarantor has hereunto affixed his signature on the same day and year as the Agreement was executed.

PRINCIPALS

_____

*Name: _____

_____

Name: _____

_____

Name: _____

_____

Name: _____

* Denotes individual who is Franchisee's Operating Principal

ATTACHMENT B

CONFIDENTIALITY AGREEMENT AND ANCILLARY

COVENANTS NOT TO COMPETE

This Agreement is made and entered into this ____ day of _____, 20__, between Little Kitchen Academy USA, Inc., a Delaware limited liability company ("**Franchisor**"), _____ ("**Franchisee**") and _____ ("**Covenantor**") in connection with a franchise agreement between Franchisor and Franchisee dated _____, 20__ ("**Franchise Agreement**"). Initially capitalized terms used, but not defined in this Agreement, have the meanings contained in the Franchise Agreement.

RECITALS

Franchisor has the right to use and license the use of a System for the establishment and operation of Little Kitchen Academy Facilities.

The System is identified by certain Marks including, the mark "LITTLE KITCHEN ACADEMY" and includes certain Confidential Information which provides economic advantages to Franchisor and licensed users of the System.

Franchisor has granted Franchisee the right to operate a Little Kitchen Academy Facility pursuant to the Franchise Agreement.

In connection with his or her duties, it will be necessary for Covenantor to have access to some or all of the Confidential Information.

Franchisor and Franchisee have agreed on the importance of restricting the use, access and dissemination of the Confidential Information, and Franchisee therefore has agreed to obtain from Covenantor a written agreement protecting the Confidential Information and further protecting the System against unfair competition.

Covenantor acknowledges that receipt of and the right to use the Confidential Information constitutes independent valuable consideration for the representations, promises and covenants made by Covenantor herein.

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

Confidentiality Agreement

1. Covenantor must, at all times, maintain the confidentiality of the Confidential Information and must use such Confidential Information only in the course of his or her employment by or association with Franchisee in connection with the operation of a Little Kitchen Academy Facility under the Franchise Agreement.

2. Covenantor will not at any time make copies of any documents or compilations containing some or all of the Confidential Information without Franchisor's express written permission.

3. Covenantor will not at any time disclose or permit the disclosure of the Confidential Information except to other employees of Franchisee and only to the limited extent necessary to train or assist other employees of Franchisee in the operation of the Facility.

4. Covenantor will surrender any material containing some or all of the Confidential Information to Franchisee or Franchisor, upon request, or upon termination of employment by Franchisee.

5. Covenantor will not at any time, directly or indirectly, do any act or omit to do any act that would or would likely be injurious or prejudicial to the goodwill associated with the System.

6. Covenantor acknowledges that Franchisor grants Franchisee access to the Manuals for limited purposes only and that the Manuals remain the property of Franchisor. Covenantor agrees that no Manuals may be reproduced, in whole or in part, without Franchisor's written consent.

[**Covenants Not to Compete**[1]

In order to protect the goodwill of the System, and in consideration for the disclosure of the Confidential Information to Covenantor, Covenantor agrees that, during the term of his or her association with or employment by Franchisee, and for a period of one (1) year following the earlier of (i) the termination thereof, or (ii) the termination, expiration or transfer of Franchisee's interest in the Franchise Agreement, Covenantor will not, without Franchisor's prior written consent or as permitted under valid Franchise Agreements for Little Kitchen Academy Facilities:

a. Directly or indirectly divert, or attempt to divert any business opportunity or customer of the Facility to any competitor; and

b. Directly or indirectly, for himself or through, on behalf of, or in conjunction with any other person, persons, partnership, corporation, limited liability company, or other association, or entity, own, maintain, operate, engage in or have any financial or beneficial interest in, advise, assist or make loans to, any business which is the same as or similar to a Little Kitchen Academy Facility (including, without limitation, an institute, facility, or other venue that at offers cooking classes, seminars, or food or nutrition education to children or teens) and which is, or is intended to be, located within the Protected Area or within a fifteen (15)-mile radius of any Little Kitchen Academy Facility then in existence or under construction.]

[**Principal's Undertaking**

Covenantor also makes all of the covenants, representations, warranties and agreements of the Principals set forth in Sections 10.B., C., D., and E., 14, and 19.G., H. I., K, L., and M. of the Franchise Agreement and is obligated to perform thereunder.]

Miscellaneous

1. Franchisee must make all commercially reasonable efforts to ensure that Covenantor acts as required by this Agreement.

2. Covenantor agrees that:

a. Each of the covenants herein contain reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor. The obligations set forth in this Agreement will be tolled for an period of non-compliance.

b. Each of the foregoing covenants will be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which Franchisor is a party, Covenantor will be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

[1] If Covenantor is a Principal not signing the Principals' Guaranty and Assumption Agreement, delete the Covenants Not to Compete section and replace it with the Principal's Undertaking section.

c. In the event of a breach of this Agreement, Franchisor would be irreparably injured and without an adequate remedy at law and, therefore, upon any such breach or attempted breach of any provision hereof, Franchisor will be entitled, in addition to any other remedies which it may have at law or in equity, to a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security.

3. Covenantor must pay all expenses (including court costs and reasonable attorneys' fees and costs) incurred by Franchisor and Franchisee in enforcing this Agreement.

4. Any failure by Franchisor or the Franchisee to object to or take action with respect to any breach of any provision of this Agreement by Covenantor will not operate or be construed as a waiver of or consent to that breach of any subsequent breach by Covenantor.

5. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, WITHOUT REFERENCE TO ANY DELAWARE CONFLICT OF LAW PRINCIPLES THEREIN. COVENANTOR HEREBY IRREVOCABLY SUBMITS HIMSELF OR HERSELF TO THE JURISDICTION OF THE STATE AND FEDERAL DISTRICT COURTS LOCATED IN THE STATE, COUNTY OR JUDICIAL DISTRICT IN WHICH THE FRANCHISOR'S PRINCIPAL PLACE OF BUSINESS IS LOCATED. COVENANTOR HEREBY WAIVES ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. COVENANTOR HEREBY AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON HIM IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY DELAWARE OR FEDERAL LAWS. COVENANTOR FURTHER AGREES THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE THE COUNTY OR JUDICIAL DISTRICT IN WHICH THE FRANCHISOR'S PRINCIPAL PLACE OF BUSINESS IS LOCATED; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION WHICH INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, FRANCHISOR OR FRANCHISEE MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE WHICH HAS JURISDICTION.

6. THE PARTIES TO THIS AGREEMENT HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVE ANY RIGHT TO A JURY TRIAL IN ANY ACTION ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS WRITTEN CONSENT TO A TRIAL BY THE COURT.

7. This Agreement contains the entire agreement of the parties regarding the subject matter hereof. This Agreement may be modified only by a duly authorized writing executed by all parties.

8. Any and all notices required or permitted under this Agreement must be in writing and must be personally delivered or mailed by expedited delivery service or certified or registered mail, return receipt requested, first-class postage prepaid, or sent by facsimile or electronic mail to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other parties.

If directed to Franchisor, the notice must be addressed to:

Little Kitchen Academy USA, Inc.
2218 54th St Ct NE
Tacoma, WA 98422
Attention: CEO
Telephone: (604) 928-0629

AND

Little Kitchen Academy USA, Inc.
3744 W. 10th Ave.
Vancouver, B.C. V6R 2G4
Attention: CEP
Telephone: (604) 928-0629

If directed to Franchisee, the notice must be addressed to:

_____

_____

_____

Attention: _____

If directed to Covenantor, the notice must be addressed to:

_____

_____

_____

Attention: _____

Any notice will be deemed to have been given at the time of personal delivery or, in the case of expedited delivery service on the next Business Day, or, in the case of or registered or certified mail, three (3) Business Days after the date and time of mailing, or, in the case of electronic mail, upon transmission (provided confirmation is sent by expedited delivery service or registered or certified mail).

8. The rights and remedies of Franchisor under this Agreement are fully assignable and transferable and will insure to the benefit of its respective affiliates, successors and assigns. The respective obligations of Franchisee and Covenantor hereunder may not be assigned by Franchisee or Covenantor, without the prior written consent of Franchisor.

[*Signature page is next page.*]

IN WITNESS WHEREOF, the undersigned have entered into this Agreement as witnessed by their signatures below.

FRANCHISOR:

LITTLE KITCHEN ACADEMY USA, INC.,
a Delaware corporation

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISEE:

_____

By: _____

Name: _____

Title: _____

Date: _____

COVENANTOR:

By: _____

Name: _____

Title: _____

Date: _____

* If Franchisor will not be a party, delete reference and modify the agreement to reflect, including the addition of the following third party beneficiary language: "Franchisor and Franchisor's successors and assigns will be third party beneficiaries of this Agreement, with the full and independent right, at Franchisor's and their option and in Franchisor's and their sole discretion, to enforce this Agreement."

ATTACHMENT C

SELECTED TERMS:

DESIGNATED AREA, LOCATION, PROTECTED AREA,

AND OPENING DATE

1. DESIGNATED AREA:

_____

2. LOCATION: The Facility will be located at the following address:

_____(the "**Location**")

3. PROTECTED AREA:

3. OPENING DATE: The Opening Date of the Facility is _____, 20__.

ATTACHMENT D

STATEMENT OF OWNERSHIP INTERESTS AND MANAGEMENT INFORMATION

1. The following is a list of all shareholders, partners, members or other investors owning a direct or indirect interest in Franchisee, and a description of the nature of their interest:

NAME	OWNERSHIP INTEREST IN FRANCHISEE	NATURE OF INTEREST

2. The following is a list of all of Franchisee's Principals who are signing the Confidentiality Agreement and Ancillary Covenants Not to Compete substantially in the form set forth in Attachment B to the Franchise Agreement instead of signing the Principals' Guaranty and Assumption Agreement.

_____

_____

_____

3. Franchisee's Operating Principal is: _____

4. Franchisee's Director (if applicable) is: _____

5. Franchisee's Facility Managers are:

ATTACHMENT E

ELECTRONIC FUNDS TRANSFER

AUTHORIZATION TO HONOR CHARGES DRAWN BY AND PAYABLE TO

[LITTLE KITCHEN ACADEMY USA, INC.] /PAYEE

BANK NAME	ACCOUNT #	ABA#	FEIN
_____	_____	_____	_____

The undersigned Depositor hereby authorizes and requests the Depository designated below to honor and to charge to the following designated account, checks, and electronic debits (collectively, "debits") drawn on such account which are payable to the above named Payee. It is agreed that Depository's rights with respect to each such debit will be the same as if it were a check drawn and signed by the Depositor. It is further agreed that if any such debit is not honored, whether with or without cause and whether intentionally or inadvertently, Depository will have no liability whatsoever. This authorization will continue in force until Depository and Payee have received at least thirty (30) days written notification from Depositor of its termination.

The Depositor agrees with respect to any action taken pursuant to the above authorization:

(1) To indemnify the Depository and hold it harmless from any loss it may suffer resulting from or in connection with any debit, including, without limitation, execution and issuance of any check, draft or order, whether or not genuine, purporting to be authorized or executed by the Payee and received by the Depository in the regular course of business for the purpose of payment, including any costs or expenses reasonably incurred in connection therewith; and

(2) To indemnify Payee and the Depository for any loss arising in the event that any such debit will be dishonored, whether with or without cause and whether intentionally or inadvertently; and

(3) To defend at Depositor's own cost and expense any action which might be brought by a depositor or any other persons because of any actions taken by the Depository or Payee pursuant to the foregoing request and authorization, or in any manner arising by reason of the Depository's or Payee's participation therein.

Name of Depository: _____

Name of Depositor: _____

Designated Bank Acct.: _____

(Please attach one voided check for the above account.)

Facility Location: _____

Facility #: _____

For information call: _____

Address: _____

Phone #: _____

Fax #: _____

_____

Name of Franchisee/Depositor (please print)

By: _____

Signature and Title of Authorized Representative

Date: _____

ATTACHMENT F

DEFINITIONS

"Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state, regional, or municipal laws, ordinances, regulations, policies, lists and any other requirements of any Governmental Authority (including, without limitation, the United States Department of Treasury Office of Foreign Assets Control (a.k.a. OFAC)) addressing or in any way relating to terrorist acts and acts of war.

An "affiliate" of a named person is any person or entity that is controlled by, controlling or under common control with such named person.

"Brand Building Fund " or "Fund" means the brand building fund described in Section 8.C. of this Agreement.

"Business Day" means each day other than a Saturday, Sunday, U.S. holidays or any other day on which the Federal Reserve is not open for business in the United States.

"Computer System" means the computer hardware and software and point-of-sale system that Franchisor may designate from time to time for use in the operation of Little Kitchen Academy Facilities.

"Confidential Information" means all proprietary and confidential information relating to the establishment and operation of Little Kitchen Academy Facilities, including, without limitation: (i) Franchisor's standards and specifications, including equipment, products, and supplier standards and specifications; (ii) Franchisor's lesson plans and recipes, (iii) site selection criteria; (iv) advertising and marketing plans and programs; (v) research, development and test programs for products, inventory, services and operations; (vi) the contents of the Manuals; (vi) knowledge of the operating and financial results of Little Kitchen Academy Facilities, other than Franchisee's Facility; (vii) computer programs and systems, including electronic data files and passwords, and (viii) Improvements (as defined in Section 10.D.).

"Controlling Interest" means (a) if Franchisee is a corporation, that the Principals, either individually or cumulatively, (i) directly or indirectly own at least fifty-one percent (51%) of the shares of each class of Franchisee's issued and outstanding capital stock and (ii) be entitled, under its governing documents and under any agreements among the shareholders, to cast a sufficient number of votes to require such corporation to take or omit to take any action which such corporation is required to take or omit to take under this Agreement, or (b) if Franchisee is a partnership, that the Principals (i) own at least fifty-one percent (51%) interest in the operating profits and operating losses of the partnership as well as at least fifty-one percent (51%) ownership interest in the partnership (and at least fifty-one percent (51%) interest in the shares of each class of capital stock of any corporate general partner) and (ii) be entitled under its partnership agreement or applicable law to act on behalf of the partnership without the approval or consent of any other partner or be able to cast a sufficient number of votes to require the partnership to take or omit to take any action which the partnership is required to take or omit to take under this Agreement.

"Director" means a qualified individual who meets the requirements in Section 7.K. of this Agreement but who is not required to own an interest in Franchisee, designated by Franchisee and approved by Franchisor to supervise the operations of Franchisee's Little Kitchen Academy Facilities.

"Facility" or "Little Kitchen Academy " means the business operated by Franchisee at the Location pursuant to this Agreement, including all assets of Franchisee used in connection therewith.

"Facility Manager" means no fewer than one (1) manager who directs the day-to-day operation and management of the Facility.

"Force Majeure" means acts of God, strikes, lockouts or other industrial disturbances, war, terrorism, riot, epidemic, fire or other catastrophe or other forces beyond Franchisee's control; provided, however, that fluctuations in the value of US currency will not constitute a Force Majeure event.

"Gross Sales" means the total selling price of all services and products and all income of every other kind and nature related to the Facility, including, without limitation, the amount of all tuition and services income, income from products and goods sold from the Facility and all other sales transactions that occur at or in connection with the Facility, and any other receipts that Franchisor designates from time to time, whether for cash or credit and regardless of collection in the case of credit, and whether received from online or in-person registrations or purchases, but expressly excluding (i) promotional allowances or rebates paid to Franchisee in connection with its purchase of products or supplies and (ii) sales, use, merchants' or other taxes measured on the basis of the Gross Sales of the Facility imposed by governmental authorities directly on sales or use and collected from customers, provided that the taxes are added to the selling price of Franchisee's goods and services and are in fact paid by Franchisee to the appropriate governmental authorities. Cash refunded and credits given to customers will be deducted in computing Gross Sales to the extent the amounts of such cash, credit or receivables represent sums previously included in Gross Sales on which royalties or Brand Building Fund contributions were paid. Franchisor may, from time to time, authorize certain other items to be excluded from Gross Sales. Any such permission may be revoked or withdrawn at any time in writing by Franchisor in its discretion. The following are included within the definition of "Gross Sales" except as described below: all proceeds from the sale of coupons, gift cards, gift certificates or vouchers, including amounts paid directly to Franchisee by third-party marketing companies (e.g., Groupon) for similar payment devices; provided, that at the time such coupons, gift cards, gift certificates or vouchers are redeemed the retail price for the services provided in exchange for such coupons, gift cards, gift certificates or vouchers shall not be included in Gross Sales. If sales proceeds are not recorded and reported for royalty purposes at the time the coupon, gift card, gift certificate or voucher is sold, or if such coupons, gift cards, gift certificates or vouchers are distributed free of charge, the retail price for the services provided in exchange for such coupons, gift cards, gift certificates or vouchers shall be included in Gross Sales.

"Gross Sales Report" means the report due on or before each Tuesday during the term of this Agreement, itemizing, in the form and manner Franchisor reasonably requires, the Gross Sales of the Facility for the preceding month.

"Internet" means a global computer-based communications network.

"Intranet" means a restricted global computer-based communications network.

"Manual" or "Manuals" means Franchisor's confidential operations manual, which may consist of one or more manuals, containing Franchisor's mandatory and suggested standards, specifications and operating procedures relating to the development and operation of Little Kitchen Academy Facilities and Franchisee's obligations under this Agreement. The term also includes alternative or supplemental means of communicating information to Franchisee, including bulletins, videotapes, audio tapes, compact discs, computer diskettes, CD ROMs and electronic communications.

"Opening Date" means the date the Facility opens for business to the public.

"Principals" will include, collectively and individually, Franchisee's spouse, all officers and directors of Franchisee (including the officers and directors of any general partner of Franchisee) whom Franchisor designates as Franchisee's Principals, and all holders of an ownership interest in Franchisee and of any entity directly or indirectly controlling Franchisee.

"Protected Area" means the geographic area assigned to Franchisee upon the execution of this Agreement and described on Attachment C, exclusive of any Reserved Area, within which Franchisee will be afforded the protections described in Section 1.B. of this Agreement.

"Reserved Area" is any amusement park, theme park, sports stadium or arena, airport, train station, hospital, school, hotel, office building or military base.

"Site Work" means, without limitation and as applicable, construction or finish-out of the Location, the paving of parking areas, installing outdoor lighting and sidewalks, extending utilities, demising of interior walls and demolishing of any existing premises, depending on whether the Facility is to be located in a freestanding building or contained within a shopping mall, strip center or other interior location.

"Software Programs" means the proprietary or other software programs developed or acquired by or on behalf of Franchisor for use by Little Kitchen Academy Facilities.

"Taxes" means any present or future taxes, levies, imposts, duties or other charges of whatsoever nature (including, but not limited to, any withholding taxes), including any interest or penalties thereon, imposed by any government or political subdivision of such government on or relating to the operation of the franchised business, the payment of monies, or the exercise of rights granted pursuant to this Agreement, except taxes imposed on or measured by Franchisor's net income.

ATTACHMENT G

LEASE ADDENDUM TERMS

(a) Landlord acknowledges that Tenant is a franchisee of Little Kitchen Academy USA, Inc., a Delaware corporation("**Franchisor**"), and that the Facility located at the Premises ("**Unit**") is operated under the Little Kitchen Academy franchise system, pursuant to a franchise agreement ("**Franchise Agreement**") between Tenant and Franchisor.

(b) In the event of any default by Tenant under the Lease, Landlord must give Franchisor written notice of such default. If Tenant has failed to cure such default at the expiration of the applicable cure period, Landlord must give Franchisor further written notice of such failure ("**Franchisor Notice**"). Following Franchisor's receipt of the Franchisor Notice, Franchisor will have the right (but not the obliga tion) to cure Tenant's default before Landlord may exercise any of Landlord's remedies arising as a consequence of Tenant's default. Any such cure will be effected within fifteen (15) days following Franchisor's receipt of the Franchisor Notice. Such cure by Franchisor will not be deemed to be an election to assume the terms, covenants, obligations and conditions of the Lease.

(c) If Franchisor cures Tenant's default or notifies Landlord of the termination of the Franchise Agreement (which termination will constitute a non-curable default pursuant to the Lease upon Landlord's receipt of Franchisor's notice thereof), upon Franchisor's request, Landlord will exercise its rights under the Lease to remove and evict Tenant from the Premises, and Franchisor will have the right and option, upon written notice to Landlord, to assume the terms, covenants, obligations and conditions of the Lease for the remainder of the term, together with any applicable renewal options. In such event, Landlord and Franchisor will enter into an agreement to document such assumption. Franchisor is not a party to the Lease and will have no liability under the Lease unless and until said Lease is assigned to, and assumed by, Franchisor as herein provided.

(d) If, at any time after the assignment contemplated in section (c), Franchisor notifies Landlord that the franchise for the Unit is being granted to another Little Kitchen Academy Facility franchisee, Landlord will permit the assignment of the Lease to said franchisee without the payment of any fee or other cost requirement, provided that said franchisee meets Landlord's reasonable financial qualifications. Landlord will not unreasonably withhold consent to such assignment. Thereafter, Franchisor will be released from any and all further liabilities under the Lease. The parties agree to execute any commercially reasonable documents in furtherance of this section.

(e) Tenant will not assign the Lease or renew or extend the term thereof without the prior written consent of Franchisor, nor will Landlord and Tenant amend or otherwise modify the Lease in any manner that could materially affect any of the foregoing requirements without the prior written consent of Franchisor.

(f) All notices sent pursuant to this Addendum will be sent in the manner set forth in the Lease, and delivery of such notices will be effective as of the times provided for in the Lease. For purposes of notice under the Lease, Franchisor's mailing address will be, 3744 W. 10th Ave., Vancouver, British Columbia V6R 2G4, which address may be changed by written notice to Landlord in the manner provided in the Lease.

STATE SPECIFIC AMENDMENTS

AMENDMENT TO LITTLE KITCHEN ACADEMY USA, INC.
FRANCHISE AGREEMENT
FOR THE STATE OF CALIFORNIA

The Little Kitchen Academy USA, Inc. Franchise Agreement between _____ ("Franchisee" or "you") and Little Kitchen Academy USA, Inc. ("Franchisor"), dated _____, 20__ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

CALIFORNIA LAW MODIFICATIONS

1. The California Department of Financial Protection and Innovation requires that certain provisions contained in franchise documents be amended to be consistent with California law, including the California Franchise Investment Law, CAL. CORP. CODE Section 31000 et seq., and the California Franchise Relations Act, CAL. BUS. & PROF. CODE Section 20000 et seq. To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

a. California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or non-renewal of a franchise. If the Agreement contains a provision that is inconsistent with the law, the law will control.

b. The Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

c. The Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

d. The Agreement requires application of the laws of Delaware. This provision may not be enforceable under California law.

2. Based on Franchisor's audited financial statements, as a condition to becoming registered to offer and sell franchises in the state of California, the California Department of Financial Protection and Innovation has required financial assurances. Franchisor will defer your obligation to pay the initial franchise fee until you are open for business and Franchisor has completed its pre-opening obligations. Therefore, notwithstanding anything to the contrary in Section 4.A of the Agreement, during the period that such fee deferral requirement is in effect ("Fee Deferral Period"), you will not be required to pay the initial franchise fee until the Franchisor has satisfied all of its pre-opening obligations to you, and you are open for business. After the Fee Deferral Period, you must pay the initial franchise fee as provided in Section 4.A of the Agreement.

(Signatures on following page.)

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owners acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Agreement on _____, 20___.

FRANCHISOR:

Little Kitchen Academy USA, Inc.,
a Delaware corporation

By: _____
Name: _____
Title: _____

FRANCHISEE:

_____

By: _____
Name: _____
Title: _____

AMENDMENT TO LITTLE KITCHEN ACADEMY USA, INC.
FRANCHISE AGREEMENT
FOR THE STATE OF ILLINOIS

The Little Kitchen Academy USA, Inc. Franchise Agreement between _____ ("Franchisee" or "you") and Little Kitchen Academy USA, Inc. ("Franchisor"), dated _____, 20__ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

ILLINOIS LAW MODIFICATIONS

1. The Illinois Attorney General's Office requires that certain provisions contained in franchise documents be amended to be consistent with Illinois law, including the Illinois Franchise Disclosure Act of 1987, 815 ILCS 705/1 *et seq.* ("Illinois Franchise Act"). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

   a. Illinois law governs the Franchise Agreement.

   b. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, arbitration may take place outside of Illinois.

   c. Franchisees' rights upon Termination and Non-Renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

   d. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

2. Payment of the initial franchise fees will be deferred until Franchisor has met its initial obligations to Franchisee, and Franchisee has commenced business operations. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

3. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Illinois law applicable to the provision are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

(Signatures on following page.)

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owners acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Agreement on _____, 20___.

FRANCHISOR:

Little Kitchen Academy USA, Inc.,
a Delaware corporation

By: _____
Name: _____
Title: _____

FRANCHISEE:

_____

By: _____
Name: _____
Title: _____

AMENDMENT TO LITTLE KITCHEN ACADEMY USA, INC.
FRANCHISE AGREEMENT
FOR THE STATE OF WASHINGTON

The Little Kitchen Academy USA, Inc. Franchise Agreement between _____ ("Franchisee" or "you") and Little Kitchen Academy USA, Inc. ("Franchisor"), dated _____, 20__ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

WASHINGTON LAW MODIFICATIONS

1. The Director of the Washington Department of Financial Institutions requires that certain provisions contained in franchise documents be amended to be consistent with Washington law, including the Washington Franchise Investment Protection Act, Wash. Rev. Code §§ 19.100.010 to 19.100.940. To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

a. Washington Franchise Investment Protection Act provides rights to you concerning nonrenewal and termination of the Agreement. If the Agreement contains a provision that is inconsistent with the Act, the Act will control.

b. If the Franchisee is required in the Agreement to execute a release of claims, such release shall exclude claims arising under the Washington Franchise Investment Protection Act; except when the release is executed under a negotiated settlement after the Agreement is in effect and where the parties are represented by independent counsel. If there are provisions in the Agreement that unreasonably restrict or limit the statute of limitations period for claims brought under the Act, or other rights or remedies under the Act, those provisions may be unenforceable.

c. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

d. If the Agreement requires that it be governed by the law of a state, other than the State of Washington, and there is a conflict between the law and the Washington Franchise Investment Protection Act, the Washington Franchise Investment Protection Act will control.

e. Transfer fees are collectable to the extent that they reflect the Franchisor's reasonable estimated or actual costs in effecting a transfer.

2. Based on Franchisor's audited financial statements, as a condition to becoming registered to offer and sell franchises in the state of Washington, the Washington Division of Securities has required financial assurances. Franchisor will defer your obligation to pay the initial franchise fee until you are open for business and Franchisor has completed its pre-opening obligations. Therefore, notwithstanding anything to the contrary in Section 4.A of the Agreement, during the period that such fee deferral requirement is in effect ("Fee Deferral Period"), you will not be required to pay the initial franchise fee until the Franchisor has satisfied all of its pre-opening obligations to you, and you are open for business. After the Fee Deferral Period, you must pay the initial franchise fee as provided in Section 4.A of the Agreement.

3. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

4. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

5. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Washington law applicable to the provision are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

(Signatures on following page.)

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owners acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Agreement on _____, 20___.

FRANCHISOR:

Little Kitchen Academy USA, Inc.,
a Delaware corporation

By: _____
Name: _____
Title: _____

FRANCHISEE:

_____

By: _____
Name: _____
Title: _____

EXHIBIT C

LIST OF FRANCHISEES
LIST OF FRANCHISEES AS OF DECEMBER 31, 2020

British Columbia

*LKA #2 – TBD
West Vancouver, BC
(604) 219-8230

*LKA #3 - South Surrey, BC
Nicholas & Angela Popoff
15355 24th Ave., #600
Surrey, BC V4A 2H9
Canada
(604) 219-8230

*LKA #4 – Kelowna, BC
Nicholas & Angela Popoff
(604) 219-8230

*LKA #6 – North Vancouver, BC
3018 Edgemont Blvd,
North Vancouver, BC V7R 2N5
(604) 803-9964

Ontario

*LKA #5 – Oakville, ON
Felicia Sia
511 Maple Grove Drive, Unit 17
Oakville, ON L6J 6X8
Canada
(416) 275-3599

* Franchise Agreements signed, but outlet not open.

EXHIBIT D

LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM

AS OF DECEMBER 31, 2020

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

None.

EXHIBIT E

MANUAL TABLE OF CONTENTS

317 Pages Total

1. Section 1: introduction 13 pages
    - purpose
    - lka philosophy
    - core values
    - what inspires you?
    - topic overview
    - general disclaimer
    - from your fdd
    - social media disclaimer
    - lka email address
    - kitchen talk (lexicon)

2. Section 2: education 15 pages
    - montessori inspired
    - lka + montessori
    - growth and development stages
    - engaging with students
    - adding or removing an element of difficulty
    - handling an uninspired student
    - importance of eye level

3. Section 3: key ingredients 21 pages
    - food philosophy
    - recipe filter
    - sourcing ingredients
    - lka shopping list sample
    - lka living food wall powered by aerogarden
    - initial opening inventory
    - additional ingredients list
    - broths & spices
    - food storage
    - food storage examples
    - ingredient substitutes
    - common foods containing gluten
    - equivalent measurements for vegetables
    - equivalent measurements for fruit
    - fun food facts

4. Section 4: building a curriculum 27 pages
    - curriculum philosophy
    - building sessions and class schedules
    - tips for building session schedules
    - sample fall/winter/spring schedule
    - sample summer schedule
    - seasonal curriculum planning guide
    - discovering new recipes
    - recipe filter (again)
    - testing a recipe
    - the 3-hour work cycle
    - sample class walkthrough
    - time management
    - curriculum by the ages
    - instructor worksheets

5. Section 5: marketing & branding 55 pages
    - the purpose
    - FA requirements for marketing
    - importance of branding
    - the story
    - why now?
    - strategic brand partners
    - lka brand guide
    - target market 95
    - local kitchen marketing (lkm) plan
    - lka seasonal marketing dashboard and metrics
    - email marketing program
    - email policy & guidelines
    - social media guidelines
    - micro-influencer program
    - lka giveback program
    - community pop-up program
    - public relations - getting ready for an interview
    - promotional items package
    - marketing material samples
    - instructor incentive card program
    - gift certificate program
    - gift card program
    - advertising/marketing request form

6. Section 6: operations 67 pages
    - the purpose
    - environment tour
    - environment facts
    - station setup
    - small wares inventory list
    - why these measuring cups?
    - instructor checklists
    - cleaning & sanitizing checklist
    - kitchen safety
    - pick up & drop off policy
    - closed door policy
    - washroom procedures
    - amilia class management
    - privacy policies & legalese
    - refund, cancellation, transfer policies
    - chef shoes & chef coats
    - parent communication emails
    - sharing the recipes
    - parent surveys
    - how can i help by little kitchen academy

7. Section 7: crisis management 52 pages
    - disclaimer
    - emergency contacts
    - emergency calling tree
    - crisis scenario levels
    - level 4 activation protocol
    - level 3 activation protocol
    - level 2 activation protocol
    - level 1 activation protocol
    - crisis management approach
    - anticipate what might happen
    - level #1 scenario — non-emergent
    - level #2 scenario — medical emergencies
    - level #3 scenario - natural disasters, crime & security, food related
    - level #4 scenario — pandemics, war
    - seasonal crisis training checklist
    - crisis communications
    - taking a call from the media
    - rules for working with the media
    - incident report email template

- policies section
- forms section 253
- AED instructions & maintenance

8. Section 8: people 47 pages
    - the purpose
    - ideal instructors
    - instructor types, roles, responsibilities
    - do i need a director?
    - discovering instructors
    - hiring instructors
    - training instructors
    - maintaining instructors
    - delighting the consumer

9. Section 9: financials 20 pages
    - financial statements
    - financial terms
    - operational metrics
    - other
    - best practices table

EXHIBIT F

FORM OF GENERAL RELEASE

EXHIBIT F

FORM OF GENERAL RELEASE

[Current Form for Transfers and Renewals]

1. **Release of Claims**. Franchisee and its Owners and their respective assigns, heirs, representatives, agents, family members, and all other persons acting on their behalf or claiming under them (collectively referred to as the "Franchisee Related Parties") irrevocably and unconditionally release and forever discharge Franchisor, its predecessors, subsidiaries, affiliates and their respective owners, officers, directors, agents, independent contractors, servants, employees, representatives, attorneys, successors and assigns and all persons acting by, through, under or in concert with any of them (collectively "Releasees"), from all actions, causes of action, suits, debts, liens, contracts, agreements, obligations, promises, liabilities, claims, rights, demands, damages, controversies, losses, costs, and expenses (including attorneys' fees and costs actually incurred) of any nature whatsoever, known or unknown, suspected or unsuspected, fixed or contingent, except for claims under the Maryland Franchise Registration and Disclosure Law ("Claim" or "Claims"), which they now have or claim to have or at any time heretofore have had or claimed to have against each or any of the Releasees, including, without limitation, any and all such Claims arising from, based upon or related to the Franchise Agreement, but excluding claims based on any representation that Franchisor made in the most recent Franchise Disclosure Document (including its exhibits and amendments) that Franchisor delivered to Franchisee or its representative in connection with the offer of the Franchise Agreement, subject to agreed-upon changes to the contract terms described in that Franchise Disclosure Document and reflected in the Franchise Agreement (including any riders or addenda signed at the same time as the Franchise Agreement).

[For California franchisees, add: Each of the Franchisee Related Parties expressly waives and relinquishes all rights and benefits which either may now have or in the future have under and by virtue of California Civil Code Section 1542. The parties do so understanding the significance and consequence of such specific waiver. Section 1542 provides that "[a] general release does not extend to claims which the creditor does not know or suspect exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor." For the purpose of implementing a general release and discharge as described in Section 1. above, the parties expressly acknowledge that this Agreement is intended to include in its effect, without limitation, all claims described in Section 1. above which the parties do not know or suspect to exist in their favor at the time of execution hereof, and that this Agreement contemplates the extinguishment of any such claims.]

2. **Unknown Claims.**

   (a) Franchisee acknowledges for itself and the Franchisee Related Parties that there is a risk that subsequent to the execution of this Agreement, it will discover, incur or suffer Claims which are unknown or unanticipated at the time this Agreement is executed, including, without limitation, unknown or unanticipated Claims which arose from, are based upon or are related to the Franchise Agreement or some part or aspect thereof, which if known by Franchisee on the date this Agreement is being executed may have materially affected its decision to execute this Agreement.

   (b) Franchisee acknowledges and agrees for itself and the Franchisee Related Parties that by

reason of the release contained in Section 1 above, it is assuming the risk of such unknown and unanticipated Claims and agrees that its release of the Releasees contained in this Agreement applies thereto.

3. **Covenant Not to Sue**. Franchisee covenants and agrees for itself and for the Franchisee Related Parties not to bring or allow to be brought on behalf of itself or any Franchisee Related Party, any action, cause of action, suit or other proceeding of any kind, which has accrued or which may ever accrue, whether based in the Constitution, common law or statute, contract, tort, or in equity, for actual or punitive damages or other relief, against Franchisor and the Releasees arising out of, resulting from, or in any manner related to the matters referenced in Section 1.

4. **No Assignment of Claims**. Franchisee represents and warrants for itself and the Franchisee Related Parties that it has not assigned or transferred, or purported to assign or transfer, to any person or entity, any Claims released under Section 1 of this Agreement and agrees to indemnify, defend and hold the Releasees harmless from and against any and all Claims, based on or arising out of any such assignment or transfer, or purported assignment or transfer, of any Claims, or any portion thereof or interest therein. Franchisee represents and warrants that since the date of the Franchise Agreement, there has been no assignment or transfer, and no purported assignment or transfer, to any person or entity of the Franchise, the Franchise Agreement, or any rights or interests therein or in the Franchisee.

5. **Full and Independent Knowledge**. Franchisee represents that it has been represented by an attorney in connection with the preparation and review of this Agreement, that it has specifically discussed with its attorney the meaning and effect of this Agreement and that it has carefully read and understands the scope and effect of each provision contained herein. Franchisee further represents that it does not rely and has not relied upon any representation or statement made by the Franchisor or, any of the Releasees or any of their representatives with regard to the subject matter, basis or effect of this Agreement.

6. **Compromise**. Franchisee agrees for itself and the Franchisee Related Parties that the releases contained herein are the result of a compromise and shall never at any time for any purpose be considered as an admission of liability or responsibility on the part of Franchisor or the Releasees regarding any matter.

7. **General Provisions.**

   (a) **Entire Agreement**. This Agreement, when fully executed, supersedes all previous negotiations, representations, and discussions by the parties hereto concerning the subject matter hereof and integrates the whole of all of their agreements and understandings concerning the subject matter hereof. No oral representations or undertakings concerning the subject matter hereof shall operate to amend, supersede, or replace any of the terms or conditions set forth herein.

   (b) **Authority**. By their signatures below, the parties hereto represent and warrant to each other that they have all necessary authority to enter into this Agreement. Each party hereto represents and warrants that the party is entering into this Agreement solely for the purposes and consideration set forth herein.

(c) **Counterpart Execution**. This Agreement may be executed in multiple counterparts, each of which shall be fully effective as an original.

(d) **Survival**. All covenants, representations, warranties, and agreements of the parties shall survive execution and delivery of this Agreement and shall continue until such time as all the obligations of the parties hereto shall have lapsed in accordance with their respective terms or shall have been discharged in full.

(e) **Further Assurance**. The parties hereto covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the intent of this Agreement.

(f) **Complete Defense**. Franchisee acknowledges that this Agreement shall be a complete defense to any claim released under the terms of Section 1 of this Agreement and hereby consents to the entry of a temporary or permanent injunction to end the assertion of any such claim.

(g) **Attorneys' Fees**. In the event that Franchisor institutes legal proceedings of any kind to enforce this Agreement, Franchisee agrees to pay all costs and expenses associated therewith, including, but not limited to, all attorneys' fees.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed by its duly authorized representative as of the date indicated below.

FRANCHISOR:

Little Kitchen Academy USA, Inc.,
a Delaware corporation

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

FRANCHISEE:

_____

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

OWNERS:

_____

Date: _____

_____

Date: _____

_____

Date: _____

[See Additional Note:

1. Add signature blocks for any additional parties identified pursuant to Section 1]

ATTACHMENT A

LIST OF STATE ADMINISTRATORS

ATTACHMENT A

LIST OF ADMINISTRATORS

We intend to register this Disclosure Document as a "franchise" in some or all of the following states, in accordance with the applicable state laws. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in these states:

CALIFORNIA

Department of Financial Protection
and Innovation
320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344
866-275-2677

CONNECTICUT

Cynthia Antanaitis
Assistant Director
Securities and Business Investment Division
Connecticut Department of Banking
260 Constitution Plaza
Hartford, Connecticut 06103-1800
(860) 240-8230

FLORIDA

Department of Agriculture and Consumer Services
Mayo Building, 2nd Floor
Tallahassee, Florida 32399

HAWAII

Business Registration Division
Department of Commerce
and Consumer Affairs
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

ILLINOIS

Chief, Franchise Bureau
Attorney General's Office
500 South Second Street
Springfield, Illinois 62706

INDIANA

Securities Commissioner
Indiana Securities Division
302 West Washington Street
Room E-111
Indianapolis, Indiana 46204

MARYLAND

Office of the Attorney General
Division of Securities
200 St. Paul Place
Baltimore, Maryland 21202-2020

MICHIGAN

Michigan Attorney General's Office
Consumer Protection Division
Attn.: Franchise Section
525 West Ottawa
G. Mennen Williams Building, 1st Floor
Lansing, Michigan 48933

MINNESOTA

Franchise Examiner
Minnesota Department of Commerce
85 75th Place East
Suite 280
Saint Paul, Minnesota 55101

NEBRASKA

Nebraska Department of
Banking and Finance
Bureau of Securities
Financial Institutions Division
Lincoln, Nebraska 68508

NEW YORK

Assistant Attorney General
New York Department of Law
Investment Protection Bureau
28 Liberty Street, 21st Floor
New York, New York 10005

NORTH DAKOTA

Franchise Examiner
North Dakota Securities Department
600 East Boulevard Avenue
State Capitol – 5th Floor
Bismarck, North Dakota 58505-0510

OREGON

Department of Consumer and
Business Services
Division of Finance and
Corporate Securities
Labor and Industries Building
Salem, Oregon 97301

RHODE ISLAND

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

SOUTH DAKOTA

Franchise Administrator
Department of Labor and Regulation
Division of Insurance
Securities Regulation
124 S Euclid, Suite 104
Pierre, South Dakota 57501

TEXAS

Statutory Document Section
Secretary of State
P.O. Box 12887
Austin, Texas 78711

UTAH

Director
Department of Commerce
Division of Consumer Protection
160 East Three Hundred South
P.O. Box 45804
Salt Lake City, Utah 84111

VIRGINIA

State Corporation Commission
Division of Securities
and Retail Franchising
1300 East Main Street, 9th Floor
Richmond, Virginia 23219

WASHINGTON

Administrator
Department of Financial Institutions
Securities Division
150 Israel Rd. S.W.
Tumwater, Washington 98501

WISCONSIN

Franchise Administrator
Division of Securities
Department of Financial Institutions
201 W Washington Avenue, Suite 300
Madison, Wisconsin 53703

ATTACHMENT B

AGENTS FOR SERVICE OF PROCESS

ATTACHMENT B

AGENTS FOR SERVICE OF PROCESS

We intend to register this Disclosure Document as a "franchise" in some or all of the following states, in accordance with the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in these states:

CALIFORNIA

Commissioner of Financial Protection
and Innovation
Department of Financial Protection
and Innovation
320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344

CONNECTICUT

Banking Commissioner of State of
Connecticut
Securities and Business Investment Division
Connecticut Department of Banking
260 Constitution Plaza
Hartford, Connecticut 06103-1800
(860) 240-8230

HAWAII

Commissioner
of Securities
Department of Commerce
and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

ILLINOIS

Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706

INDIANA

Secretary of State
201 State House
200 West Washington
Indianapolis, Indiana 46204

MARYLAND

Maryland Securities Commissioner
Maryland Division of Securities
200 St. Paul Place
Baltimore, Maryland 21202-2020

MICHIGAN

Michigan Department of Commerce
Corporations and Securities Bureau
G. Mennen Williams Building, 1st Floor
525 West Ottawa
Lansing, Michigan 48933

MINNESOTA

Commissioner of Commerce
85 75th Place East
Suite 280
Saint Paul, Minnesota 55101

NEW YORK

Secretary of State of
the State of New York
99 Washington Avenue
Albany, New York 12231

NORTH CAROLINA

Secretary of State of North Carolina
2 South Salisbury Street
Raleigh, North Carolina 27601

NORTH DAKOTA

Securities Commissioner
North Dakota Securities Department
600 East Boulevard Avenue
State Capitol - 5th Floor
Bismarck, North Dakota 58505-0510

OREGON

Director
Department of Consumer and
Business Services
Division of Finance and
Corporate Securities
Labor and Industries Building
Salem, Oregon 97310

RHODE ISLAND

Director
Department of Business Regulation
1511 Pontiac Avenue
John O. Pastore
Complex - Building 69-1
Cranston, Rhode Island 02920

SOUTH DAKOTA

Director
Department of Labor and Regulation
Division of Insurance
Securities Regulation
124 S Euclid, Suite 104
Pierre, South Dakota 57501

VIRGINIA

Clerk of the State
Corporation Commission
1300 East Main Street, 1st Floor
Richmond, Virginia 23219

WASHINGTON

Director of Financial Institutions
Securities Division
150 Israel Rd. S.W.
Tumwater, Washington 98501

WISCONSIN

Commissioner of Securities
Wisconsin Securities Commission
201 W Washington Avenue, Suite 300
Madison, Wisconsin 53703

ATTACHMENT C

STATE SPECIFIC ADDENDA TO FRANCHISE DISCLOSURE DOCUMENT

ADDENDUM TO LITTLE KITCHEN ACADEMY USA, INC.
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF CALIFORNIA

1. The California Department of Financial Protection and Innovation requires that certain provisions contained in franchise documents be amended to be consistent with California law, including the California Franchise Investment Law, CAL. CORP. CODE Section 31000 et seq., and the California Franchise Relations Act, CAL. BUS. & PROF. CODE Section 20000 et seq. To the extent that the Disclosure Document/and or Franchise Agreement contain provisions that are inconsistent with the following, such provisions are hereby amended:

A. Item 3 of the Disclosure Document is supplemented by the following language:

Neither we nor any person or identified in Item 2 of the Franchise Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A.78a et seq., suspending or expelling such persons from membership in such association or exchange.

B. Item 5 of the Disclosure Document is supplemented by the following language:

Based on our audited financial statements, as a condition to becoming registered to offer and sell franchises in the state of California, the California Department of Financial Protection and Innovation has required financial assurances. We will defer your obligation to pay the initial franchise fee until you are open for business and we have completed our pre-opening obligations. Therefore, during the period that such fee deferral requirement is in effect ("Fee Deferral Period"), you will not be required to pay the initial franchise fee until we have completed our pre-opening obligations to the franchisee and the franchise is open for business. Immediately upon notice from us that the Fee Deferral Period has ended, you must pay the full initial franchise fee as contemplated by Item 5 of the disclosure document.

C. Item 17 of the Franchise Disclosure Document is supplemented by the following language:

a. California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

b. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

c. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

d. The franchise agreement requires application of the laws of Delaware. This provision may not be enforceable under California law.

2. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

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

4. You must sign a general release if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

5. Corporations Code 31512 provides that: "Any conditions, stipulation or provision purporting to bind any person acquiring a franchise to waive compliance with any provision of this law or any rule or order hereunder is void." The franchise agreement requires a shortened status of limitations period. Pursuant to Corporations Code Section 31512, this provision is void, to the extent that it is inconsistent with the provisions of Corporations Code Sections 31303 and 31304.

6. SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE TO YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF FINANCIAL PROTECTION AND INNOVATION BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT.

ADDENDUM TO LITTLE KITCHEN ACADEMY USA, INC.
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF ILLINOIS

1. Illinois law governs the Franchise Agreement.

2. Item 5 of the Disclosure Document is supplemented by the following language:

> Payment of the initial franchise fees will be deferred until we have met our initial obligations to you, and you have commenced business operations. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to our financial condition.

3. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, arbitration may take place outside of Illinois.

4. Your rights upon termination and non-renewal of a Franchise Agreement are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

5. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

ADDENDUM TO LITTLE KITCHEN ACADEMY USA, INC.
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF NORTH CAROLINA

To the extent that Franchisee decides to purchase any product(s), equipment, or supplies from the Franchisor under the Franchise Agreement, or any other agreement between the parties, the Franchisor agrees to be bound by the following obligation:

If the Franchisor fails to deliver the product(s), equipment, or supplies necessary to begin substantial operation of the Business within 45 days after the delivery date stated in your contract, you may notify the Franchisor in writing and demand that the contract be cancelled.

We do not guaranty that you will derive income from the business opportunity that exceeds the price you paid for the business opportunity.

ADDENDUM TO LITTLE KITCHEN ACADEMY USA, INC.
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF WASHINGTON

1. Item 5 of the Disclosure Document is supplemented by the following language:

Based on our audited financial statements, as a condition to becoming registered to offer and sell franchises in the state of Washington, the Washington Division of Securities has required financial assurances. We will defer your obligation to pay the initial franchise fee until you are open for business and we have completed our pre-opening obligations. Therefore, during the period that such fee deferral requirement is in effect ("Fee Deferral Period"), you will not be required to pay the initial franchise fee until we have completed our pre-opening obligations to the franchisee and the franchise is open for business. Immediately upon notice from us that the Fee Deferral Period has ended, you must pay the full initial franchise fee as contemplated by Item 5 of the disclosure document.

2. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail

3. RCW 19.100.180 which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

4. A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

5. Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

6. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

7. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

Each provision of this addendum shall be effective only to the extent that the jurisdictional requirements of the Washington Franchise Investment Protection Act, with respect to each such provision, are met independent of this addendum. This addendum shall have no force or effect if such jurisdictional requirements are not met.

ATTACHMENT D

STATE EFFECTIVE DATES

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated

State	Effective Date
California	Pending
Illinois	Pending
Washington	Pending

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

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 Little Kitchen Academy USA, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Applicable state laws in (a) Connecticut and Michigan require us to provide you the disclosure document at least 10 business 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, (b) New York requires us to provide you the disclosure document at the earlier of the first personal meeting or 10 business 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, and (c) Iowa and Maine require us to provide you the disclosure document at the earlier of the first personal meeting or 14 days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

If Little Kitchen Academy USA, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and any applicable state agency (as listed in ***Attachment A*** to this disclosure document).

The name, principal business address, and telephone number of each franchise seller offering the franchise follow:

Name	Principal Business Address	Telephone Number
Brian Curin	3744 W. 10th Ave. Vancouver, B.C. V6R 2G4	(604) 928-0629

Issuance Date: April 12, 2021

I received a disclosure document dated April 12, 2021. The disclosure document included the following Exhibits and Attachments:

Exhibit A	Financial Statements
Exhibit B	Franchise Agreement, including attachments and state-specific addenda
Exhibit C	List of Franchisees
Exhibit D	Franchisees Who Have Left the System
Exhibit E	Manual Table of Contents
Exhibit F	Form of General Release
Attachment A	List of State Administrators
Attachment B	Agents for Service of Process
Attachment C	State Specific Addenda to Franchise Disclosure Document
Attachment D	State Effective Dates

Dated: _____

_____
Individually and as an Officer of the company designated below or a company to be formed and designated below on formation

_____
Printed Name

of _____
(a _____ Corporation)
(a _____ Partnership)
(a _____ Limited Liability Company)

[Keep this page for your records]

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Dated: _____

_____
Individually and as an Officer of the company designated below or a company to be formed and designated below on formation

_____
Printed Name

of _____
(a _____ Corporation)
(a _____ Partnership)
(a _____ Limited Liability Company)

[Sign and Return this page]